

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/W/25
25 November 1974

Textiles Surveillance Body

DRAFT REPORT ON THE ELEVENTH MEETING HELD ON 13-15 NOVEMBER 1974

1. The Textiles Surveillance Body held its eleventh meeting on 13-15 November at the Villa Le Bocage.
2. The TSB approved the report on its eighth, ninth and tenth meetings which was subsequently circulated to the Textiles Committee in document COM.TEX/SB/39.
3. In continuing its review of Article 2, paragraph 1, notifications, the TSB had the benefit of the additional information requested from certain participating countries in connexion with their earlier notifications. Thus, all notifications so far received under this Article have been reviewed by the TSB and circulated to all parties to the Arrangement with the exception of two notifications which still call for further details or clarifications. The TSB noted that new notifications are still awaited from some participating countries.
4. The TSB proceeded to review the notifications submitted to it under Article 3, paragraph 4. These related to two agreements previously transmitted, together with the relevant information in respect of the reasons and justification for the restraints negotiated therein. The TSB had reviewed the documentation, and had found that the two agreements (Australia/Hong Kong and Australia/India) were in conformity with the provisions of Article 3, as well as the provisions of the Arrangement. The TSB decided, therefore, to circulate the texts of these agreements to all participating countries for their information. These are contained in documents COM.TEX/SB/40 and 41.
5. The TSB reverted to the agreement (Canada/Singapore) that it had examined at its October meeting¹, in respect of which it was concluded that the evidence provided did not permit the TSB to determine that this agreement was in conformity

¹See document COM.TEX/SB/39, paragraph 14.

with the provisions of Article 3, paragraph 4. This agreement was, however, considered by the TSB as being in conformity with the provisions of the Arrangement, particularly those of Article 4, bearing in mind the terms of Article 2.

6. The Canadian representative noted that at the time this agreement was negotiated the Governments of Canada and Singapore considered that it was of the kind envisaged by Article 3 of the Arrangement Regarding International Trade in Textiles. Meantime, the situation in Canada had changed during 1974 so that if the Canada/Singapore arrangement were to be established at the present time, in the view of his authorities it would no longer fall under Article 3.

7. The Canadian authorities had taken note of the views of the TSB, and welcomed the constructive approach that the TSB has been developing during its reviews of restraint arrangements reported to it. However, since the agreement was, in effect, not restricting Singapore exports, since there were only about six weeks until its termination date, and the need for a further renewal of the arrangement in 1975 appeared unlikely, the Canadian authorities considered that no further action in respect of this agreement was required.

8. The TSB, therefore,¹ decided to circulate the text of this agreement, together with the views expressed, for the information of the participating countries in the Arrangement. This is contained in document COM.TEX/SB/42.

9. The TSB initiated discussion on the concept of market disruption as defined in Annex A of the Arrangement. While it was pointed out that the main task of the TSB would be to examine any such case as may be submitted to it on its own merits, it was felt that it would be useful to have an exchange of views on certain elements of market disruption. These elements were only discussed in a preliminary way, and they will be reverted to at a further meeting of the TSB.

10. The TSB had before it, in total, four bilateral agreements notified under paragraph 4 of Article 4 of the Arrangement. Since additional information with respect to some agreements was still needed, the TSB decided to defer the discussion of these notifications until its next meeting.

11. In view of the imminence of the Textiles Committee's meeting scheduled to begin on 18 December, the TSB addressed itself to the report to be submitted to the Committee pursuant to the requirements of Article 10, paragraph 4, and Article 11, paragraph 12, of the Arrangement. Following its discussion the TSB

¹As set out in paragraph 14 of COM.TEX/SB/39 and paragraphs 6 and 7 of this report.

has drawn up a report on its activities during the period from 23 April to 15 November 1974. This is contained in document COM.TEX/SB/-. Certain portions of this report would be updated in the light of the discussion at the next meeting of the TSB. This will be circulated to participating countries as an addendum to be issued shortly before the meeting of the Textiles Committee or, alternatively, will be communicated to the Committee during its meeting by the Chairman of the Textiles Surveillance Body.

12. It was agreed that the next meeting of the TSB would be held on Wednesday, Thursday and Friday, 4, 5 and 6 December 1974, starting at 3 p.m. on Wednesday.