INTERNATIONAL TRADE IN COTTON TEXTILES

Memorandum by International Textile and Garment Workers' Federation

Attached is a copy of further memorandum submitted by the International Textile and Garment Workers' Federation and distributed for the information of delegations. An earlier memorandum was distributed under cover of document Spec(51)228.

ACCORD GENERAL SUR LES TARIFS DOUANIERS
ET LE COMMERCE

LE COMMERCE INTERNATIONAL DES TEXTILES DE COTON

Aide-mémoire de la Fédération internationale des travailleurs des textiles et du vêtement

Ci-joint un exemplaire d'un nouvel aide-mémoire de la Fédération internationale des travailleurs des textiles et du vêtement, qui est distribué aux délégations pour information. L'aide-mémoire précédent a été distribué sous couvert du document Spec(51)228.

Spec(51)238
INTERNATIONAL TEXTILE AND GARMENT WORKERS’ FEDERATION
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STATEMENT OF POLICY CONCERNING INTERNATIONAL TRADE IN TEXTILES AND APPAREL

1. The International Textile and Garment Workers’ Federation is directed to “encourage and improve the position of textile and garment workers . . . and to protect life and health” and also to “adopt international, labour, industrial and trade policies” which will advance these ends.

2. Being representative of the organised textile and garment workers throughout the world of nations of different levels of industrial development and varying degrees of self-reliance in the satisfaction of their national textile and garment needs and differing experience with and dependence on world trade, the International Textile and Garment Workers’ Federation considers itself particularly qualified to assist in the development of an international trade policy in the best interests of all nations and peoples concerned.

3. The production of textiles and ready-made garments has risen impressively over the last few decades and particularly during the last one. The annual rate of increase of textile fibre consumption from 1947 to date was 4 2/3%. Per capita consumption of textile fibres has risen to 10.65 pounds. Many countries have established new textile and garment industries and others have expanded them. Nations without such industries are planning to establish them. On the other hand, output, machinery and employment in some older textile centres have contracted.

4. World trade in textiles has shrunk, dropping from a level of 25% of world consumption at the beginning of the century to 13.6% in 1957 and lower rates in subsequent years.

5. The ready-made garment industry has also increased measurably in many parts of the world. During the last five years, the largest percentage increases occurred in Asia among countries which expanded production primarily for export.

6. The growth of the textile industries in developing countries has sharply limited the ability of the traditional textile exporting countries to maintain their foreign markets. As a result, a number of them have suffered large losses in markets and have had to contract their industrial capacity.

7. The growth of new textile producing capacity in countries with lower labour costs, enjoying the benefits of the internationalisation of technical knowledge, managerial “know-how”, equipment, products and styling has produced a keen interest in external markets at a time when the volume of world trade has not increased substantially and has, in fact, declined in some sectors, such as cotton yarn. The continued growth of the textile industries in the newer countries will probably intensify their desire to expand their foreign outlets. Currently, imports into countries with established textile industries forced a shrinkage in the latter.

8. Another factor contributing to the contraction of established textile industries has been rising productivity where the demand for local output is stable or diminishing. The increases in productivity accelerated the liquidation of mills and the displacement of labour. The textile work force has been sharply cut in a number of countries.
9. The establishment of productive capacity in new producing countries, primarily for export, frequently at the behest, and at times with the aid of commercial interests in the importing countries has created serious competitive problems for the domestic garment industries of the importing countries. These exports constitute the major current area of concern in the garment industry.

10. The internationalisation of the art, skill and machinery for the manufacture of textiles and ready-made garments and the availability of raw materials have emphasised the importance of differences in hourly labour costs in determining comparative total cost levels. The disparities in wages and social costs among the countries are striking. Differences in standards of employment such as hours of work, and safety and health, intensify these competitive contrasts.

11. Programmes for the adjustment of displaced textile and garment workers have been adopted by several countries. These have been most successfully administered in countries and regions with relatively full employment. Difficulties have, however, been encountered in shifting older men, women and persons residing in smaller communities. Textile workers in countries and regions with high unemployment have, of course, found adjustment difficult.

12. The new garment exporting countries have experienced problems resulting from the uncertainty of foreign markets and the growing competition among the newer countries for the same markets.

13. The desire of the developing nations for new outlets for their products to earn foreign exchange; their conviction that textile and garment exports are appropriate articles of trade for their country; the increasing volumes of exports from state trading countries; and, finally, the prevailing desire of nations to remove trade restrictions and reduce tariff rates have created a need for a world trade policy for textiles and garments which will maximise the benefits and reduce the economic, social and personal disadvantages.

14. A world-wide programme of expansion of textile consumption and technical advance could do much towards achieving this goal. The prevailing desire for a rising standard of living among all people will be most helpful in raising consumption levels for textiles and clothing. This trend can be strengthened by market and product research. Only the most limited beginnings have been made in the development of new textile uses and applications, particularly in the industrial and household areas. An international research bureau, financed by an inter-governmental and industrial fund, could be helpful in accelerating these advances.

15. The apparent economic advantages of establishing textile and garment industries to supply domestic needs have commended themselves to many countries. Certainly, within a community of nations with a considerable market, such industries generally have a sound economic base.

16. Questions have been raised about the economic soundness of investments in new textile capacity for exports in view of the apparent shrinkage in the total volume of international trade. To guide the respective countries and international financial bodies in their decisions on the economic desirability of such investments in textiles and garments, the respective national and international bodies should carefully examine alternative uses of capital and labour resources and the future potentials of such developments.

17. The statistical reports published by the world economic agencies should be elaborated to provide more detailed comparative information on production, trade, capacity, employment and costs, so as to allow for more careful decisions on new investments. We urge the United Nations Statistical Office to schedule existing requirements and to arrange for the collection and periodic publication of this information.

18. Nations with advanced textile and garment industries should immediately institute the technical and managerial changes necessary to modernise their procedures and equipment to enable them to maintain the level of production they might desire to support in view of the rising productive capacity of the developing countries.
19. Each nation in which the textile and garment industries are contracting should organise programmes for the economic redevelopment of the affected communities so as to afford new employment opportunities and provide benefits to displaced textile and garment workers to help to maintain them adequately during periods of re-training or re-location and to provide for the costs involved therein.

20. The flow of imports into established textile and garment producing countries should not be at such a rate as to unduly disrupt the existing industry or cause major displacements of workers nor increase the level of unemployment in textile regions where the numbers are already high.

21. Further study should be given to the propriety and methods of safeguarding levels of domestic textile and garment production in countries or communities which established textile and garment industries.

22. An international study conducted by the GATT and the ILO would be desirable on current national methods of regulating the contracting for the manufacture of garments, in order to eliminate destructive bidding practices and to develop a procedure for preventing their occurrence at an international level.

23. The wide disparity in labour rates and benefits among nations suggests that countries entering into the area of world trade in textiles should be required to observe minimum terms of employment. We strongly urge the promulgation of such an international code of minimum fair labour standards related to the economic capacity of the individual countries or communities of nations, the desire for rising living standards and the needs of fair international competition.

24. Materials produced at labour standards below the level prescribed in national union or government contracts or regulations, or produced in cottage industries in cases where such operations have not been traditional, should be denied the privilege of being sold in international markets.

25. We urge that a joint study of the international textile and garment industries be undertaken by the GATT, the ILO and the International Bank, so that all nations may be fully apprized of the continuing trends in economic expansion, international trade costs, economic returns, prices, competitive problems, structural dislocations, market disruptions, labour policy and new uses and applications of textiles and garments, and so as to assist in the formulation of international trade, labour and industrial policies for these industries.

On behalf of the International Textile and Garment Workers’ Federation:

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