

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/90  
23 July 1975

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Textiles Surveillance Body

Original: English

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Article 4 Notification

#### Agreement Between the United States and Mexico

The TSB has received from the Government of the United States a notification of an agreement between the United States and Mexico concerning trade in textiles. This agreement has been notified by the United States under Article 4, paragraph 4, of the Arrangement.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4<sup>1</sup>, has examined the relevant documentation. The TSB is circulating the text of this agreement to participating countries in the Arrangement for their information.

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<sup>1</sup>See COM.TEX/SB/35/Annex B.

14 May 1975

UNITED STATES AND MEXICO EXTEND TEXTILE AGREEMENT

The United States and the United Mexican States agreed to extend the bilateral agreement on trade in cotton, wool and man-made fibre textiles between the two countries by exchange of notes in Washington on 12 May 1975. Texts of the notes follow:

Note No. 1

12 May 1975

Excellency:

I refer to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the Arrangement), done in Geneva on 20 December 1973.

I also refer to recent discussions between representatives of our two Governments concerning exports of cotton, wool and man-made fibre textiles from the United Mexican States to the United States of America. As a result of these discussions, I have the honour to propose under Article 4 and in conformity with the Arrangement the following agreement relating to trade in cotton, wool and man-made fibre textiles between the United Mexican States and the United States of America to replace and supersede, effective 1 May 1975, the existing Cotton Textile Agreement of 21 June 1971, relating to this trade:

1. The term of this agreement shall be from 1 May 1975 through 30 April 1978. During such term, the Government of the United Mexican States shall limit annual exports of cotton, wool and man-made fibre textiles from the United Mexican States to the United States of America to the aggregate, group and specific limits at the levels specified in, and in accordance with, the following paragraphs:

2. The aggregate limit for the three years of the agreement shall be 830,000,000 square yards equivalent, based on an agreed first agreement year limit of 258,000,000 square yards equivalent and an annual growth rate of 7 per cent. This three year aggregate limit shall be distributed among the three agreement years as follows:

	<u>Limit in square yards equivalent</u>
1st Agreement Year (1 May 1975—30 April 1976)	197,000,000
2nd Agreement Year (1 May 1976—30 April 1977)	278,000,000
3rd Agreement Year (1 May 1977—30 April 1978)	355,000,000

3. Within the applicable annual aggregate limits, the following group limits shall apply.

Limit in square yards equivalent

Group I, Yarns (categories 1-4, 101-102 and 200-205):

1st Agreement Year	44,000,000
2nd Agreement Year	73,000,000
3rd Agreement Year	94,000,000

Group II, Fabrics (categories 5-27, 104, 105 and 206-213):

1st Agreement Year	48,000,000
2nd Agreement Year	81,000,000
3rd Agreement Year	105,000,000

Group III, Apparel, made-up and miscellaneous textiles (categories 28-64, 106-132 and 214-243):

1st Agreement Year	105,000,000
2nd Agreement Year	124,000,000
3rd Agreement Year	156,000,000

4. (a) Within the limit for Group II, the following specific limits shall apply for the first agreement year:

Square yards equivalent

Categories 9/10	15,245,000
Categories 22/23	20,000,000
Categories 26/27 (Duck sub-ceilings)	12,800,000 (7,814,000)

(a) The United States and Mexico will establish levels for the categories in sub-paragraph (a) above and for the second and third agreement years during annual consultations provided for under this agreement.

5. Within the applicable annual limits for Group III, the following specific limits shall apply:

	<u>LIMIT (square yards equivalent)</u>		
	<u>1st Agreement Year</u>	<u>2nd Agreement Year</u>	<u>3rd Agreement Year</u>
Category 219	11,172,000	9,615,000	10,366,000
Category 224	14,693,000	17,269,000	19,936,000
Category 225	8,461,000	9,167,000	10,618,000
Category 229	7,185,000	6,478,500	6,976,500
Category 235	7,771,000	7,832,500	9,101,500
Category 238	16,524,000	16,323,000	17,538,000

6. (a) Within the aggregate limit, as adjusted pursuant to paragraph 7, the export limits in each group may be exceeded in any agreement year by 15 per cent for Group I, 15 per cent for Group II and 7 per cent for Group III.

(b) Within the aggregate and applicable group limits as adjusted pursuant to this paragraph, and paragraph 7, exports in categories with specific limits may exceed such limits by 10 per cent for categories in Group II, and 7 per cent for categories in Group III.

(c) For purposes of calculating the aforementioned percentages, the limits referred to in this paragraph are without adjustments under this paragraph or under paragraph 7.

7. (a) In any agreement year, exports may exceed by a maximum of 11 per cent the aggregate limit and any group or specific limit by allocating to the limits for that year an unused portion of the applicable limit for the previous agreement year (carryover) or a portion of the applicable limit for the succeeding agreement year (carry forward).

(i) Carryover may be utilized as available up to 11 per cent of the receiving year's applicable limits but for the first agreement year only shall be limited to 5 per cent.

(ii) Carry forward may be utilized up to 6 per cent of the receiving year's applicable limits and charged against the next year's applicable limits;

(iii) The combination of carryover and carry forward may not exceed 11 per cent of the receiving year's applicable limits in any agreement year.

(b) For purposes of this Agreement, a shortfall occurs when exports from the United Mexican States to the United States of America during an agreement year are below the aggregate limits in this Agreement or the limits in force for the year ending 30 April 1975, provided for in the Agreement between the two governments concerning trade in cotton textiles of 29 June 1971, as amended. In the agreement year following the shortfall, exports from the United Mexican States may be permitted to exceed the aggregate, group and specific limits in accordance with the provisions of sub-paragraphs (a) and (b) of this paragraph by carryover of shortfalls in the following manner:

(i) The carryover shall not exceed the amount of shortfall in either the aggregate limit or any applicable group or specific limits; and

(ii) In the case of shortfalls in the categories (or combination of categories) subject to specific limits, the shortfalls shall be used in the same category (or combination of categories) in which the shortfall occurred; and

(iii) In the case of shortfalls not attributable to categories (or combination of categories) subject to specific limits, the carryover shall be used in the same group in which the shortfall occurred.

(c) The limits referred to in sub-paragraphs (a) and (b) of this paragraph are without any adjustment under this paragraph or paragraph 6 above.

(d) The total adjustment under this paragraph shall be in addition to the adjustments permitted by paragraph 6 to the limits for any year.

8. (a) Categories not given specific limits are subject to consultation levels and to the aggregate and applicable group limits. Except as indicated in Annex A, consultation levels for the first agreement year for each category not given a specific ceiling shall be as follows:

(i) 1,000,000 SYE for Group I and Group II categories of man-made fibre and cotton;

(ii) 7,000,000 SYE for Group III categories of man-made fibre and cotton;

(iii) 100,000 SYE for all wool categories.

Consultation levels higher than the foregoing amounts for the first agreement year are set forth in Annex A.

In the event that the Government of the United Mexican States wishes to export to the United States textile products in excess of the applicable consultation levels, the Government of the United Mexican States shall request consultations with the Government of the United States of America, and the Government of the United States of America shall promptly respond. Until a mutually satisfactory solution is reached, the Government of the United Mexican States shall limit its exports to the United States of America in any category in question during the agreement year in question to the consultation level.

(b) An annual review shall be held in the first quarter of the calendar year to discuss the operation of the agreement. This annual review will establish levels for specific ceilings left open for the second and third agreement years as well as the levels of exports in categories subject to consultation.

9. In accordance with Article 12, paragraph 3, of the Arrangement and subject to the establishment of a mutually agreed upon list and certification system, Mexican exports to the United States of America of handloom fabrics of the cottage industry, or hand-made cottage industry products of such handloom fabrics, or traditional folklore handicraft textile products shall not be subject to the provisions of this agreement.

10. Shipments of textiles and apparel from Mexico to the United States valued at less than \$250 shall not be charged to the limits of this Agreement.

11. (a) In implementing this Agreement, the system of categories and the rates of conversion into square yards equivalent listed in the Annex B hereto shall apply.

(b) 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 blends 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, are subject to this Agreement.

(c) For purposes of this Agreement, textile products shall be classified as cotton, wool or man-made fibre textiles if wholly or in chief value of either of these fibres. All other products described in sub-paragraph (b) of this paragraph shall be classified as:

(i) Cotton textiles if containing 50 per cent or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fibre component.

(ii) Wool textiles if not cotton, and the wool equals or exceeds 17 per cent by weight of all component fibres.

(iii) Man-made fibre textiles if neither of the foregoing applies.

12. The Government of the United Mexican States shall use its best efforts to space exports from Mexico to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.

13. The two governments recognize that the successful implementation of this agreement depends in large part upon mutual co-operation on statistical questions. The Government of the United States of America shall promptly supply the Government of the United Mexican States with data on monthly imports of cotton textiles from Mexico. The Government of the United Mexican States shall promptly supply the Government of the United States of America with data on monthly exports of cotton textiles to the United States. Each government agrees to supply promptly any other available relevant statistical data requested by the other government.

14. The Government of the United States of America and the Government of the United Mexican States agree to consult on any question arising in the implementation of this agreement.

15. Mutually satisfactory administrative arrangements or adjustments may be made in the implementation of this agreement.

16. If the Government of the United Mexican States considers that, as a result of limitations specified in this agreement, Mexico is being placed in an inequitable position vis-à-vis a third country, the Government of the United Mexican States may request consultation with the Government of the United States of America with the view to taking appropriate remedial action such as a reasonable modification of this agreement.

17. During the terms of the agreement, the Government of the United States of America will not apply the provisions of Article 3 of the Arrangement to any textile or apparel product covered by this agreement.

18. (a) Both governments shall take appropriate measures of export and import control to implement the limitation provisions of the agreement. The nature of these measures may be a matter of discussion pursuant to paragraph 15.

(b) The present visa agreement covering exports of cotton textile and apparel products will be continued and will be appropriately amended as soon as practical to include also exports of man-made fibre and wool textile and apparel products under this agreement.

19. Each government reserves its right under the Arrangement with respect to textiles and textile products not subject to this agreement.

20. Either government may terminate this agreement effective at the end of an agreement year by written notice to the other government to be given at least 90 days prior to the end of such agreement year. Either government may at any time propose revisions in the terms of this agreement.

If these proposals are acceptable to Your Government, this note and Your Excellency's note of acceptance on behalf of the Government of the United Mexican States shall constitute an agreement between the Government of the United Mexican States and the Government of the United States of America.

Accept, Excellency, the renewed assurances of my highest consideration.

(signed) For the Secretary of State:  
Thomas O. Enders

His Excellency  
Dr. Jose Juan de Olloqui,  
Ambassador of Mexico.



Note No.2

12 May 1975

Excellency:

I have the honour to acknowledge the receipt of your note of this date, in which you propose an Agreement relating to trade in cotton, wool and man-made fibre textiles between Mexico and the United States.

I wish to confirm, on behalf of the Government of Mexico, that the contents of your note is in accordance with the understandings reached in the discussions mentioned by Your Excellency. Therefore your note and this note of confirmation shall constitute the Agreement between our two Governments on this subject.

Accept, Excellency, the renewed assurances of my highest consideration.

(signed) Jose Juan de Olloqui  
Ambassador of Mexico

His Excellency Dr. Henry A. Kissinger  
Secretary of State  
Washington, D.C.

ANNEX A

For the first agreement year beginning 1 May 1975 the following consultation levels in excess of those stated in paragraph 8 shall apply.

	<u>Consultation level</u> <u>(square yards equivalent)</u>
Category 15	2,000,000
Category 24	2,500,000
Category 30/31	2,000,000
Category 39	2,000,000
Category 49	2,500,000
Categories 50/51	6,000,000
sub-limit 50	3,750,000
sub-limit 51	3,750,000
Category 63	2,000,000
Category 64	1,000,000
Category 104	650,000
Category 121	550,000
Category 122	700,000
Category 202	4,000,000
Category 208	5,000,000
Category 209	3,000,000
Category 216	4,500,000
Category 217	4,000,000
Category 222	4,000,000
Category 223	5,000,000
Category 228	2,000,000
Category 230	1,500,000
Category 232	5,000,000
Category 240	5,000,000
Category 243	3,000,000

ANNEX B

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
1.	Cotton yarn, singles, carded, not ornamented, etc.	Lb.	4.6
2.	Cotton yarn, plied, carded not ornamented, etc.	Lb.	4.6
3.	Cotton yarn, singles, combed, not ornamented, etc.	Lb.	4.6
4.	Cotton yarn, plied, combed, not ornamented, etc.	Lb.	4.6
5.	Ginghams, carded yarn	Sq.yd.	1.0
6.	Ginghams, combed yarn	Sq.yd.	1.0
7.	Velveteens	Sq.yd.	1.0
8.	Corduroy	Sq.yd.	1.0
9.	Sheeting, carded yarn	Sq.yd.	1.0
10.	Sheeting, combed yarn	Sq.yd.	1.0
11.	Lawns, carded yarn	Sq.yd.	1.0
12.	Lawns, combed yarn	Sq.yd.	1.0
13.	Voiles, carded yarn	Sq.yd.	1.0
14.	Voiles, combed yarn	Sq.yd.	1.0
15.	Poplin and broadcloth, carded yarn	Sq.yd.	1.0
16.	Poplin and broadcloth, combed yarn	Sq.yd.	1.0
17.	Typewriter ribbon cloth	Sq.yd.	1.0
18.	Print cloth, shirting type, 80X80 type, carded yarn	Sq.yd.	1.0
19.	Print cloth, shirting type, other than 80X80 type, carded yarn	Sq.yd.	1.0
20.	Shirting, carded yarn	Sq.yd.	1.0
21.	Shirting, combed yarn	Sq.yd.	1.0
22.	Twill and sateen, carded yarn	Sq.yd.	1.0
23.	Twill and sateen, combed yarn	Sq.yd.	1.0

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
24.	Yarn-dyed fabrics, n.e.s., carded yarn	Sq.yd.	1.0
25.	Yarn-dyed fabrics, n.e.s., combed yarn	Sq.yd.	1.0
26.	Fabrics, n.e.s., carded yarn	Sq.yd.	1.0
27.	Fabrics, n.e.s., combed yarn	Sq.yd.	1.0
28.	Pillowcases, plain, carded yarn	No.	1.084
29.	Pillowcases, plain, combed yarn	No.	1.084
30.	Dish towels	No.	.348
31.	Towels, other than dish towels	No.	.348
32.	Handkerchiefs	Doz.	1.66
33.	Table damasks and manufactures	Lb.	3.17
34.	Sheets, carded yarn	No.	6.2
35.	Sheets, combed yarn	No.	6.2
36.	Bedspreads, including quilts	No.	6.9
37.	Braided and woven elastics	Lb.	4.6
38.	Fishing nets	Lb.	4.6
39.	Gloves and mittens	Doz.pr.	3.527
40.	Hose and half hose	Doz.pr.	4.6
41.	Men's and boys' all white T-shirts, knits or crocheted	Doz.	7.234
42.	Other T-shirts	Doz.	7.234
43.	Knitshirts, other than T-shirts and sweatshirts (including infants)	Doz.	7.234
44.	Sweaters and cardigans	Doz.	36.8
45.	Men's and boys' shirts, dress, not knit or crocheted	Doz.	22.186
46.	Men's and boys' shirts, sport, not knit or crocheted	Doz.	24.457

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
47.	Men's and boys' shirts, work, not knit or crocheted	Doz.	22.186
48.	Raincoats, 3/4 length or over	Doz.	50.0
49.	All other coats	Doz.	32.5
50.	Men's and boys' trousers, slacks, and shorts, outer, whether or not in sets, not knit or crocheted	Doz.	17.797
51.	Women's misses' and children's trousers, slacks and shorts, outer, whether or not in sets, not knit or crocheted	Doz.	17.797
52.	Blouses, whether or not in sets	Doz.	14.53
53.	Women's misses', children's and infants' dresses (including nurses, and other uniform dresses), not knit or crocheted	Doz.	45.3
54.	Playsuits, sunsuits, washsuits, creepers, rompers, etc. (except blouses and shorts; blouses and trousers; or blouses, shorts and skirt sets)	Doz.	25.0
55.	Dressing gowns, including bathrobes and beach robes, lounging gowns, dusters and housecoats, not knit or crocheted	Doz.	51.0
56.	Men's and boys' undershirts (not T-shirts)	Doz.	9.2
57.	Men's and boys' briefs and undershorts	Doz.	11.25
58.	Drawers, shorts and briefs (except men's and boys' briefs), knit or crocheted	Doz.	5.0
59.	All other underwear, not knit or crocheted	Doz.	16.0
60.	Nightwear and pyjamas	Doz.	51.96
61.	Brassieres and other body supporting garments	Doz.	4.75
62.	Other knitted or crocheted clothing	Lb.	4.6
63.	Other clothing, not knit, or crocheted	Lb.	4.6

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
64.	All other cotton textile items	Lb.	4.6
101.	Wool tops and wool advanced	Lb.	1.95
102.	Yarns of angora rabbit hair	Lb.	1.95
103.	Other yarns of wool and hair	Lb.	1.95
104.	Woven fabrics of wool, including blankets (carriage robes, lap robes, steamer rugs, etc.) over 3 yards in length	Sq.yd.	1.0
105.	Billiard cloth	Sq.yd.	1.0
106.	Blankets	Lb.	1.295
107.	Carriage and auto robes, etc., n.e.s.	Lb.	1.295
108.	Tapestries and upholstery fabrics	Sq.yd.	1.0
109.	Pile and tufted fabrics	Sq.yd.	1.0
110.	Knit fabrics in the piece	Lb.	1.95
111.	Hosiery	Doz.pr.	2.7814
112.	Gloves and mittens	Doz.pr.	2.093
113.	Underwear, knit	Lb.	1.95
114.	Other infants' articles, knit not ornamented	Lb.	1.95
115.	Knit hats and similar items	Lb.	1.95
116.	Knit wearing apparel, n.e.s., valued not over \$5 per pound	Lb.	1.95
117.	Knit wearing apparel, n.e.s., valued over \$5 per pound	Lb.	1.95
118.	Hats, caps, not blocked	Lb.	1.95
119.	Hats, caps, blocked; finished	Lb.	1.95
120.	Men's and boys' suits	No.	4.5
121.	Men's and boys' outer coats	No.	4.5
122.	Women's, misses', and children's coats and suits	No.	4.75

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
123.	Women's, misses', and children's separate skirts	No.	1.5
124.	Trousers, slacks and shorts	No.	1.5
125.	Articles of wearing apparel, n.e.s.	Lb.	2.0
126.	Lace and net articles including veiling	Lb.	1.95
128.	Miscellaneous manufactures of wool	Lb.	1.95
131.	Braided floor coverings	Sq.ft.	0.11
132.	Wool floor coverings, n.e.s.	Sq.ft.	0.11
200.	Textured yarns	Lb.	3.51
201.	Yarn wholly of continuous filament, cellulosic	Lb.	5.19
202.	Yarn wholly of continuous filament, other	Lb.	11.6
203.	Yarn wholly of non-continuous filament, cellulosic	Lb.	3.4
204.	Yarn wholly of non-continuous filament, other	Lb.	4.12
205.	Yarns, other	Lb.	3.51
206.	Woven fabrics, cellulosic, wholly of continuous man-made fibre	Sq.yd.	1.0
207.	Woven fabrics, cellulosic, wholly made of non-continuous fibres	Sq.yd.	1.0
208.	Woven fabrics, other, wholly of continuous man-made fibres	Sq.yd.	1.0
209.	Woven fabrics, other, wholly of non-continuous fibres	Sq.yd.	1.0
210.	Woven fabrics, other, of man-made fibres	Sq.yd.	1.0
211.	Knit fabrics	Lb.	7.8
212.	Pile and tufted fabrics	Sq.yd.	1.0
213.	Speciality fabrics	Lb.	7.8

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
214.	Gloves and mittens, knit, whether or not ornamented	Doz.pr.	3.53
215.	Hosiery	Doz.pr.	4.6
216.	Dresses, knit	Doz.	45.3
217.	Pyjamas and other nightwear, knit	Doz.	51.96
218.	T-shirts, knit	Doz.	7.24
219.	Shirts, other (including blouses), knit	Doz.	18.36
220.	Skirts, knit	Doz.	17.8
221.	Sweaters and cardigans, knit	Doz.	36.8
222.	Trousers, slacks, and shorts, knit, women's, girls' and infants'	Doz.	17.8
223.	Underwear, knit	Doz.	16.0
224.	Other wearing apparel, knit whether or not ornamented	Lb.	7.8
225.	Body-supporting garments	Doz.	4.75
226.	Handkerchiefs	Doz.	1.66
227.	Mufflers, scarves and shawls, not knit	Lb.	7.8
228.	Blouses, not knit	Doz.	14.53
229.	Coats, not knit	Doz.	41.25
230.	Dresses, not knit	Doz.	45.3
231.	Dressing-gowns, including bath-robcs and beachrobes, not knit	Doz.	51.0
232.	Pajamas and other nightwear, not knit	Doz.	51.96
233.	Playsuits, sunsuits, wachsuits, etc., not knit	Doz.	21.3
234.	Dress shirts, not knit	Doz.	22.19
235.	Shirts, other, not knit	Doz.	24.46
236.	Skirts, not knit	Doz.	17.8



<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
237.	Suits, not knit	No.	4.5
238.	Trousers, slacks and shorts, not knit	Doz.	17.8
239.	Underwear, not knit	Doz.	16.0
240.	Other wearing apparel; not knit, whether or not ornamented	Lb.	7.8
241.	Floor coverings	Sq.ft.	0.11
242.	Other furnishings	Lb.	7.8
243.	Manufactures, n.e.s. of man-made fibre	Lb.	7.8