

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN COTTON TEXTILES

Bilateral Agreement between the United States and Pakistan

Addendum

Attached is the text of the notes exchanged between the Government of the United States and the Government of Pakistan effecting a new agreement concluded between the two countries concerning trade in cotton textiles.

The text of this agreement has been transmitted to the Director-General by the United States Mission for notification to the Cotton Textiles Committee.

Note No. 1

Rawalpindi, 21 November 1966

Sir,

I have the honour to refer to the recent discussions held in Karachi between representatives of our two Governments concerning the cotton textile agreement between our Governments effected by an exchange of notes at Washington on 26 February 1965.¹ In accordance with these discussions, the Government of the United States of America understands that the agreement is replaced with the following new agreement:

1. The term of this agreement shall be from 1 July 1966 through 30 June 1970. During the term of this agreement, the Government of Pakistan shall limit annual exports of cotton textiles from Pakistan to the United States to aggregate, group and specific limits at the levels specified in the following paragraphs.
2. For the first agreement year, constituting the 12-month period beginning 1 July 1966, the aggregate limit shall be fifty-five million square yards equivalent.
3. Within this aggregate limit, the following group limits shall apply for the first agreement year:

<u>Groups</u>	<u>In sq. yds. equivalent</u>
I (categories 1-27)	48 million
II (categories 28-64)	7 million

4. Within the aggregate limit and the applicable group limits, the following specific limits shall apply for the first agreement year:

<u>A. Group I</u>	<u>Million sq. yds.</u>
Category 9 (sheeting, carded)	23.0
Category 15 (poplin and broadcloth, carded)	2.0
Print cloth (categories 18, 19 and parts of category 26)*	10.0

Mr. Vaqar Ahmad,
Secretary,
Ministry of Commerce,
Secretariat II,
Rawalpindi.

¹See document COT/49

*Print cloth and broadcloth type fabrics are further described in Annex A.

A.	<u>Group I</u> (cont'd)	<u>Million sq. yds.</u>	
	Category 22 (twill and sateen, carded)	2.0	
	Barkcloth-type fabrics (parts of category 26)*	3.0	
	Duck (parts of category 26)	6.0	
	Other**	2.0	
B.	<u>Group II</u>	<u>Units</u>	<u>Sq.yds. equivalent (millions)</u>
	Shop towels (part of category 31)	3.9 million	1.357
	T-shirts (categories 41 and 42)	250,000 doz.	1.808
	Other**		3.835

5. Within the aggregate limit, the limit for Group I may be exceeded by not more than 10 per cent and the limit of Group II may be exceeded by not more than 5 per cent. Within the applicable group limit, as it may be adjusted under this provision, specific limits may be exceeded by not more than 5 per cent.

6. In the second and succeeding 12-month periods for which any limitation is in force under this agreement, the level of exports permitted under such limitation shall be increased by 5 per cent of the corresponding level for the preceding 12-month period, the latter level not to include any adjustments under paragraph 5.

7. In the event of undue concentration in exports from Pakistan to the United States of cotton textiles in any category not given a specific limit, the Government of the United States of America may request consultation with the Government of Pakistan to determine an appropriate course of action. Until a mutually satisfactory solution is reached, the Government of Pakistan shall limit exports in the category in question from Pakistan to the United States starting with the 12-month period beginning on the date of the request for consultation. This limit shall be 105 per cent of the exports of such products from Pakistan to the United States during the most recent 12-month period preceding the request for consultation and for which statistics are available to our two governments.

8. The Government of Pakistan shall use its best efforts to space exports from Pakistan to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.

* Print cloth and broadcloth type fabrics are further described in Annex A.

**These "other" categories are not subject to specific limits. Hence, within the aggregate and the applicable group limits, as they may be adjusted under paragraph 5, the square yard equivalent of shortfalls in exports in categories with specific limits may be used in these "other" categories subject to the provisions of paragraph 7.

(Footnotes in original)

9. The two governments recognize that the successful implementation of this agreement depends in large part upon mutual co-operation on statistical questions. The Government of the United States of America shall promptly supply the Government of Pakistan with data on monthly imports of cotton textiles from Pakistan. The Government of Pakistan shall promptly supply the Government of the United States of America with data on monthly exports of cotton textiles to the United States. Each government agrees to supply promptly any other available relevant statistical data requested by the other government.
10. In the implementation of this agreement, the system of categories and the rates of conversion into square yard equivalents listed in Annex B hereto shall apply.
11. The Government of the United States of America and the Government of Pakistan agree to consult on any question arising in the implementation of the agreement.
12. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this agreement including differences in points of procedure or operation.
13. If the Government of Pakistan considers that as a result of limitations specified in this agreement, Pakistan is being placed in an inequitable position vis-a-vis a third country, the Government of Pakistan may request consultation with the Government of the United States of America with the view to taking appropriate remedial action such as a reasonable modification of this agreement.
14. Either government may terminate this agreement effective at the end of an agreement year by written notice to the other government to be given at least 90 days prior to the end of such agreement year. Either government may at any time propose revisions in the terms of this agreement.
15. During the term of this agreement, the Government of the United States of America will not request restraint on the export of cotton textiles from Pakistan to the United States under the procedures of Article 3 of the Long-Term Arrangements Regarding International Trade in Cotton Textiles done at Geneva on 9 February 1962. The applicability of the Long-Term Arrangements to trade in cotton textiles between Pakistan and the United States shall otherwise be unaffected by this agreement.
16. The Government of the United States of America may assist the Government of Pakistan in implementing the limitation provisions of this agreement by controlling the imports of cotton textiles covered by the agreement until agreement is reached that Pakistan will control these exports in accordance with the limitations of the agreement.

If these proposals are acceptable to your government, this note and your note of acceptance on behalf of the Government of Pakistan shall constitute an agreement between our governments.

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

Eugene M. Locke

ANNEX A

1. Printcloth

Printcloth is a term applied to a plain woven fabric made of singles uncombed yarns. The fabric is not napped, not fancy and not figured. The difference in the yarns per inch of the warp and of the filling does not usually exceed 15. The average yarn number ranges between 27 and 44 per inch.

Printcloth falls under Category 18 "Printcloth, shirting type, 80 x 80 type, carded", Category 19 "Printcloth, shirting type, other than 80 x 80 type, carded"; and under the TSUSA numbers of Category 26 "Woven fabric, not elsewhere specified, other, carded" listed below:

TSUSA Numbers

- | | |
|-----------|--|
| 320 xx 34 | Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, not bleached or coloured. |
| 321 xx 34 | Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, bleached but not coloured. |
| 322 xx 34 | Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, coloured, whether or not bleached. |
| 326 xx 34 | Printcloth other than printcloth type shirting, not combed, chief value, but not wholly of cotton, containing silk or man-made or both, not fancy or figured, not bleached or coloured. |
| 327 xx 34 | Printcloth other than printcloth type shirting, not combed, chief value, but not wholly of cotton, containing silk or man-made fibres, or both, not fancy or figured, bleached but not coloured. |
| 328 xx 34 | Printcloth other than printcloth type shirting, not combed, chief value, but not wholly of cotton, containing silk or man-made fibres, or both, not fancy or figured, coloured, whether or not bleached. |

II. Barkcloth

Barkcloth is a term applied to a fabric most commonly used in the drapery and upholstery fields. The fabric is often made with heavy filling yarns and fine warp yarns with 2 or 3 times as many warp threads as filling threads per inch, or with heavy warp and filling yarns with a fairly even number of warp and

filling threads per inch. The weave is of an irregular design with long warp and filling floats resulting in a rough or barklike fabric surface. Barkcloth is most commonly woven with 6 harnesses but should it be advantageous to do so, could easily be produced with 8 or more harnesses.

Barkcloth-type fabrics are those fabrics classified as "Woven fabrics, not elsewhere specified, other, carded" and which fall under the numbers of the Tariff Schedule of the United States (TSUSA) listed below. For administrative purposes, barkcloth-type fabrics shall be considered as including all fabrics falling under these numbers. Schedule 3 of the TSUSA, including revisions through supplement No.4, which gives the complete definitions applicable to these numbers is attached. All yarn counts, represented by the fourth and fifth digits("xx") of the following numbers and specifically described in Schedule 3 of the TSUSA, are included in the restraint action.

TSUSA Numbers

320	xx88
321	xx88
322	xx88
323	xx88
324	xx88
325	xx88
326	xx88
327	xx88
328	xx88
329	xx88
330	xx88
331	xx88
320	xx92
321	xx92
322	xx92
323	xx92
324	xx92
325	xx92
326	xx92
327	xx92
328	xx92
329	xx92
330	xx92
331	xx92

Should the Government of Pakistan have further questions concerning the fabrics covered herein, the United States Government would be pleased to consult on this problem.

ANNEX BList of Cotton Textile Categories and Conversion Factors
for Fabrics and Made Up Goods

<u>Category number</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor to sq. yds.</u>
1	Cotton yarn, carded singles	Lb.	4.6
2	Cotton yarn, carded, plied	Lb.	4.6
3	Cotton yarn, combed, singles	Lb.	4.6
4	Cotton yarn, combed, plied	Lb.	4.6
5	Gingham, carded	Sq. yds.	Not required
6	Gingham, combed	Sq. yds.	Not required
7	Velveteen	Sq. yds.	Not required
8	Corduroy	Sq. yds.	Not required
9	Sheeting, carded	Sq. yds.	Not required
10	Sheeting, combed	Sq. yds.	Not required
11	Lawn, carded	Sq. yds.	Not required
12	Lawn, combed	Sq. yds.	Not required
13	Voile, carded	Sq. yds.	Not required
14	Voile, combed	Sq. yds.	Not required
15	Poplin and broadcloth, carded	Sq. yds.	Not required
16	Poplin and broadcloth, combed	Sq. yds.	Not required
17	Typewriter ribbon cloth	Sq. yds.	Not required
18	Print cloth, shirting, type, 80 x 80 type, carded	Sq. yds.	Not required
19	Print cloth, shirting type, other than 80 x 80 type carded	Sq. yds.	Not required
20	Shirting, Jacquard or dobby, carded	Sq. yds.	Not required
21	Shirting, Jacquard or dobby, combed	Sq. yds.	Not required
22	Twill and sateen, carded	Sq. yds.	Not required
23	Twill and sateen, combed	Sq. yds.	Not required
24	Woven fabric, n.e.s., yarn dyed, carded	Sq. yds.	Not required
25	Woven fabric, n.e.s., yarn dyed, combed	Sq. yds.	Not required
26	Woven fabric, n.e.s., other, carded	Sq. yds.	Not required
27	Woven fabric, n.e.s., other, combed	Sq. yds.	Not required
28	Pillowcases, not ornamented, carded	Numbers	1.084
29	Pillowcases, not ornamented, combed	Numbers	1.084
30	Towels, dish	Numbers	.348
31	Towels, other	Numbers	.348
32	Handkerchiefs, whether or not in the piece	Dozen	1.66
33	Table damask and manufactures	Lb.	3.17
34	Sheets, carded	Numbers	6.2
35	Sheets, combed	Numbers	6.2

<u>Category number</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor to sq. yds.</u>
36	Bedspreads and quilts	Numbers	6.9
37	Braided and woven elastic	Lb.	4.6
38	Fishing nets and fish netting	Lb.	4.6
39	Gloves and mittens	Dozen	3.527
40	Hose and half hose	Dozen pairs	4.6
41	T-shirts, all white, knit, men's and boys'	Dozen	7.234
42	T-shirts, other knit	Dozen	7.234
43	Shirts, knit, other than T-shirts and sweatshirts	Dozen	7.234
44	Sweaters and cardigans	Dozen	36.8
45	Shirts, dress, not knit, men's and boys'	Dozen	22.186
46	Shirts, sport, not knit, men's and boys'	Dozen	24.457
47	Shirts, work, not knit, men's and boys'	Dozen	22.186
48	Raincoats, 3/4 length or longer, not knit	Dozen	50.0
49	Coats, other, not knit	Dozen	32.5
50	Trousers, slacks, and shorts (outer), not knit, men's and boys'	Dozen	17.797
51	Trousers, slacks, and shorts (outer), not knit, women's girls' and infants'	Dozen	17.797
52	Blouses, not knit	Dozen	14.53
53	Dresses, (including uniforms) not knit	Dozen	45.3
54	Playsuits, sunsuits, washsuits, creepers, rompers, etc., not knit, n.e.s.	Dozen	25.0
55	Dressing gowns, including bathrobes and beachrobes, lounging gowns, housecoats, and dusters, not knit	Dozen	51.0
56	Undershirts, knit, men's and boys'	Dozen	9.2
57	Briefs and undershorts, men's and boys'	Dozen	11.25
58	Drawers, shorts, and briefs, knit, n.e.s.	Dozen	5.0
59	All other underwear, not knit	Dozen	16.0
60	Pyjamas and other nightwear	Dozen	51.96
61	Brassieres and other body supporting garments	Dozen	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

Note No. 2

Rawalpindi, 21 November 1966

Dear Mr. Ambassador,

I have the honour to acknowledge receipt of your note of today's date concerning trade in cotton textiles which reads as follows:-

See Note No. 1

I have the honour to confirm that your note mentioned above is in accordance with the understandings reached between the Government of Pakistan and the Government of the United States of America.

Accept, please, the assurance of my highest consideration.

Yours sincerely,

Vaqar Ahmad
Secretary to the
Government of Pakistan

H.E. Mr. Eugene Murphy Locke,
Ambassador of United States of America,
Rawalpindi.