

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/W/28  
23 January 1976

Special Distribution

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Textiles Committee

DRAFT REPORT ON THE FOURTH MEETING OF THE COMMITTEE  
HELD ON 2-3 DECEMBER 1975

Chairman - Mr. O. Long

1. The Textiles Committee held its fourth meeting on 2-3 December. The Committee considered the following subjects:
  - (a) Accession by Thailand to the Arrangement;
  - (b) Annual review of the operations of the Textiles Arrangement;
  - (c) Analysis of the current state of world production and trade in textiles, including any measures to facilitate adjustment;
  - (d) The membership of the Textiles Surveillance Body for the year 1976;
  - (e) Preparation for the major review of the Arrangement in 1976;
  - (f) Derestriction of textile documents.
  
2. At the outset, the Chairman informed the Committee that six participating countries, i.e. Argentina, Colombia, Egypt, Guatemala, Paraguay and Spain, had not until then formalized their provisional acceptance of, or accession to, the Arrangement. A communication had just been received from Portugal on behalf of Macao, indicating definitive acceptance of the Arrangement. This had been circulated in COM.TEX/4/Add.6. The representative of Egypt announced that his government had also ratified the Arrangement. This would shortly be officially communicated by the delegation.<sup>1</sup> The Chairman took note of this and urged all other countries which had not ratified the Arrangement to do so as soon as possible. He referred the Committee to document COM.TEX/4 and addenda 1 to 6 for the present status of membership.

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<sup>1</sup>The instrument of ratification by Egypt was deposited on 6 January 1976.

(a) Accession by Thailand to the Arrangement

3. The Chairman referred the Committee to document COM.TEX/W/23 which sets out the communications he had received from the Government of Thailand expressing its wish to accede to the Arrangement under paragraph 2 of Article 13. This paragraph provided for the accession of a government not party to the GATT on terms to be agreed between that government and the participating countries. In this connexion he recalled that the Committee at its first meeting in March 1974 agreed on the procedure to be followed in the case of non-contracting parties wishing to accede to the Arrangement.<sup>1</sup>

4. It was noted that in its request, Thailand had fully complied with the procedural requirements as agreed by the Committee. Thailand's request for accession was warmly welcomed by the Committee. As a matter of procedure the Government of Thailand was invited to send a letter to the Director-General of GATT, as the depository of the Arrangement, confirming its notification of accession, with reference to the decision taken by the Committee. The effective date of Thailand's accession to the Arrangement would be the date on which this letter was received by the Director-General.

5. The observer from Thailand expressed his appreciation for the general support accorded to his country's request for accession. He said that Thailand's textile industry was relatively new but had acquired increased importance in the economy of his country. It employed some 130,000 workers, almost 10 per cent of the total manufacturing labour force. Textiles ranked high in the exports of his country

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<sup>1</sup>See COM.TEX/2.

where emphasis had recently changed from import substitution to export orientation. He observed, however, that Thailand's exports of textiles, worth \$90 million, fell short of its textile imports amounting to some \$100 million. Information relating to the import régime would soon be communicated to the Textiles Surveillance Body. He, however, informed the Committee that in spite of the wide discretionary powers to impose restrictions to protect domestic industry, the Minister of Commerce applied such restrictions sparingly on some products only. At present, restrictions were imposed on imports of polyester fibre, polyester yarn, nylon filament yarn, nylon stretched yarn and textured yarn.

(b) Annual review of the operation of the Arrangement

6. The Chairman drew attention to Article 10, paragraph 4, of the Arrangement, under which the Committee was required to review the operation of the Arrangement once a year, and to report thereon to the GATT Council. He recalled that at its meeting in April, and following its discussion of the implementation of Article 2, the Committee had requested the Textiles Surveillance Body to appraise the actions taken or contemplated by the participating countries, under the provisions of Article 2 in the light of its review of the status reports received. Such an appraisal of actions taken, or the lack of such actions was to be included in the TSB's report for consideration by the Committee at the present meeting. The aforementioned report had been distributed to members in document COM.TEX/SB/115, dated 28 August. This report showed the progress achieved in eliminating or bringing into conformity with the Arrangement import restrictions existing at the commencement of the Arrangement. It also included details of new

restrictions introduced since the coming into force of the Arrangement, and where appropriate the TSB's views or findings on such restrictions. In addition, the TSB presented a supplementary report in document COM.TEX/SB/115/Add.1. This brought up to date the review by the TSB of compliance with Article 2 and listed all new restrictions which had been reported to the TSB since the end of July, i.e. the time at which it completed its first review. Thus, the two reports submitted by the TSB in fulfilment of the requirements under paragraphs 11 and 12 of Article 11 provided a complete picture of the extent to which existing restrictions had been removed and new ones introduced during the currency of the Arrangement.

7. A large number of representatives expressed appreciation of the TSB's report which made it possible for the Committee to assess the way the Arrangement had hitherto been used in the light of its stated objectives. Reference was also made to the strenuous efforts deployed by the Chairman and members of the TSB in assisting participating countries to resolve their textile differences and in making the Arrangement an effective instrument of international co-operation. It was cautioned, however, that the usefulness of the TSB would be impaired if participating countries took extreme positions.

8. In the course of the Committee's review of the operation of the Arrangement certain points were raised as regards the manner in which the Arrangement was being interpreted and implemented in a number of cases. These, for the most part, hinged on the compliance with the various provisions of the Arrangement and, in particular, with Article 2 thereof, as well as certain specific difficulties encountered by participating countries. A summary of these is given below.

9. The representative of the United States observed that the Arrangement provided an international framework for orderly development and expansion of textile trade. The principles embodied marked a major advance in international co-operation and provided an effective opportunity to serve the varied interests of participating countries. Although this task had been made difficult by the impact of the global economic recession, the challenge posed by the Arrangement had, on balance, been satisfactorily met. The United States had, for example, negotiated eighteen Article 4 agreements, fourteen of which had been formally concluded, and it had removed quantitative restrictions on imports from ten countries.
10. In undertaking its own programme of bringing its restraint agreements into conformity with Article 2 within the timeframe set forth therein, the United States had assumed that other importing countries would do likewise, but unfortunately this had not always been the case. It was heartening to see, however, that those importing members whose progress had been delayed for some reason were now making better progress. The Arrangement made it incumbent upon importing countries to provide increased access to their markets despite unanticipated economic difficulties. For their part, the exporting countries were obligated to conduct their trade in an orderly non-disruptive fashion.
11. In conclusion, he said that the United States was hopeful that sustained economic recovery would materialize throughout the world. But whatever the pace of recovery, it believed that there would be a need in the coming years for continued international co-operation in the field of textiles.

12. The representative of Japan said that in spite of the deadline of March 1975 for the implementation of Article 2 measures there had been regrettable delays. His Government believed that bilateral negotiations should be speeded up so that obligations under Article 2 were fully met by March 1976. In reporting on developments in negotiations conducted by Japan since the last meeting of the Committee, he said that the bilateral agreement concluded under Article 4 of the Arrangement with the United States had been modified, resulting in substantial liberalization, in the light of the changing pattern of trade and industry. Details of this agreement would be communicated to the TSB. In regard to negotiations with the EEC, it was expected that a mutually acceptable solution would be found soon. Consultations were also planned or under way with Austria, Norway, Canada and Sweden.

13. The representative of Japan expressed concern at the tendency on the part of some developed countries to introduce new import restrictions. This had contributed to some rollback in textile trade. It was undeniable that progress had been adversely affected by the world recession, but the effects of recession were not confined to a few countries only. In the face of growing protectionism elsewhere, there were internal pressures in Japan for increased restrictions. The extent to which these could be contained would depend on the attitudes of other countries. He emphasized that the achievement of the objectives of the Arrangement would be seriously jeopardized if countries took a selfish view of their domestic problems. Participating countries should, therefore, refrain from resorting to restrictive trade measures and reaffirm their faith in the spirit and the objectives of the Arrangement.

14. The representative of India expressed his dismay at the way the Arrangement had been implemented during half of its lifetime. Restraints on exports of the developing countries had increased on the pretext of economic recession, the effects of which were more acute for the developing countries which were, however, not as well equipped to deal with it. As a result of the recession in the developed countries, India had suffered a sharp decline in its textile exports, particularly of mill-made fabrics, the decline in 1974/75 being of the order of 43 per cent in quantity and 20 per cent in value as compared with 1973/74. During the first quarter of 1975/76 there was a further decline with consequential social and unemployment problems. The developed countries ought to exercise utmost care to ensure that in dealing with their domestic problems they did not create additional difficulties for the developing countries. The preferred course of action would be for the developed countries to have greater resort to adjustment assistance measures, not to sustain uneconomic units but to move progressively into more viable lines of production and to provide increased access to their markets in accordance with Article 1:4 of the Arrangement.

15. The representative of India deplored the tendency to place additional restraints on exports of developing countries, particularly if such restraints were not fully consistent with the spirit and objectives of the Arrangement. There had been many instances of measures taken under Article 3 which did not meet with the requirements of this Article and Annexes A and B. In many cases the evidence provided had not substantiated claims of market disruption.

Restrictions had been imposed on small suppliers in disregard of Article 6:3 and of Annex A, which required that imports from each individual source must be shown separately to be disruptive. In certain cases, the growth factors and other provisions had fallen short of the minimum mandatory levels provided for in Annex B. In a number of cases it was imports from developing countries that had been the main target of restraints, while disruptive imports, at much higher levels, from developed countries were left completely free, in disregard of the equity provisions of the Arrangement. Some measures under Article 3 had been taken on the grounds of the need for maintaining "minimum viable levels of production", without clear evidence of market disruption. There had even been instances of restrictive measures taken outside the framework of the Arrangement in violation of the provisions of Article 9.

16. Commenting on the compliance with Article 2, the representative of India pointed out that the TSB in its first report in August had expressed concern that a number of restrictions not justified under the Arrangement might continue in force until perhaps half the life of the Arrangement had elapsed. The TSB had then urged the countries concerned to speed up the conclusion of the outstanding negotiations. However, there had been little progress several months after that exhortation.

17. Referring to particular problems encountered by India, he mentioned that the exports of hand-made cottage industry products were of singular importance to his country, especially when the demand for mill-made fabrics was declining due to recessionary conditions. It was, therefore, important that a more liberal interpretation be placed on Article 12:3 since its broad objective was to exclude all such products from the purview of import restrictions. Another matter of

concern to India was non-compliance with the provisions of Article 2. India, after having concluded a bilateral agreement with the EEC which brought existing restrictions into conformity with the Arrangement as required by Article 2, had now been informed by one member State that it proposed to continue restrictions until April 1977, even on products not included in the bilateral agreement with the EEC under a phase-out programme. This was surprising because India proceeded in the negotiations under the assumption that products not covered by the bilateral agreements were no longer under restraints. There was no justification for the continuation of these residual restrictions under the Arrangement, as Article 2 clearly required that restrictions existing at the commencement of the Arrangement which were not brought into conformity with its provisions were to be terminated within one year. He said that the Arrangement represented a delicate balance between the rights and obligations of the participating countries - of the importers and exporters. If any deviations were made from this balance, the future of the Arrangement would be jeopardized.

18. The representative of Pakistan brought to the notice of the Committee a problem his country had with the EEC analagous to that of India. Pakistan had recently concluded a selective bilateral agreement with the EEC which brought the existing restrictions into conformity with the Arrangement. The Community instead of eliminating restrictions not covered by the new bilateral agreement wanted to include these in a phasing-out programme. Pakistan's contention was that such restrictions could not legally be included in a phasing-out programme and should, therefore, be eliminated with immediate effect. If the matter was not satisfactorily resolved, it would be referred to the TSB.

19. Several representatives of the exporting countries who spoke after the representative of India shared the concern expressed by him and reiterated the points he had made. It was said in their interventions that they were dissatisfied and concerned about the way the Arrangement had been implemented during the first two years of its existence. In fact it was observed at one stage in the discussion that if the situation was not rectified and the dissatisfaction apparent now was not removed, the possibility of an agreement on the future of the Arrangement to be considered by the Committee next year, would become increasingly remote. During that year the parties concerned would be equally involved in major trade negotiations which could not ignore the existence and the operation of this Arrangement.

20. A main cause of apprehension voiced by many representatives was the delay in the elimination of existing restrictions and the increasing tendency on the part of some importing countries to introduce new restrictions. This was all the more disquieting in cases where restrictions were not fully consistent with the spirit and letter of the Arrangement. Thus the standstill provisions laid down in the Arrangement and elsewhere had not been fully respected, nor had the balance, which made it possible for the exporting countries to have accepted the Arrangement, been wholly maintained. As regards the implementation of the Arrangement by the exporting countries, it was pointed out that for the most part they had responded reasonably to requests that had been made upon them under the Arrangement. The decision for invocation was however in the hands of importing countries which in turn must ensure from the outset that all the relevant considerations had been fully taken into account so as to honour their obligations under the Arrangement.

21. It was remarked that in interpreting certain provisions there seemed to be a great deal of arbitrariness. For instance, in determining whether there had been a sharp and substantial increase within the terms of Annex A, due account should be taken not only of the increase in percentage terms as indeed had been the case in many instances, but equally and more importantly of the absolute volume of the increase. Likewise, when the price factor was being considered, due regard should be had to quality differential. In this respect it was suggested that the TSB should attempt to give a more precise definition of price analysis and quality comparison that would govern its deliberation on the question of market disruption. The need for the assistance of a small number of highly qualified technical experts might also be examined.

22. The spokesman for the EEC referred to the impact of the global recession that had particularly affected activity in the textile and clothing industries. He pointed out that some importing countries were experiencing serious unemployment, under-employment and under-utilization of capacity. In the EEC some 3<sup>1</sup>/<sub>4</sub> million workers were employed in the textiles and clothing sectors. Employment in these sectors had steadily declined with the result that one quarter of the remaining work force was now unemployed or on short-time working. Despite this lull in economic activity, the EEC had made great efforts to fulfil its obligations under the Arrangement and its remarkable import performance showed the success thus achieved.

23. The Community had initialled seven bilateral agreements of which two had recently been formally ratified. These two agreements were expected to be notified to the TSB shortly. The compliance of the EEC with Article 2

obligations should be seen against the background of a complex of various types of restrictions which had to be dismantled. Some 120 products had been subject to 127 different autonomous and 271 bilateral measures. It was a major task to adapt this complex inheritance. The Community was providing greatly improved access through its selective agreements which allowed immediate expansion and growth in a way which went beyond the requirements of Annex B.

24. The Community had already communicated to the TSB its "framework" phasing-out programme. This included full details regarding the elimination of restrictions on countries with which the EEC did not intend to negotiate bilateral agreements. For those countries with which such negotiations were intended, it had been indicated that following the conclusion of negotiations detailed programmes would be communicated in respect of each country. It was the view of the EEC that the terms of Article 2 permitted the use of a phase-out programme as well as a bilateral agreement. This was particularly logical in the case of bilateral agreements concluded on a selective basis. It would however be premature to discuss this question now since the EEC had not yet submitted these programmes. Once these were notified to the TSB, the EEC was prepared to enter into consultations with the countries concerned. It was pointed out that for most members of the EEC, existing restrictions would be removed completely and immediately. For some restrictions a phasing-out programme would be envisaged, while in the case of others progressive increases in existing quotas would be provided until the complete elimination of all these restrictions by 1 April 1977. He noted that the Arrangement was working well despite adverse economic conditions, and would allow an orderly expansion and progressive liberalization of trade to take place when conditions improved.

25. The representative of the Philippines expressed his deep concern at the increasing protectionism shown by some developed countries. His country had been subjected to unilateral restrictions imposed by Australia. The matter had been referred to the TSB, but some of the findings and recommendations by that Body (COM.TEX/SB/137) had been rather disappointing for the Philippines. His country continued to believe that the quantity of its textile exports to Australia had not caused market disruption, nor had they threatened serious damage. The unilateral imposition of these restrictions since July had virtually amounted to an embargo on additional exports. Thus, in such a clear case where exports were too small to cause any harm, his country had anticipated a stronger and more favourable recommendation.

26. In conclusion, the representative of the Philippines appealed to Australia to review the measures and lift them with the least possible delay.

27. In reply the representative of Australia said that he had taken note of the views expressed which would be communicated to his Government after the elections on 13 December. The caretaker Government in his country at the moment was precluded from pronouncing on matters of policy. He had, nevertheless, communicated the findings of the TSB to his authorities which would be appropriately considered by the incoming Government. He made it clear, however, that this issue gave rise to matters which were far beyond bilateral consultations and the scope of textiles. It would be against this background that the findings of the TSB would be examined by the incoming Government after the Australian elections.

28. Following its discussion, the Committee agreed that the report of this meeting, together with the report of the TSB contained in documents COM.TEX/SB/115 and Addendum 1, would be transmitted to the GATT Council.

(c) Analysis of the current state of world production and trade in textile products, including any measures to facilitate adjustment

29. The Chairman drew the attention of the Committee to Article 10, paragraph 2, of the Arrangement under which the Committee was required to undertake an analysis of the current state of world production and trade in textile products including any measures to facilitate adjustment, and to propose ways and means of furthering the expansion and liberalization of trade in textile products. He referred the Committee to the two reports it had before it for this purpose.

(i) Report on recent trends in production and trade in textiles and clothing

30. Introducing the report on trends in production and trade of textiles and clothing (COM.TEX/W/24), the Chairman remarked that this was the best the secretariat could do on the basis of the fragmentary data supplied by participating countries under the reporting scheme of textile and apparel statistics. He expressed the hope that by next year this scheme would have developed to the stage at which a more detailed review of activities in the textile sector could be undertaken.

31. The Chairman of the Technical Sub-Group on Textile Documentation, when called upon to review the development of the reporting scheme, stated that although all countries participating in the Arrangement had accepted an obligation to furnish the information required by the Committee to fulfil its functions under Article 10(2), the response to the reporting scheme which had been established for this purpose had so far been poor. He reminded members of the Committee that the

Sub-Group, at a series of meetings in which technical experts from the various capitals were present, had held lengthy discussions on the desirability and feasibility of a statistical reporting scheme and had finally recommended such a scheme to the Textiles Committee with the proviso that it be re-examined after two years. This scheme was approved by the Textiles Committee and detailed questionnaires sent to all participants, yet against all the effort put forward by the Sub-Group, only sixteen countries had so far submitted data and no response had been forthcoming from some of the more important countries in the textiles sector. Furthermore, of these sixteen respondents only five countries, namely Finland, Romania, Singapore, Spain and the United Kingdom on behalf of Hong Kong had endeavoured to submit data under all three questionnaires.

32. He said that the poorest response had been with regard to the foreign trade statistics. Although some members had suggested that the secretariat should make use of the data they supplied to the United Nations in terms of the SITC Revised I, the Chairman of the Sub-Group pointed out that this classification would not provide sufficient detail, especially with regard to apparel, to enable adequate analysis of trade, and indeed to allow reasonable comparability with the production statistics requested. Moreover, as it had become apparent that the implementation of the SITC Revised II which would ultimately provide the basis of reporting trade statistics was likely to be delayed, he thought that the best solution to this problem would, in his view, be for participating countries to provide statistics either according to the full detail of national classifications or in such an approximation to the SITC Rev. II as could be made from these classifications.

33. He noted that the production and industry statistics provided had in general been incomplete either in terms of the time period or product categories covered, and that apparel statistics were less complete than those for textiles. In addition there had been a serious lack of response in furnishing information concerning the coverage and comparability of the data submitted, and he pointed out that these questions would have to be settled before any meaningful analysis of the data could be attempted.

34. The Chairman of the Sub-Group concluded by remarking that in the light of the above, the present report was less precise than had been hoped for and that unless more data were forthcoming next year's report would be no better. After expressing the hope that the present situation would improve so as to enable the Sub-Group to undertake its review of the reporting scheme with reasonably full participation he urged all participating countries which had not yet submitted the data required to do so as soon as possible.

35. In the course of the Committee's discussions of the report on recent trends in trade and production of textiles, several representatives remarked that given the limitations pointed out by the Chairman of the Technical Sub-Group on Textile Documentation the report provided some useful data.

36. Reference was made by the representative of Pakistan to the adverse effect of restrictive measures on the trade of developing countries which accounted for 28 per cent of the value of world trade in textiles and clothing in 1974. Developing countries' exports of some of the textile products included in the report, in particular cotton yarn and fabrics, had declined in volume terms by quite substantial amounts in 1974 whereas exports of the same products from developed countries had increased.

37. The spokesman for the EEC commented that the report brought out the serious deterioration of the world textile and clothing industries especially in developed countries where both production and employment had declined markedly. Between 1972 and the second quarter of 1975 employment in the textile and clothing industries of the EEC had declined by almost 15 per cent. Despite the recession which had badly affected its industry, imports of textile products, in particular of clothing, into the Community had expanded rapidly, especially those originating in developing countries.

38. A number of suggestions for improving the report were put forward by members of the Committee. These are set out below under Section (c) "Preparation for the major review of the Arrangement in 1976".

(ii) Report on adjustment assistance measures

39. The Chairman recalled that the Textiles Committee at its meeting in April 1975 had asked the secretariat to bring up to date the information contained in the 1972 Study (L/3797) on adjustment assistance measures and to broaden its coverage. Since this would only be possible on the basis of information supplied by participating countries, all parties to the Arrangement had been urged to supply the relevant information. After several reminders information had now been received from a number of participants, namely Austria, Australia, Canada, Finland, the EEC member States, Hungary, Japan, Norway, Pakistan, Spain, Sweden, Switzerland and the United States. Some of these countries had communicated changes in their adjustment assistance measures, while others had indicated that the situation

remained unchanged since their reporting for the 1972 study. Three countries, namely Hong Kong, Sri Lanka and Ghana, had informed that no such measures existed in their cases. However, the relevant information had not been received from a large number of participating countries. The secretariat had in such cases reproduced the material previously supplied by them for the 1972 study with a view to providing the Committee with as complete a picture as possible. He referred the Committee to document COM.TEX/W/25 and Addendum 1 containing the report on adjustment measures.

40. The representative of India stated that the secretariat had done well in reproducing the relevant information from the 1972 study since that was still valid for his country. He had some minor amendments which he would communicate to the secretariat directly.

41. Certain suggestions were put forward as to the future work to be undertaken. These are set out below under Section (e) "Preparation for the major review of the Arrangement in 1976".

(d) Membership of the Textiles Surveillance Body for 1976

42. The Chairman said that since the current term of membership of the TSB was due to expire on 31 December, the Committee was required to consider at the present meeting the composition of this Body for the year 1976. Having due regard to the fact that the TSB was a standing Body and that it had important and increasing responsibilities, he stressed that it should continue to be provided with dedicated members who were expected to be available at short notice and to devote much, if not all, of their time to its activities. From past experience

designated members should be conversant with textile trade matters so as to ensure the quality, competence, permanence and homogeneity of the work of this Body.

43. The Chairman recalled that Poland had been proposed for the tripartite seat for the year 1975 and that this had received a wide measure of support. But for reasons connected with the overall balance in the representation a consensus could not then be reached and the Committee had been requested to keep in mind the candidacy of Poland for the year 1976. Following informal consultations with all parties concerned it appeared that the difficulties of the previous year no longer existed. However, due to some practical reasons of workload, Poland was not in a position to serve on the TSB for 1976.

44. As a result of the consultations and discussions which had been held regarding the membership, the Chairman proposed that the TSB for the year 1976 should be composed of members from the following participating countries: EEC, Egypt, Finland, Japan, Korea, Mexico and the United States. The tripartite seat should be shared by Austria, Jamaica and Singapore. This proposal was endorsed by the Committee.

(e) Preparation for the major review of the Arrangement in 1976

45. The Chairman pointed out that under Article 10:4 the Committee was required next year to carry out the major review of the Arrangement in the light of its operation in the preceding years. He proposed certain documentation (as set out below) to be prepared which, in his view, could provide the background material required to assist the Committee in this review and also in fulfilling the requirements of paragraph 2 of Article 10.

46. Members expressed general agreement with the proposal of the Chairman and considered that it was timely. In fact it was suggested that, given the amount of work involved, the necessary preparations should be put under way as soon as possible by the secretariat which might feel free to draw on the technical expertise of the participating countries. In the course of the discussion, members made a number of specific suggestions to be taken into consideration in the preparation of the documentation proposed by the Chairman. These are brought together and briefly set out under the relevant headings:

- (i) A detailed analysis of the operation of the Arrangement since its coming into force

It was agreed that this should be entrusted to the Textiles Surveillance Body since it was in a unique position to make such an analysis in a broad and more critical perspective to show inter alia the following:

- (a) The relative frequency of recourse to the main operative Articles of the Arrangement, i.e. Articles 3 and 4;
- (b) The extent to which restrictions on trade in textiles had increased or diminished as against those originally notified by participating countries under Article 2:1;
- (c) To what extent the basic objectives of the Arrangement set out in Article 1:2 had been achieved bearing in mind the balance therein as between the interests of the importing and exporting countries;
- (d) The way in which the Arrangement had been operating in fostering relationships between participating countries;

(e) Whether special treatment had been accorded to developing countries in terms of Article 6.

(ii) A survey of developments in production of, and trade in, textile products covered by the Arrangement

Such a survey should include:

- (a) Details of trade between participating countries by stage of economic development;
- (b) To the extent possible, details of trade between participants and non-participants;
- (c) In reviewing the value of world trade by areas and countries a more detailed examination should be made of the development of imports into the EEC compared to imports into other developed countries;
- (d) The evolution of export earnings of developing countries and their share in world textile trade during the lifetime of the Arrangement.

(iii) More detailed and up-to-date information to be supplied by all participating countries on adjustment assistance measures

The information supplied by the importing countries should demonstrate achievements in terms of Article 1:4, namely:

- (a) Whether efforts had been made to move progressively into more viable lines of production or into other sectors of the economy;
- (b) Whether such adjustments had led to increased access for textile products from developing countries.

47. In conclusion, the Chairman welcomed the suggestions put forward and stated that these would be fully taken into account provided that the material was made available by participating countries. He therefore urged all participating

countries to provide the necessary information as and when requested so as to enable the secretariat to prepare the documentation in good time before the major review.

(f) Derestriction of textile documents

48. The Committee agreed on the procedures proposed by the Chairman for the derestrictions of textile documents as set out in document COM.TEX/W/26.

Date of next meeting

49. It was agreed that the date of the next meeting would be fixed in the light of developments and after consultation with delegations.