

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

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Special Distribution

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COTTON TEXTILE IMPORTS INTO THE UNITED KINGDOM

Addendum

The attached aide-memoire has been received by the Director-General from the United Kingdom mission for circulation to the members of the Cotton Textiles Committee.

AIDE-MEMOIRE TO SUPPLYING COUNTRIES  
ON UNITED KINGDOM IMPORTS OF COTTON  
TEXTILES

1. In September 1965, the United Kingdom Government presented to the governments of other countries an aide-memoire<sup>1</sup> containing proposals for the regulation of imports of cotton textiles into the United Kingdom during the period 1966-70. These proposals were discussed in the GATT Cotton Textiles Committee in December 1965<sup>2</sup> and the United Kingdom held further bilateral discussions with certain countries in February and March<sup>3</sup> this year. Following these discussions, modifications to the original proposals<sup>3</sup> were presented to the Cotton Textiles Committee and considered by that Committee on the 21 and 22 April 1966.<sup>4</sup>
2. The modifications provided for more flexible administration of the licensing and category controls and for an addition of 10 per cent to the quotas for piece-goods and made-up goods available to those countries included in the global quota. Half of this additional yardage was offered in the form of special country quotas for finished cloth and made-up goods in order to meet the problems of the fashion trade to which certain importing countries had drawn particular attention.
3. During consideration of the modified proposals at the April meeting of the Cotton Textiles Committee, a suggestion was made that the United Kingdom arrangements should go further in the direction of country quotas; that, in order to give a guarantee of a minimum volume of trade to particular countries, part of the global quota should be allocated in the form of country quotas at a level equal to half the average imports into the United Kingdom in the years 1962-64 from the countries concerned. The United Kingdom delegation indicated that the United Kingdom Government would choose between the global system and the part country quota, part global system in the light of preferences expressed by exporting countries; and invited these countries to make their views known to the United Kingdom authorities by the middle of May.
4. In the event the views of some countries were received only after a considerable further delay. A substantial majority of interested countries expressed a preference for the part country quota, part global system. The United Kingdom has, moreover, taken into account that many countries had urged in earlier bilateral discussions, that a country quota system of regulation should be applied and pointed to disadvantages to their trade which they feared

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<sup>1</sup>See document COT/59

<sup>2</sup>See document COT/M/5, paragraphs 116-152

<sup>3</sup>See document COT/59/Add.1

<sup>4</sup>See document COT/M/6

from a global system of regulation. Accordingly the United Kingdom Government have decided to adopt the course favoured by a majority of countries and to put the part country quota, part global system into operation.

5. The following paragraphs describe the arrangements now to apply to imports of cotton textiles into the United Kingdom in place of the interim scheme introduced at the beginning of 1966.

6. The total trade available for global quota countries in 1966 will be 8.5 million lbs. of yarn and 131 million square yards of piece-goods and made-up goods.

#### Division of the quotas

7. These amounts will be divided as follows:

<u>Sector</u>	<u>Yarn</u> (million lbs.)	<u>Piece-goods and made-ups</u> (million square yards)
Global quota	4.25	65.5
Country quotas	4.25	59.5
Special country quotas	-	6.0*

\*Finished cloth and made-up goods.

#### The global quota

8. The greater part of amounts included in the global quota sector were made available in licences issued to United Kingdom importers early in 1966 under the interim arrangements. In order, however, to provide for the further 6 million yards to the greycloth quotas, importers are being invited to apply for the licences which they hold to be increased pro rata to the total addition.

#### Individual country quotas

9. The country quotas will be allocated to each country for yarn, greycloth, finished cloth and made-up goods at a level equal to half of the United Kingdom imports of cotton textiles from that country in the years 1962-64. These quotas will include ceilings on imports of particular categories of cotton textiles. The category ceilings will be determined by the pattern of trade in 1964. Details of these country quotas, the revised list of categories and the category ceilings are being communicated to exporting countries.

#### Special country quotas for finished cloth and made-up goods

10. The special country quotas for finished cloth and made-up goods will be set at the level of 500,000 square yards per country, where average trade in the years 1962-64 reached this level. Except where past trade was very small,

quotas in other cases will be the average of United Kingdom imports of finished cloth and made-up goods from the country concerned in the years 1962-64. Exporting countries are being notified of their special countries quotas. Special country quotas will not be subject to detailed categorization but in principle not more than 20 per cent (or where the special country quota is less than 500,000 square yards, not more than 100,000 square yards) of any such quota may be authorized for any one of the categories for finished cloth and made-up goods. The United Kingdom would, however, be prepared to consider special cases in which exporting countries desire to exceed these ceilings for particular categories.

#### Administration

11. In order to provide a reasonable measure of flexibility in the global and country quotas (including the special country quotas) importers or exporters as the case may be:

- (a) may use entitlement for any category for non-sensitive goods in the same group (for example quota for bed linen may be used for other made-up goods apart from other specified items such as shirts, handkerchiefs etc.);
- (b) may anticipate in any year up to  $8\frac{1}{2}$  per cent of the entitlement for the following year.

#### Growth

12. All group and category ceilings will be increased by 1 per cent in 1967 and in each year thereafter until 1970.

1 July 1966

Board of Trade,  
1, Victoria Street,  
London, S.W.1.

ANNEX ARelevant tariff headingsGroup A - yarn

- |                            |                           |
|----------------------------|---------------------------|
| 1. Folded grey or finished | ex 55.05, ex 55.06        |
| 2. Other                   | 52.01, ex 55.05, ex 55.06 |

Group B - greycloth

- |   |                              |
|---|------------------------------|
| 3. Drills, jeans and gaberdines                                     | ex 55.09                     |
| 4. Poplins  | ex 55.09                     |
| 5. Other fabrics over 46 ins. in<br>width but not exceeding 60 ins. | ex 55.07, ex 55.08, ex 55.09 |
| 6. Other fabrics exceeding 60 ins.<br>in width                      | ex 55.07, ex 55.08, ex 55.09 |
| 7. Other n.c.s.   | ex 55.07, ex 55.08, ex 55.09 |

Group C - finished cloth

- |   |   |
|---|---|
| 8. Terry towelling and similar<br>terry fabrics | ex 55.03  |
| 9. Corduroys                                    | ex 58.04  |
| 10. Poplins                                     | ex 55.09  |
| 11. Other yarn-dyed piece-goods                 | ex 55.09  |
| 12. Other bleached piece-goods                  | ex 55.09  |
| 13. Other printed piece-goods                   | ex 55.09  |
| 14. Other n.e.s.                                | ex 55.09, 52.02, ex 55.07, ex 58.04,<br>ex 58.10, ex 59.07, ex 59.08, ex 59.09,<br>ex 59.11, ex 59.12, ex 59.13 |

Group D - made-up goods

- |  |   |
|--|---|
| 15. Bed linen  | ex 62.01, ex 62.02  |
| 16. Towels   | ex 62.02  |
| 17. Men's and boys' shirts                                   | ex 61.03  |
| 18. Men's, women's and children's<br>nightwear and underwear | ex 61.03, ex 61.04  |
| 19. Raincoats and other proofed<br>garments                  | ex 61.01, ex 61.02  |
| 20. Handkerchiefs  | 61.05   |
| 21. Men's and boys' coats, waistcoats<br>and trousers        | ex 61.01  |
| 22. Other n.e.s.   | ex 61.01, ex 61.02, ex 61.04, ex 61.06,<br>ex 61.07, ex 61.08, ex 61.10, ex 61.11,<br>ex 59.14, ex 59.15, ex 59.16, ex 59.17,<br>ex 62.02, ex 62.04, ex 62.05, ex 61.09 |

Licensing arrangements

Import licences will be issued against export authorization by the ..... authorities. The ..... authorities may authorize licensing by consignment or, if it is more convenient, they may nominate a United Kingdom importer to receive an import licence for all or part of the country quota.

Export authorizations should give the following information:

- (i) Name and address of the United Kingdom importer;
- (ii) Full description of the goods;
- (iii) Category into which the goods fall (see Annex A);
- (iv) Quantity (yarn in lbs., piece-goods and made-ups in actual square yards);
- (v) A statement that the goods are to be counted against the country quota or special country quota as the case may be;
- (vi) Where appropriate, the name of the ship or flight number by which the consignment will arrive.

A recommended form of export authorization is attached at Annex B. Export authorizations should be addressed to the Import Licensing Branch, Hillgate House, 35 Old Bailey, London, E.C.4., United Kingdom.

ANNEX B

Importers name and address

Order No.

Supplier/exporter - name and address

We hereby certify that you have concluded a contract for the following goods:

Full description

c.i.f. value (£)

Quantity\*

Yardage/lbs.

Ship/flight name/No.

This amount will be set out against category No.                      of country/special country quota                      This certificate entitles the holder to apply for the import licence.

Licensing Authority

\*Note: This is the quantity expressed in the units (numbers, dozens, etc.) used in the United Kingdom import list. Where this cannot conveniently be completed by the licensing authority it will be the responsibility of the importer to provide the information on the application for the import licence.