

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE
IN COTTON TEXTILES

Restraint Requests 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:

"To supplement my letter of 22 May 1964¹, the following additional information is submitted.

"The United States Government requested the Government of Korea to restrain exports from Korea to the United States of cotton textiles in categories 18 and 19 to a combined level of 750,000 square yards during the twelve-month period beginning 30 April 1964.

"The enclosed description of the disrupted state of the United States market for category 18 and category 19 goods was made available to the Korean Government in justification of the restraint request."

¹Reproduced in document COT/26.

THE UNITED STATES MARKET
FOR CATEGORY 18 AND CATEGORY 19 GOODS
AND IMPORTS FROM KOREA

United States imports of category 19 fabric have been rising rapidly in recent years, a trend which is still continuing. In the first Long-Term Arrangement year, imports amounted to 10.4 million square yards compared to 4.2 million square yards in the Short-Term Arrangement year and 2.4 million square yards during the United States Fiscal Year 1962. Total category 19 imports had risen to 13.4 million square yards in the twelve-month period ending 31 March 1964 and rose further to a level of 14.1 million square yards for the twelve months ending 31 May 1964.

Although Korea is a newcomer in the printcloth export trade to the United States, category 19 imports from Korea have built up very rapidly in the last few months. In the twelve months ended 31 March 1964, imports in this category from Korea alone were 2,748,000 square yards. January category 19 imports from Korea were 1,234,000 square yards, and February and March imports were 267,000 square yards and 588,000 square yards respectively. Imports from Korea alone comprised 22 per cent of total United States imports in this category in the twelve months ended 31 March 1964. Imports from Korea rose further to a level of 3.2 million square yards in the twelve-month period ending 31 May 1964.

Total imports into the United States of category 18 printcloth, a fabric differing from category 19 cloth only in its yarn count (80 x 80 type), have risen from 3.2 million square yards in the calendar year 1963 to 5.5 million square yards in the twelve months ended 31 March 1964, an increase of 72 per cent. Imports in recent periods compared with total category 18 imports of 333,000 square yards in the United States Fiscal Year 1961, 234,600 square yards in the Fiscal Year 1962, 630,800 square yards in the Short-Term Arrangement year, and 1.9 million square yards in the first year of the Long-Term Arrangement.

The first category 18 imports from Korea were received in February 1964, and have since been rising rapidly. Imports amounted to 469,000 square yards in February and March of this year and reached 1.1 million square yards for the five months ending 31 May. Imports from Korea represented 15.6 per cent of total United States imports in this category during the twelve-month period ending 31 May 1964.

United States production of plain printcloth has declined by 329 million square yards since 1958. The number of production workers employed in the American broad woven fabrics industry, which produces category 18 and 19 cloth, stood at 218,400 in December 1963; this compares with 251,600 in 1958 - a pattern of steadily declining employment.

An important cause of United States concern has been the difference in price between the domestically produced textile products and those imported from abroad. Recently, a contract for 1,200,000 square yards of $38\frac{1}{2}$ inch, 64/56, 5.50 printcloth from a Korean mill was placed by a textile converter in the New York area. The first shipment of printcloth from the mill in question was scheduled to arrive in New York in December 1963, and arrivals were to continue thereafter at the rate of 200,000 square yards per month for six months. The contracted price for these goods landed in the United States was 12 $\frac{3}{4}$ cents per yard. This compares with a price of 14 cents for similar domestically produced goods.

In the twelve-month period ending 31 May 1964, the United States received 79 per cent of her category 18 and 19 imports from nine countries (Yugoslavia, Spain, Pakistan, Japan, Belgium, Republic of China, Hong Kong, India and Poland); the same countries provided 84 per cent of these imports in the year ending 31 May 1963. In the interest of international equity, the United States has now restrained imports of goods in these categories from Korea.