

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/W/38
19 March 1975

Textiles Surveillance Body

DRAFT REPORT ON THE FOURTH MEETING (1975)¹ HELD ON 3, 4 AND 5 MARCH 1975

1. The Textiles Surveillance Body held its fourth meeting on 3, 4 and 5 March. The report on its second and third meetings was approved and subsequently circulated to the Textiles Committee in document COM.TEX/SB/62.
2. The TSB reverted to the notification received from Switzerland under Article 2:1. Having considered the additional information it had requested from the Swiss delegation which came before it, the TSB agreed to circulate this notification to participating countries. This has been done in document COM.TEX/SB/62.
3. The TSB concluded its review of the notification received from Sweden concerning agreements with India, Hong Kong, Korea and Macao. Following its review, the TSB agreed to circulate this notification to participating countries in the Arrangement for their information.² In its note transmitting this notification to the TSB, Sweden made reference to Article 1 of the Arrangement. The TSB noted that Article 1, paragraph 2, provides that account should be taken of the avoidance of damage to the minimum viable production of participating countries referred to therein. The TSB held the view that while the minimum viable production concept had to be taken into account, Article 1:2 did not, in and of itself, provide justification for the imposition of restraints, nor did it provide any exemption from the obligations specified in the Arrangement. However, the possibility existed in exceptional cases of granting a lower positive growth rate in accordance with Annex B, paragraph 2.
4. The TSB also concluded its review of four outstanding³ notifications in the light of the additional information or clarifications received from the participating countries concerned. These notifications relate to three bilateral agreements concluded under Article 4 between Austria, on the one hand, and Korea, Pakistan and

¹Eighteenth meeting.

²COM.TEX/SB/63.

³See COM.TEX/SB/57, paragraph 3.

Egypt on the other. The fourth notification concerns an agreement under Article 3 between Norway and Hong Kong. Following its review the TSB agreed to circulate these notifications for the information of participating countries. This has been done in documents COM.TEX/SB/59, 60, 61 and 58 respectively.

5. Arising from its review of the notifications before it, the TSB agreed to draw to the attention of participating countries the requirement in Article 5 of the Arrangement that full account should be taken of normal commercial practice in the denomination of quantities.

6. The TSB proceeded to review a notification previously received on certain measures resulting from consultations held on the basis of Article 3. Further information was being sought from the notifying party. The TSB had also before it a bilateral agreement for which additional information requested was still awaited.

7. Discussion was resumed of the principles implicit in Article 9 of the Arrangement. It was agreed that this had been a useful discussion and that a conclusion on this matter should be reached at the forthcoming meeting on the basis of the views expressed.

8. It was agreed to hold the next meeting on 25 and 26 March, and, if necessary, 27 March.