

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

COT/29/Add.1

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LONG-TERM ARRANGEMENT REGARDING TRADE IN  
COTTON TEXTILES

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 for notification to the Cotton Textiles Committee.

On 18 September, by aide-memoire, the United States Government set the level of restraint on categories 41 and 42 jointly at 100,000 dozen for the twelve-month period beginning 28 May 1964. Consultations on the level of exports from Pakistan in these categories were requested by the United States Government in a diplomatic note dated 28 May, which is recorded in COT/29.

The attached description of the disrupted state of the domestic market for category 41 and 42 goods was made available to the Government of Pakistan in justification of the restraint request.

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Market Disruption DataCategory 41 (T-shirts, knit)

United States imports of cotton T-shirts in category 41 rose substantially from 347,481 doz. in the year of the Short-Term Arrangement to a level, on an annual basis, of 435,000 doz. for the second year of the Long-Term Arrangement.

Pakistan is a relative newcomer in the T-shirt trade with the United States. It shipped no T-shirts to the United States in category 41 from 1958 through 30 June 1961. During the United States fiscal year ending 30 June 1962, only about 2,200 doz. T-shirts were imported from Pakistan, a figure that increased to 3,200 doz. for the Short-Term Arrangement year. During the first year of the Long-Term Arrangement imports of T-shirts from Pakistan began to build up in substantial volume and reached a level of 41,000 doz. and for the first seven months of the Long-Term Arrangement the trade increased to a total of 92,000 doz., constituting 46 per cent of category 41 imports into the United States from all sources during this period.

Garments in category 41 from Pakistan are offered in the United States domestic market for \$5.00 per dozen wholesale, which compares with a minimum price of \$6.00 per dozen for garments of American manufacture of similar quality. Men's knit T-shirts from Pakistan are sold at retail in chain variety stores in New York at \$0.38 each, which compares with the price of \$0.79 for an American-made shirt of like quality.

Category 42 (T-shirts, other)

The bulk of the imports of cotton T-shirts from Pakistan has been in category 41, but there have also been substantial imports in category 42, in which the American domestic market is even more seriously disrupted. Total imports in category 42 rose from 291,000 doz. in the year of the Short-Term Arrangement to 536,477 doz. in the first year of the Long-Term Arrangement, a rate which has been maintained to the present. Imports from Pakistan in category 42 during the first year of the Long-Term Arrangement, ending 30 September 1963, were only 3,000 doz. But during the first seven months of the second year of the Long-Term Arrangement, imports from Pakistan in category 42 mounted to 18,000 doz., thereby contributing to the disruption of the market.

The market price of the imported shirts in category 42 has been much lower than the United States-made product: retail prices of Pakistan shirts have been 20 to 40 per cent below the price of comparable goods of domestic manufacture. The wholesale prices of these shirts have also usually been below the cost of those of American manufacture.