

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COT/26/Add.2
14 August 1964

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LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE
IN COTTON TEXTILES

Restraint Request Made by the United States under Article 3

Addendum

Completed Restraint Action

The following communication has been received by the Executive Secretary from the United States Mission:

"This is to inform you that on 26 March 1964 the United States Government notified the Argentine Government¹ of the necessity to restrain Argentine exports of cotton textiles to the United States in Category 9 (carded sheeting) at a level of 500,000 square yards for the twelve-month period beginning 1 April 1964. Argentina was provided with market disruption data as outlined in the enclosure.

"After consultations between the two Governments, the United States Government agreed to apply the restraint action for the twelve-month period beginning on 1 July 1964, at the level of 500,000 square yards."

¹The initial restraint request made by the United States was circulated in document COT/26.

ENCLOSURE

Carded sheeting is the largest class of cotton textile fabric imported into the United States. Imports from all sources increased from 17 million square yards in 1958 to 101 million in the year ending on 30 June 1961, to 147 million square yards in the year of 1 October 1961 to 30 September 1962, and have reached 170 million square yards in the year of 1 October 1962 to 30 September 1963, the first year of the Long-Term Arrangement. While imports increased ten-fold between 1958 and the first year of the Long-Term Arrangement, United States production has stagnated in the last several years and has even somewhat declined. The United States market has been severely disrupted by the rapid growth of imports as well as the low prices at which these imported goods have been offered.

Prior to December 1963, the United States had not imported any carded sheeting from Argentina. During that month 1,170,799 square yards entered the United States for consumption and another 1,019,999 were imported in February 1964, making a total of 2,190,798 square yards. Imports from Argentina in the months of March, April and May amounted to 780,939, 1,161,027 and 1,211,070 square yards or 8.1 per cent of total Category 9 imports from all sources during this three-month period.

The cumulative effect of rapidly rising imports from many established as well as new suppliers, including Argentina, usually at significantly lower prices, has been to disrupt established marketing, price and production patterns in the United States.