

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/154  
24 March 1976

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Textiles Surveillance Body

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## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Article 4 Notification

#### Agreement Between the United States and the Philippines

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

Letter No. 1

UNITED STATES NOTE

15 October 1975

Excellency,

I refer to the Arrangement Regarding International Trade in Textiles done at Geneva on 20 December 1973, hereinafter referred to as the Arrangement. I also refer to recent discussions between representatives of our two Governments concerning exports of cotton, wool and man-made fibre textiles and textile products from the Republic of the Philippines to the United States of America. As a result of these discussions and in conformity with Articles 2, 4 and 6 of the Arrangement, I wish to propose the following agreement relating to trade in cotton, wool and man-made fibre textiles and textile products between the Republic of the Philippines and the United States of America, to replace and supersede, effective 1 October 1975, the Cotton Textile Agreement of 27 September 1967, as amended and extended.

1. The term of this agreement shall be from 1 October 1975, through 30 September 1978. During such terms, the Government of the Philippines shall limit annual exports of cotton, wool and man-made fibre textiles from the Philippines 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. For the first agreement year, constituting the twelve-month period beginning 1 October 1975, the aggregate limit shall be 189,000,000 sq. yds. equivalent.
3. Within the aggregate limit the following group limits shall apply for the first agreement year:

Group I

Square yards  
equivalent

Traditional items, which are defined as infants' garments up to and including size 6X and classified in Categories 52, 53, 54, 59, 62, 63, 216, 220, 221, 222, 223, 224, 228, 230, 233, 239 and 240

113,000,000

Group II

Non-traditional apparel, made-up and miscellaneous manufactures classified in Categories 28-64, 111-128, 131, 132 and 214-243

76,000,000

4. Within the aggregate limit the Government of the Republic of the Philippines may export, in any agreement year, up to 20,000,000 sq. yds. equivalent of yarn and fabric (i.e., Categories 1-27, 101-110 and 200-213); provided, however, that exports in any single cotton and man-made fibre yarn and fabric category may not exceed 3,000,000 sq. yds. equivalent except by mutual agreement by the two Governments, and exports of wool yarn and wool fabric may not exceed 100,000 sq. yds. per category except by mutual agreement.

5. Within the applicable group limit, the following specific limits shall apply for the first agreement year:

<u>Traditional categories</u>	<u>Level</u>
53	221,337 dz.
221	217,391 dz.
222	112,360 dz.
230	580,000 dz.
 <u>Non-traditional categories</u>	
39	386,952 dz. pr.
45/46/47	3,500,000 sq. yds. equiv.
49	40,000 dz.
50	100,000 dz.
51	100,000 dz.
214	1,000,000 dz. pr.
219	5,987,379 sq. yds. equiv.
224 (part)	384,615 lb.
of which 224 (suits)	100,000 lb.
of which 224 (suit-type coats)	100,000 lb.
225	2,500,000 dz.
229	200,000 dz.
235	30,000 dz.
237	15,000 dz.

6. Within the group limits, categories given specific ceilings may be exceeded in any agreement year by 7 per cent.

7(a) Categories not given specific limits are subject to consultation levels and to the aggregate and applicable group limits. In the event the Government of the Republic of the Philippines wishes to permit exports to the United States in any category, in excess of the applicable consultation level during any agreement year (as modified by paragraph 7(b), the Government of the Republic of the Philippines shall request consultations with the Government of the United States on this question.

The Government of the United States will consider each request sympathetically and will deny such request only when there are problems of market disruption in the category or product concerned. In denying a request the Government of the United States will supply to the Government of the Republic of the Philippines the data upon which the decision of the Government of the United States was based.

Except as otherwise designated in Annex A, the consultation level for traditional and non-traditional apparel categories shall be 700,000 sq. yds. equivalent for cotton and man-made fibre apparel. For non-apparel categories, the consultation levels shall be 1,000,000 sq. yds. equivalent. For all wool categories except those designated in Annex A, the consultation level shall be 100,000 sq. yds.

(b) In the event the Government of the Republic of the Philippines desires to permit exports in the traditional consultation categories as set forth in Group I to exceed in any agreement year 110 per cent of the Group I category consultation levels, it shall so notify the Government of the United States. Upon receipt of such notification, the Government of the United States may request consultations on the matter, if in its view, the proposed export levels would constitute an undue concentration of trade threatening to cause a disruption of the United States market in these categories. The Government of the United States shall accompany its request for consultations with detailed information on the condition of the United States market in the category or categories in question. The Government of the Republic of the Philippines shall agree to enter into such consultations, and during the course thereof the Government of the Republic of the Philippines shall limit its exports on an annual basis in the categories in question to 110 per cent of the applicable consultation levels set forth in paragraph 7(a) or in Annex A.

(c) In the event the Government of the Republic of the Philippines should desire to ship non-traditional items in any category listed in Group I, it may do so as long as the amount shipped in any such category does not exceed 700,000 sq. yds. equivalent and does not result in the Group II limit being exceeded. In the event the Government of the Republic of the Philippines desires to permit exports of such items to exceed this limit during any agreement year, the consultation procedures of paragraph 7(a) shall apply.

8. In the second and third agreement years the aggregate, group and specific limits shall be increased by 7 per cent over the applicable limits for the preceding year.

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

- (i) Carry-over may be utilized as available up to 11 per cent of the receiving year's applicable limits;
- (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 carry-over and carry forward may not exceed 11 per cent of the receiving year's applicable limits in any agreement year.

(b) For the purpose of this Agreement, a shortfall occurs when exports from the Philippines to the United States during an agreement year are below the aggregate limits in this Agreement. In the agreement year following the shortfall, exports from the Philippines 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 carry-over of shortfalls in the following manner:

- (i) the carry-over 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 carry-over shall be used in the same group in which the shortfall occurred.

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

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

10(a) Notwithstanding any other provisions of this agreement, during the first agreement year the Government of the Philippines may charge against the limits for Categories 50 and 51 (trousers) cottonjackets (other than suit type jackets) exported as sets at the square yard equivalent conversion rate established in Annex B for Category 49. Data on the number of such sets exported shall be separately reported by the Government of the Republic of the Philippines to the Government of the United States of America each month.

(b) At the end of the first agreement year, the two Governments shall consider this provision to determine whether it may be continued.

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

12. 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 Republic of the Philippines with data on monthly imports of cotton, wool and man-made fibre textiles from the Philippines. The Government of the Republic of the Philippines shall promptly supply the Government of the United States of America with data on monthly exports of such textiles to the United States. Each Government agrees to supply promptly any other available relevant statistical data requested by the other Government.

13(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, except as elsewhere noted.

(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.

14. In conformity with Article 12, paragraph (3), of the Arrangement, and subject to the establishment of a mutually agreed upon list and certification system, Philippine 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.

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

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

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

18. If having regards to the provisions of the Arrangement, the Government of the Republic of the Philippines considers that as a result of limitations specified in this agreement, the Republic of the Philippines is being placed in an inequitable position vis-à-vis a third country, the Government of the Republic of the Philippines 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.

19. For the duration of this agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the export of cotton, wool and man-made fibre textiles from the Republic of the Philippines to the United States. Each Government reserves its right under the Arrangement with respect to 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 ninety days prior to the end of such agreement year. Either Government may at any time propose revisions in the terms of this agreement.

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

Accept, Excellency, the renewed assurances of my highest consideration

(signed) William H. Sullivan,  
Ambassador

Manuel Collantes,  
Acting Secretary of Foreign Affairs.

ANNEX A

(Designated Annual Consultation Levels Pursuant to  
Paragraph 7(a) of the Agreement)

Traditional categories

Level

54	93,598 dz.
62 <sup>1/</sup>	422,130 dz.
63 (part) <sup>1/</sup>	665,839 dz.
216	135,000 dz.
224 (part) <sup>1/</sup>	1,105,217 dz.
228	124,000 dz.
233	390,000 dz.
240 (part) <sup>1/</sup>	2,000,000 dz.

Non-traditional categories

32	800,000 dz.
42	200,000 dz.
43/62 (part) <sup>2/</sup>	250,000 dz.
44	27,173 dz.
60	25,000 dz.
61	500,000 dz.
63 (part)	832,486 lb.
121 (exports in this category shall be limited to CPO jackets)	750,000 sq. yds. equiv.
125	250,000 sq. yds. equiv.
217	50,000 dz.
223	300,000 dz.
232	20,000 dz.
238	50,000 dz.
240 (part)	2,000,000 sq. yds. equiv.

<sup>1/</sup> A factor of 1.74 lb. equals one dozen shall be used to convert pounds to dozen for traditional items in categories 62, 63, 224, and 240, subject to revision based on new definition of infants' wear considered as traditional items in the Agreement. In the event of such revision, the number of dozen for traditional items in these categories will not be changed.

<sup>2/</sup> Category 62 (part) includes non-traditional blouses and shirts in TSUSA Nos. 380.0027, 382.0002, 382.0026, 382.0605 and 382.0610 to be reported in dozens and converted into square yard equivalents at the same rate as category 43.

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. yds.	1.0
6	Ginghams, combed yarn	sq. yds.	1.0
7	Velveteens	sq. yds.	1.0
8	Corduroy	sq. yds.	1.0
9	Sheeting, carded yarn	sq. yds.	1.0
10	Sheeting, combed yarn	sq. yds.	1.0
11	Lawns, carded yarn	sq. yds.	1.0
12	Lawns, combed yarn	sq. yds.	1.0
13	Voiles, carded yarn	sq. yds.	1.0
14	Voiles, combed yarn	sq. yds.	1.0
15	Poplins and broadcloth, carded yarn	sq. yds.	1.0
16	Poplin and broadcloth, combed yarn	sq. yds.	1.0
17	Typewriter ribbon cloth	sq. yds.	1.0
18	Print cloth, shirting type, 80 x 80 type, carded yarn	sq. yds.	1.0
19	Print cloth, shirting type, other than 80 x 80 type, carded yarn	sq. yds.	1.0
20	Shirting, carded yarn	sq. yds.	1.0
21	Shirting, combed yarn	sq. yds.	1.0
22	Twill and sateen, carded yarn	sq. yds.	1.0
23	Twill and sateen, combed yarn	sq. yds.	1.0
24	Yarn-dyed fabrics, n.e.s., carded yarn	sq. yds.	1.0
25	Yarn-dyed fabrics, n.e.s., combed yarn	sq. yds.	1.0
26	Fabrics, n.e.s., carded yarn	sq. yds.	1.0
27	Fabrics, n.e.s., combed yarn	sq. yds.	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	dz.	1.66

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
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	dz. prs.	3.527
40	Hose and half hose	dz. prs.	4.6
41	Men's and boys' all white T-shirts, knits or crocheted	dz.	7.234
42	Other T-shirts	dz.	7.234
43	Knitshirts, other than T-shirts and sweatshirts (including infants)	dz.	7.234
44	Sweaters and cardigans	dz.	36.8
45	Men's and boys' shirts, dress, not knit or crocheted	dz.	22.186
46	Men's and boys' shirts, sport, not knit or crocheted	dz.	24.457
47	Men's and boy's shirts, work, not knit or crocheted	dz.	22.186
48	Raincoats, 3/4 length or over	dz.	50.0
49	All other coats	dz.	32.5
50	Men's and boys' trousers, slacks and shorts, outer, whether or not in sets, not knit or crocheted	dz.	17.797
51	Women's misses' and children's trousers, slacks and shorts, outer, whether or not in sets, not knit or crocheted	dz.	17.797
52	Blouses, whether or not in sets	dz.	14.53
53	Women's, misses', children's and infants' dresses (including nurses, and other uniform dresses), not knit or crocheted	dz.	45.3
54	Playsuits, sunsuits, washsuits, creepers, rompers, etc. (except blouses and shorts; blouses and trousers; or blouses, shorts and skirt sets)	dz.	25.0
55	Dressing gowns, including bathrobes and beachrobes, lounging gowns, dusters and housecoats, not knit or crocheted	dz.	51.0
56	Men's and boys' undershirts (not T-shirts)	dz.	9.2
57	Men's and boys' briefs and undershorts	dz.	11.25

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
58	Drawers, shorts and briefs (except men's and boys' briefs), knit or crocheted	dz.	5.0
59	All other underwear, not knit or crocheted	dz.	16.0
60	Nightwear and pyjamas	dz.	51.96
61	Brassieres and other body supporting garments	dz.	4.75
62	Other knitted or crocheted clothing	lb.	4.6
63	Other clothing, not knit or crocheted	lb.	4.6
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. yds.	1.0
105	Billiard cloth	sq. yds.	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. yds.	1.0
109	Pile and tufted fabrics	sq. yds.	1.0
110	Knit fabrics in the piece	lb.	1.95
111	Hosiery	dz. prs.	2.7814
112	Gloves and mittens	dz. prs.	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., value 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
123	Women's, misses', and children's separate skirts	No.	1.5

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
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. yds.	1.0
207	Woven fabrics, cellulosic, wholly made of non-continuous fibres	sq. yds.	1.0
208	Woven fabrics, other, wholly of continuous man-made fibre	sq. yds.	1.0
209	Woven fabrics, other, wholly of non-continuous fibres	sq. yds.	1.0
210	Woven fabrics, other, of man-made fibres	sq. yds.	1.0
211	Knit fabrics	lb.	7.8
212	Pile and tufted fabrics	sq. yds.	1.0
213	Specialty fabrics	lb.	7.8
214	Gloves and mittens, knit, whether or not ornamented	dz. prs.	3.53
215	Hosiery	dz. prs.	4.6
216	Dresses, knit	dz.	45.3
217	Pyjamas and other nightwear, knit	dz.	51.96
218	T-shirts, knit	dz.	7.24
219	Shirts, other (including blouses), knit	dz.	18.36
220	Skirts, knit	dz.	17.8
221	Sweaters and cardigans, knit	dz.	36.8
222	Trousers, slacks and shorts, knit, women's, girls' and infants'	dz.	17.8
223	Underwear, knit	dz.	16.0

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
224	Other wearing apparel, knit, whether or not ornamented	lb.	7.8
225	Body-supporting garments	dz.	4.75
226	Handkerchiefs	dz.	1.66
227	Mufflers, scarves and shawls, not knit	lb.	7.8
228	Blouses, not knit	dz.	14.53
229	Coats, not knit	dz.	41.25
230	Dresses, not knit	dz.	45.3
231	Dressing gowns, including bathrobes and beachrobes, not knit	dz.	51.0
232	Pyjamas and other nightwear, not knit	dz.	51.96
233	Playsuits, sunsuits, washsuits, etc., not knit	dz.	21.3
234	Dress shirts, not knit	dz.	22.19
235	Shirts, other, not knit	dz.	24.46
236	Skirts, not knit	dz.	17.8
237	Suits, not knit	No.	4.5
238	Trousers, slacks and shorts, not knit	dz.	17.8
239	Underwear, not knit	dz.	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

Letter No. 2

REPUBLIC OF PHILIPPINE NOTE

15 October 1975

Excellency,

I have the honour to acknowledge receipt of your Excellency's Note of today's date which reads as follows:

(see United States Note)

I have further the honour to confirm on behalf of the Government of the Republic of the Philippines the agreement set forth in Your Excellency's Note.

It is the understanding of my Government that nothing in the foregoing agreement excludes the possibility of consultations, at the instance of either Government, on specific category limitations established thereby.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

(signed) Manuel Collantes  
Acting Secretary of Foreign Affairs

His Excellency,  
William H. Sullivan,  
Ambassador of the United States  
of America to the  
Republic of the Philippines,  
Manila.

ANNEX A

(Same as United States)

ANNEX B

(Same as United States)