

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

COT/23

21 April 1964

Special Distribution

---

Original: English

LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL  
TRADE IN COTTON TEXTILES

Agreement between the United States and  
the Republic of the Philippines<sup>1</sup>

Attached are letters and annex comprising the text of the recently concluded agreement between the Governments of the Republic of the Philippines and the United States concerning cotton textile exports to the United States.

The text of this agreement has been transmitted to the secretariat by the United States in accordance with Article 4 of the Long-Term Arrangement Regarding International Trade in Cotton Textiles.

---

<sup>1</sup>Not party to the Long-Term Arrangement.

Letter No. 1

EMBASSY OF THE PHILIPPINES  
Washington, D.C.

24 February 1964

Excellency:

I have the honour to acknowledge receipt of your note of today's date concerning trade in cotton textiles between the Republic of the Philippines and the United States which reads as follows:

"Excellency:

"I have the honour to refer to recent discussions in Manila and Washington between representatives of the Government of the United States of America and the Government of the Republic of the Philippines concerning trade in cotton textiles between the Philippines and the United States.

"As a result of these discussions I have the honour to propose the following agreement relating to trade in cotton textiles between the Philippines and the United States:

1. The Governments recognize that substantially all the exports of cotton textiles from the Philippines to the United States in categories 52, 53, 54, 59 and 63 consist of infants' wear produced by the Philippine cottage industry and traditionally part of the special United States-Philippine cotton textile trade. The Governments agree that the annual levels of these 'traditional trade' categories have most recently approximated the following pattern:

Category 52	25,000 dozen
Category 53	410,000 dozen
Category 54	75,000 dozen
Category 59	130,000 dozen
Category 63	860,000 dozen
Total:	<u>1,500,000</u> dozen

His Excellency,  
Dean Rusk,  
Secretary of State of the  
United States of America

- "2. In the event the Government of the Republic of the Philippines desires to permit exports in the traditional trade categories enumerated in paragraph 1 to exceed in any calendar year 110 per cent of the levels of traditional trade enumerated in paragraph 1 (as adjusted pursuant to paragraph 7), 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 level of traditional trade enumerated in paragraph 1 (as adjusted pursuant to paragraph 7).
- "3. During calendar year 1964, the Government of the Republic of the Philippines shall limit its exports to the United States in all categories of cotton textiles, except those enumerated in paragraph 1, to an aggregate limit of 15.5 million square yards equivalent.
- "4. Within the aggregate limit specified in paragraph 3 the following specific ceilings shall apply:
- |             |                    |
|-------------|--------------------|
| Category 32 | 3,150,000 dozen    |
| Category 39 | 225,000 dozen pair |
| Category 50 | 15,000 dozen       |
| Category 51 | 15,000 dozen       |
| Category 60 | 7,000 dozen        |
| Category 61 | 1,200,000 dozen    |
| Category 64 | 152,175 lbs.       |
- "5. Within the aggregate limit specified in paragraph 3, exports in category 45 shall not exceed 30,000 dozen in any calendar year.
- "6. The square yard equivalent of any shortfalls in categories given a specific ceiling in paragraphs 4 and 5 may be used in any category not given a specific ceiling and not enumerated in

- paragrph 1. Annual exports in categories not given a specific ceiling and not enumerated in paragraph 1 shall not exceed 350,000 square yards equivalent except by mutual agreement of the two Governments.
- "7. The limitations on exports established by paragraphs 3, 4 and 6 and the levels of traditional trade categories enumerated in paragraph 1 shall be raised by 5 per cent for calendar year 1965 and, on a cumulative basis, for each subsequent calendar year.
- "8. With the exception of seasonal items, the Government of the Philippines shall space its annual exports of cotton textiles to the United States as evenly as may be practicable in each calendar year.
- "9. In the event concentration of exports from the Philippines to the United States of apparel items made of a particular fabric not of United States origin causes or threatens to cause market disruption in the United States, the Government of the United States may call for consultations with the Government of the Republic of the Philippines in order to reach a mutually satisfactory solution to the problem. The Government of the Philippines shall agree to enter into such consultations, and, during the course thereof, shall limit its exports of the item in question to an annual level of 105 per cent of its exports of that item during the twelve-month period immediately preceding the month in which consultations are requested.
- "10. Each Government agrees to supply promptly any available statistical data requested by the other Government. In the implementation of this Agreement, the system of categories and the factors for conversion into square yards equivalent set forth in the annex hereto shall apply.
- "11. For the duration of this Agreement, the Government of the United States shall not limit the importation of cotton textiles from the Philippines to levels lower than those provided in this Agreement.
- "12. The Governments agree to consult on any question arising in the implementation of this Agreement.

"13. The Governments agree that this Agreement, while governing trade in cotton textiles, does not prejudice any interpretations by either Government of the Agreement between the United States of America and the Republic of the Philippines Concerning Trade and Related Matters signed at Washington on 6 September 1955.

"14. This Agreement shall continue in force through 31 December 1967, provided that either Government may propose revisions in the terms of the Agreement no later than ninety days prior to the beginning of a new twelve-month period.

Either Government may terminate this Agreement effective at the end of calendar years 1965 or 1966 by written notice to the other Government given at least ninety days prior to the end of either calendar year; provided that such termination shall not operate to prejudice the ability of the Philippines to export cotton textiles to the United States in amounts preserving its proportionate share of the United States market as represented by the levels specified in this Agreement for the calendar year in which the Agreement is terminated.

"I have further the honour to request you to be good enough to confirm the foregoing understandings on behalf of the Government of the Republic of the Philippines.

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

I have further the honour to confirm the foregoing understandings on behalf of the Government of the Republic of the Philippines.

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

(Signature)

Enclosure: Copy of annex to the United States note.

ANNEX

SQUARE YARD EQUIVALENT CONVERSION FACTORS BY CATEGORY

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion Factor</u>
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	Syd.	1.0
6.	Gingham, combed	Syd.	1.0
7.	Velveteen	Syd.	1.0
8.	Corduroy	Syd.	1.0
9.	Sheeting, carded	Syd.	1.0
10.	Sheeting, combed	Syd.	1.0
11.	Lawn, carded	Syd.	1.0
12.	Lawn, combed	Syd.	1.0
13.	Voile, carded	Syd.	1.0
14.	Voile, combed	Syd.	1.0
15.	Poplin and broadcloth, carded	Syd.	1.0
16.	Poplin and broadcloth, combed	Syd.	1.0
17.	Typewriter ribbon cloth	Syd.	1.0
18.	Print cloth, shirting type, 80 x 80 type, carded	Syd.	1.0
19.	Print cloth, shirting type, other than 80 x 80 type, carded	Syd.	1.0
20.	Shirting, Jacquard or dobby, carded	Syd.	1.0
21.	Shirting, Jacquard or dobby, combed	Syd.	1.0
22.	Twill and sateen, carded	Syd.	1.0
23.	Twill and sateen, combed	Syd.	1.0
24.	Woven fabric, n.e.s., yarn dyed, carded	Syd.	1.0
25.	Woven fabric, n.e.s., yarn dyed, combed	Syd.	1.0
26.	Woven fabric, other, carded	Syd.	1.0
27.	Woven fabric, other, combed	Syd.	1.0
28.	Pillowcases, not ornamented, carded	No.	1.084
29.	Pillowcases, not ornamented, combed	No.	1.084
30.	Dish towels	No.	.348

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion Factor</u>
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.	Bedsreads and quilts	No.	6.9
37.	Braided and woven elastics	Lb.	4.6
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 bath- robes, beach robes, housecoats and dusters, not knit	Doz.	51.0

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion Factor</u>
56.	Undershirts, knit, men's and boys'	Doz.	9.2
57.	Briefs and undershorts, man'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 <sup>1</sup>
64.	All other cotton textiles	Lb.	4.6

---

<sup>1</sup>For purposes of converting dozens into pounds under the United States cotton textile classification system, the factor to be used is 1.74.



Letter No. 2

24 February 1964

Dear Mr. Ambassador:

With reference to paragraph 5 of the Agreement between the Government of the Republic of the Philippines and the Government of the United States of America concerning trade in cotton textiles between the Philippines and the United States effected by the Exchange of Notes today, the Government of the Philippines, pursuant to that paragraph, has agreed to limit its 1964 exports in category 45 to 30,000 dozens. I wish to state the understanding of my Government that this level for category 45 shall not become effective until 1 April 1964. At that time, category 45 goods from the Philippines held in bonded warehouse in the United States shall be charged, upon release by the United States Bureau of Customs, against the 1964 export level for category 45 regardless of when these goods were exported from the Republic of the Philippines. The amount of these goods is estimated to be approximately 12,500 dozens. In the event the final determination of the amount of these goods exceeds 12,500 dozens, the Government of the United States shall request consultations with the Government of the Republic of the Philippines to seek some appropriate adjustment.

I should be grateful if you would confirm that this understanding is acceptable to your Government.

Sincerely yours,

For the Secretary of State:

G. GRIFFITH JOHNSON

His Excellency,  
Amelito R. Mutue,  
Ambassador of the Philippines.

Letter No. 3

Embassy of the Philippines  
Washington D.C.

24 February 1964

Dear Mr. Secretary:

I acknowledge receipt of your letter of this date which reads as follows:

(See Letter No. 2)

I wish to confirm on behalf of my Government the understanding set forth in your letter.

Sincerely yours,

(Signature)

His Excellency,  
Dean Rusk,  
The Secretary of State,  
of the United States of America  
Washington 25, D.C.