

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Cotton Textiles Committee

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ADJUSTMENT ASSISTANCE MEASURES RELATING TO THE COTTON TEXTILES INDUSTRY

Note by the Secretariat

Addendum

The following additions and modifications to Section I of document COT/W/139 are based on information recently received from the governments concerned.

Italy

The information relating to Italy on page 6 should be replaced by the following:

No legislation has been enacted as yet to facilitate the reorganization of the Italian cotton industry. A Bill for restructuring and reorganizing the whole of the textile industry (including clothing except the production of chemical fibres) which was submitted by the Government in 1965 but amended several times, has recently been adopted by the Chamber of Deputies. It is hoped that it will shortly be given final form with the approval of the Senate. The essential provisions of the Bill are as follows:

- (a) grant of medium-term credits at a reduced rate of interest (4 per cent) to textile firms whose reorganization plans -- for the purpose of increasing competitive ability while maintaining employment levels as far as possible but avoiding an increase in production where production already exceeds demand -- have been approved by the appropriate inter-ministerial committee;
- (b) special financial inducements in areas where textile production is particularly high for firms converting to other activities and new non-textile firms settling in these areas;
- (c) establishment of occupational training and adaptation courses for workers discharged by textile firms;
- (d) reduction of the social security charges for family allowances payable by industrial textile firms and cottage industries.

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Spain

Add the following after the last paragraph on page 13:

The implementation of the Plan has proved highly positive with a general improvement in market conditions, particularly in those sectors which were the most affected by excess capacity. From the social point of view, it has contributed to the settling of many of the workers' problems which could not have been solved under the general system of social security.

According to official data supplied by the Management Committee in charge of the implementation of this Plan, the position as of 4 November 1971 was as follows: 143,436 spindles and 6,485 looms were scrapped, i.e. 47.8 per cent and 73.6 per cent respectively of the total target. The displaced labour force amounted to 7,080 workers, or 59.5 per cent of the target. A total of 157 cases were approved, 69.4 per cent of which affect the province of Barcelona where the major part of Spain's cotton industry is located.