

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX/SB/W/36  
3 March 1975

## Textiles Surveillance Body

### DRAFT REPORT ON THE SECOND AND THIRD MEETINGS OF 1975 HELD ON 17, 18 AND 19 FEBRUARY AND 25 FEBRUARY<sup>1</sup>

1. The Textiles Surveillance Body held its second meeting of 1975 on 17, 18 and 19 February and a third meeting on 25 February. The report on its first meeting was approved and subsequently circulated to the Textiles Committee in document COM.TEX/SB/56.
2. With reference to paragraph 2 of this, where the question of members and alternates is treated, the view was expressed that in the absence of a decision by the Textiles Committee on the matter, alternates are informally designated by members of the TSB.
3. No new notifications had been received under Article 2:1, but discussion of some notifications previously received under Articles 3 and 4 was continued. As regards the notification received from Sweden (under Article 3) concerning agreements with India, Hong Kong, Korea and Macao, a Swedish delegation came before the TSB to reply to certain questions which had been asked by members. They also made available additional information updating the material previously submitted and gave certain clarifications sought from them during this meeting. The TSB agreed to conclude the review of these agreements in the light of the information given at the forthcoming meeting.
4. The TSB proceeded with the review of two notifications recently received by it under Articles 3 and 4. In the course of the review of these notifications, questions were put by members, mainly with respect to certain procedural aspects, and the secretariat was requested to seek the necessary information from the countries concerned. The TSB had also before it two bilateral agreements in respect of which further information had been previously requested but was still awaited. The TSB would revert to these outstanding notifications upon receipt of the requested material.

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<sup>1</sup>The sixteenth and seventeenth meetings

5. Discussion of the principles implicit in Article 9 of the Arrangement, with special reference to the application in the textiles field of safeguard measures under the GATT and of any other additional trade measures which might have the effect of nullifying the objectives of the Multifibre Arrangement, was continued. It will be resumed at a further meeting.

6. It was recalled that during the meeting of the Textiles Committee held on 18-19 December 1974, reference was made to the discussion which had been initiated by the TSB on the concept of market disruption, and it was then suggested that further efforts should be made by the TSB with a view to clarifying this key concept. Pursuant to this suggestion, the TSB at its meeting held on 25 February, reverted to the discussion on this concept. It was found possible to reconcile earlier divergencies of opinion, and the TSB reached the conclusion that the Multifibre Arrangement must be applied as it was written and that the criteria for the identification of cases of market disruption were those laid down in Annex A of the Arrangement.