

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE
IN COTTON TEXTILES

Arrangement between the Government of Portugal and the
Government of the United States of America Concerning Trade in
Cotton Textiles between Portugal and the United States

Attached are letters exchanged between the Government of Portugal and the Government of the United States as well as the text and annex of the Arrangement recently concluded between the two Governments concerning cotton textiles exports to the United States.

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

Letter No. 1

Lisbon, 12 March 1964

Dear Mr. Blue,

I have the honour to refer to the recent discussions held in Lisbon and Geneva by representatives of the Government of Portugal and the Government of the United States of America concerning trade in cotton textiles between Portugal and the United States, and to confirm, on behalf of the Government of Portugal, the understandings reached by the two Governments that, pursuant to the provision of Article 4 of the Long-Term Arrangement Regarding International Trade in Cotton Textiles done in Geneva on 9 February 1962, the bilateral arrangement attached hereto will be applied between the two Governments for the period of the three years beginning 1 January 1964, subject to the provisions thereof.

I have further the honour to request you to be good enough to confirm the foregoing understandings on behalf of the Government of the United States.

Accept, Sir, the renewed assurances of my high consideration.

Carlos Augusto Fernandes
Director, Service for International
Economic Organizations

Mr. William L. Blue,
Counsellor of the United States Embassy,
Lisbon.

ARRANGEMENT BETWEEN THE GOVERNMENT OF PORTUGAL AND THE GOVERNMENT
OF THE UNITED STATES OF AMERICA CONCERNING TRADE IN COTTON
TEXTILES BETWEEN PORTUGAL AND THE UNITED STATES

Pursuant to the provisions of Article 4 of the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on 9 February 1962 (hereinafter called the Long-Term Arrangement), permitting "mutually acceptable arrangements on other terms not inconsistent with the basic objectives of this Arrangement", the following Arrangement shall be applied by the two Governments for the period of three years beginning 1 January 1964, subject to the provisions herein.

1. The purpose of this Arrangement is to provide for orderly development of trade in cotton textiles between Portugal and the United States. To achieve this purpose:

- (a) the United States Government shall co-operate with the Portuguese Government in promoting orderly development of trade in cotton textiles between Portugal and the United States, and
- (b) the Portuguese Government shall maintain, for the period of three years beginning 1 January 1964, an annual aggregate limit for exports of cotton textiles to the United States, and annual limits for major groups subject to the provisions of this Arrangement.

2. The annual aggregate limit for 1964 shall be 90,000,000 square yards equivalent. The above quantity shall be sub-divided into three major groups as follows:

I.	Cotton yarn (categories 1-4) ¹	58,200,000 square yard equivalent
II.	Fabrics and made-up goods (categories 5-38 and 64) ¹	23,700,000 square yard equivalent
III.	Apparel (categories 39-63) ¹	8,100,000 square yard equivalent
	Total	90,000,000 square yard equivalent

¹These categories are defined in the Annex hereto.

3. Within the group ceilings established by paragraph 2, the following specific ceilings shall apply:

GROUP I

Category No. 1	9,550,000 pounds
Category No. 2	750,000 pounds
Category No. 3	2,200,000 pounds
Category No. 4	150,000 pounds

GROUP II

Category No. 5 and 6	7,500,000 square yards ¹
Category No. 9	6,500,000 square yards
Category No. 19	800,000 square yards
Category No. 24 and 25	4,400,000 square yards ²
Category No. 26	2,000,000 square yards
Category No. 28	300,000 pieces
Category No. 64	100,000 pounds ³

¹ Within this ceiling, annual exports in category 6 shall not exceed 4,200,000 square yards.

² Within this ceiling, annual exports in category 25 shall not exceed 1,600,000 square yards.

³ This ceiling shall apply only to quilt covers.

GROUP III

Category No. 41, 42, 43	70,000 dozen
Category No. 45	20,000 dozen
Category No. 46	30,000 dozen
Category No. 47	30,000 dozen
Category No. 50	20,000 dozen
Category No. 51	20,000 dozen
Category No. 52	30,000 dozen
Category No. 53	30,000 dozen ¹
Category No. 55	20,000 dozen
Category No. 60	15,000 dozen
Category No. 62	50,000 pounds ²
Two or three piece ladies' suits made from woven or knit fabrics	300,000 pounds ³

¹ Made of woven or knitted fabrics.

² This ceiling shall apply only to sweatshirts. (TSUSA numbers 380.0309; 380.0645; 382.0312; 382.0665)

³ TSUSA numbers 382.0318; 382.0377; 382.0695; 382.3362.

4. A provision for "flexibility" is provided as follows:
- (a) within the aggregate annual limit, the group and category ceilings may be exceeded by not more than 5 per cent;
 - (b) within the ceiling for each group, the square yard equivalent of shortfalls in any category or categories with specific ceiling or ceilings may be used in any category or categories not given specific ceiling or ceilings.

5. The aggregate limit for 1965 shall be increased by 3 per cent. The aggregate limit for 1966 shall be increased by 5 per cent over the limit for 1965.

The percentage increases for 1965 and 1966 shall be applied to each limit for the groups and to each limit or ceiling within the groups.

6. Wherever it is necessary for the purposes of this Arrangement to convert units other than square yards (e.g. dozen, pieces, pounds, etc.) into square yard equivalent, the conversion factors set forth in the Annex hereto shall apply.

7. With the exception of seasonal items the Government of Portugal shall space its annual exports within each category or combination of categories given a specific ceiling on a cumulative, quarterly percentage basis of 30-55-80-100.

8. The two Governments undertake to consult whenever there is any question arising from the implementation of this Arrangement.

- (a) If instances of excessive concentration of Portuguese exports of apparel products made from a particular type of fabric should cause or threaten to cause disruption of United States domestic market, the United States Government may request in writing consultations with the Portuguese Government to determine an appropriate course of action.
- (b) Such a request shall be accompanied by a detailed, factual statement of the reasons and justification for the request, including relevant data on domestic production and consumption and on imports from third countries. During the course of such consultations, the Portuguese Government shall maintain exports of the articles concerned on a quarterly basis at annual levels not in excess of 105 per cent of the exports of such products during the first twelve months of the fifteen-month period prior to the month in which consultations are requested or at annual levels not in excess of 90 per cent of the exports of such products during the twelve months prior to the month in which consultations are requested, whichever is higher.

- (c) This provision should only be resorted to sparingly. In the event that the Portuguese Government considers that the substance of the present Arrangement would be seriously affected due to such consultations, the Portuguese Government may request that the consultations include a discussion of possible modifications of those categories under specific ceilings.

9. In the event that Portugal plans to export during any calendar year more than 350,000 square yard equivalent in any category not given specific ceiling, the Government of Portugal shall inform the United States Government of this intention. The United States Government will notify the Government of Portugal promptly, and in any event within thirty days after receipt of the Government of Portugal's information whether or not it wishes to consult on this question. During this thirty-day period, the Government of Portugal agrees not to permit calendar year exports to exceed 350,000 square yard equivalent in the category in question. If the United States Government requests consultations, it shall provide the Government of Portugal with information on conditions of the United States market in this category. During the course of such consultations, the Government of Portugal shall continue to limit exports in this category to an annual level not in excess of 350,000 square yard equivalent.

10. As regards products in any category under specific limits or ceilings specified in this Arrangement, the United States Government shall keep under review the effect of this Arrangement with a view to orderly development for trade in cotton textiles between Portugal and the United States, and shall furnish to the Portuguese Government, once a year, the available statistics and other relevant data on imports, production and consumption of such products as would clarify the question of the impact of imports on the industry concerned.

11. If the Portuguese Government considers that as a result of limits and ceilings specified in this Arrangement, Portugal is being placed in an inequitable position vis-à-vis a third country, the Portuguese Government may request consultations with the United States Government with a view to appropriate remedial action including if necessary a reasonable modification of this Arrangement.

12. The two Governments recognize that the successful implementation of this Arrangement depends largely upon mutual co-operation on statistical questions. Accordingly, each Government agrees to supply promptly any available statistical data requested by the other Government. In particular, the United States Government shall supply the Portuguese Government with data on monthly imports of cotton textiles from Portugal as well as from third countries, and the Portuguese Government shall supply the United States Government with data on monthly exports of cotton textiles to the United States.

13. For the duration of this Arrangement, the United States shall not invoke Article 3 of the Long-Term Arrangement to request restraint on the exports of cotton textiles from Portugal to the United States. All other relevant provisions of the Long-Term Arrangement shall remain in effect between the two Governments.

14. The Arrangement shall continue in force through 31 December 1966, provided that either Government may terminate this Arrangement prior thereto effective at the beginning of a calendar year by giving sixty days' written notice to the other Government.

Each Government may at any time propose modification of this Arrangement. The other Government shall give sympathetic consideration to such proposal.

ANNEXCotton Textile Categories and Conversion Factors

<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	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	Polin and broadcloth, carded	Sq.yd	1.0
16	Polin 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	Hankerchiefs, whether or not in the piece	Dcz.	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

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
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 (cuter), 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	Pyjamas 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

Apparel items exported in sets shall be recorded under separate categories of the component items.

Letter No. 2

Lisbon, 12 March 1964

Dear Dr. Carlos Fernandes,

I have the honour to acknowledge receipt of your letter of today's date and the bilateral arrangement attached thereto concerning trade in cotton textiles between Portugal and the United States which reads as follows:

(See letter No. 1)

I have further the honour to confirm the foregoing understandings on behalf of the Government of the United States of America.

Accept, Sir, the renewed assurances of my high consideration.

William L. Blue
Counsellor of the United States Embassy

Dr. Carlos Augusto Fernandes,
Director, Service for International
Economic Organizations,
Ministry of Foreign Affairs,
Lisbon.

Letter No. 3

Lisbon, 12 March 1964

Dear Dr. Carlos Fernandes,

With reference to paragraph 8 of the Arrangement between the Government of Portugal and the Government of the United States of America concerning trade in cotton textiles between Portugal and the United States effected by the Exchange of Notes today, I wish to inform you of the views and intentions of the United States Government:

The United States Government recognizes that exports of the end products containing fabrics potentially falling under the so-called concentration clause are themselves subject to limits established in the Arrangement. It further recognizes that changing demands in the United States market may, from time to time, lead to changes in the types of fabrics appearing in imports into the United States. Considering these and other circumstances, the United States Government does not intend to invoke paragraph 8 on any type of fabric except in the case of a sharp and substantial increase from present levels in imports from Portugal of that fabric in the form of end items. It is to be understood that a sharp and substantial increase would be considered to apply only in those cases where present levels of imports from Portugal of the fabric concerned in the form of end items already are in substantial volume in relation to total consumption in the United States.

In any event, the United States Government would give the Portuguese Government advance notice prior to any invocation of the clause under discussion.

I should be grateful if you would acknowledge on behalf of your Government the receipt of this letter.

Accept, Sir, the renewed assurances of my high consideration.

William L. Blue
Counsellor of the United States Embassy

Dr. Carlos Augusto Fernandes,
Director, Service for International
Economic Organizations,
Ministry of Foreign Affairs,
Lisbon.

Letter No. 4

Lisbon, 12 March 1964

Dear Mr. Blue,

I have the honour to acknowledge receipt of your letter of today's date concerning the paragraph 8 of the Arrangement between the Government of Portugal and the Government of the United States which reads as follows:

(See letter No. 3)

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

Accept, Sir, the renewed assurances of my high consideration.

Carlos Augusto Fernandes
Director, Service for International
Economic Organizations

Mr. William L. Blue,
Counsellor of the United
States Embassy,
Lisbon.