I would now attempt to list some of the points made in statements on items I and II of our Agenda. These remarks are not intended to be exhaustive nor in any way committing any delegation.

1. In general, the importing countries believe that the Arrangement has served a useful purpose and functioned both to their advantage and to the benefit of exporting countries.

2. They have continued to expand access for cotton textile products to their markets. In providing access for new suppliers, the equity obligations laid down in Article 6(c) had consistently been met.

3. Problems had arisen for importing countries in cases when there had been no meaningful response to their request for restraint from the exporting countries.

4. In reviewing developments in the cotton sector, most of the importing countries pointed out increases in the proportion of imports to consumption and the declining share of domestic consumption and production of cotton textile products. Attention was also drawn to the changes that have taken place in world trade and production of textiles and to the increase in relative importance of man-made fibre products.

5. It was pointed out by one delegation that the provisions of Article 6(b) were not adequate to cope with the problems of substitute products.

6. It was stressed that restraint in one market sometimes leads to a diversion of trade flows to other more open markets.

7. In connexion with the problem of overshipment, it was pointed out that a more timely exchange of statistical information on trade was desirable.
8. Exporting countries on the other hand maintained that although some relaxation in import controls and some increase in the levels of restraints or in the limits established under bilateral agreements were secured during the last few years, there remained great scope for improvements in the operation of the Arrangement. Bilateral negotiations had proved useful in solving problems of developing exporting countries.

9. Reference was made to paragraph 1 of Article 2. It was stressed that restrictions maintained under this Article have not been eliminated even seven years after the Arrangement came into force. In view of the temporary character of the Arrangement an early elimination of restrictions was urged.

10. It was also pointed out that the exporting countries should be entrusted with the task of administering the quotas.

11. It was urged that the tendency towards the use of Article 4 in a restrictive manner should be avoided. Attention was also drawn to the rigid manner in which the provisions of some bilateral agreements are interpreted by certain major importing countries.

12. Express reference was made to the need for administration of the Arrangement to be seen against the background of the specific objectives set out in the Preamble and related to the expansion of trade of the developing countries.

13. The problem connected with excessive categorization was raised. It was pointed out that this has resulted in lack of flexibility and in various administrative difficulties. There were also difficulties connected with licensing procedures, and certain trade practices.

14. It is a matter of satisfaction that special attention was paid on the occasion of the seventh review to the question of adjustments.

15. In the discussion on adjustment measures it was heartening to hear that several of the countries were examining the basic question of the rôle of the textile industry in their economies and the measures that were or might be taken to permit those industries to adjust not only to the new and anticipated changes in technology but also to the emerging problem of production elsewhere in the world.
16. It was pointed out by several countries that far-reaching adjustments have taken place in their cotton textile industry. Strenuous efforts have been directed towards eliminating excess capacity and obsolete equipment. This has resulted in a remarkable decline in the number of machinery and firms. It was also noted that in certain cases the contraction of the cotton industry relates mainly to firms producing articles similar to those produced by developing countries.

17. On the other hand, it has been pointed out that the decline in the production of cotton textiles in the cotton sector of the textile industry in some importing countries has been offset to a large extent by increases in production of blended fabrics. Furthermore, the decline in the number of textile units and of spindles and looms has to be seen in relation to the very substantial increase in machine and labour productivity.

18. The process of adjustment is still continuing in certain countries and some countries have commissioned special studies to ascertain the need for further adjustments in their cotton textile industry. In the light of the interest that member countries have shown in the study on adjustments, I would suggest that participating countries continue to report to the secretariat on developments in this field.