

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE
IN COTTON TEXTILES

Action by the United States in accordance with
Article 3

The following communication has been received by the Director-General from the United States mission for notification to the Cotton Textiles Committee.

After extended discussions, the United States Government by aide-memoire, dated 27 July 1965, informed the Government of Brazil¹ of its intent to restrain Category 19 exports from Brazil to the United States in accordance with the procedures of Article 3 and Annex B of the Long-Term Arrangement. By note dated 19 October 1965, the United States Government informed the Brazilian Government that it had set the level of restraint on Category 19 for the twelve-month period beginning on 27 July 1965 at 5 million square yards. In order to accommodate Brazilian exporters, the United States agreed to authorize, on an exceptional one-time basis, the importation into the United States of 7,500,000 square yards in Category 19 for the period of 28 July to 31 December 1965, outside the restraint level. The attached description of the trend of print cloth imports into the United States market was made available to the Government of Brazil.

¹Not party to the Long-Term Arrangement.

TREND OF PRINT CLOTH IMPORTS INTO THE UNITED STATES MARKET

United States imports of cotton print cloth (United States cotton textile Categories 18/19) have increased by more than six-fold in the last four years. They increased from 4.9 million square yards in the short-term arrangement year (1 October 1961 to 30 September 1962) to 14.6 million square yards in the first Long-Term Arrangement year (1 October 1962 to 30 September 1963), to 15 million square yards during the second Long-Term Arrangement year, and to 32.7 million square yards during the twelve-month period ending on 31 May 1965.

These imports have had a significant effect on the United States domestic market and the United States Government found it necessary to restrain ten supplying countries.

In the six-month period from January through June 1965, imports of print cloth from Brazil amounted to 11.2 million square yards. These imports were in constructions other than 80 x 80 and therefore are classified in Category 19. This quantity represented 60 per cent of the United States total imports in Category 19 from all countries in the same period and 42 per cent of all imports in Categories 18 and 19 combined.

The United States Government is also greatly concerned regarding the possibility of a further substantial build-up of print cloth imports from Brazil in view of the reports that large orders had been placed by United States importers with Brazilian exporters.