

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

Addendum

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

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I have been requested to transmit to you, for notification to the Cotton Textiles Committee, the attached note delivered to the Brazilian Embassy in Washington on 26 July 1966, renewing Article 3 restraints on category 19 shipments from Brazil for the twelve-month period beginning 27 July 1966.

The Secretary of State presents his compliments to His Excellency the Brazilian Ambassador and has the honour to refer to the Department of State's aide-memoire dated 16 June 1965 and 27 July 1965, and to the note dated 19 October 1965, concerning Brazil's exports of cotton print cloth (United States cotton textile category 19) to the United States. In the aide-memoire, the United States Government requested consultations with the Government of Brazil on this problem. In the 19 October note, the restraint level on category 19 for the period of 27 July 1965 to 26 July 1966 was set at 5 million square yards. The request for restraint and the restraint levels were in accordance with Articles 3 and 6(c) and Annex B of the Long-Term Arrangement Regarding International Trade in Cotton Textiles. The United States Government refers to this Arrangement because of its policy to provide to Brazil the same rights and privileges to which participants of the Long-Term Arrangement are entitled.

The restraint now in effect expires on 26 July 1966. The United States Government has reviewed the situation in the domestic market for cotton print cloth and finds that disruption continues within the meaning of paragraph 3 of Annex B of the Long-Term Arrangement. As a result of this disruption, the United States has arranged for controls to be placed on the exports to the United States of cotton textiles in this category from sixteen other countries. The United States Government is therefore renewing restraint on imports in category 19 from Brazil at a level of 5,250,000 square yards for the twelve-month period beginning 27 July 1966. This represents an increase of 250,000 square yards over the level now in effect. It will be necessary, however, to reduce this amount by 378,474 square yards in compensation for a similar amount which was permitted entry in excess of the restraint level during the current period of restraint. This accommodation was made in a letter to the Brazilian Embassy dated 9 June 1966, in response to a request from the Embassy.

In a sincere desire to accommodate the Government of Brazil, the United States Government will continue to review and evaluate the condition of the United States market for this commodity in order to determine whether, with due account for equity among suppliers, it may be possible to permit some imports in this category above the restraint level.