

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 Costa Rica¹

The following communication has been received by the Director-General from the United States mission.

Enclosed for transmittal to the Cotton Textiles Committee is a copy of the agreement between the United States and Costa Rica¹ concerning cotton textiles concluded through an exchange of notes in Washington on 1 October 1969. Philip H. Trezise, Assistant Secretary for Economic Affairs, and the Ambassador of Costa Rica, Luis Demetrio Tinoco, signed the respective notes.

Although Costa Rica is not a Long-Term Arrangement member, the agreement was negotiated in the context of the Long-Term Arrangement Regarding International Trade in Cotton Textiles (the LTA). Under the agreement, annual exports of cotton textiles from Costa Rica to the United States shall be subject to limitations. For its first year, the agreement provides an aggregate ceiling of 3 million square yards and the following specific ceilings: Category 39, 130,000 dozen pair; Category 48, 4,500 dozen; Category 53, 28,000 dozen; and Category 61, 85,000 dozen. Consultation levels are specified for the remaining sixty categories of cotton textiles. All the limitations are to be increased by 5 per cent in the second year of the agreement.

¹Not party to the Cotton Textiles Arrangement

AGREEMENT BETWEEN THE UNITED STATES AND COSTA RICA
EFFECTED BY EXCHANGE OF NOTES
SIGNED AT WASHINGTON 1 OCTOBER 1969
EFFECTIVE 1 OCTOBER 1969

Note No. 1

The Secretary of State to the Ambassador of Costa Rica

Department of State,
Washington.

1 October 1969

Excellency,

I have the honour to refer to recent discussions between the Government of the United States and the Government of Costa Rica, as the result of which I wish to propose the following agreement, relating to trade in cotton textiles between Costa Rica and the United States:

1. During the term of this agreement, which shall be from 1 October 1969 to 30 September 1971 inclusive, annual exports of cotton textiles from Costa Rica to the United States shall be limited to aggregate and specific limits specified in the following paragraphs.
2. For the first agreement year, constituting the twelve-month period beginning 1 October 1969, the aggregate limit shall be 3 million square yards equivalent.
3. Within this aggregate limit, the following specific limits shall apply for the first agreement year:

<u>Category</u>	<u>Quantity</u>
39	130,000 dozen pair
48	4,500 dozen
53	28,000 dozen
61	85,000 dozen

4. In the second twelve-month period that any limitation is applicable under this agreement, the level of permitted exports shall be increased by 5 per cent over the corresponding level for the preceding twelve-month period. The corresponding level for the preceding twelve-month period shall not include any adjustments under paragraphs 5 or 3. The phrase "level of permitted exports" in this paragraph refers to the aggregate and specific limits set out in paragraphs 2 and 3, and to the limitations set out in paragraph 6 of this agreement.

5. Within the aggregate limit, any specific limit may be exceeded by 5 per cent.
6. Categories not given specific limits are subject to consultation levels and to the aggregate limit. In the event Costa Rica desires to export in any category in excess of its consultation level during any agreement year, the Government of Costa Rica shall request consultations with the Government of the United States on this question and the Government of the United States shall agree to enter into such consultations. Until agreement is reached, the Government of Costa Rica shall limit its exports in the category in question to the consultation level. For the first agreement year, the consultation level for each category not given a specific limit shall be 500,000 square yards equivalent in Categories 1-27, and 350,000 square yards equivalent in Categories 28-64.
7. The square yard equivalent of any shortfalls occurring in exports in the categories given specific limits may be used in any category not given a specific limit or for the purpose described in paragraph 5, provided that the aggregate limit is not thereby exceeded.
8. (a) For any agreement year immediately following a year of shortfall (i.e., a year in which cotton textile exports from Costa Rica to the United States were below the aggregate limit and any specific limit applicable to the category concerned) the Government of Costa Rica may permit exports to exceed these limits by carry-over in the following amounts and manner:
 - (i) the carry-over shall not exceed the amount of the shortfall in either the aggregate limit or any applicable specific limit and shall not exceed 5 per cent of the aggregate limit applicable to the year of the shortfall;
 - (ii) in the case of shortfalls in the categories subject to specific limits, the carry-over shall not exceed 5 per cent of the specific limit in the year of the shortfall and shall be used in the same category in which the shortfall occurred; and
 - (iii) in the case of shortfalls not attributable to categories subject to specific limits, the carry-over shall not be used to exceed any applicable specific limit except in accordance with the provisions of paragraph 5 and shall not be used to exceed the levels in paragraph 6.
- (b) The limits referred to in sub-paragraph (a) of this paragraph are without any adjustments under this paragraph or paragraph 5.
- (c) The carry-over shall be in addition to the exports permitted by paragraph 5.

9. The Government of Costa Rica will use its best efforts to space cotton textile exports to the United States within each category as evenly as practicable throughout the agreement year, taking into consideration normal seasonal factors.
10. The Government of the United States shall promptly supply the Government of Costa Rica with data on monthly imports of cotton textiles from Costa Rica; and the Government of Costa Rica shall promptly supply the Government of the United States with data on monthly exports of cotton textiles to the United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.
11. In implementing this agreement, the system of categories and the rates of conversion into square yard equivalents listed in the annex hereto shall apply. In any situation where the determination of an article to be a cotton textile would be affected by whether a weight or value criterion is used, the chief value criterion used by the Government of the United States shall apply.
12. For the duration of this agreement, the Government of the United States will not request restraint on the export of cotton textiles from Costa Rica to the United States under the procedures of Articles 3 and 6(c) of the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on 9 February 1962, as extended.¹
13. If the Government of Costa Rica considers that, as a result of limitations specified in this agreement, Costa Rica is being placed in an inequitable position vis-à-vis a third country, the Government of Costa Rica may request consultation with the Government of the United States with a view to appropriate remedial action such as reasonable modification of this agreement.
14. The Government of Costa Rica and the Government of the United States agree to consult on any question arising in the implementation of this agreement.
15. 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.
16. Both Governments will take appropriate measures to assure that trade in articles covered by this agreement is maintained within the limitations provided therein. The nature of these measures may be a matter of discussion between the two Governments.

¹TIAS 5240, 6289; 13 UST 2672; 18 UST 1337

17. The Government of Costa Rica and the Government of the United States may at any time propose revisions in the terms of this agreement. Each Government agrees to consult promptly with the other Government about such proposals with a view to making such revisions to the present agreement, or taking such other appropriate action, as may be mutually agreed upon.
18. This agreement shall continue in force through 30 September 1971, except that either Government may terminate it effective at the end of any agreement year by written notice to the other Government to be given at least ninety days prior to such termination date.

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

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

For the Secretary of State:
Philip H. Trezise

Enclosure:
Annex A

His Excellency Luis Demetrio Tinoco,
Ambassador of Costa Rica.

ANNEX A

Category number	Description	Unit	Conversion factor to square yards
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	Square yards	Not required
6	Gingham, combed	Square yards	Not required
7	Velveteen	Square yards	Not required
8	Corduroy	Square yards	Not required
9	Sheeting, carded	Square yards	Not required
10	Sheeting, combed	Square yards	Not required
11	Lawns, carded	Square yards	Not required
12	Lawns, combed	Square yards	Not required
13	Voile, carded	Square yards	Not required
14	Voile, combed	Square yards	Not required
15	Poplin and broadcloth, carded	Square yards	Not required

Category number	Description	Unit	Conversion factor to square yards
16	Poplin and broadcloth, combed	Square yards	Not required
17	Typewriter ribbon cloth	Square yards	Not required
18	Print cloth, shirting type, 80 x 80 type, carded	Square yards	Not required
19	Print cloth, shirting type, other than 80 x 80 type, carded	Square yards	Not required
20	Shirting, Jacquard or dobby, carded	Square yards	Not required
21	Shirting, Jacquard or dobby, combed	Square yards	Not required
22	Twill and sateen, carded	Square yards	Not required
23	Twill and sateen, combed	Square yards	Not required
24	Woven fabric, n.e.s., yarn dyed, carded	Square yards	Not required
25	Woven fabric, n.e.s., yarn dyed, combed	Square yards	Not required
26	Woven fabric, n.e.s., other, carded	Square yards	Not required
27	Woven fabric, n.e.s., other, combed	Square yards	Not required
28	Pillow-cases, not ornamented, carded	Numbers	1.084
29	Pillow-cases, 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
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 sweat shirts	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

Category number	Description	Unit	Conversion factor to square yards
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, house- coats, 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	51.95
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

[English Text of Costa Rican Note]

Embajada de Costa Rica,
Washington, D.C. 20008.

1 October 1969

Excellency,

I have the honor to refer to Your Excellency's note of 1 October 1969, concerning exports of cotton textiles from Costa Rica to the United States, which reads as follows:

(See Note No. 1)

The proposals contained in said note are acceptable to the Government of Costa Rica, including the proposal that the note and this reply should constitute an agreement between the Government of Costa Rica and the Government of the United States, which will come into force definitively on the date of a note informing the Government of the United States that the Government of Costa Rica has completed its constitutional processes.

Even though my Government is unable to accept the agreement definitively pending completion of its constitutional processes, it will abide by the terms of that agreement through certain internal mechanisms, without prejudice to rights Your Excellency's Government may exercise under the terms of this agreement, including Article 16.

Accept, Excellency, the testimony of my highest consideration.

Luis Demetrio Tinoco
Ambassador

His Excellency William P. Rogers,
Secretary of State,
Washington, D.C.