

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SUMMARY RECORD OF THE SEVENTH MEETING

Held at the Palais des Nations, Geneva, on
Friday, 13 March 1964, at 3 p.m.

Chairman: Mr. J.H. WARREN (Canada)

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Subject discussed: Trade in cotton textiles (cont'd)

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Trade in cotton textiles (cont'd) (L/2135)

The CHAIRMAN recalled that at the fifth meeting, the Executive Secretary, in his capacity as Chairman of the Cotton Textiles Committee, had presented the Committee's report (L/2135), on its first annual review of the operation of the Long-Term Arrangement Regarding International Trade in Cotton Textiles.

Mr. GARCIA OLDINI (Chile) drew attention to the need for a clarification of the relationship between the Cotton Textiles Arrangement and the General Agreement. He said that his delegation had always been concerned that excessive use might be made of the concept of market disruption, and had been disturbed by the measures which might be designed to deal with such a situation. The point made by the delegate of Brazil at the fifth meeting had demonstrated that his delegation had been correct in being pre-occupied with this matter. He hoped that some clarification would be given as soon as possible.

Mr. BOSCH (Uruguay) said that the delegate of Brazil had introduced a very concrete case into the debate and his delegation had been disturbed by the statements which had been made by the developing countries concerning the operation of the Long-Term Cotton Textiles Arrangement. It seemed that the first example of this type of arrangement did not offer very promising possibilities. As had been pointed out by the representative of Chile, the question raised by the delegate of Brazil had emphasized the contradiction between the Cotton Textiles Arrangement and the GATT. As far as his delegation was concerned if there should be any contradiction between the two, then the GATT should prevail. Mr. Bosch added that the Arrangement was set up to deal with a special situation and was intended to be of a provisional character.

He hoped that it would not turn out to be permanent as had been the case with certain other provisional arrangements. As to the specific point made by the representative of Brazil he considered that it was a question of principle and should be clarified.

Mr. LERENA (Argentina) said that the delegate of Brazil had referred to a situation which was also of great concern to the Government of Argentina. His Government had also been subjected to restrictions on the trade of certain products in order to avoid so-called disruption of markets. He did not consider it possible that exports of these products from Argentina should cause or threaten to cause damage to the industries in countries with very large markets. It was not the intention of his delegation to discuss this matter on the present occasion, as it could be dealt with in bilateral talks. If, however these talks did not give favourable results then his delegation would be obliged to resort to the competent bodies of the GATT.

Mr. Lerena said that there were certain practices which aggravated the division of the world into rich and poor nations. As soon as developing countries were industrialized to the point where they could become competitive, obstacles were put in their way. Provisional arrangements should not be used to jeopardize the production of the developing countries because they were trying to diversify their production following objectives pointed out or advised by the very countries now applying restrictions. It was illogical that powerful industrialized countries should not allow developing countries to compete in the industrial field on the basis of sheer efficiency. It was contrary to the very spirit of the General Agreement that member countries should be effected by quantitative restrictions because they were not parties to another type of agreement.

Mr. KHAN (Pakistan) congratulated the Executive Secretary for having submitted a judicial and thorough report. He regretted that the Committee with the best of intentions had not achieved any positive results at its last meeting. Mr. Khan said that the Cotton Textiles Arrangement with its marked limitations had been agreed on by the developing countries on the understanding that sooner or later the developed countries would adjust their affairs with a view to providing bigger export markets for cotton textiles originating from the developing countries. It was true that a few of the importing countries were faced with difficulties but he maintained that a little more elbow room on their part would go a long way to accommodate the developing countries in mitigating their urgent and massive problems. He therefore appealed to the countries concerned to deal with the problems in a pragmatic way so as to provide relief for the developing countries as soon as possible.

Mr. MANI (India) felt that the report of the Cotton Textiles Committee made depressing reading and the experience of the working of the Long-Term Arrangement was frustrating. Contracting parties appeared to have overlooked the fact that the Arrangement had been entered into, not with a view to imposing restrictions not warranted by the general trading rules of the GATT on international trade in textiles, but with the object of securing its orderly expansion. In actual practice the objective of expansion seems to have fallen out of its central space and the interests of the existing order in the developed importing countries seemed to have assumed undue prominence. There was a growing conviction in his delegation that the Arrangement to which his Government had voluntarily and freely subscribed had given unforeseen opportunities to entrenched interests to deny to their consumers in their own national economies and to the international trading community the benefits which flowed from the wind of change of competition, and the diversification and development of the economies of other countries. Under pressure from domestic interests national governments seemed to be helplessly propelled to adopt complex procedures and administrative refinements which had had the unintended effect of making it impracticable for producers in developing countries to develop trade in items of interest to them on a commercial basis. The intention behind the Long-Term Arrangement was not to reduce the extent of existing access to exports of traditional products which had acquired commercial value built up over a period of time. The assumption of low-cost production seemed to indicate that this was no longer true. It might be recalled that another international agency had reached this conclusion based on proper assessment of the situation. It might also be repeated that no evidence was found that the wages of textile workers were unfairly low in comparison with other incomes. These assessments should be recognized so that the participating countries might create conditions favourable to the relaxation of restrictions as envisaged in the Long-Term Arrangement. The problem of the textile industries in the industrially advanced countries may be traced to costs and could not be ascribed to the alleged unfair competition from low wages producers. In this connexion his delegation welcomed the proposal to negotiate studies on cost comparison as well as those relating to notification procedures and the collection of comparable and up-to-date statistics.

Mr. Mani went on to say that handloom products should be equally considered by the Cotton Textiles Committee. These products which had peculiar features were of considerable social importance. The justification for excluding handloom textile products from the Arrangement as a whole was still not understood by his delegation. He would urge that tariffs on handloom textile products be removed. On the question of certification

his delegation contended that the government certificate should be accepted as adequate proof that the particular consignment consisted of handloom fabrics. His Government had taken all possible care to ensure that only genuine handloom fabrics were certified by the appropriate agency concerned. His delegation had no objections to any discussion on the details of the system and if it were absolutely unavoidable would be prepared to consider any reasonable proposals for observation of its working. Mr. Mani added that his delegation had given considerable attention to the performance of greys in the export market. This product was used as a raw material and should for all practical purposes be treated as such; greys should therefore be free from quotas and other controls.

Referring to the problems facing the textile industries in the industrially advanced countries Mr. Mani said that structural developments were taking place and traditional industries could not but be affected by metamorphosis of industrial complex. Adaptation, retraining, mobility of labour and modernization of the overall economy were steps in the ladder of technological transformation; these problems had to be squarely faced. In this connexion he welcomed the valuable remarks made by the Chairman of the Cotton Textiles Committee in introducing his report, and if necessary his delegation would be prepared to render all assistance in dealing with this matter. In conclusion his delegation attached the greatest importance and entertained the highest hopes that the forthcoming Kennedy Round of trade negotiations would confer benefits to the cotton textiles, the foreign exchange earner for the less-developed countries in the category of simple manufactured goods.

Mr. PROPPS (United States) said that the Long-Term Cotton Textiles Arrangement represented a joint venture by a group of friendly nations to pursue policies in the cotton textile trade which would minimize injury to an important sector of the national economies of certain countries by avoiding disruption of trade, at the same time providing for growing trade opportunities. Mr. Propps said that he had noted the observations of the previous speakers, particularly representatives of developing countries, and he believed that the discussion had high-lighted the concern of countries both members and non-members of the Cotton Textiles Arrangement. He felt that the discussion had been useful and he would draw the attention of his Government to the views which had been expressed, particularly those which had made reference to the rôle of the United States in its application of the Arrangement. His Government had found the December meeting a fruitful one and had welcomed the frank exchange of views which had taken place there. The United States accepted the conclusions contained in the report

and had accordingly scheduled bilateral consultations with a number of exporting countries including India and Pakistan to discuss the entire range of trade in cotton textiles. The United States had continued to negotiate bilateral agreements under Article 4 of the Arrangement with its important suppliers making possible a more orderly development of trade than could be achieved under Article 3. Since the Committee met in December, the United States had negotiated a Four-Year Agreement with the Republic of the Philippines and was also close to arriving at an agreement with Portugal. Proposals for the negotiations of agreements had been made to the Governments of Korea and Yugoslavia. As far as Portugal was concerned the conclusion of a bilateral agreement with that country would mean that about 75 per cent of United States cotton textile imports would be governed by bilateral agreements under the Long-Term Arrangement.

Mr. Propps recalled that imports of cotton textiles by the United States from the developing countries had increased considerably in recent years. In 1961 the United States imported 455 million square yards from developing countries. In 1962 the year of the Short-Term Arrangement, this figure had increased to 634 million square yards, an increase of some 39 per cent. In 1963 imports from the developing countries reached 718 million square yards, an increase of 13 per cent over the preceding year and 58 per cent over 1961 which had been the base year of the Long-Term Arrangement. Imports from developing countries accounted for 85 per cent of the increase of 310 million square yards from all sources in 1963 whereas in earlier periods the developing countries accounted for a little over a half the total imports of cotton textiles by the United States. Until recent times the United States had been a considerable net exporter of cotton textiles. This situation had changed to the extent that in 1963 the United States exports of cotton textiles fell by 10 per cent and reached the lowest level since 1940. These figures indicated that the United States was a growing market for cotton textiles from developing countries and that the net position of its own industries in the world market and its own was changing particularly with respect to the export of cotton textiles from developing countries. This adjustment was not easy since the textile industry in the United States was the largest employer of labour in manufacturing industry and had suffered in the first six months of 1962 an unemployment rate of 9.5 per cent in apparel and 6.9 per cent in textile and mill products. These unemployment rates were considerably higher than the overall national rate. In spite of and at the risk of intensifying these domestic problems, the United States had made a meaningful contribution to the expansion of trade in cotton textiles under the Long-Term Arrangement. While everyone understood the need for adjustment and the need for expanding exports of the developing countries each one should bear in mind that they should do the best they could. His Government was confident that for its part it would continue to endeavour to have the Arrangement work in such a way as would be creditable to a contracting party to the GATT.

Mr. GUERRA (Portugal) thanked the Executive Secretary for the report and for the very pertinent comments he had made when its discussion began a few days ago. He recalled that the Long-Term Cotton Textiles Arrangement was accepted by Portugal with great reluctance as its terms could not be considered in line with the objective of achieving expansion of trade and international division of labour. As a participant in the efforts made at the end of the war to liberalize international trade, Portugal had regretted strongly that international pressure resulted in forcing the contraction of the production capacities of a very promising Portuguese industry. In this connexion it was recalled that less-developed countries had been driven to dismantle trade barriers against imports coming from the highly industrialized countries only to be invited at a later stage to reduce their own industrial exports to the countries from which they had imported the equipment used in their factories. Nevertheless, as unfortunately philosophy, and even rules of law, sometimes had to give way to the hard facts of life, the Portuguese Government had agreed to voluntarily limit the development of its cotton textiles trade in the hope that the spirit of the Arrangement's preamble would be observed and that the administration of the Arrangement would be a liberal one. His Government continued to comply with what had been agreed, even though contradictions were noted between the general purposes of the Arrangement as defined in the preamble, and the limited interpretation given to it in some cases by the importing countries. He hoped, however, that the differences noted would be corrected by bilateral consultations. He added that a new problem had arisen - the problem of the newcomers - which certainly deserved careful attention. In fact, some new exporters of textiles entered the field of international trade after the Arrangement had been signed and consequently their situation should now be examined in a sympathetic manner, without losing sight of the fact that international solidarity implied for the highly industrialized countries a permanent attention to the needs of those countries which were slower in so far as industrial progress was concerned. As a matter of fact, it would be cheaper for the leading countries to help by way of trade than to find a posteriori remedies, which were always very expensive, for correcting the economic disturbances eventually brought about by short-sighted restrictions on trade.

Mr. Guerra said he was aware that some members might consider themselves entitled to invoke Article XIX whenever they considered that their internal markets were being more or less disturbed by the competition from textile products coming from other GATT countries, but he wished to point out that such weapons should never be used without serious consideration. Furthermore he would like to emphasize that in this delicate matter no highly industrialized country should go a step further than would be absolutely unavoidable. He hoped that problems arising in this connexion would be examined by way of bilateral consultations, provided that those consultations would have in view the obligation to avoid preventing the less-developed countries from developing and diversifying their economies.

Mr. VALLADAO (Brazil) said that in his statement the delegate of the United States had referred to the obligations of his Government under the Long-Term Cotton Textiles Arrangement, but the Brazilian delegation was really concerned with the obligations under the General Agreement. The United States delegate had mentioned that the problems referred to by the less-developed countries could be solved bilaterally. However, in the view of the Brazilian delegation this approach was contrary to the GATT since the very idea of GATT was to remove bilateralism. He had to admit therefore that the reply of the United States delegation from the GATT point of view was not satisfactory. His delegation hoped that some aspects which he had mentioned would be reconsidered by the United States Government. If no results were obtained, his delegation might consider turning to the GATT and its provisions for compensation against the damages suffered.

Mr. SAKELLAROPOULO (Canada) said that the Long-Term Arrangement had worked fairly well for Canada and his Government had not had any disputes with any country over the Arrangement. Canada had made very sparing use of the Arrangement, and although exempted from the growth provisions had granted increases in categories under restraints. It appeared to him from the discussion that the part Canada had played in implementing the Arrangement had not been sufficiently recognized. The Canadian Government had been subjected to very severe pressures from its domestic industry to use the Arrangement. The Government was trying to resist these pressures and had therefore expected that the developed countries who had made use of the Arrangement would have applied it in such a way as to give Canada some assistance in resisting the pressure from its domestic industry.

Mr. COLLYMORE (Jamaica) said that after he had listened to the statement by the United States delegate he was convinced more than ever that the Long-Term Arrangement should not be renewed on its expiry. The figures he had given regarding the rise in United States imports of cotton textiles from 1961 to 1963 looked very impressive on the surface. However, when one took a closer look at the picture one observed that the percentage increases related to imports which formed a very small share of the total United States domestic consumption of cotton textiles. The United States Government had stated that it had been avoiding market disruption by limiting the exports of many less-developed countries; this was an interpretation of market disruption that was unacceptable under the Long-Term Arrangement. Mr. Collymore drew attention to the fact that in the case of his country the entire range of cotton textile categories had been deemed by the United States to be disruptive of its cotton textiles market. This was a very difficult situation to accept and his delegation hoped that in any special measures allowed outside the General Agreement, due attention would be given to the plight of the less-developed countries which were affected by the application of the Long-Term Arrangement, with a view to alleviating the situation by 1967.

Mr. RYDFORS (Sweden) said that his delegation was in full agreement that imports of cotton textiles into industrialized countries from less-developed countries should increase, and that long-term structural changes were called for to satisfy economically competitive cotton textile industries in less-developed countries. Sweden was trying to live up to this philosophy, and hoped that all industrialized countries would do the same. In this context it should be noted that a small market like Sweden was particularly sensitive to supplies on the world market of great quantities of textiles which could not be sold in other markets. Sweden had loyally fulfilled its obligations in accordance with the Cotton Textiles Arrangement and had not invoked it to curtail imports. In comparison with its domestic production Sweden was importing a considerable volume of cotton textiles, and the share of the developing countries in these imports was very substantial. Sweden's cotton textile imports had increased considerably since the last world war and the Swedish industry's share of the supply to the local market had decreased. This should be seen as a function of a contraction of the Swedish cotton textile industry. These developments in Sweden had been brought out in more detail during the deliberations of the Cotton Textiles Committee.

Mr. PROPPS (United States) said that he had taken note of the comments made by the representative of Brazil and would convey them to his Government.

Sir EDGAR COHEN (United Kingdom) said that it appeared from the discussion and from the statement made by the delegate of Brazil that the Long-Term Arrangement had not given universal satisfaction. The purpose of the Arrangement was a sound one but it was necessary for the Arrangement to be applied in the right spirit. The remarks made by delegates from developing countries had drawn attention to the real difficulties which may be occasioned for them if the Arrangement was not applied in the spirit as well as in the letter. He was of course conscious that the importing countries also had their duties. In his view the most constructive contribution that developed importing countries could make in response to efforts of the exporting countries in restraining and regulating their exports, was to proceed to some effective structural re-organization of their domestic cotton textile industries so that in the long run they would provide improved access for the exports of less-developed countries. In this connexion, the Government of the United Kingdom had given a considerable amount of money to the local cotton textile industry in an effort to enable it to change its structure and equipment in line with the changing circumstances of world trade.

Sir Edgar Cohen said that in 1959 legislation was introduced which gave effect to schemes for scrapping surplus capacity in the cotton textile industry and for closing unprofitable mills. This action was made a condition for the granting of government aid. It was significant that, as a result, over one third of the British spindles and looms were scrapped at a cost to the British Government of over £11 million in compensation. The Government would also be paying £10 or £15 million towards the cost of approved schemes of modernization and re-equipment. It was hoped that a smaller but efficient industry would take shape in a way which would enable the United Kingdom authorities in due course to justify the very generous policies that they had hitherto pursued in admitting imports from developing countries. The breathing space afforded by the Long-Term Arrangement should be used constructively to secure the structural adjustments of the industries in the developed importing countries. If this approach were followed by all there would be some reasonable hope for the less-developed countries that the restraints they were applying under the Arrangement were making possible long-term rearrangements which would open the way for the renewal and ultimate expansion of their trade. Due emphasis should therefore be given to reconstruction and reconversion of the cotton textile industries in the developed countries.

Mr. VALLADAO (Brazil) thanked the delegate of the United States for his intervention. He was pleased to note that the points raised by the Brazilian delegation would be conveyed to the United States Government and he hoped that this would lead to an eventual reconsideration of the action already taken by that Government. Commenting on the statement made by the delegate of Canada Mr. Valladao hoped that Canada would continue to conduct its cotton textile policy in the way the Canadian delegate had described. He also thanked the delegate of Sweden for his statement. The Swedish Government, he said, had been following a very good path and deserved the gratitude of contracting parties.

Mr. AOKI (Japan), referring to the remarks made by previous speakers on the subject of the structural adjustments and the future development of the cotton textile trade, said that his delegation fully recognized the importance of structural adjustments. At the last meeting of the Cotton Textiles Committee the Japanese delegation had taken an active part in the debate on this question and the remarks made by his delegation on that occasion were summarized on page 12 of the Committee's report (L/2135). The Japanese delegation had stated that the Japanese industry was considering a substantial reduction in the number of spindles but that Japan would not be eager to proceed to an eventual dismantlement of the industry. Japan realized that structural adjustment of the cotton textile industry in the developed countries would help the expansion of export earnings of less-developed exporting countries. This had been taken into account in examining the possibility of industrial adjustment. He hoped that his delegation would be able to report on the development and progress made in this field by the Japanese industry at the next meeting of the Cotton Textiles Committee.

The EXECUTIVE SECRETARY said that it was proper for a discussion by the CONTRACTING PARTIES on the annual report of the Cotton Textiles Committee to be regarded as an occasion for a serious search of conscience and he considered that the tone and moderation of what must necessarily have been a painful item of business had been worthy of the best traditions of the CONTRACTING PARTIES. As he had indicated in introducing the discussion, the undercurrent of deep concern which many countries felt about the Cotton Textiles Arrangement itself and the method of its operation had understandably found an echo in the meeting of the CONTRACTING PARTIES and it was right that that should be so. It was important to recall the circumstances in which this somewhat unorthodox contract had been entered into. It was entered into at a time when in certain markets, and in particular one very important market which had hitherto been without restrictions on cotton textile imports, the concentration of exports had had the effect of creating domestic pressures for the introduction of restrictions of so powerful a nature as to be judged by the governments of the countries concerned to be pressures of an almost irresistible character. At the same time there were also a number of countries in important importing regions which had applied relatively severe restrictions on imports and which had not seemed to be yielding to the normal pressures of the GATT for their removal. In the judgment of those who had participated in the drawing up of the Short-Term and Long-Term Arrangements it was thought that it would be wiser to work out an arrangement by which these matters would not be settled by unilateral action but that genuine effort would be made for international co-operation to overcome these difficulties in such a way as to allow an orderly growth of exports particularly from the developing countries. The arrangements were entered into on the understanding that while there would be risk of some threat to certain markets and to the immediate rate of growth, there would also be action in markets which were themselves subject to severe restrictions to alleviate the restrictions which were applied. It was therefore part of the transaction that where import markets were at present subject to restrictions, these restrictions should be progressively removed, a process which was of course taking place in accordance with the conditions inscribed in the Arrangement on that particular point. In other words, the exporting countries gambled that in exercising a certain amount of moderation in pursuing their full rights under the General Agreement for the purpose of moderating the impact of a large volume of exports on particular markets, this was done on the understanding that this moderation would be matched by a genuine effort on the part of the importing countries to provide for a steady and orderly growth.

The Executive Secretary recalled that in his introductory remarks he had mentioned that in addition to the breathing space which would have been gained by the importing countries there would be serious consideration of structural readjustment which would make it unnecessary to renew the Long-Term Cotton Textiles Arrangement, and unnecessary to impose restrictions incompatible with

the letter and spirit of the General Agreement. Despite the apprehensions which had been voiced during the present discussion and which had been entertained by some from the very beginning, it seemed too early to say that the decision to set up the Arrangement was a bad one. He was inclined to think at the present moment that it had been the right course to take. However, if as things developed, exporting countries felt that the Arrangement was not being operated in accordance with its spirit it was within their power to bring it to an end within sixty days. A great deal of emphasis had understandably been placed on the extent to which the basic judgments which led to the application of the restrictive provisions of the Arrangement were left in the hands of the importing country. This was of course a natural outcome of the political problem which confronted the importing country. On the other hand, the possibilities were open to all to try to strengthen the rôle of the Cotton Textiles Committee in the administration of the Arrangement and to strengthen the multilateral character of the Arrangement. The procedures for fuller consultations to which he had referred in presenting the report of the Cotton Textiles Committee and which were already being applied by the United States, could be of great importance in overcoming the difficulties and apprehensions which had been expressed. It was therefore a matter of some importance when the Cotton Textiles Committee convened for its second meeting to see how far these consultation procedures, which were intended to underline and re-emphasize the co-operative nature of the Arrangement, had in fact worked out during the second period of the operation of the Arrangement.

The Executive Secretary said that he was pleased that the representative of the United Kingdom had taken up the point of structural adjustment in such forthright terms. As he had said previously he was disappointed that this matter had received a somewhat cursory attention at the first meeting, but this was perhaps not altogether surprising. However, it would be more surprising if this subject occupied such a secondary rôle in further meetings. He hoped that on the basis of the material which the secretariat had been instructed to collect, there would now be a serious examination of these problems, an exercise which he regarded as being a most important and constructive element in the Long-Term Arrangement and in the work of the Cotton Textiles Committee.

With regard to the question of non-participants there was no doubt that an arrangement entered into between a group of contracting parties would in no way affect or modify the right of other contracting parties who were not parties to that arrangement. If therefore any action were taken by a party to the Cotton Textiles Arrangement with respect to the trade of a non-participant, the existence of the Long-Term Arrangement formed no impediment whatever and had no bearing whatsoever upon the validity of that action under the General Agreement.

A country which considered its interests adversely affected by such action was perfectly free at any moment to invoke the appropriate provisions of the Agreement and to bring before the CONTRACTING PARTIES any measure which in the view of that country constituted a violation of the General Agreement. Even as regards participants in the Arrangement, their participation in it was a voluntary waiver of their rights under the General Agreement in so far as they were satisfied that the object of this voluntary limitation on their part was being honoured. In the event that any partner to the Arrangement felt that abusive use was being made of the Arrangement his rights to complain about restrictions were by the express terms of the Long-Term Arrangement itself, not affected by the existence of the Arrangement and the rights of ultimate appeal and complaint to the CONTRACTING PARTIES in respect of the restrictions which were inconsistent with the General Agreement remained basically unimpaired. The problem of non-participating countries was an inescapable one. If an importing country either by action in its own market or by some arrangement with its suppliers which were participants to the Arrangement decided to invoke it in such a way that there were restrictions voluntary or otherwise on the exports of participating countries there was a certain duty to see that the restraint which they exercised under the Arrangement did not result in an uncovenanted advantage to a non-participant. It was almost inevitable that as soon as the Arrangement was invoked by an importing country against parties to the Arrangement there was a certain vacuum created in its market into which supplies from other countries not participants would flow. This was in many respects one of the inevitable disadvantages of a restrictive arrangement of this kind. Perhaps this was a happy fact since restrictive arrangements ought always to have evident disadvantages. However this did create a dilemma and as a matter of equity it did seem that countries which had exercised a degree of restraint should not see that restraint translating itself into advantage for another country which for better or worse judged that the defence of its interest was best served by remaining outside the Long-Term Arrangement. The Executive Secretary concluded that as Chairman of the Cotton Textiles Committee, it would be his task to convey fully to the Committee the tenor of the debate and the discussions in the CONTRACTING PARTIES which he was sure would be of great value to the Cotton Textiles Committee in its future discussions.

The CHAIRMAN thanked the Executive Secretary and the members of the Committee for the work they had performed. He commented that it would be interesting to see the extent to which the countries concerned would be influenced by the discussions which had taken place.

The CONTRACTING PARTIES adopted the Committee's report on its review of the operation of the Long-Term Arrangement Regarding International Trade in Cotton Textiles (L/2135, pages 7-10).

The meeting adjourned at 5 p.m.