

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

---

RESTRICTED

COT/7/Add.3

14 August 1964

Special Distribution

Original: English

LONG-TERM ARRANGEMENT REGARDING TRADE  
IN COTTON TEXTILES

Invocations of the Long-Term Arrangement by the United States

Addendum

The attached two communications, relating to the information set forth in document COT/7/Add.1, have been forwarded to the Executive Secretary by the United States Mission for notification to the Cotton Textiles Committee.

UNITED STATES GOVERNMENT ACTIONS IN IMPLEMENTATION  
OF THE LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL  
TRADE IN COTTON TEXTILES

Restraints currently in effect

LTA participant

Renewal of restraints:

MEXICO

"This is to inform you that on 13 July 1964, the United States Government informed the Government of Mexico by diplomatic note that it was renewing the Article 3 restraint on cotton textiles in category 22 at the level of 100,000 square yards for the twelve-month period beginning on 15 July 1964, and that it was prepared to consult with the Government of Mexico on this question. In accordance with paragraph 2 of Annex B of the Long-Term Arrangement, the renewal was made without a percentage increase because of the severe disruption of the United States market for cotton textiles in this category. The Government of Mexico was provided with market disruption data as outlined in the enclosure."<sup>1</sup>

Non-participant in LTA

POLAND

"This is to inform you that on 10 July 1964, the United States Government informed the Government of Poland that it was renewing the Article 3 restraint on cotton textiles in categories 5 and 6 at the level of 100,000 square yards each for the twelve-month period of 15 July 1964 to 14 July 1965. In accordance with paragraph 2 of Annex B of the Long-Term Arrangement, the renewal was made without a percentage increase because of the severe disruption of the United States market for cotton textiles in these two categories. The Government of Poland was provided with market disruption data as outlined in the enclosure."<sup>2</sup>

---

<sup>1</sup>See Annex A.

<sup>2</sup>See Annex B.

ANNEX A

Market Disruption Data for Category 22

Imports into the United States of cotton carded twill and sateen have increased steadily since 1958 when the total was 3.8 million square yards. By 1960 the total had reached 15.8 million square yards. It continued to increase rapidly and amounted to 32.2 million square yards in 1962, rising to 44.1 million square yards in 1963.

In 1958, there were only two countries which had substantial exports in this category to the United States. Since that time, the number of countries supplying this fabric has increased rapidly with eleven countries now exporting significant quantities to the United States market. The cumulative effects of these heavy imports and the lower prices at which these goods were offered have had a serious disruptive effect on the American market. As a result, United States production has stagnated for the last six years and has even registered a decline in 1963 in comparison with 1962, while imports have increased more than tenfold during the same period.

The United States Government also has been mindful of its obligation to extend an equitable treatment to all suppliers in accordance with paragraph 7, Article 3, of the Long-Term Arrangement.

With regard to the imports in this category from Mexico, they are concentrated in unbleached drills and twills. These goods, landed duty-paid in the United States according to the pattern of past imports from Mexico, will be offered at an average of 30 cents per yard. This is a price substantially below the cost of comparable goods manufactured in the United States.

ANNEX B

Market Disruption Data for Categories 5 and 6

Both carded and combed gingham constitute a group of fabrics exceptionally hard-hit by imports. Imports continue to run at a very high figure in relation to the domestic market, currently at a rate of about 44 million square yards a year. As a result, imports have contributed to a substantial decline in United States domestic production of gingham, particularly carded gingham.

In 1958 category 5 imports amounted to 13.8 million square yards, which was more than 60 per cent of the United States domestic production of 22.6 million square yards. By 1962 these imports had increased to 32.6 million square yards, almost three times the level of domestic production, which had been cut by half in the meantime, having decreased to 11.5 million square yards. In 1963, imports were 18.1 million square yards, which was 152 per cent of the domestic production of 11.9 million square yards.

With respect to category 6, some stability has returned to the import market, brought about largely by restraint action. However, United States production of combed gingham has remained virtually stationary; in 1963 production was in fact slightly lower than 1962, with a production of 252 million square yards against 257 million square yards in 1962.

It may also be noted that imported gingham are offered at landed prices, duty paid, from 5 to 10 per cent below the cost price of United States mills.