

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Textiles Committee

STATEMENT BY MR. F. WURTH, CHAIRMAN OF THE TEXTILES SURVEILLANCE BODY TO THE TEXTILES COMMITTEE

at its meeting on 18-19 December 1974

The report of the Textiles Surveillance Body which I have the honour to present to you is contained in document COM.TEX/SB/44, dated 28 November 1974. As you will have noted, the report deals with various procedural and substantive matters considered by the TSB during the eleven meetings it held up to 15 November 1974.

It may be relevant if I were to mention here that, of the eleven meetings, two were held at very short notice to consider one case only. The possibility of the TSB being able to meet at short notice accentuates its usefulness as a standing Body where such urgent matters as may be referred to it could be dealt with expeditiously. It is indeed, the business-like approach presupposed in the Arrangement.

I would refrain from pinpointing particular matters which are of crucial importance to all parties, and to the TSB in carrying out the tasks conferred upon it. I would simply refer you to the report which is a faithful record of the TSB's activities, and of which you have been regularly informed.

Your attention is particularly drawn to paragraph 18 of the report where it refers to a request by the TSB to all parties to the Arrangement to supply information on new bilateral agreements and new restrictions imposed on non-participants. This matter is on the agenda for discussion and consideration by the Committee. In considering the notification requirements under the various provisions of the Arrangement, the TSB noted that all existing restrictions, both against participants and non-participants, should be notified. As regards the notification of new restrictions imposed on non-participants it was recognized that the provisions of the

Arrangement contain no explicit legal obligation for the reporting of such measures. However, bearing in mind the equity provisions laid down in Article 8(3) of the Arrangement, it was suggested that any such measures as may be imposed on non-participants should be provided by parties to the Arrangement. The TSB regards such notifications as highly desirable and necessary in safeguarding the equity benefits for participants implicit in Article 8, paragraph 3, of the Arrangement. The TSB members agreed to this, and participating countries were, therefore, requested to supply this information pending discussion of the matter in the Textiles Committee. The request by the TSB is also set out in its report on the third meeting held on 7-8 June 1974, which was circulated to participating countries in document COM.TEX/SB/18.

It was not, however, until its last meeting on 4-6 December, that the TSB received a notification of unilateral restrictions imposed on a non-participating country. With a view to ensuring the effective operation of the Arrangement, and that the participating countries' exports shall not be restrained more severely than the exports of similar goods of non-participants, the TSB felt that the Textiles Committee should be provided with as full a picture as possible of all new restrictions on trade in textile products, including those affecting non-participants. The TSB, therefore, decided to circulate this notification for the information of all parties to the Arrangement under Articles 7 and 8 thereof. This is contained in document COM.TEX/SB/49.

I would also like to bring to your attention that the texts of the agreements transmitted to the TSB in accordance with the provisions of Articles 3 and 4 were found to lack in certain cases, a specific reference to the relevant Article of the Arrangement. The TSB agreed, as a matter of procedure, that in any agreement concluded between parties to the Arrangement a specific reference to the Article under which it was negotiated should be embodied in the text of such an agreement, or the preambular provisions thereof. It is hoped, therefore, that all parties to the Arrangement will adhere to this procedure.

Among other notifications considered by the TSB subsequent to its report was that received from the Government of Ghana under Article 2, paragraph 1. This has been circulated in document COM.TEX/SB/45. The TSB also continued its review of the three bilateral agreements (United States/Hong Kong, India and Japan), previously notified to it under Article 4 of the Arrangement. In the course of its review of these arrangements, the TSB considered the requirements of paragraphs 2 and 3 of Article 4. As regards paragraph 2, varied views were expressed as to the extent of selectivity required with respect to products. The TSB found that there existed differences of approach and that these were difficult to reconcile. With respect to paragraph 3, the TSB noted that the requirements of this paragraph were met in overall terms. The TSB also noted the marked increases in trade opportunities that the agreements conferred, as compared with those previously in effect. Following its review, the TSB agreed to transmit the three bilateral agreements to the Textiles Committee. These are contained in documents COM.TEX/SB/46, 47 and 48.

The TSB has still before it notifications under Articles 3 and 4 which are, as yet, under consideration.

With reference to paragraph 25 of the report, you will be interested to know that the TSB was informed that an agreement has been reached between the Governments of Australia and the Republic of Korea, the details of which will be considered by the TSB; probably at its meeting on 20 December.

Finally, as you have no doubt noticed, most of the agreements notified under the operative Articles of the Arrangement were previously in existence and brought into conformity with the provisions of the Arrangement. Apart from these, the TSB has not, as yet, received reports from the participating countries concerned on actions designed to eliminate their existing restrictions, or to bring them into conformity with the Arrangement as provided for in paragraphs 2 and 3 of Article 2. Such reports should be forthcoming within the year ending 31 March 1975. It is, therefore, hoped that the participating countries have already been giving thought to this so as to enable the TSB to conduct its review of such reports in good time.

In concluding, Mr. Chairman, I would wish to underline the objectivity and spirit of co-operation of all members of the TSB. This has allowed us to conduct our work in the most useful and constructive way in the interest of all parties concerned.