

SPEECH GIVEN BY SIR CHRISTOPHER SOAMES, VICE PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES, AT THE COMITEXTIL GENERAL ASSEMBLY LUNCHEON - HOTEL AMIGO, BRUSSELS, ON FRIDAY 25 APRIL 1975

Mr Chairman,

In responding to your welcome, I should like first of all to say how much the Commission welcomes the important contribution that COMITEXTIL has made to establishing a dialogue at the European level between the Commission and industry.

The European Community needs such a dialogue. Your voice, which rises above the clamour of local, regional and national preoccupations, is one to which we intend always to be attentive.

Mr Chairman, you have spoken of the speed and the sharpness with which the long post-war expansion of our industrial economy has recently been succeeded by a period of contraction. The times are indeed hard, not least for the industry which you represent.

But there is, I believe, some comfort to be found if we remind ourselves what made possible the period of prosperity and rising living standards to which we have become accustomed over the past twenty-five years.

The underlying cause of that prosperity can be summed up in a phrase - the prevalence of agreed international economic disciplines. However imperfect the world economic order which was created after the Second World War, it was something approximating to the rule of law. And it stands in marked contrast to the law of the jungle which prevailed in the 1930s and which may again overtake us if we are not vigilant or if we fail to stand fast in the face of difficulties.

Over the past eighteen months, we have all of us - all over the world - had the lesson of interdependence brought home to us again. And we have been reminded of the need both for constructive change and for care and caution in managing the world's economic system. For surely a coherent framework of international economic disciplines - albeit different from the framework of the past - is essential if the world is to find the road back to recovery and cooperation.

That is why I am so glad that COMITEXTIL insists upon a Community perspective in expressing its concern about present economic conditions - and also, I have no doubt, in its thinking about the future. For we must recognise frankly that the social and economic problems which face us all can only be tackled effectively if we recognise that purely national solutions are no longer sufficient in themselves, and that we need an international framework for solving our problems.

With my particular responsibilities for the Community's external relations, it is my duty to look at your problems in a world context; and as a European I know that Europe must speak clearly and act firmly in defence of the Community's legitimate interests. This is constantly brought home to me in all my international contacts.

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Europe lives by trade - to the point that we are more dependent for our livelihood upon the growth of world trade than any other trading area. And the Community's textile industries are vitally involved in this trade, both as importers and as exporters.

If imports pose difficulties for our textile industries, we must not forget that 7 per cent of the Community's total exports to the rest of the world are in textiles and clothing. The maintenance - or perhaps I should say the re-establishment - of healthy levels of activity and employment depends to a very great extent upon our markets abroad. Let me take Japan by way of illustration. It is a fact that Japan nowadays represents a more important market for our textiles and clothing industry than we do for theirs - would that this were true of other sectors of trade. The balance in textiles is 2½ times in our favour, and consequently the health of our textiles and clothing industries depends more upon keeping the Japanese market open than on protecting ourselves from Japanese competition.

Fortunately we have evolved, in the shape of the GATT Multifibre Arrangement, a framework of international rules for trade in textiles, which is a good example of the kind of international discipline which it is our responsibility and one of our great interests to preserve.

We need such a framework because of the contribution it can make to ensuring a return to world prosperity. But at the same time we also need effective remedies when the import of particular goods from particular sources represents a threat to disrupt our market. For the Commission is determined that a healthy and viable textile industry should be maintained in Europe.

We intend to resolve some of our present difficulties in the textile trade by way of bilateral agreements under the Multifibre Arrangement. Clearly - and I regret this - it takes time to bring the Nine members of the Community together into a single negotiating position, especially when it is a question for us of inaugurating a new procedure rather than, as with the United States, of merely modifying an existing pattern of agreements. But we have already concluded negotiations with India, and the Council of Ministers has so far authorised negotiation with a further four countries. More will follow.

At the same time we have also already made use of the safeguards provisions under Article 3 of the Arrangement. I can give you a firm assurance that the Commission is always ready to act rapidly and effectively when measures of this sort are justified. And within the next few days the Commission will be introducing a system of import surveillance covering the most sensitive items from the main supplying countries.

Mr Chairman, in your speech you reaffirm your faith in the future of the Community. It is indeed worthy of note that your European-wide organisation should have chosen a Yorkshireman to be its new Chairman. But yours is more than an act of faith. The continental textiles industry has shown great understanding towards Britain in the manner in which it has undertaken to share with her the burden of growth of imports of sensitive products from the developing world.

The Community as a whole - and that includes Britain - has undertaken to give the textile producers of the developing world more access to the European market. So it should be - for this is a good way of helping them in their climb to a fuller and more prosperous life. But at the same time the Community countries have agreed among themselves to share the burden of these textile imports in such a way that Britain's share will grow by as little as half a per cent each year. This is a very practical example of how a Britain

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in Europe benefits from Community solidarity. On the other hand, a Britain outside the Community would have under the GATT Arrangement to take a far larger share of their imports with all that that would imply for the textile industry.

You have spoken, Mr Chairman, of the many ties of personal friendship which link you with your British colleagues and which reinforce your professional connections with them.

This is how I like to think of the European Community, not just as a business arrangement or a system of relationships between governments, but also as the opportunity for a growing understanding and friendship between individual people across our own frontiers. As this luncheon shows, COMITEXTIL is a body which can bring business associates together from all over Europe and create a real sense of fellowship between them. Your unity is a microcosm of the unity of Europe: your partnership is a symbol of what we in Europe can do together.

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