

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN COTTON TEXTILES

Bilateral Agreement between the United States and Peru¹

The following is the text of the United States note concerning a new cotton textile agreement between the Governments of the United States and Peru.

23 November 1971

Excellency:

I have the honour to refer to the Long-Term Arrangement Regarding International Trade in Cotton Textiles (hereinafter referred to as the Long-Term Arrangement), done in Geneva on 9 February 1962, as extended until 30 September 1973. I also refer to recent discussions between our two Governments concerning the export of cotton textiles from Peru to the United States. As a result of these discussions, I have the honour to propose the following agreement relating to trade in cotton textiles between Peru and the United States.

1. The term of this agreement shall be from 1 October 1971 through 30 September 1976. During the term of this agreement the Government of Peru shall limit annual exports of cotton textiles from Peru to aggregate 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 1971, the aggregate limit shall be 5.0 million square yards equivalent.

3. Within this aggregate limit, the following specific limits shall apply:

<u>Category</u>	<u>Quantity</u>	<u>Equivalent square yards</u>
22	1,750,000 sq. yds.	1,750,000
56	48,913 doz.	450,000
57	40,000 doz.	450,000
58	90,000 doz.	450,000
60	14,434 doz.	750,000

¹Not party to the Cotton Textiles Arrangement

4. Within the aggregate limit, each specific limit may be exceeded by not more than 5 per cent.

5. Categories not given specific limits are subject to consultation levels and to the aggregate limit. In the event the Government of Peru wishes to permit exports to the United States in any category during any agreement year in excess of the applicable consultation level, the Government of Peru shall request consultations with the Government of the United States of America on this question and the Government of the United States of America shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of Peru shall limit 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 1-38 and category 64 and 350,000 square yards equivalent in categories 39-63.

6. 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, subject to the provisions of paragraph 5, or for the purpose described in paragraph 4.

7. In the second and any succeeding agreement year, the level of exports permitted under each limitation in the agreement shall be increased by 5 per cent of the corresponding level for the preceding agreement year, the latter level not to include any adjustments under paragraph 4 or 8.

8. (a) For any agreement year immediately following a year of shortfall (i.e., a year in which cotton textile exports from Peru to the United States were below the aggregate limit and any specific limit applicable to the category concerned) the Government of Peru 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 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 categories subject to specific limits, the carryover shall be used in the same category in which the shortfall occurred, shall not exceed 5 per cent of the specific limit applicable to the category in the year of the shortfall, and shall be in addition to the exports permitted by paragraph 4; 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 4 and shall be subject to provisions of paragraph 5.

(b) The limits referred to in sub-paragraph (a) of this paragraph are without any adjustments under this paragraph or paragraph 4.

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

10. The Government of the United States of America shall promptly supply the Government of Peru with data on monthly imports of cotton textiles from Peru; and the Government of Peru shall promptly supply the Government of the United States of America with quarterly data on 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 the criterion provided for in Article 9 of the Long-Term Arrangement 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.

12. The Government of Peru and the Government of the United States of America agree to consult on any question arising in the implementation of this agreement.

13. 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.

14. If the Government of Peru considers that, as a result of limitations specified in this agreement, Peru is being placed in an inequitable position vis-à-vis a third country, the Government of Peru may request consultation with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of this agreement.

15. For the duration of this agreement, the Government of the United States of America shall not invoke the procedures of Article 3 or 6(c) of the Long-Term Arrangement to request on the export of cotton textiles from Peru to the United States.

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

17. Either Government may terminate this agreement effective at the end of any 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.

If the foregoing proposal is acceptable to the Government of Peru, this note and Your Excellency's note of confirmation on behalf of the Government of Peru shall constitute an agreement between the Government of Peru and the Government of the United States of America.

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

(Signed) Taylor G. Belcher

ANNEX A

Category number	Description	Unit	Conversion factor to sq. yds.
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	Lawns, carded	Sq. yds.	Not required
12	Lawns, 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	Weaving fabric, n.e.s., yarn dyed, carded	Sq. yds.	Not required
25	Weaving fabric, n.e.s., yarn dyed, combed	Sq. yds.	Not required
26	Weaving fabric, n.e.s., other, carded	Sq. yds.	Not required
27	Weaving fabric, n.e.s., other, combed	Sq. yds.	Not required
28	Pillowcases, not ornamented, carded	Nos.	1.084
29	Pillowcases, not ornamented, combed	Nos.	1.084
30	Towels, dish	Nos.	.348
31	Towels, other	Nos.	.348
32	Handkerchiefs, whether or not in the piece	Doz.	1.66
33	Table damask and manufactures	lb.	3.17
34	Sheets, carded	Nos.	6.2
35	Sheets, combed	Nos.	6.2
36	Bedspreads and quilts	Nos.	6.9
37	Braided and woven elastic	lb.	4.6
38	Fishing nets and fish netting	lb.	4.6
39	Gloves and mittens	Doz. prs.	3.527

Category number	Description	Unit	Conversion factor to sq. yds.
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, 3/4 length or longer, not knit	Doz.	50.0
49	Coats, other, 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	Play-suits, sun-suits, wash-suits, creepers, rompers, etc., not knit, n.e.s.	Doz.	25.0
55	Dressing gowns, including bathrobes and beachrobes, lounging gowns, 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