

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COT/48

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LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE
IN COTTON TEXTILES

Bilateral Agreement between the United States and the Republic of Korea

Attached are letters constituting a bilateral agreement concluded between the Governments of the United States and the Republic of Korea concerning trade in cotton textiles.

The text of this agreement has been submitted by the United States mission for notification to the Cotton Textiles Committee.

Letter No. 1

26 January 1965

Excellency,

I have the honour to refer to recent discussions between representatives of the Government of the United States of America and the Government of the Republic of Korea concerning exports of cotton textiles from the Republic of Korea to the United States

As a result of these discussions, I have the honour to propose the following agreement relating to trade in cotton textiles between the Republic of Korea and the United States:

1. The purpose of this agreement is to provide for orderly development of trade in cotton textiles between the Republic of Korea and the United States.

2. The Government of the Republic of Korea shall limit exports from the Republic of Korea to the United States in all categories of cotton textiles for the twelve-month period beginning 1 January 1965 to an aggregate limit of 26 million square yards equivalent.

3. Within the annual aggregate limit established in paragraph 2 above, the following group ceilings shall apply:

Group 1 (categories 1-38 and 64)	18,500,000 square yards
Group 2 (Categories 39-63)	7,500,000 square yards

4. Within the group ceilings established in paragraph 3 above, the following specific ceilings shall apply:

Group 1:

Category 9	2,000,000 square yards
Categories 18 and 19 combined	1,500,000 square yards
Category 22	525,000 square yards
Category 26 (duck only)	9,750,000 square yards
Category 26 (other fabrics)	750,000 square yards
Category 31 (wiping cloth only)	862,100 pieces
Category 34	80,645 pieces
Category 64 (tablecloths and napkins) ¹	365,000 pounds
Category 64 (zipper tapes) ²	50,000 pounds

¹TSUSA numbers 366.4500; 366.4600; and 366.4700.

²TSUSA number 347.3340.

His Excellency
Hyun Chul Kim,
Ambassador of Korea.

Group 2:

Category 45	26,500 dozen
Category 46	21,000 dozen
Category 48	10,000 dozen
Category 49	15,000 dozen
Category 50	38,000 dozen
Category 51	51,000 dozen
Category 52	25,000 dozen
Category 54	30,000 dozen
Category 60	20,000 dozen

5. Within the group ceilings established in paragraph 3, the square yard equivalent of any shortfalls occurring in exports in the categories given a specific ceiling may be used in any category not given a specific ceiling. In the event the Government of the Republic of Korea desires to export in a calendar year more than 350,000 square yards equivalent in any category not given a specific ceiling, it shall request consultations with the Government of the United States on this question. The United States Government shall agree to enter into such consultations and, during the course thereof, shall provide the Government of the Republic of Korea with information on the condition of the United States market in the category in question. Until agreement is reached, the Government of the Republic of Korea shall maintain its exports in the category in question at a level for the calendar year not in excess of 350,000 square yards equivalent.

6. The Government of the Republic of Korea shall limit exports of items of chief value corduroy in categories 46, 50, 51, 53, 54, and 63 to a calendar year level of 1,500,000 square yards equivalent. In the event excessive concentration in exports from the Republic of Korea to the United States of items of apparel made of a particular fabric causes or threatens to cause market disruption in the United States, the Government of the United States may request in writing consultations with the Government of the Republic of Korea to determine an appropriate course of action. Such a request shall be accompanied by a detailed factual statement of the reasons and justification for the request, including relevant data on imports from third countries. During the course of such consultations the Government of the Republic of Korea shall maintain exports in the categories in question at an annual level not in excess of 105 per cent of the exports in such categories during the first twelve months of the fifteen-month period immediately preceding the month in which consultations are requested or at an annual level not in excess of 90 per cent of the exports in such categories during the twelve-month period immediately preceding the month in which consultations are requested, whichever is higher.

7. The levels established in paragraphs 2, 3, 4, 5 and 6 of this agreement shall be increased by 5 per cent for the calendar year 1966. For the calendar year 1967, each of these levels shall be increased by a further 5 per cent over the levels for the calendar year 1966.

8. Exports in all categories of cotton textiles shall be spaced as evenly as possible, taking into account seasonal factors.

9. Each Government agrees to supply promptly any available statistical data requested by the other Government. In particular, the Governments agree to exchange monthly data on exports and imports of cotton textiles from the Republic of Korea into the United States. In the implementation of this agreement, the system of categories and factors for conversion into square yards equivalent set forth in the Annex to this agreement shall apply.

10. For the duration of this agreement, the United States shall not invoke Article 3 of the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on 9 February 1962, to limit imports of cotton textiles from the Republic of Korea into the United States. All other relevant provisions of the Long-Term Arrangement shall remain in effect between the two Governments.

11. The Governments agree to consult on any question arising in the implementation of this agreement. In particular, if, in the event of a return to normal market conditions in the United States, the Government of the United States relaxes measures it has taken under the Long-Term Arrangement for any of the categories, the Government of the Republic of Korea may request and the Government of the United States agrees to enter into consultations concerning the possible removal or modification of the ceilings established for such categories by the present agreement.

12. This agreement shall continue in force through 31 December 1967; provided that either Government may propose revisions in the terms of the agreement no later than ninety (90) days prior to the beginning of a calendar year; and provided further that either Government may terminate this agreement effective at the beginning of a new calendar year by written notice to the other Government given at least ninety (90) days prior to the beginning of such new calendar year.

13. The Governments recognize that the entry into the United States of certain cotton textiles exported from the Republic of Korea, as proposed in letters dated 23 September, 14 October, and 10 November 1964, requires that deductions be made as follows:

<u>Category</u>	<u>Units</u>	<u>First Year</u>		<u>Second Year</u>	
		<u>Chg. Against Specific Ceilings In Units</u>	<u>Chg. Against Group Ceilings In sq.yds. Equivalent</u>	<u>Chg. Against Specific Ceilings In Units</u>	<u>Chg. Against Group Ceilings In sq. yds. Equivalent</u>
<u>Group 1:</u>					
22	Sq.yds.	91,920	91,920	91,920	91,920
<u>Group 2:</u>					
42	Sq.yds.	-	9,693	-	9,693
43	Sq.yds.	-	58,002	-	58,002
46	Dozens	481	11,770	481	11,770
50	Dozens	3,099	55,144	3,099	55,144
51	Dozens	5,464	97,247	5,464	97,247
54	Dozens	350	8,750	350	8,750
60	Dozens	4,925	255,877	4,925	255,877

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If these proposals are acceptable to the Government of the Republic of Korea, this note and your note of acceptance on behalf of the Government of the Republic of Korea shall constitute an agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

(Signed) For the Secretary of State:

Enclosure:

Annex: Cotton Textile Categories and Conversion Factors.

ANNEX

COTTON 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	Poplin and broadcloth, carded	sq.yd.	1.0
16	Poplin 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, carded	no.	1.084
29	Pillowcases, combed	no.	1.084
30	Dish towels	no.	.348
31	Other towels	no.	.348
32	Handkerchiefs, whether or not in the piece	doz.	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
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

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion Factor</u>
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 (outer), 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, lounge 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	Pajamas 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

KOREAN EMBASSY
Washington, DC

26 January 1965

Excellency:

I have the honour to acknowledge receipt of your note of today's date proposing a bilateral agreement concerning trade in cotton textiles between the Republic of Korea and the United States, which reads as follows:

(See Letter No. 1)

I have the honour to confirm on behalf of the Government of the Republic of Korea that this bilateral agreement is acceptable and that Your Excellency's note and this note in reply shall constitute an agreement between our Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

(signed) Hyun Chul Kim

His Excellency Dean Rusk,
Secretary of State
of the United States.

Letter No. 3

26 January 1965

Dear Mr. Ambassador:

I refer to the agreement signed today between the Governments of the United States of America and the Republic of Korea relating to trade in cotton textiles.

Under this agreement the Government of the Republic of Korea undertakes to limit annual exports of cotton textiles from the Republic of Korea to the United States to stated levels. It is accordingly the understanding of the Government of the United States, subject to the separate understanding regarding shipments from Korea prior to 1 January 1965, that shipments are to be counted against the agreed levels applying as of the date of exportation from the Republic of Korea, and not as of the date of their importation into the United States.

However, since the Government of the United States will be co-operating with the Government of the Republic of Korea in administering the agreement through controlling imports of Korean cotton textiles into the United States, the Government of the United States proposes to facilitate the orderly movement of such textiles by counting shipments exported from Korea during one agreement year, but entering the United States during the succeeding year, against the agreed level for the second year if the level for the first year has been exhausted.

I should be grateful if you will confirm this understanding if it is acceptable to your Government.

Sincerely yours,
For the Secretary of State:

G. Griffith Johnson
Assistant Secretary

His Excellency Hyun Chul Kim,
Ambassador of Korea.

Letter No. 4

EMBASSY OF THE REPUBLIC
OF KOREA
Washington D.C.

26 January 1965

Dear Mr. Johnson:

I have the honour to refer to your letter of 26 January 1965 which reads as follows:

(See Letter No.3)

I wish to assure you, on behalf of my Government, that your proposal is acceptable to the Government of the Republic of Korea.

Sincerely yours,

(Signed) Hyun Chul Kim
Ambassador

The Honourable G. Griffith Johnson,
Assistant Secretary of State for
Economic Affairs,
Department of State.

Letter No. 5

26 January 1965

Dear Mr. Ambassador:

I refer to the agreement concerning trade in cotton textiles between the Republic of Korea and the United States signed today.

With regard to categories under restraint on 31 December 1964, it is understood that cotton textiles exported from Korea prior to 1 January 1965 which are not covered by the terms of paragraph 13, have been or will be entered for consumption, or withdrawn from warehouse for consumption into the United States in 1965, and charged against the appropriate restraint levels which were established under Article 3 and were in effect on 31 December 1964 to the extent that these had not been filled. Any amounts in excess of such restraint levels will be charged against the specific ceilings of the appropriate categories during the first year of the agreement.

I should be grateful if you will confirm this understanding if it is acceptable to your Government.

Sincerely yours,

For the Secretary of State:

G. Griffith Johnson
Assistant Secretary

His Excellency,
Hyun Chul Kim,
Ambassador of Korea

Letter No. 6

EMBASSY OF THE REPUBLIC
OF KOREA
Washington D.C.

26 January 1965

Dear Mr. Johnson:

I have the honour to refer to your letter of 26 January 1965 which reads as follows:

(See Letter No. 5)

I wish to assure you, on behalf of my Government, that your proposal is acceptable to the Government of the Republic of Korea.

Sincerely yours,

(Signed)

Hyun Chul Kim
Ambassador

The Honourable G. Griffith Johnson,
Assistant Secretary of State for
Economic Affairs,
Department of State.