

GENERAL AGREEMENT ON TARIFFS AND TRADE

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COTTON TEXTILES COMMITTEE

Meeting of the Committee on 26-29 September 1966

Summary by the Chairman on Further Procedures to be Followed in Connexion with Article 8(d) of the Long-Term Arrangement

The Chairman, at the conclusion of the discussion of item 2 on the agenda, said that the essence of the procedural proposal which he had made - and which had received a large measure of support - was that, between now and the latter part of November, there should be bilateral negotiations between interested countries, the objective of which would be to determine the conditions in which the Long-Term Arrangement would operate in the event of it being renewed. The fact that the Long-Term Arrangement itself provided for consideration to be given to the future of the Arrangement far in advance of its expiry, implied that these bilateral negotiations should be conducted expeditiously and rapidly.

A suggestion had been made that these bilateral negotiations should be centred in Geneva and that they should be co-ordinated with the assistance of the secretariat. Those members of the Committee which wished to enter into bilateral negotiations should, therefore, notify the secretariat which would assist delegations in setting up a schedule of negotiations, bearing in mind the time-table within the limits of which the negotiators would be operating. The representative of the European Economic Community had indicated that those countries wishing to enter into negotiations with the Community should make contact with the spokesman of the Community (for the period in question the representative of the Netherlands) who would ensure, in consultation with the secretariat of the Council of Ministers, adequate representation to permit effective negotiations.

It had also been proposed that the Committee should endeavour to agree on certain guidelines or standards. It was doubtful whether it would be practicable or feasible to try to reach agreement on such understandings during the present meeting. It was the feeling of the Chairman that an equally valid course would be to await the results of the bilateral discussions, and then to examine, against the background of these discussions, the possibility of formulating understandings which could be agreed upon, and which would both reflect the intentions of individual countries as regards the operation of the Long-Term Arrangement in the future in the event of its renewal - and also, as

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it were, give a kind of multilateral recognition of these intentions - and assist in a decision being reached under Article 8(d) of the Arrangement at the Committee's next meeting beginning on 28 November 1966.

Reference had also been made, during the present discussions in the Committee, to negotiations on tariffs on cotton textiles in the context of the Kennedy Round. It had been suggested that these negotiations had been suspended until the future of the Long-Term Arrangement was determined. The understanding of the Chairman was that, when this matter had last been discussed in the context of the package deal, it was left that the negotiations on tariffs on cotton textiles should proceed in the normal course of the Kennedy Round, it being understood that some importing countries might make any tariff reductions agreed upon conditional on the extension of the Long-Term Arrangement. The Chairman hoped, therefore, that those exporting countries seeking such tariff reductions would pursue their attempts in this direction and not wait until the future of the Long-Term Arrangement had been decided upon. There was a strict time-table for the Kennedy Round and the next few months would be a critical period and it would be unfortunate if, because of the concurrent discussions under Article 8(d) of the Long-Term Arrangement, countries refrained from discussing tariff reductions on cotton textiles in the Kennedy Round.