

# HILLMAN

## COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 432 final

Brussels, 14 September 1977

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### PROPOSAL FOR A COUNCIL REGULATION

maintaining the arrangements for the authorization  
of imports into certain regions of the Community  
of cotton and of garments originating in certain  
third countries

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(submitted to the Council by the Commission)

COM(77) 432 final



EXPLANATORY MEMORANDUM

1. As a result of a sharp increase in the early months of this year in imports into certain Community regions of certain textile products (woven fabrics of cotton, men's and women's trousers, jerseys, dresses and skirts, men's suits), certain Member States have requested that emergency safeguard measures be taken in respect of these products where they come from low-wage economies.
2. On 6 and 20 July the Member States and the Commission held consultations on this matter on the basis of the relevant provisions of the various Community implementing regulations, inter alia Articles 4 and 12 of Council Regulation No 1439/74<sup>1</sup>.
3. In particular a substantial increase in imports of the products in question was noted in the early months of this year, compared with the same period of 1976. In 1976 these imports already accounted for a considerable share of the market. Since that time this share has increased further in certain regions of the Community. For certain of these products with a high rate of market penetration (woven cotton fabrics, trousers, jerseys) special objectives have been set in the negotiating directives for the renewal of the MFA.
4. A considerable part of imports into the Community of a number of the products in question (woven cotton fabrics, trousers, jerseys) is already subject to quantitative limits negotiated with certain major supplying countries. However, examination of the state of affairs revealed that the trend of imports from other sources was such as to justify the establishment of limits on the products in question for certain regions of the Community.

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<sup>1</sup>OJ No L 159, 15 June 1974.

5. On the question of import stabilization, the approach adopted by the Commission was broadly the same as that used for Commission Regulation No 1566/77 making the importation into certain Member States of cotton yarn and garments originating in certain third countries subject to authorization<sup>1</sup>:

- (i) maintenance of the amounts and procedures fixed pursuant to the bilateral agreements on voluntary restraint;
- (ii) application in appropriate cases of the compulsory consultation clauses (CCC) existing in the bilateral agreements;
- (iii) in certain special cases, the extension to other Member States of import arrangements already in force in one region of the Community vis-à-vis a supplying country;
- (iv) in all other cases where strict import limits are necessary, the application of a formula limiting imports in the last five months of 1977 in such a way as to avoid any exacerbation of the market disturbance caused by imports of the products in question, bearing in mind the Community's international obligations; for countries with which the Community has concluded bilateral agreements establishing special trade arrangements, the introduction of measures based on the safeguard clauses in those agreements;
- (v) in the case of Greece, in respect of which country there is no safeguard clause, and in cases where there is no wish to impose strict limits upon the imports of certain textile products (Malta, Tunisia, Turkey), diplomatic action aimed at stabilizing imports;
- (vi) in certain other cases, renewed vigilance with regard to imports of the products in question, with a view to applying appropriate measures should it become necessary.

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<sup>1</sup>OJ No L 174, 14 July 1977.

6. Consultations have taken place with the following countries, with which the Community has concluded bilateral agreements establishing special arrangements for trade, to discuss the proposed measures based on the provisions of those agreements:

Morocco: 28 July 1977

Tunisia: 28 July 1977.

Requests for consultations have been sent to those MFA member countries in respect of which it is planned to take import restraint measures either under the MFA or under the bilateral agreements on textiles negotiated or concluded with the Community within the framework of the MFA (Egypt, Singapore, Macao, India).

7. In view of the urgent nature of the problem the Commission has decided to take appropriate steps to remedy the disruption of the market for the products in question. As regards restraint measures, since the immediate introduction by a number of the third countries concerned of arrangements for voluntary export restraint for the products in question appears out of the question, it has been necessary to envisage a system of import licences.

In the course of the consultations a number of the countries affected by these measures requested that the safeguard measures concerning them should be applied in the form of voluntary restraints. The Commission is continuing consultations with these countries, and with any others which might so request, with a view to working out details for the application of such voluntary restraint arrangements backed up by a double control system.

8. On the basis of the emergency procedure provided for in Article 12 of Council Regulation (EEC) No 1439/74, the Commission has established for the products and the countries of origin in question import restraint arrangements for certain regions of the Community (see Regulation (EEC) No 1860/77 of 10 August 1977)<sup>1</sup>.

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<sup>1</sup>OJ No L 207, 13 August 1977.

Commission regulations adopted by virtue of Article 12 of Regulation (EEC) No 1439/77 expire six weeks following their entry into force unless they are confirmed by the Council.

Consequently the Commission proposes that the Council adopt the Regulation proposed hereunder, the purpose of which is to confirm the measures adopted by the Commission Regulation regarding products originating in Egypt, India, Morocco, Tunisia, Singapore and Macao.

Proposal for a Council Regulation

**maintaining the arrangements for the authorization of imports  
into certain Member States of woven fabrics of cotton and of  
garments originating in certain third countries**

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1439/74 of 4 June 1974 on common rules for imports<sup>1</sup>, and in particular Article 13 thereof,

Having regard to Council Regulation (EEC) No 1662/77 of 18 July 1977 on the safeguard measures provided for in the Cooperation Agreement and the Interim Agreement between the European Economic Community and the Kingdom of Morocco<sup>2</sup>,

Having regard to Council Regulation (EEC) No 1664/77 of 18 July 1977 on the safeguard measures provided for in the Cooperation Agreement and the Interim Agreement between the European Economic Community and the Republic of Tunisia<sup>3</sup>,

Having regard to the proposal from the Commission,

Whereas by Regulation (EEC) No 1860/77 of 10 August 1977<sup>4</sup> the Commission made the importation into certain Member States of woven fabrics of cotton and garments originating in Egypt, India, Morocco, Tunisia, Singapore and Macao subject to authorization;

Whereas the grounds for introducing these measures still persist and whereas they should accordingly be maintained until 31 December 1977,

HAS ADOPTED THIS REGULATION:

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<sup>1</sup>OJ No L 159, 15.6.1974, p.1

<sup>2</sup>OJ No L 186, 26.7.1977, p.9

<sup>3</sup>OJ No L 186, 26.7.1977, p.13

<sup>4</sup>OJ No L 207, 13.8.1977, p.30

Article 1

The arrangements for the authorization of imports into certain Member States of woven fabrics of cotton and of garments originating in Egypt, India, Morocco, Tunisia, Singapore and Macao adopted by Regulation (EEC) No 1860/77, shall continue to apply until 31 December 1977.

Article 2

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council,

The President