

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

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Special Distribution

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN COTTON TEXTILES

Agreement between Hong Kong and Canada

Addendum

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

I have the honour to attach the text of a Memorandum of Understanding by the Governments of Hong Kong and Canada in respect of exports from Hong Kong to Canada of certain cotton fabrics, cotton apparel and cotton towels. This arrangement will be effective during the period from 1 October 1969 to 30 September 1970.

MEMORANDUM OF UNDERSTANDING

1. This Memorandum sets out the arrangements which have been agreed between the Governments of Canada and Hong Kong regarding the limits to be applied by the Government of Hong Kong to exports of certain cotton fabrics, cotton apparel, and cotton towels to Canada.

2. In respect of cotton fabrics, the Governments of Canada and Hong Kong agree that:

- (a) these arrangements are made having regard to the provisions of the Arrangement Regarding International Trade in Cotton Textiles;
- (b) these arrangements relate to the period 1 October 1969 to 30 September 1970;
- (c) these arrangements relate to the products listed in Annex A which shall form an integral part of this Memorandum of Understanding;
- (d) during the twelve-month period, the group limit and the specific limit may be increased by not more than 5 per cent, with equivalent reductions in the corresponding limits for the succeeding twelve-month period if the agreement should continue after 30 September 1970;
- (e) during the twelve-month period, the group limit prescribed by this Memorandum may be exceeded by an amount equal to the quantity by which shipments in the twelve-month period ending 30 September 1969 have fallen short of the group limit set out in Annex B to the Memorandum of Understanding signed between the Governments of Canada and Hong Kong on 10 November 1966, or by 5 per cent of that group limit, whichever is the less.

3. In respect of cotton apparel, the Governments of Canada and Hong Kong agree that:

- (a) these arrangements are made under Article 3 of the Arrangement Regarding International Trade in Cotton Textiles;
- (b) these arrangements relate to the period 1 October 1969 to 30 September 1970;
- (c) these arrangements relate to the products listed in Annex B which shall form an integral part of this Memorandum of Understanding;

- (d) any of the limits on the categories listed in Annex B may be increased by not more than  $12\frac{1}{2}$  per cent, with equivalent reductions in other limits using the following conversion factors:

| Category No. | Description                 | Conversion factor    |
|--------------|-----------------------------|----------------------|
| 1            | Woven shirts                | 24.457 sq.yds./dozen |
| 2            | Woven blouses               | 14.53 sq.yds./dozen  |
| 3            | Nightwear                   | 51.96 sq.yds./dozen  |
| 4            | Trousers, slacks and shorts | 17.797 sq.yds./dozen |

4. In respect of cotton towels, the Governments of Canada and Hong Kong agree that:

- (a) these arrangements are made under Article 3 of the Arrangement Regarding International Trade in Cotton Textiles;
- (b) these arrangements relate to the period 1 October 1969 to 30 September 1970;
- (c) these arrangements relate to the products listed in Annex C which shall form an integral part of this Memorandum of Understanding;
- (d) any of the limits on the categories listed in Annex C may be increased by not more than  $7\frac{1}{2}$  per cent, with equivalent reductions in other limits.

5. The Governments of Canada and Hong Kong will provide each other on request with any available statistical data relevant to these arrangements.

6. The Governments of Canada and Hong Kong will enter into consultations on request about any matter arising from or relating to these arrangements.

(Signed) J.E.G. Howarth

(Signed) D.H. Jordan

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ANNEX A

Cotton fabrics subject to export restraint during the period 1 October 1969 to 30 September 1970. This Annex is to be read in conjunction with the Memorandum of Understanding dated 9 September 1969 of which it forms an integral part.

|   | Hong Kong export<br>classification number | Description   | Limit in<br>square yards |
|---|---|---|--------------------------|
| Group limit <sup>1</sup>  | 652                                       | Woven cotton<br>fabrics   | 11,422,700               |
| Specific limit  | 652-242                                   | Towelling, not )<br>terry, cotton, )<br>other than )<br>grey, and ) | 250,000                  |
|   | 652-148                                   | Towelling, not )<br>terry, cotton, )<br>grey )                      |                          |
| of which not more than 75,000 square yards<br>may be shipped as cabinet towelling, other<br>than grey, without agreement between the<br>Canadian and Hong Kong Governments. |   |   |                          |

<sup>1</sup>Not to include the following types of fabrics:

1. Greige cheesecloth:

A lightweight, plain-woven cloth weighing not more than 1 oz. per sq.yd.

2. Greige corduroy:

A fabric which, when finished, has vertical cut-pile stripes formed by an extra system of filling yarns.

3. Gingham:

A yarn-dyed fabric, with a balanced or nearly balanced check or plaid pattern, weighing not more than 3.5 oz. per sq.yd.

4. Fine fabric:

A fabric made of single yarns; the counts of which are 80's or finer.

ANNEX B

Cotton apparel subject to export restraint during the period 1 October 1969 to 30 September 1970. This Annex is to be read in conjunction with the Memorandum of Understanding dated 9 September 1969 of which it forms an integral part.

| Category number | Hong Kong export classification number   | Description                                 | Limit         |
|-----------------|--|---|---------------|
| 1               | 841-161<br>841-163   | Cotton woven shirts                         | 145,550 dozen |
| 2               | 841-137<br>841-140 incl.<br>jumpers  | Cotton woven blouses                        | 85,000 dozen  |
| 3               | 841-170<br>841-186 and<br>that part of<br>841-190<br>relating to<br>infants' night<br>garments | Cotton woven night-wear                     | 100,000 dozen |
| 4               | 841-117<br>841-146   | Cotton woven trousers,<br>slacks and shorts | 280,000 dozen |

ANNEX C

Cotton towels subject to export restraint during the period 1 October 1969 to 30 September 1970. This Annex is to be read in conjunction with the Memorandum of Understanding dated 9 September 1969 of which it forms an integral part.

| Category number | Description   | Restraint level in pound weight |
|-----------------|---|---------------------------------|
| 1               | Terry jacquard  | 268,750                         |
| 2               | Terry, other than jacquard                            | 500,000                         |
| 3               | Cabinet towels  | 180,000                         |
| 4               | Industrial wiper towels                               | 200,000                         |
| 5               | Other than terry, cabinet and industrial wiper towels | 230,000                         |