

# 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 the United Arab Republic

Attached is the text of the notes constituting a bilateral agreement between the Governments of the United States and the United Arab Republic concerning trade in cotton textiles between the two countries.

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

30 September 1970

Excellency:

I have the honour to request that Your Excellency, in your capacity as representative of the interests of the Government of the United Arab Republic, convey the following information to that Government:

"The Secretary of State refers to the agreement concerning trade in cotton textiles between the United States and the United Arab Republic effected by exchange of notes dated 6 November 1968 and extended through 30 September 1970 by exchange of notes dated 4 September 1969....

"The Government of the United States proposes that upon expiration of the above-mentioned agreement the following agreement shall apply to exports of cotton textiles from the United Arab Republic to the United States:

"1. The term of this agreement shall be from 1 October 1970 through 30 September 1973. During the term of this agreement, the Government of the United Arab Republic shall limit annual exports of cotton textiles from the United Arab Republic to the United States to the levels specified in the following paragraphs.

"2. For the first agreement year, constituting the twelve-month period beginning 1 October 1970, the aggregate limit shall be 52.5 million square yards equivalent.

"3. Within this aggregate limit, the following specific limits shall apply for the first agreement year:

- (a) Categories 1 and 2 - 3,200,000 pounds.  
(Within this limit annual exports in Category 1 and Category 2 shall not exceed 3 million pounds and 400,000 pounds respectively.)
- (b) Categories 3 and 4 - 600,000 pounds.  
(Within this limit annual exports in Category 4 shall not exceed 60,000 pounds.)
- (c) Categories 9 and 26 - 30 million square yards.  
(Within this limit annual exports in Category 9 and Category 26 shall not exceed 25 million square yards and 10 million square yards, respectively.)

Enclosure: Annex

His Excellency Lakshmi Kant Jha,  
Ambassador of India.

- (d) Categories 16, 21, 22 and 27 - 9 million square yards.  
(Within this limit annual exports shall not exceed the following limits:

Category 16 - 3,250,000 square yards  
Category 21 - 3,500,000 square yards  
Category 22 - 3,500,000 square yards  
Category 27 - 1,950,000 square yards.)

"4. Within the aggregate limit, exports in each category not having a specific limit shall be limited to the consultation level, except by mutual consent of the two Governments. For the first agreement year, the consultation level for each category not given a specific limit shall be 350,000 square yards equivalent.

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

"6. For any agreement year subsequent to the first agreement year and immediately following a year of a shortfall (i.e., a year in which cotton textile exports from the United Arab Republic to the United States were below the aggregate limit and any specific limits applicable to the category concerned) the Government of the United Arab Republic may permit exports to exceed these limits by carryover in the following amounts and manner:

(i) The carryover 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; and

(ii) In the case of shortfalls in the categories subject to specific limits, the carryover 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 carryover shall not be used to exceed any applicable specific limit or the limits in paragraph 4 of the agreement.

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

"8. 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 the United Arab Republic with data on monthly imports of cotton textiles from the United Arab Republic. The Government of the United Arab Republic 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.

"9. In the implementation of this agreement, the system of categories and the rates of conversion into square yards equivalent 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 the criterion provided for in Article 9 of the Long-Term Arrangement<sup>1</sup> is used or the criterion provided for in paragraph 2 of Annex E of the Long-Term Arrangement is used, the chief value criterion used by the Government of the United States of America in accordance with paragraph 2 of Annex E shall apply.

"10. The Government of the United States of America and the Government of the United Arab Republic agree to consult on any question arising in the implementation of this agreement. In particular, the Government of the United States agrees to undertake, at the request of the Government of the United Arab Republic, a joint re-examination of the aggregate limit established in this agreement in the light of developments in the United Arab Republic cotton textile industry, the performance record of the United Arab Republic in meeting ceilings established by this agreement, and the condition of the United States cotton textile market.

"11. 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.

"12. If the Government of the United Arab Republic considers that as a result of limitations specified in this agreement, the United Arab Republic is being placed in an inequitable position vis-a-vis a third country, the Government of the United Arab Republic 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.

"13. 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 the United Arab Republic to the United States under the procedures of Article 3 of the Long-Term Arrangement. The applicability of the Long-Term Arrangement to trade in cotton textiles between the United Arab Republic and the United States shall otherwise be unaffected by this agreement.

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<sup>1</sup>Long-Term Arrangement Regarding International Trade in Cotton Textiles, done in Geneva on 9 February 1962, extended by Protocol through 30 September 1973.

"14. In the event concentration in exports from the United Arab Republic to the United States of items of apparel made up of a particular fabric causes or threatens to cause market disruption in the United States, the Government of the United States of America may call for consultations with the Government of the United Arab Republic in order to reach a mutually satisfactory solution to the problem. The Government of the United Arab Republic shall agree to enter into such consultations, and, during the course thereof, shall limit exports of the item in question at an annual level of 105 per cent of exports of the item in question during the twelve-month period immediately preceding the month in which consultations are requested.

"15. 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 ninety days prior to the end of such agreement year. Either Government may at any time propose revisions in the terms of this agreement.

"16. The Government of the United States of America may assist the Government of the United Arab Republic in implementing the limitation provisions of this agreement by controlling the imports of cotton textiles covered by the agreement.

"If this proposal is acceptable to the Government of the United Arab Republic, the note of 30 September 1970 from the Secretary of State to the Ambassador of India and the Ambassador's reply stating that the Government of the United Arab Republic has accepted the proposal and has requested that information regarding such acceptance be communicated to the Secretary of State shall constitute an agreement between the Government of the United States of America and the Government of the United Arab Republic. In the absence of diplomatic relations between these two Governments, such other diplomatic channels as may be established will be utilized when appropriate under this agreement."

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

For the Secretary of State:

(signed) Philip H. Trezise

ANNEX

Category	Description	Unit	Conversion factor
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. yds.	1.0
6	Gingham, combed	sq. yds.	1.0
7	Velveteen	sq. yds.	1.0
8	Corduroy	sq. yds.	1.0
9	Sheeting, carded	sq. yds.	1.0
10	Sheeting, combed	sq. yds.	1.0
11	Lawn, carded	sq. yds.	1.0
12	Lawn, combed	sq. yds.	1.0
13	Voile, carded	sq. yds.	1.0
14	Voile, combed	sq. yds.	1.0
15	Poplin and broadcloth, carded	sq. yds.	1.0
16	Poplin and broadcloth, combed	sq. yds.	1.0
17	Typewriter ribbon cloth	sq. yds.	1.0
18	Print cloth, shirting type, 80 x 80 type, carded	sq. yds.	1.0
19	Print cloth, shirting type, other than 80 x 80 type, carded	sq. yds.	1.0
20	Shirting, Jacquard or dobby, carded	sq. yds.	1.0
21	Shirting, Jacquard or dobby, combed	sq. yds.	1.0
22	Twill and sateen, carded	sq. yds.	1.0
23	Twill and sateen, combed	sq. yds.	1.0
24	Woven fabric, n.e.s., yarn dyed, carded	sq. yds.	1.0
25	Woven fabric, n.e.s., yarn dyed, combed	sq. yds.	1.0
26	Woven fabric, other, carded	sq. yds.	1.0
27	Woven fabric, other, combed	sq. yds.	1.0
28	Pillowcases, not ornamented, carded	no.	1.084
29	Pillowcases, not ornamented, 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

Category	Description	Unit	Conversion factor
40	Hose and half hose	doz. prs.	4.6
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, three-quarter 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, 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	Pyjamas and other nightwear	doz.	51.96
61	Brassières 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

Note No. 2

5 October 1970

Excellency:

I have the honour to refer to your note of 30 September 1970 in which you request that, in my capacity as representative of the interests of the Government of the United Arab Republic, I convey to that Government information concerning a proposed agreement relating to trade in cotton textiles between the United Arab Republic and the United States of America.

At the request of the Government of the United Arab Republic, I have the honour to inform you that the proposal set forth in the aforementioned note is acceptable to that Government. Accordingly, your note of 30 September 1970 and this reply constitute an agreement between the Government of the United States of America and the Government of the United Arab Republic.

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

(signed) Lakshmi Kant Jha,  
Ambassador of India

The Honourable William P. Rogers,  
Secretary of State of the United States of America,  
Washington, D.C.