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COMMISSION OF THE EUROPEAN COMMUNITIES

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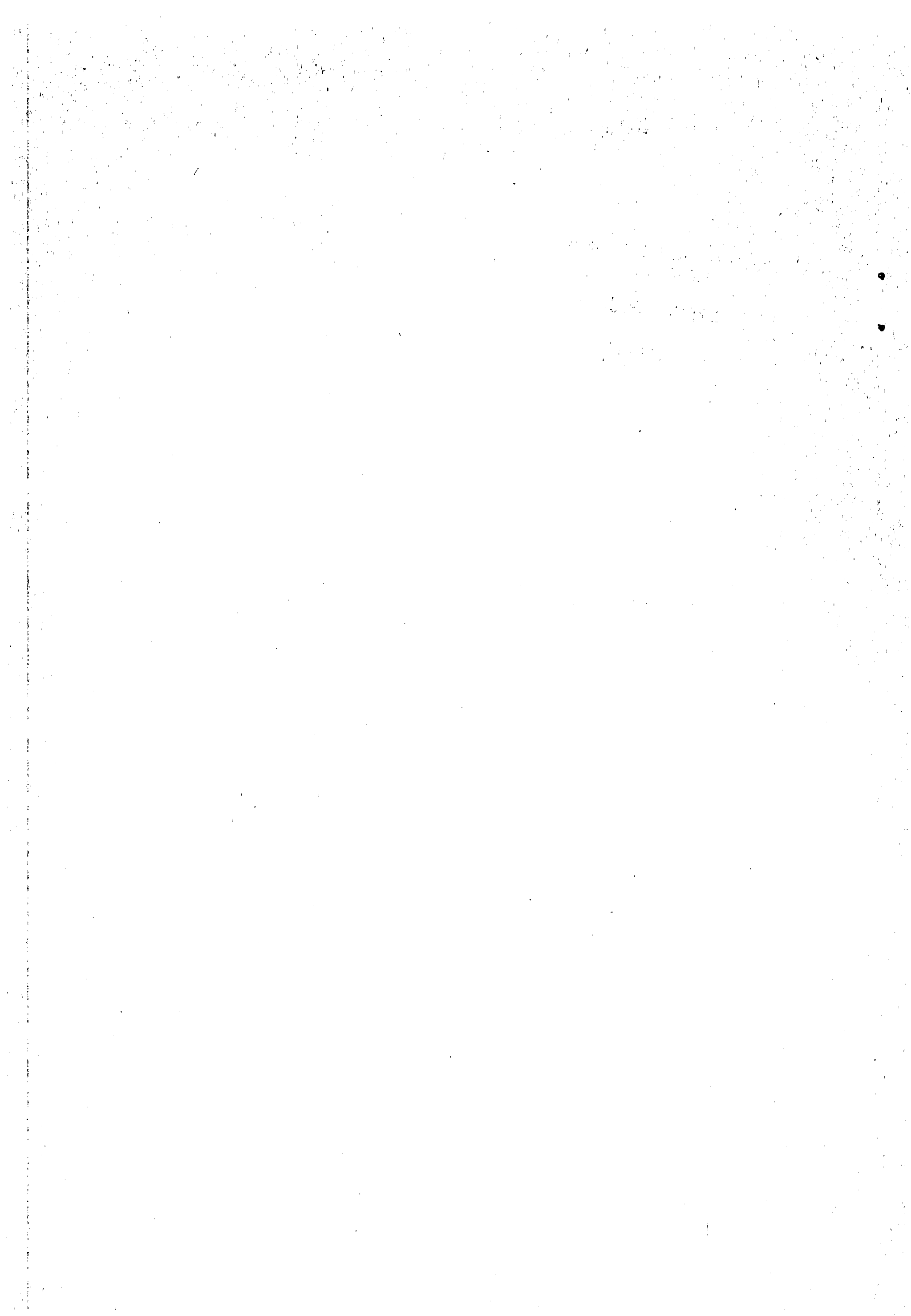
Proposal for a  
COUNCIL REGULATION (EEC)

on the arrangements applied to imports of certain  
textile products

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(submitted to the Council by the Commission)

C(77) 607 final.



## EXPLANATORY STATEMENT

The Community as such is a party to the Arrangement regarding International Trade in Textiles, concluded within the framework of the GATT. The Arrangement applies to certain textiles products described in its Article 12. (1)

On accepting the Arrangement (2), the Community's primary obligation was to adapt all "unilateral quantitative restrictions, bilateral agreements and any other quantitative measures in force which have a restrictive effect" on 31.12.1973, whether these were maintained on a Community or national level, so that they were brought into conformity with the Arrangements provisions. To do this, the Commission assembled a list of the restrictions referred to above, in force within the Community, and notified the details of this list to the Textiles Surveillance Body in Geneva, in accordance with Article 2 (1) of the Arrangement. It is to be noted that, the Community having in its own right accepted the Arrangement, the obligations with regard to the restrictions notified, particularly as regards their treatment under the Arrangement and their eventual treatment should the Arrangement

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(1)

### Article 12

1. For the purposes of this Arrangement, the expression "textiles" is limited to tops, yarns, piece-goods, made-up articles, garments and other textile manufactured products (being products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibres, or blend thereof, in which any or all of those fibres in combination represent either the chief value of the fibres or 50 per cent or more by weight (or 17 per cent or more by weight of wool) of the product.

2. Artificial and synthetic staple fibre, tow, waste, simple mono- and multi-filaments, are not covered by paragraph 1 above. However, should conditions of market disruption (as defined in Annex A) be found to exist for such products, the provisions of Article 3 of this Arrangement (and other provisions of this Arrangement directly relevant thereto) and paragraph 1 of Article 2 shall apply.

3. This Arrangement shall not apply to developing country exports of handloom fabrics of the cottage industry, or hand-made cottage industry products made of such handloom fabrics, or to traditional folklore handicraft textiles products, provided that such products are properly certified under arrangements established between the importing and exporting participating countries concerned.

(2) OJ No L 118 of 30 April 1974, p. 1

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expire, accrued to the Community itself. In other words, by the Community's acceptance of the Arrangement, a Community régime was, ipso facto, established for all textiles products to which the Arrangement applies. The Community's acceptance of the Arrangement thus represented a considerable step towards basing the common commercial policy in respect of textiles on uniform principles; likewise, the Community's fulfillment of its obligations under Article 2 as regards restrictions existing in the Community on 31.12.1973, instilled a measure of "uniformity" into the Community's commercial policy, in the sense in which that term is used in Article 113 of the Treaty. Retreat from the position thus achieved, naturally, is quite inconceivable from the Commission's point of view.

At least five options were open to the Community as regards the treatment to be accorded to the restrictions thus notified to the Textiles Surveillance Body. These are set out in Article 2, paragraph 2 of the Arrangement :

- termination of the restrictions "within one year of the entry into force" of the Arrangement ;
- justification under the provisions of the GATT (including its Annexes and Protocols) ;
- inclusion in a programme for their progressive elimination by, at the latest, 31.3.1977 ;
- inclusion in bilateral agreements negotiated under Article 4 of the Arrangement ;
- inclusion in agreements negotiated or measures adopted pursuant to the Arrangement's Article 3.

With the exception of the restrictions against the state-trading countries party to the Arrangement (1) justified on the basis of their respective Protocols of Accession to the GATT, the Community's policy was a seek to conclude bilateral agreements with its principal suppliers, covering selectively those products which caused real risks of disruption on Community markets. Residual restrictions were to be eliminated progressively according to a programme communicated to the T.S.B. by the Community on 27.3.1975 (2).

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(1) Hungary, Poland and Roumania. N.B. A bilateral agreement under Article 4 of the Arrangement was eventually concluded with Roumania.

(2) GATT documents TEX.SB/24 of 7.4.1975 and COM.TEX/SB/97 of 22 August 1975.

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It should be noted that on several occasions, the Community has also taken, at Community level and on behalf of individual member States, safeguard action to control imports of certain textile products from specific sources, under Article 3 of the Arrangement.

So far as the bilateral agreements under Article 4 and restrictions under Article 3 are concerned, the terms of these measures have been implemented in every case by appropriate Community legislation. This task must now be accomplished so far as the above-mentioned programme is concerned.

In particular, so far as the restrictions referred to in the programme are concerned, the present proposed Regulation makes it clear that, any reintroduction of measures previously applied at the level of member States, may only take place by application of the relevant Community legislation in force. This is not only legally but also economically indispensable, if the degree of cohesion currently achieved in the Community's commercial policy for textiles is not to disintegrate upon expiry of the relevant international Arrangement.

The purpose of the annexed proposal for a Council Regulation is thus twofold :

(1) to consolidate, on a Community basis, the "elimination" or "suspension" (1) of those restrictions notified to the T.S.B. in the Community's programme ;

(2) to ensure that, upon the expiry of the Arrangement on 31.12.1977, the integrity of the Community régime, which has been established in the manner described above, remains intact.

The Commission is therefore invited to adopt the present proposal and to transmit it to the Council, together with a recommendation that the matter be treated with urgency which is manifestly required in order to make this important contribution towards establishing a Community commercial policy for textiles well before the end of the present year.

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(1) Article 2 (2)(i) of the Arrangement speaks of the programme being "designed to eliminate existing restrictions in stages .....". From the Community's point of view, however, the restrictions can only be considered to be "suspended" for so long as an international régime for textiles trade exists under the GATT.

## COUNCIL REGULATION (EEC) No /77

on the arrangements applied to imports of certain textile  
products

THE COUNCIL OF THE EUROPEAN COMMUNITIES :

Having regard to the Treaty establishing the European Economic Community,  
and in particular Article 113 thereof,

Having regard to Council Regulation (EEC) No 1439/74 of 4 June 1974  
on common rules for imports (1),

Having regard to Council Regulation (EEC) No 1023/70 of 25 May 1970, establishing  
a common procedure for administering quantitative quotas (2),

Having regard to the proposal from the Commission,

Whereas the Community is a party to the Arrangement regarding International  
Trade in Textiles (3) (hereinafter called "the Arrangement");

Whereas, in pursuance of its obligations under the Arrangement, the Community  
has negotiated certain bilateral export-restraint Agreements and taken or maintained  
certain unilateral quantitative restriction measures towards a number of supplying  
countries; whereas, on the other hand, the Community has adopted and executed  
a programme to eliminate certain residual quantitative restrictions  
existing in the Community on 1 January 1974 ;

Whereas, following the execution of this programme, restraints on imports of  
textile products to which the Arrangement applies may only be maintained by virtue  
of the provisions of the Arrangement, unless they are justified under the provisions  
of GATT (including its Annexes and Protocols) ;

Whereas the execution of the above-mentioned programme falls within  
the common commercial policy, the implementation whereof should be confirmed  
by appropriate Community legislation ,

HAS ADOPTED THIS REGULATION

(1) OJ. No. L 159, 15.6.1974, p.1.  
(2) OJ. No. L 124, 8.6.1970, p.1.  
(3) OJ. No. L 118, 30.4.1974, p.1.

Article 1

Imports into the Community of those textile products defined in Nimexe chapters 51-63 , being textile products to which the Arrangement regarding International Trade in Textiles at present applies, shall no longer be subject to quantitative restrictions in the Community except by virtue of Community regulations in force.

Article 2

Notwithstanding of Article 1, imports into the Community of products referred to therein shall be permitted up to the quantitative limits fixed by the Community in agreements negotiated or measures taken under the Community's international obligations and laid down in Community regulations.

Article 3

This Regulation shall enter into force on the day its publication in the Official Journal of the European Communities. It shall apply with effect from 1 April 1977.

Done at Brussels,

For the Council  
The President

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