SUMMARY OF STATEMENT MADE ON BEHALF OF THE EUROPEAN COMMUNITIES BY MR. ERNST ON 4 JUNE 1973

The speaker welcomed the fact that the Working Party was clearly and frankly taking up the practical problems. As earlier speakers had pointed out, in particular the representatives of the Nordic countries and of the United States, the time had come to move on from the identification of problems to the search for solutions. On the basis of the important analytical study drawn up by the secretariat and the various statements made by participating countries at earlier meetings, in particular the May meeting, the Working Party now had an inventory of problems to which one could not add a great deal without risk of unduly protracting the discussion and letting pass the appropriate moment for seeking solutions.

No doubt there were problems, and specific problems, for world trade in textile products, but it was encouraging that the representatives of a number of countries had expressed the view that with the goodwill of all concerned, solutions could be found.

As to the solution or solutions to be envisaged first, it was desirable to seek to arrive at a new multilateral arrangement. That might seem a truism, but for the benefit of those who seemed hesitant over such a solution, it might still be useful to mention the harmful consequences that would ensue if the absence of agreed international rules were to leave a vacuum. On the other hand, it seemed evident that, despite all the advantages that the Long-Term Arrangement currently in force had afforded to all participants, it was no longer capable of solving all the various problems to which delegations had referred in earlier discussions. While it must be recognized that there was no feasibility of simply extending to other fibres, the coverage of the Long-Term Arrangement on Cotton Textiles, that should not mean that the experience gained from the implementation of the Arrangement should be disregarded. It would always be preferable to seek new solutions on the existing basis rather than try in vain to find entirely novel solutions. While the Long-Term Arrangement could not serve as a model, it should nevertheless constitute a term of comparison that could serve as a guide for seeking a new arrangement, for otherwise the participants might find themselves lost in a jungle of unfamiliar problems and untried solutions. One could not hope, of course, that all the participants could make a decision on the subject forthwith. While the European Community hoped that most of the countries present would be able to concur in such an arrangement, it would have to show understanding for those who might not be ready to do so at the outset, and would certainly show patience, in the hope that they would be able to do so a little later.
A number of countries had specifically mentioned the duration of a possible multilateral arrangement. The Community had no preconceived ideas on that subject. Whatever duration was decided upon would have to be appropriate for allowing the problems identified to be solved. The Community was ready to discuss each and every proposal that might be presented.

Referring to the major objectives of the arrangement envisaged, the speaker shared the opinion expressed by other representatives who had pointed out that the essential problem was twofold: progressive liberalization of trade in textiles allowing increased access to exports by developing countries, and sufficient guarantee against the risk of market disruption in importing countries. The two problems should be viewed as twins; they represented one identical problem seen from two different sides. It would be unavailing to try to seek a solution having regard only to one side without taking due account of the interests of the other. As that was consistent with its general policy, the Community could express its unhesitating support for a solution designed to ensure broad and progressive liberalization of trade, but was bound to bear in mind that any realistic solution must be a balanced one.

In that order of ideas the Community also considered that such a solution, and likewise the administration of any future arrangement, should be subject to international supervision of an objective, reasonable and straightforward character; those should be the essential elements of any future arrangement. No doubt there were many more concrete and specific problems. Nevertheless, the present deliberations of the Working Party should first of all make it possible to define an outline solution of a general character and the Community fully intended to co-operate in the search for such a solution. Thereafter, more concrete problems would have to be solved, for example, questions of quantities, categorization of products, and the flexibility and administration of possible bilateral arrangements. For the time being, the Community was ready to consider whatever proposals the participating countries might make on the subject. Such questions could be settled in different ways, whether unilaterally, or by the conclusion of bilateral agreements, or to some extent by subsequently making more detailed whatever outline arrangement might be envisaged. And clearly, regardless of what method or different methods the various partners might wish to choose in their relations, the application of all those measures would have to be followed very closely and in a comparable manner by whatever authorities were to be responsible for administering a future multilateral arrangement.