

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COT/75

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LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE
IN COTTON TEXTILES

Agreement Between the Governments of
Israel and the United States

Attached is the text of the notes exchanged between the Governments of the United States and Israel constituting the new bilateral agreement concluded between the two countries concerning trade in cotton textiles.

This information has been transmitted to the secretariat by the United States mission for notification to the Cotton Textiles Committee.

Note No. 1

Department of State,
Washington.

Excellency,

I have the honour to refer to recent discussions held in Washington between representatives of the Government of the United States of America and the Government of Israel concerning the cotton textiles agreement¹ between our two Governments effected by an exchange of notes signed at Tel Aviv and Jerusalem on 5 and 22 November 1963, an amendment to that agreement effected by an exchange of notes signed at Washington on 30 June 1966, and the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on 9 February 1962 (hereinafter referred to as the Long-Term Arrangement). In accordance with these discussions, the Government of the United States of America understands that the agreement, but not the amendment, which provides a one-time allowance extending through 31 December 1966 is replaced as of 1 October 1966 with the following new agreement:

1. The term of this agreement shall be from 1 October 1966 through 30 September 1970. During the term of this agreement the Government of Israel shall limit annual exports of cotton textiles from Israel to the United States to aggregate, group and specific limits at the levels specified in the following paragraphs.
2. For the first agreement year, constituting the twelve-month period beginning 1 October 1966, the aggregate limit shall be 23 million square yards equivalent.
3. Within the aggregate limit, the following group limits shall apply for the first agreement year:

	<u>in million square yards equivalent</u>
Group I Yarn (Categories 1-4)	11.5
Group II Fabric and miscellaneous (Categories 5-38 and 64)	7.5
Group III Apparel (Categories 39-63)	4

His Excellency Abraham Harman,
Ambassador of Israel.

¹See document COT/19.

4. Within the aggregate limit and the applicable group limits, the following specific limits shall apply for the first agreement year:

Group I Yarn

Category 1/2	2,150,000 lb.	(9,890,000 square yards equivalent) (of which exports in Category 2 may not exceed 100,000 lb.) (460,000 square yards equivalent)
Category 3	350,000 lb.	(1,610,000 square yards equivalent)

Group II Fabrics and Miscellaneous

Category 9/10	1	million square yards
Category 22/23	2	million square yards
Category 26/27 (of which exports in duck may not exceed 1.75 million square yards)	2.5	million square yards
Category 64	220,000 lb.	(1,012,000 square yards equivalent)

Group III Apparel

		<u>in square yards equivalent</u>
Category 48	30,098 dozens	1,504,900
Category 52	25,000 dozens	363,250
Category 53	10,000 dozens	453,000
Category 62	220,000 lb.	1,012,000
Category 63	100,000 lb.	460,000

5. Within the aggregate limit, the limits for Groups I and II may be exceeded by not more than 10 per cent, and the limit for Group III may be exceeded by not more than 5 per cent. Within the applicable group limit, as it may be adjusted under this provision, specific limits may be exceeded by not more than 5 per cent.

6. Within group limits for each group the square yard equivalent of any short-falls occurring in exports in the categories given specific limits may be used in any category not given a specific limit. In the event the Government of Israel desires to permit exports during any agreement year of more than the level of the consultation limit in any category not having a specific limit, the Government of Israel shall request consultations with the Government of the United States of America on this question. For the first agreement year the level of the consultation limit for Category 4 and for each category in Group II not having a specific limit shall be 500,000 square yards equivalent, and for each category in Group III not having a specific limit shall be 300,000 square yards equivalent. The Government of the United States of America shall enter into such consultations and, during the course thereof, shall provide the Government of Israel with information on the condition of the United States market in the category in question. Until agreement is reached, the Government of Israel shall continue to limit exports in that category for that agreement year to the consultation limit.
7. The Government of Israel shall use its best efforts to space exports from Israel to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.
8. In the second and succeeding twelve-month periods for which any limitations are in force under this agreement, the level of exports permitted under such limitations shall be increased by 5 per cent of the corresponding levels for the preceding twelve-month period, the latter levels not to include any adjustments under paragraph 5 above.
9. 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 Israel with monthly data on the import of cotton textiles from Israel. The Government of Israel 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.
10. In the implementation of this agreement, the system of categories and the rates of conversion into square yard equivalents listed in Annex A 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 is used or the criterion provided for in paragraph 2 of Annex E of the Long-Term Arrangement is used, the criterion provided for in the latter shall apply.

11. The Government of the United States of America and the Government of Israel agree to consult on any question arising in the implementation of the agreement.
12. 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 procedures or operation.
13. If the Government of Israel considers that as a result of limitations specified in this agreement, Israel is being placed in an inequitable position vis-à-vis a third country, the Government of Israel may request consultation with the Government of the United States of America with the view to taking appropriate remedial action such as reasonable modification of this agreement.
14. 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 Israel to the United States under the provisions of Article 3 of the Long-Term Arrangement. The applicability of the Long-Term Arrangement to trade in cotton textiles between Israel and the United States shall otherwise be unaffected by this agreement.
15. In view of the special circumstances that existed in 1966 the following special provisions apply:
 - (a) For the first agreement year only, exports in Categories 9/10, 22/23 and 26/27 up to 60 per cent in excess of the specific limit for each such set of these categories and the sublimit in duck:
 - (i) shall not be counted against the specific limits specified in paragraph 4 or the Group II limit specified in paragraph 3, but
 - (ii) shall be counted against the aggregate limit specified in paragraph 2.

The figures stated in paragraphs 3 and 4 for group and specific limits shall be used without any adjustments authorized under paragraph 5 for the purpose of calculating the amount of these exports that are not to be counted against specific and group limits.

- (b) During each of the second, third and fourth agreement years, the two Governments will charge against the specific, group and aggregate limits applicable for each such year the following quantities as compensation for overshipments during the twelve-month period beginning 1 October 1965:

(In square yards equivalent)

Category	2nd Agreement year	3rd Agreement year	4th Agreement year
3	780,000 (169,565 lb.)	780,000 (169,565 lb.)	780,000 (169,565 lb.)
22	160,000	160,000	160,000
26 (duck)	240,000	240,000	240,000
62	50,000	50,000	50,000
TOTAL	1,230,000	1,230,000	1,230,000

The figures in this paragraph (15b) shall, at the request of the Government of the United States of America, be adjusted by amendment of this agreement if the December 1966 statistics of the Government of the United States of America indicate that these figures would not provide appropriate compensation for these overshipments.

16. 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 the agreement.

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

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

For the Secretary of State:

ANNEX A

COTTON TEXTILE CATEGORIES AND CONVERSION FACTORS

Category Number	Description	Unit	Conversion Factor (sq.yds.)
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	Ginghams, carded yarn	sq.yds.	1.0
6	Ginghams, combed yarn	sq.yds.	1.0
7	Velveteens	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	Lawns, carded	sq.yds.	1.0
12	Lawns, combed	sq.yds.	1.0
13	Voiles, carded	sq.yds.	1.0
14	Voiles, 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 fabrics, n.e.s., yarn-dyed, carded	sq.yds.	1.0
25	Woven fabrics, 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, carded	numbers	1.084
29	Pillowcases, combed	numbers	1.084
30	Dish towels	numbers	.348
31	Other towels	numbers	.348
32	Handkerchiefs, whether or not in the piece	dozen	1.66
33	Table damasks and manufactures	lb.	3.17

Category Number	Description	Unit	Conversion Factor (sq.yds.)
34	Sheets, carded	numbers	6.2
35	Sheets, combed	numbers	6.2
36	Bedspreads and quilts	numbers	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
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 sweat-shirts	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, 3/4 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 bath robes, 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	Brassieres 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

Apparel items exported in sets shall be recorded under separate categories of the component items.

Note No. 2

Embassy of Israel,
Washington, D.C.

Excellency,

I have the honour to acknowledge receipt of your note of 27 January 1967,
reading as follows:

(See Note No. 1)

The foregoing text is acceptable to the Government of Israel and accordingly concur that your Excellency's note and this, my affirmative note in reply, shall constitute an agreement between our two Governments.

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

(signed) Abraham Harman

The Honourable,
The Secretary of State,
United States Department of State,
Washington, D.C.

27 January 1967