

GENERAL AGREEMENT ON
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LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE IN
COTTON TEXTILES

Request Made by the United States under Article 3

The following communication has been received by the Executive Secretary from the United States mission for notification to the Cotton Textiles Committee.

This is to inform you that on 18 September, by aide-memoire, the United States Government notified the Government of Pakistan of the necessity to restrain Pakistani exports to the United States of barkcloth in category 26 at a level of 1,800,000 square yards for the twelve-month period beginning on that date.

The attached description of the disrupted state of the domestic market for barkcloth was made available to the Government of Pakistan in justification of the restraint request.

MARKET DISRUPTION DATA FOR BARKCLOTH IN CATEGORY 26

United States imports of barkcloth shared in the great increase in total category 26 imports from 23.5 million square yards in 1959 to 89.3 million square yards for the Short-Term Arrangement year and 112.4 million square yards for the first year of the Long-Term Arrangement. During the second year of the Long-Term Arrangement, imports of barkcloth and allied fabrics from all countries were maintained at 34 million square yards - a level exceeding total category 26 imports in 1959.

Imports of barkcloth from Pakistan have recently increased sharply - from 437,000 square yards during the first Long-Term Arrangement year to 3.4 million square yards for the second year - thereby contributing to the market disruption. These barkcloth imports have entered the American market at prices substantially below those at which comparable fabrics of United States manufacture are offered. The current price of domestic 46-inch goods, for example, is 34 to 36 cents a yard against a prevailing price of 30 to 32 cents for the imported fabric. In the case of 38-inch goods, domestically produced fabric sells at a price of 22 cents, whereas imported goods are generally offered at 19 to 19½ cents. This price differential, 2½ to 3 cents in the narrow goods and 4 to 5 cents in the wide goods, has contributed to the disruption of the American market for this type of fabric.

The rising imports of these fabrics has had a severe impact on United States mills, which have been forced to divert production to other fabrics. The competition from imports has contributed to the decline of domestic production of cotton drapery, upholstery, and tapestry materials, which fell from 165.7 million square yards in 1958 to 83.2 million square yards in 1963, a 50 per cent decrease. As a result of the severe disruption of United States production and marketing patterns for this fabric, the Government of the United States has been forced to request a number of other exporting countries to restrain shipments to the United States of cotton textiles classified in the portions of category 26 that include barkcloth.