

GENERAL AGREEMENT ON TARIFFS AND TRADE

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UNITED KINGDOM IMPORT RESTRICTIONS ON COTTON TEXTILES

Communication from the Delegation of Israel

With reference to the discussion of this subject at the Council Meeting on 26 July 1972, the permanent representative of Israel has transmitted the following communication for circulation to the contracting parties.

It will be recalled that on 16 December 1971 the Government of the United Kingdom informed contracting parties to the GATT that the general quota system would be maintained notwithstanding their earlier notification that quota restrictions on cotton textile imports would be abolished as from 1 January 1971. On 20 April 1972 Israel requested bilateral consultations with the United Kingdom, and these took place on 1 and 2 June in Geneva.

In the bilateral consultations Israel pointed out that there was no legal or economic basis for the continued maintenance of restrictions on imports of its cotton textile products. This view derives, inter alia, from the following facts:

- (a) The quantity of imports from Israel are declining from their already insignificant level;
- (b) the prices of Israeli cotton textile products are at the same level as those for products originating in the countries whose exports to the United Kingdom are not restricted;
- (c) imports from Israel do not cause any actual injury nor are they a source of potential injury to the United Kingdom textile industry.

During the bilateral consultations and subsequent contacts the United Kingdom representatives contented themselves with the statement that they "disputed the facts of the case" without however adducing any information which disproved Israel's contention. Furthermore, the United Kingdom has given no indication of its intention to take appropriate remedial action.

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It will further be recalled that the Cotton Textiles Committee has already undertaken an exhaustive examination of the United Kingdom general quota system. In paragraph 59(iv) of the report of its meeting of 21-22 April 1966 (COT/M/6) the Committee concluded that: "The proposal could not be regarded as falling within the terms of Article 4 of the Long-Term Arrangement. Moreover, the proposals could not be regarded as falling under either of the other relevant provisions of the arrangement (i.e. Articles 2 and 3)".

Israel accordingly requests the CONTRACTING PARTIES to investigate this question as a matter of urgency in order to arrive at a satisfactory solution.