

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

COT/89

17 January 1968

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN COTTON TEXTILES

Bilateral Agreement between the United States and Pakistan

Attached is the text of the notes exchanged between the Government of the United States and the Government of Pakistan constituting a new bilateral agreement, to replace the 1966 Agreement, concluded between the two countries concerning trade in cotton textiles.

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

Note No. 1

Department of State,  
Washington

3 July 1967

Excellency,

I have the honour to refer to the decision of the Cotton Textiles Committee of the General Agreement on Tariffs and Trade approving a Protocol<sup>1</sup> to extend through 30 September 1970, the Long-Term Arrangement Regarding International Trade in Cotton Textiles, done in Geneva on 9 February 1962 (hereinafter referred to as "the Long-Term Arrangement"). I also refer to recent discussions between representatives of our two Governments and to the Agreement between our two Governments concerning exports of cotton textiles from Pakistan to the United States effected by an exchange of notes dated 21 November 1966.<sup>2</sup> I confirm on behalf of my Government, the understanding that the 1966 Agreement is replaced with the following Agreement. This Agreement is based on our understanding that the above-mentioned Protocol will enter into force for our two Governments on 1 October 1967.

1. The term of this Agreement shall be from 1 July 1966, through 30 June 1970. During the term of this Agreement, annual exports of cotton textiles from Pakistan to the United States shall be limited to aggregate, group and specific limits at the levels specified in the following paragraphs. It is noted that these levels reflect a special adjustment for the first Agreement year. The levels set forth in paragraphs 2, 3 and 4 for the second Agreement year are 5 per cent higher than the limits for the preceding year without this special adjustment; thus the growth factor provided for in paragraph 6 has already been applied in arriving at these levels for the second Agreement year.

2. For the first Agreement year, constituting the 12-month period beginning 1 July 1966, the aggregate limit shall be 57.5 million square yards equivalent. For the second Agreement year, the aggregate limit shall be 68.25 million square yards equivalent.

H.E. The Agha Hilaly,  
Ambassador of Pakistan

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<sup>1</sup>Done at Geneva 1 May 1967.

<sup>2</sup>See document COT/49/Add.1.

3. Within the aggregate limit, the following group limits shall apply for the first and second Agreement years, respectively:

	<u>First Agreement year</u>	<u>Second Agreement year</u>
	(in square yards equivalent)	
<u>Group</u>		
I. (Categories 1-27)	50,225,000	59,745,000
II. (Categories 28-64)	7,275,000	8,505,000

4. Within the aggregate limit and the applicable group limits, the following specific limits shall apply for the first and second Agreement years:

<u>Group I</u>	<u>First Agreement year</u>	<u>Second Agreement year</u>
	(in square yards equivalent)	
<u>Category</u>		
Category 9 (sheeting, carded)	24,375,000	29,925,000
Category 15 (poplin and broadcloth, carded)	2,125,000	2,625,000
Print cloth (categories 18, 19 and parts of category 26)*	10,000,000	10,500,000
Category 22 (twill and sateen)	2,350,000	3,570,000
Barkcloth type fabrics (parts of category 26)*	3,125,000	3,675,000
Duck (parts of category 26)	6,250,000	7,350,000
Other**	2,000,000	2,100,000

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\* Print cloth and bark cloth type fabrics are further described in Annex A.

\*\* These "other" categories are not subject to specific limits. Hence, within the aggregate and the applicable group limits, as they may be adjusted under paragraph 5, the square yard equivalent of shortfalls in exports in categories with specific limits may be used in these "other" categories subject to the provisions of paragraph 7.

Group II

Category

<u>First Agreement year</u>	<u>Units</u>	<u>Square yards equivalent</u>
Shop towels (part of category 31)	3,900,000 pcs.	1,357,200
T shirts (categories 41 and 42)	270,735 doz.	1,958,497
Other*		3,959,303
<u>Second Agreement year</u>	<u>Units</u>	<u>Square yards equivalent</u>
Shop towels (part of category 31)	4,095,000 pcs.	1,425,060
T shirts (categories 41 and 42)	349,589 doz.	2,528,926
Other*		4,551,014

5. Within the aggregate limit, the limit for Group I may be exceeded by not more than 10 per cent and the limit for Group II 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. In succeeding 12-month periods for which any limitation is in force under this Agreement, the level of exports permitted under such limitation shall be increased by 5 per cent of the corresponding level for the preceding 12-month period, the latter level not to include any adjustments under paragraphs 5 or 14.

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\* These "other" categories are not subject to specific limits. Hence, within the aggregate and the applicable group limits, as they may be adjusted under paragraph 5, the square yard equivalent of shortfalls in exports in categories with specific limits may be used in these "other" categories subject to the provisions of paragraph 7.

7. In the event of undue concentration in exports from Pakistan to the United States of cotton textiles in any category not given a specific limit, the Government of the United States of America may request consultation with the Government of Pakistan to determine an appropriate course of action. Until a mutually satisfactory solution is reached, exports in the category in question from Pakistan to the United States starting with the 12-month period beginning on the date of the request for consultation shall be limited. The limit shall be 105 per cent of the exports of such products from Pakistan to the United States during the most recent 12-month period preceding the request for consultation and for which statistics are available to our two Governments.

8. The Government of Pakistan shall use its best efforts to space exports from Pakistan to the United States within each category evenly throughout the Agreement year, taking into consideration normal seasonal factors.

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 Pakistan with data on monthly imports of cotton textiles from Pakistan. The Government of Pakistan 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 B 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 chief value criterion used by the Government of the United States of America in accordance with paragraph 2 of Annex E shall apply.

11. The Government of the United States of America and the Government of Pakistan 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 procedure or operation.

13. If the Government of Pakistan considers that as a result of limitations specified in this Agreement, Pakistan is being placed in an inequitable position vis-à-vis a third country, the Government of Pakistan 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.

14. (a) For any Agreement year immediately following a year of a shortfall (i.e., a year in which cotton textile exports from Pakistan to the United States were below the aggregate limit and any group and specific limits applicable to the category concerned) the Government of Pakistan 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 group or specific limit and shall not exceed either 5 per cent of the aggregate limit or 5 per cent of the applicable group limit in 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 be used in the same group in which the shortfall occurred, 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 limits in paragraph 7 of the Agreement.

(b) The limits referred to in sub-paragraph (a) of this paragraph are without any adjustments under this paragraph or paragraph 5.

(c) The carryover shall be in addition to the exports permitted in paragraph 5.

15. 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 Pakistan 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 Pakistan and the United States shall otherwise be unaffected by this Agreement.

16. The Government of the United States of America may assist the Government of Pakistan in implementing the limitation provisions of this Agreement by controlling the imports of cotton textiles covered by the Agreement until agreement is reached that Pakistan will control these exports in accordance with the limitations of the Agreement.

17. 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 90 days prior to the end of such Agreement year. Either Government may at any time propose revisions in the terms of this Agreement.

If the above conforms with the understanding of your Government, this note and your Excellency's note of confirmation on behalf of the Government of Pakistan shall constitute an Agreement between our Governments.

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

For the Secretary of State:  
Anthony M. Solomon

ANNEX A

I. Printcloth

Printcloth is a term applied to a plain woven fabric made of singles uncombed yarns. The fabric is not napped, not fancy and not figured. The difference in the yarns per inch of the warp and of the filling does not usually exceed 15. The average yarn number ranges between 27 and 44 per inch.

Printcloth falls under category 18 "Printcloth, shirting type, 80 x 80 type, carded"; category 19 "Printcloth, shirting type, other than 80 x 80 type, carded"; and under the TSUSA numbers of category 26 "Woven fabric, not elsewhere specified, other, carded" listed below:

TSUSA Numbers

- 320 xx 34 Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, not bleached or coloured.
- 321 xx 34 Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, bleached but not coloured.
- 322 xx 34 Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, coloured, whether or not bleached.
- 326 xx 34 Printcloth other than printcloth type shirting, not combed, chief value, but not wholly of cotton, containing silk or man-made or both, not fancy or figured, not bleached or coloured.
- 327 xx 34 Printcloth other than printcloth type shirting, not combed, chief value, but not wholly of cotton, containing silk or man-made fibers, or both, not fancy or figured, bleached but not coloured.
- 328 xx 34 Printcloth other than printcloth type shirting, not combed, chief value, but not wholly of cotton, containing silk or man-made fibers, or both, not fancy or figured, coloured, whether or not bleached.

II. Barkcloth

Barkcloth is a term applied to a fabric most commonly used in the drapery and upholstery fields. The fabric is often made with heavy filling yarns and fine warp yarns with 2 or 3 times as many warp threads as filling threads per inch, or with heavy warp and filling yarns with a fairly even number of warp and filling threads per inch. The weave is of an irregular design with long warp and filling floats resulting in a rough or barklike fabric surface. Barkcloth is most commonly woven with 6 harnesses but should it be advantageous to do so, could easily be produced with 8 or more harnesses.

Barkcloth-type fabrics are those fabrics classified as "Woven fabrics, not elsewhere specified, other, carded" and which fall under the numbers of the Tariff Schedule of the United States (TSUSA) listed below. For administrative purposes, barkcloth-type fabrics shall be considered as including all fabrics falling under these numbers. Schedule 3 of the TSUSA, including revisions through supplement No. 4, which gives the complete definitions applicable to these numbers is attached. All yarn counts, represented by the fourth and fifth digits ("xx") of the following numbers and specifically described in Schedule 3 of the TSUSA, are included in the restraint action.

TSUSA Numbers

320	xx88
321	xx88
322	xx88
323	xx88
324	xx88
325	xx88
326	xx88
327	xx88
328	xx88
329	xx88
330	xx88
331	xx88
320	xx92
321	xx92
322	xx92
323	xx92
324	xx92
325	xx92
326	xx92
327	xx92
328	xx92
329	xx92
330	xx92
331	xx92

Should the Government of Pakistan have further questions concerning the fabrics covered herein, the United States Government would be pleased to consult on this problem.

ANNEX B

List of Cotton Textile Categories  
and Conversion Factors

<u>Category number</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor to sq. yds.</u>
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	Sq. yds.	Not required
6	Gingham, combed	Sq. yds.	Not required
7	Velveteen	Sq. yds.	Not required
8	Corduroy	Sq. yds.	Not required
9	Sheeting, carded	Sq. yds.	Not required
10	Sheeting, combed	Sq. yds.	Not required
11	Lawn, carded	Sq. yds.	Not required
12	Lawn, combed	Sq. yds.	Not required
13	Voile, carded	Sq. yds.	Not required
14	Voile, combed	Sq. yds.	Not required
15	Poplin and broadcloth, carded	Sq. yds.	Not required
16	Poplin and broadcloth, combed	Sq. yds.	Not required
17	Typewriter ribbon cloth	Sq. yds.	Not required
18	Print cloth, shirting, type, 80 x 80 type, carded	Sq. yds.	Not required
19	Print cloth, shirting, type, other than 80 x 80 type, carded	Sq. yds.	Not required
20	Shirting, Jacquard or dobby, carded	Sq. yds.	Not required
21	Shirting, Jacquard or dobby, combed	Sq. yds.	Not required
22	Twill and sateen, carded	Sq. yds.	Not required
23	Twill and sateen, combed	Sq. yds.	Not required
24	Woven fabric, n.e.s., yarn dyed, carded	Sq. yds.	Not required
25	Woven fabric, n.e.s., yard dyed, combed	Sq. yds.	Not required
26	Woven fabric, n.e.s., other, carded	Sq. yds.	Not required
27	Woven fabric, n.e.s., other, combed	Sq. yds.	Not required
28	Pillowcases, not ornamented, carded	Numbers	1.084

<u>Category number</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor to sq. yds.</u>
29	Pillowcases, 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 sweatshirts	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
53	Dresses, (including uniforms) not knit	Dozen	45.3
54	Playsuits, sunsuits, washsuits, creepers, rompers, etc., not knit, n.e.s.	Dozen	25.0

<u>Category number</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor to sq. yds.</u>
55	Dressing gowns, including bathrobes and beachrobes, lounging gowns, housecoats, 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	51.96
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

Embassy of Pakistan  
Washington D.C.

3 July 1967

My dear Mr. Secretary,

I have the honour to acknowledge receipt of your note of 3 July 1967, regarding exports of cotton textiles from Pakistan to the United States of America which reads as follows:

Note No. 1

I have the honour further to confirm that the foregoing conforms to the understanding of the Government of Pakistan. Please accept Mr. Secretary, the assurance of my highest consideration.

A. Hilaly  
Ambassador

The Honourable Dean Rusk,  
Secretary of State,  
Washington, D.C.