

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/93  
22 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 Pakistan

The TSB has received from the Government of the United States a notification of an agreement between the United States and Pakistan 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.

9 May 1975

UNITED STATES AND PAKISTAN EXTEND TEXTILE AGREEMENT

The United States and Pakistan agreed to extend the bilateral agreement on trade in cotton textiles between the two countries by exchange of notes in Washington on 6 May 1975. Texts of the notes follow:

Note No.1

6 May 1975

Excellency:

I refer to the Arrangement Regarding International Trade in Textiles done at Geneva on 23 December 1973, hereinafter referred to as the Arrangement. I also refer to recent discussions between representatives of our two Governments concerning exports of cotton textiles from Pakistan to the United States. As a result of those discussions, I wish to propose the following agreement relating to trade in cotton textiles between Pakistan and the United States, to replace and supersede, effective 1 July 1974, the existing Textile Agreement of 6 May 1970, as amended, relating to this trade.

1. The term of this agreement shall be from 1 July 1974, through 31 December 1977. During such term, the Government of Pakistan will limit exports of cotton textiles to the United States, during each agreement period, to aggregate, group and specific limits, at the levels specified in the following paragraphs.
2. For the first agreement period, constituting the eighteen-month period beginning 1 July 1974, and the second agreement period, constituting the twelve-month period beginning 1 January 1976, the aggregate limits will be 180,669,500 square yards equivalent and 130,350,000 square yards equivalent, respectively.
3. Within the applicable aggregate limit, the following group limits shall apply:

<u>Group</u>	<u>Limit</u> (in square yards equivalent)	
	<u>First period</u>	<u>Second period</u>
I Categories 1-27	147,820,500	106,650,000
II Categories 28-64	32,349,000	23,700,000

4. Within the applicable aggregate and group limits the following specific limits shall apply for the first agreement periods:

<u>Group I</u>	<u>Limit</u> (in square yards equivalent)	
	<u>First period</u>	<u>Second period</u>
Sheeting, carded and combed (Categories 9 and 10)	70,953,840	51,192,000
Print cloth (Categories 18, 19 and parts of 20)	31,535,040	22,752,000
Twill and sateen, carded and combed (Categories 22 and 23)	7,883,760	5,688,000
Barkcloth (parts of Category 26)	11,825,640	8,532,000
Duck (parts of Category 26)	16,752,990	12,087,000

<u>Group II</u>	<u>Limit</u>			
	<u>First period</u>		<u>Second period</u>	
	<u>Units</u>	<u>SYE</u>	<u>Units</u>	<u>SYE</u>
Towels, other than shop towels, (parts of Category 31) No.	18,420,000	6,410,160	13,289,400	4,624,711
Apparel sub-group (Categories 39-63)		16,424,500		11,850,000
T-Shirts (Categories 41 and 42) doz.	1,339,571	9,690,455	966,478	6,991,500

5. For the third agreement period, constituting the twelve-month period beginning 1 January 1977, the aggregate, group and specific limits shall be those specified in paragraphs 2, 3 and 4 of this Agreement for the second agreement period increased by 7 per cent. The limits referred to in this paragraph are without the adjustments provided for in paragraphs 6 and 7.

6. (a) Within the aggregate limit, a group limit may be exceeded in any agreement period by 10 per cent.

(b) Within the aggregate and applicable group limits, as they may be adjusted pursuant to this paragraph, specific limits in Categories 1-27 may be exceeded in any agreement period by 10 per cent and in Categories 28-64 by 7 per cent.

(c) Within the Group II limit, as it may be adjusted under this paragraph, the sub-group level for apparel (Categories 39-63) may be exceeded in any agreement period by 7 per cent of the sub-group level.

7. (a) In any agreement period, 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 period an unused portion of the applicable limit for the previous agreement period (carryover) or a portion of the applicable limit for the succeeding agreement period (carry forward).

(i) Carryover may be utilized as available up to 11 per cent of the receiving period's applicable limits;

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

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

Notwithstanding the foregoing, carryover of shortfalls into the first agreement period shall not be more than 5 per cent of the applicable limits for the year ending 30 June 1974, provided for in the Agreement between the Governments concerning trade in cotton textiles of 6 May 1970, as amended.

(b) For purposes of this Agreement, a shortfall occurs when exports from Pakistan to the United States during an agreement period are below the aggregate limits in this Agreement or the limits in force for the year ending 30 June 1974, provided in the Agreement referred to in sub-paragraph (a) above. In the agreement period following the shortfall, exports from Pakistan to the United States may be permitted to exceed the aggregate, group and specific limits in accordance with the provisions of sub-paragraph (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 limit; 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 adjustment permitted by paragraph 6 to the limits for any agreement period.

8. (a) In the event of undue concentration in exports from Pakistan to the United States of cotton textiles in any category not given a specific limit which cause real risks of market disruption as defined in Annex A of the Arrangement the Government of the United States of America may request consultation with the Government of Pakistan to determine an appropriate course of action. Until a mutually satisfactory solution is reached, exports in the category in question from Pakistan to the United States starting with the twelve-month period beginning on the date of the request for consultation shall be limited. The limit shall be 107 per cent of the exports of such product from Pakistan to the United States during the most recent twelve-month period preceding the request for consultation and for which statistics are available to our two Governments.

(b) The request for consultations by the Government of the United States of America shall be accompanied by a detailed factual statement of the reasons and justification for its request for consultations. The statement shall include data similar to that contemplated in paragraph I and II of Annex A of the Arrangement Regarding International Trade in Textiles. The relevant data on imports from third countries of the product in question will also be furnished.

(c) This Article of the Agreement will be implemented in such a manner as to achieve the principles and objectives set out in the Arrangement, and will only be resorted to sparingly.

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

10. 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 Pakistan with data on monthly imports of cotton textiles from Pakistan. The Government of Pakistan 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.

11. In the implementation of this agreement, the system of categories and the rates of conversion into square yards equivalent listed in Annex B hereto shall apply. In any situation where the determination of an article to be a cotton textile would be affected by whether the weight or chief value criterion provided in Article 12 of the Arrangement is used, the chief value criterion used by the Government of the United States of America shall apply.

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

13. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this agreement, including differences in points of procedure or operation.

14. If the Government of Pakistan considers that, as a result of limitation specified in this agreement, Pakistan is being placed in an inequitable position vis-à-vis a third country, the Government of Pakistan may request consultations with the Government of the United States of America with a view to taking appropriate remedial action such as a reasonable modification of this agreement. These consultations will begin within thirty days from the date of request, unless mutually agreed otherwise.

15. During the term of this agreement, the Government of the United States of America will not request restraint on the export of cotton textiles from Pakistan to the United States under Article 3 of the Arrangement. The applicability of the Arrangement to trade in textiles between Pakistan and the United States shall be otherwise unaffected by this agreement.

16. The Government of the United States of America may assist the Government of Pakistan in implementing the limitation provisions of this agreement by controlling imports of cotton textiles covered by the agreement.

17. In accordance with the provisions of Article 12, paragraph 3 of the Arrangement, exports of hand-loom fabrics of the cottage industry, hand-made cottage industry products made of such hand-loomed fabrics, and traditional folklore handicraft textile products, also known as "Pakistan Items", are not within the purview of this agreement. A list of Pakistan Items with definitions, as identified by representatives of both Governments, is attached to this agreement as Annex C, and will serve as a basis for implementing this provision of the agreement. Additional items may be subsequently added to this list by mutual agreement.

18. The export visa system and certification procedure for hand-made cottage industry products and Pakistan Items, which has been implemented by previous administrative arrangements, will be continued in force.

19. If the two Governments are unable to reach a mutually satisfactory solution within a reasonable period of time to problems which have been the subject of consultations under this agreement or its related documents, either Government may, after notification to the other Government, refer such problems to the Textiles Surveillance Body in accordance with Article 11 of the Arrangement.

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

If this proposal is acceptable to the Government of Pakistan, this note and your note of confirmation on behalf of the Government of Pakistan shall constitute an agreement between the Government of Pakistan and the Government of the United States of America.

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

For the Secretary of State:

(signed) Julius L. Katz

Enclosures: Annex A  
Annex B  
Annex C

His Excellency  
Sahabzada Yaqub-Khan,  
Ambassador of Pakistan

Note No.2

6 May 1975

Excellency,

I refer to your note proposing an agreement on Trade in Cotton Textiles between our two Governments.

I confirm that your proposal is acceptable to my Government, and that your note and this note in reply constitute an agreement between our two Governments.

Yours sincerely,

(signed) Sahabzada Yaqub Khan

The Honorable  
Dr. Henry A. Kissinger,  
Secretary of State,  
The Department of State,  
Washington, D.C. 20520

ANNEX AI. Printcloth

Printcloth is a term applied to a plain woven fabric made of singles uncombed yarns. The fabric is not napped, not fancy and not figured. The difference in the yarns per inch of the warp and of the filling does not usually exceed fifteen. The average yarn number ranges between twenty-seven and forty-four per inch.

Printcloth falls under Category 18 "Printcloth, shirting type, 80 x 80 type, carded"; Category 19 "Printcloth, shirting type, other than 80 x 80 type, carded"; and under the T.S.U.S.A. numbers of Category 26 "Woven fabric, not elsewhere specified, other carded" listed below:

T.S.U.S.A. Numbers

- 320 xx 34 Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, not bleached or coloured.
- 321 xx 34 Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, bleached but not coloured.
- 322 xx 34 Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, coloured, whether or not bleached.
- 326 xx 34 Printcloth other than printcloth type shirting, not combed, chief value, but not wholly of cotton, containing silk or man-made or both, not fancy or figured, not bleached or coloured.
- 327 xx 34 Printcloth other than printcloth type shirting, not combed, chief value, but not wholly of cotton, containing silk or man-made fibres, or both, not fancy or figured, bleached but not coloured.
- 328 xx 34 Printcloth other than printcloth type shirting, not combed, chief value, but not wholly of cotton, containing silk or man-made fibres, or both, not fancy or figured, coloured, whether or not bleached.

II. Barkcloth

Barkcloth is a term applied to a fabric most commonly used in the drapery and upholstery fields. The fabric is often made with heavy filling yarns and fine warp yarns with two or three times as many warp threads as filling threads per inch, or with heavy warp and filling yarns with a fairly even number of warp and

filling threads per inch. The weave is of an irregular design with long warp and filling floats resulting in a rough or barklike fabric surface. Barkcloth is most commonly woven with six harnesses but should it be advantageous to do so, could easily be produced with eight or more harnesses.

Barkcloth-type fabrics are those fabrics classified as "woven fabrics, not elsewhere specified, other, carded" and which fall under the numbers of the Tariff Schedule of the United States (T.S.U.S.A.) listed below. For administrative purposes, barkcloth-type fabrics shall be considered as including all fabrics falling under these numbers. Schedule 3 of the T.S.U.S.A., including revisions through supplement No. 4, which gives the complete definitions applicable to these numbers is attached. All yarns counts, represented by the fourth and fifth digits ("xx") of the following numbers and specifically described in Schedule 3 of the T.S.U.S.A., are included in the restraint action.

T.S.U.S.A. NUMBERS

320	xx88
321	xx88
322	xx88
323	xx88
324	xx88
325	xx88
326	xx88
327	xx88
328	xx88
329	xx88
330	xx88
331	xx88
320	xx92
321	xx92
322	xx92
323	xx92
324	xx92
325	xx92
326	xx92
327	xx92
328	xx92
329	xx92
330	xx92
331	xx92

ANNEX B

Category	Description	Unit	Conversion factor
1.	Yarn, carded, singles	Lb.	4.6
2.	Yarn, carded, plied	Lb.	4.6
3.	Yarn, combed, singles	Lb.	4.6
4.	Yarn, combed, plied	Lb.	4.6
5.	Gingham, carded	Sq.yd.	1.0
6.	Gingham, combed	Sq.yd.	1.0
7.	Velveteen	Sq.yd.	1.0
8.	Corduroy	Sq.yd.	1.0
9.	Sheeting, carded	Sq.yd.	1.0
10.	Sheeting, combed	Sq.yd.	1.0
11.	Lawn, carded	Sq.yd.	1.0
12.	Lawn, combed	Sq.yd.	1.0
13.	Voile, carded	Sq.yd.	1.0
14.	Voile, combed	Sq.yd.	1.0
15.	Poplin and broadcloth, carded	Sq.yd.	1.0
16.	Poplin and broadcloth, combed	Sq.yd.	1.0
17.	Typewriter ribbon cloth	Sq.yd.	1.0
18.	Print cloth, shirting type, 80 x 80 type, carded	Sq.yd.	1.0
19.	Print cloth, shirting type, other than 80 x 80 type, carded	Sq.yd.	1.0
20.	Shirting, Jacquard, or dobby, carded	Sq.yd.	1.0
21.	Shirting, Jacquard or dobby, combed	Sq.yd.	1.0
22.	Twill and sateen, carded	Sq.yd.	1.0
23.	Twill and sateen, combed	Sq.yd.	1.0
24.	Woven fabric, n.e.s., yarn dyed, carded	Sq.yd.	1.0
25.	Woven fabric, n.e.s., yarn dyed, combed	Sq.yd.	1.0
26.	Woven fabric, other, carded	Sq.yd.	1.0
27.	Woven fabric, other, combed	Sq.yd.	1.0
28.	Pillowcases, not ornamented, carded	No.	1.084
29.	Pillowcases, not ornamented, combed	No.	1.084
30.	Dish towels	No.	.348
31.	Other towels	No.	.348
32.	Handkerchiefs, whether or not in the piece	Doz.	1.66
33.	Table Damask and manufactures	Lb.	3.17
34.	Sheets, carded	No.	6.2
35.	Sheets, combed	No.	6.2
36.	Bedspreads and quilts	No.	6.9
37.	Braided and woven elastics	Lb.	4.6

Category	Description	Unit	Conversion factor
38.	Fishing nets and fish netting	Lb.	4.6
39.	Gloves and mittens	Doz.prs.	3.527
40.	Hose and half hose	Doz.prs.	4.6
41.	T-shirts, all white, knit, men's and boys'	Doz.	7.234
42.	T-shirts, other knit	Doz.	7.234
43.	Shirts, knit, other than T-shirts and sweatshirts	Doz.	7.234
44.	Sweaters and cardigans	Doz.	36.8
45.	Shirts, dress, not knit, men's and boys'	Doz.	22.186
46.	Shirts, sport, not knit, men's and boys'	Doz.	24.457
47.	Shirts, work, not knit, men's and boys'	Doz.	22.186
48.	Raincoats, 3/4 length or longer, not knit	Doz.	50.0
49.	Other coats, not knit	Doz.	32.5
50.	Trousers, slacks and shorts (outer), not knit, men's and boys'	Doz.	17.797
51.	Trousers, slacks and shorts (outer), not knit, women's, girls' and infants'	Doz.	17.797
52.	Blouses, not knit	Doz.	14.53
53.	Dresses (including uniforms), not knit	Doz.	45.3
54.	Playsuits, washsuits, sunsuits, creepers, rompers, etc., not knit, n.e.s.	Doz.	25.0
55.	Dressing gowns, including bathrobes, beach robes, housecoats and dusters, not knit	Doz.	51.0
56.	Undershirts, knit, men's and boys'	Doz.	9.2
57.	Briefs and undershorts, men's and boys'	Doz.	11.25
58.	Drawers, shorts and briefs, knit, n.e.s.	Doz.	5.0
59.	All other underwear, not knit	Doz.	16.0
60.	Pajamas and other nightwear	Doz.	51.96
61.	Brassieres and other body-supporting garments	Doz.	4.75
62.	Wearing apparel, knit, n.e.s.	Lb.	4.6
63.	Wearing apparel, not knit, n.e.s.	Lb.	4.6
64.	All other cotton textiles	Lb.	4.6

ANNEX C

Definition

"Pakistan Items" are those items that are uniquely and historically traditional Pakistani products cut, sewn or otherwise fabricated by hand in the cottage industry. They are limited to the products enumerated below and such other items as may be agreed upon from time to time.

List of Pakistan Items

1. Shishna embroidered dresses - Traditional mirror embroidery on plain, printed or striped material, worn by the people of Sind and Baluchistan. Short, medium or long in length according to the areas from which they come.
2. Dastkari kurta and/or gharara - A kurta is a type of halter blouse worn with the gharara. A gharara is a traditional form of the pajama worn by ladies of the Moghul courts. Each leg of the gharara measures about one yard across the bottom opening. Both made of cotton material with multi-coloured embroidery and with drawstrings at the top and waist, in the tradition of the Moghul kings.
3. Multani kurta - Crochet worked shorts or long tunic worn by the peasants in Punjab. Crocheted work located at the neck and front and has triangular inserts at the armpits.
4. Embroidered kurta - Type of short or loose tunic worn throughout Pakistan over loose trousers. Is embroidered in different colours. Adapted from Angarkha by King Ahmad Shah Abdali. Worn short or long and has triangular inserts at the armpits.
5. Multani choli - (if in part of set) Fitted blouse worn with either a lungi (i.e. a scarf) or sari in Punjab and Sind. Choli is embroidered in different colours or hand-printed, tied either in front or back.
6. Rilli kurta - Kurta of heavy fabric with patchworked decorations appliqued by hand, worn by the women of Sind.
7. Burga - Loose tunic or dress with hood attached worn by ladies when going out of the house. Worn as an outer covering and often gaily embroidered or hand-printed.

8. Quetta jackets - Loose vest worn over kurta by men and women. Made either of printed material or of embroidered material with mirrors on plain colours.
9. Chagra - Ankle length, loose fitting skirt with drawstrings around the waist or hooks worn with either a fitted or loose choli, with traditional colours embroidered or hand-printed. Work in the Tharparkar area of Sind.
10. Batwa - (Drawstring pouches, bags, purses and string bags.) Accessories for all Pakistani dresses for carrying betel nuts and other personal things. Gaily printed or hand-embroidered or with mirrors, or made with coloured strings.
11. Shindhi julaba - Very loose ankle length garment in handloom or handblocked material with a hood attached, with tie string at V opening in neck and side slits at lower part extending to lower hem. Worn with or without hood in the villages of Sind and can also be embroidered.
12. Izarban - Cotton belt in multi-coloured continuous lengths or unwoven threads.
13. Baluchi kameez - Embroidered top worn by the women of Baluchistan over Shalwar or Turkish trousers. Flared tunic with extra wide sleeves tapering to a buttoned cuff.
14. Cotton embroidered kaftan - Kaftan in the traditional embroidery of Multan, Makran, Derz Ghazi Khan and Muckhi. Long, loose fitting dress with embroidery around top and bottom with side slits of about eighteen inches to the lower hem.
15. Cholistani kurta - Colourful striped heavy, unbleached fabric worn by the camel drivers of the Cholistani Desert with stand-up collar band and sleeves made into the body of the garment.
16. Chilaf - Embroidered decorative tubular case open at both ends with drawstring enclosures.
17. Dupatta - (if in part of a set) Long scarf about four feet or more long and three feet or more wide of thin cotton, fabric with colourful design worn by women to cover the head.
18. Shamshand - Antique and embroidered wide belts worn around the waist, with heavy mirrored embroidery.