

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/W/41
15 April 1975

Textiles Surveillance Body

DRAFT REPORT OF THE FIFTH MEETING (1975)

HELD ON 25 - 26 MARCH 1975

- 1 The Textiles Surveillance Body held its fifth meeting on 25 and 26 March 1975. The report on the fourth meeting was approved and subsequently circulated in document COM.TEX/SB/64.
2. The TSB concluded its review of a notification received from the EEC concerning an agreement with the Republic of Korea and agreed that it should be circulated for the information of participating countries. This has been done in document COM.TEX/SB/68.
3. The TSB also concluded its review of three interim bilateral agreements negotiated between the United States on one hand and Egypt, Malaysia and Jamaica on the other. These provided for the extension of previously existing agreements pending the conclusion of final agreements. It was agreed that they should be circulated for the information of participating countries under Article 2, paragraphs 2 (ii) and 4. This has been done in documents COM.TEX/SB/66, 67 and 65 respectively.
4. It was noted that further information is still awaited concerning an agreement previously notified under Article 4. After initial consideration of a notification received under Article 3 it was agreed that further information would be needed from the notifying party. This information is now being sought.
5. The TSB completed a discussion on the question whether, where a number of product groups are the subject of restriction, provision should be made for swing between those groups, or whether the swing requirement applied only as between individual products. Bearing in mind the provisions of paragraph 3 of Article 4 and paragraph 5 of Annex B of the Arrangement, the TSB noted that swing should be permitted, within the overall quota limits agreed between exporters and importers, both as between groups and between products. It was also noted that swing provisions were an essential element of agreements under both Article 3 and Article 4, and that the swing requirements applied to all products covered by an agreement and that the margins of flexibility laid down in paragraph 5 of Annex B were the minimum permissible.

6. The TSB had a full discussion of the principles implicit in Article 9 of the Arrangement, bearing in mind the special measures of international co-operation to be applied by the parties to the Arrangement in the field of textiles trade, and having full regard to the provisions of paragraphs 5 and 6 of Article 1. Being particularly concerned with the current situation of world textile trade, the TSB emphasized that additional trade measures outside the safeguard provisions laid down in the Arrangement should not be utilized to nullify the objectives of the Arrangement. The TSB noted that many participants in recent months have expressed the fear, in the Textiles Committee and elsewhere, that certain other participants have taken, or may take, additional measures outside the provisions of the Arrangement which would appear to affect seriously their interests and tend to nullify the objectives of the Arrangement. The TSB, in order to carry out the functions required of it under the Arrangement, urges the participants concerned to supply promptly, at the request of the TSB pursuant to the provisions of paragraph 2 of Article 11, precise information on such measures taken. This information would be subsequently circulated to the other participating countries for their information.
7. The TSB also considered the types of data required to substantiate a request for restraint in terms of Article 3 paragraph 3 and the form in which the data might best be presented, for the convenience of participating countries and for the expeditious review of agreements by the TSB. The TSB will revert to this subject at a later meeting.
8. The date of the next meeting will be 17 and 18 April 1975.