

No. 7693

**UNITED STATES OF AMERICA
and
YUGOSLAVIA**

**Exchange of notes constituting an agreement relating to
trade in cotton textiles (with annex and related letters).
Washington, 5 October 1964**

Official text: English.

Registered by the United States of America on 15 April 1965.

**ÉTATS-UNIS D'AMÉRIQUE
et
YOUUGOSLAVIE**

**Échange de notes constituant un accord relatif au com-
merce des textiles de coton (avec annexe et lettres
connexes). Washington, 5 octobre 1964**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 15 avril 1965.

No. 7693. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND YUGOSLAVIA RELATING TO TRADE IN COTTON TEXTILES. WASHINGTON, 5 OCTOBER 1964

I

The Secretary of State to the Chief of the Yugoslav Delegation for Textile Negotiations

DEPARTMENT OF STATE
WASHINGTON

October 5, 1964

Sir :

I refer to the discussions in Belgrade and Washington between representatives of the Government of the United States of America and the Government of the Socialist Federal Republic of Yugoslavia concerning exports of cotton textiles from Yugoslavia to the United States.

As a result of these discussions, I propose the following agreement relating to trade in cotton textiles between Yugoslavia and the United States.

1. The Government of the Socialist Federal Republic of Yugoslavia shall limit its exports to the United States in all categories of cotton textiles for the twelve-month period beginning January 1, 1965 to an aggregate limit of 15.1 million square yards equivalent.

2. Within this aggregate limit, the following specific ceilings shall apply :

<i>Category</i>	<i>Million Square Yards</i>
1-26 (equivalent)
9	5.0
15-16	1.5
18-19	2.1
22	1.0
Duck (part of 26)	1.65
31	1.0 (equivalent)

3. Within the aggregate limit, exports of apparel (Categories 39-63) shall not exceed 1.5 million square yards equivalent. Within this group limit on apparel exports, the

¹ Came into force on 1 January 1965, in accordance with the provisions of the said notes.

following specific ceilings shall apply :

<i>Category</i>	<i>Level</i>
48	4,500 Dozen
49	10,000 Dozen

4. The square yard equivalent of any shortfalls occurring in the categories subject to specific ceilings may be used for exports in categories not given specific ceilings, provided, however, that total exports of apparel, Categories 39-63, shall not exceed the group limit specified in paragraph 3.

5. Within the aggregate limit, any specific ceiling, now provided for under paragraphs 2 and 3 or negotiated at some future date, pursuant to the provisions of paragraph 6, may be exceeded by not more than 5 percent; provided, however, that total exports of apparel, Categories 39-63, shall not exceed the group limit specified in paragraph 3.

6. The Government of the Socialist Federal Republic of Yugoslavia shall enter into consultations with the United States Government in the event exports, in any calendar year, in any category not given a specific ceiling, are planned to be in excess of the following levels :

- (a) Categories 3 through 8, 10 through 14, 17, 20, 21,
23 through 25, 26 (other than duck), 27 through 30,
32 through 44, 47, 52 through 64 350,000 square yards equivalent;
- (b) Categories 45, 46, 50 and 51 300,000 square yards equivalent.

The United States Government shall agree to enter into such consultations and, during the course thereof, shall provide the Government of the Socialist Federal Republic of Yugoslavia with information on the condition of the United States market in the categories in question. Until agreement is reached the Government of the Socialist Federal Republic of Yugoslavia shall limit its exports in the categories in question at an annual level not in excess of 350,000 square yards equivalent for any of the categories enumerated in (a) above and not in excess of 300,000 square yards equivalent for any of the categories enumerated in (b) above.

7. The levels established in paragraphs 1, 2, 3, and 6 of this agreement shall be increased by five percent for the calendar year 1966. For the calendar year 1967, each of these levels shall be increased by a further five percent over the levels for the calendar year 1966.

8. With the exception of seasonal items, the Government of the Socialist Federal Republic of Yugoslavia shall use its best efforts to space evenly its annual exports under this agreement.

9. In the implementation of this agreement, the system of categories and the rates of conversion into square yard equivalents listed in the Annex¹ hereto shall apply.

¹ See p. 70 of this volume.

10. Each Government agrees to supply promptly all available statistical data relating to trade in cotton textiles requested by the other Government. In particular, the Government of the Socialist Federal Republic of Yugoslavia shall supply the most current export data to the Government of the United States, and the Government of the United States shall supply the most current import data to the Government of the Socialist Federal Republic of Yugoslavia.

11. The United States Government agrees not to invoke, beginning January 1, 1965, the procedures of Articles 6 (c) and 3 of the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962¹ to limit importation of cotton textiles from the Socialist Federal Republic of Yugoslavia, and agrees to discontinue all export restraints imposed pursuant to the provisions of these Articles as of that date.

12. The Governments agree to consult on any question arising in the implementation of this agreement. In particular, in the event that, because of a return to normalcy of market conditions in the United States, the Government of the United States relaxes measures it has taken under the Long-Term Arrangement with respect to categories given ceilings herein, consultation may be requested by the Government of the Socialist Federal Republic of Yugoslavia to negotiate removal or modification of those ceilings.

13. This agreement shall continue in force through December 31, 1967; provided that either Government may propose revisions in the terms of the agreement no later than 90 days prior to the beginning of a calendar year; and provided, further, that either Government may terminate this agreement effective at the beginning of a new calendar year by written notice to the other Government given at least 90 days prior to the beginning of such twelve-month period.

If these proposals are acceptable to the Government of the Socialist Federal Republic of Yugoslavia, this note and your note of acceptance on behalf of the Government of the Socialist Federal Republic of Yugoslavia shall constitute an agreement between our Governments, effective January 1, 1965.

Accept, Sir, the assurances of my high consideration.

For the Secretary of State :

G. Griffith JOHNSON

Attachment :

Annex : Cotton Textile Categories and Conversion Factors

Mr. Mihailo Stevovic
Chief of the Yugoslav Delegation
for Textile Negotiations
Embassy of the Socialist Federal Republic
of Yugoslavia

¹ United Nations, *Treaty Series*, Vol. 471, p. 296. As registered by the Executive Secretary of the Contracting Parties to the General Agreement on Tariffs and Trade, the Arrangement is identified in the United Nations *Treaty Series* by the date of its entry into force, i.e., 1 October 1962.

ANNEX

COTTON TEXTILE CATEGORIES AND CONVERSION FACTORS

<i>Category</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor</i>
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	Syd.	1.0
6	Gingham, combed	Syd.	1.0
7	Velveteen	Syd.	1.0
8	Corduroy	Syd.	1.0
9	Sheeting, carded	Syd.	1.0
10	Sheeting, combed	Syd.	1.0
11	Lawn, carded	Syd.	1.0
12	Lawn, combed	Syd.	1.0
13	Voile, carded	Syd.	1.0
14	Voile, combed	Syd.	1.0
15	Poplin and broadcloth, carded	Syd.	1.0
16	Poplin and broadcloth, combed	Syd.	1.0
17	Typewriter ribbon cloth	Syd.	1.0
18	Print cloth, shirting type, 80 × 80 type, carded	Syd.	1.0
19	Print cloth, shirting type, other than 80 × 80 type, carded	Syd.	1.0
20	Shirting, Jacquard or dobby, carded	Syd.	1.0
21	Shirting, Jacquard or dobby, combed	Syd.	1.0
22	Twill and sateen, carded	Syd.	1.0
23	Twill and sateen, combed	Syd.	1.0
24	Woven fabric, n.e.s., yarn dyed, carded	Syd.	1.0
25	Woven fabric, n.e.s., yarn dyed, combed	Syd.	1.0
26	Woven fabric, other, carded	Syd.	1.0
27	Woven fabric, other, combed	Syd.	1.0
28	Pillowcases, carded	No.	1.084
29	Pillowcases, 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

<i>Category</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor</i>
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 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, $\frac{3}{4}$ 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 bathrobes, beach robes, lounge 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	Pajamas 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.

II

The Chief of the Yugoslav Delegation for Textile Negotiations to the Secretary of State

EMBASSY OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA
WASHINGTON

Excellency :

I have the honor to acknowledge receipt of your note of today's date proposing a bilateral agreement concerning trade in cotton textiles between the Socialist Federal Republic of Yugoslavia and the United States, which reads as follows :

[See note I]

I have the honor to confirm on behalf of the Government of the Socialist Federal Republic of Yugoslavia that this bilateral agreement is acceptable and that your Excellency's note and this note in reply shall constitute an agreement between our Governments.

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

Mihailo STEVOVIC
Chief of the Yugoslav Delegation
for Textile Negotiations

October 5, 1964

His Excellency Dean Rusk
Secretary of State of the United States of America

RELATED LETTERS

I

The Chief of the Yugoslav Delegation for Textile Negotiations to the Assistant Secretary of State for Economic Affairs

EMBASSY OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA
WASHINGTON

October 5, 1964

Sir :

I have the honor to refer to the agreement effected by an exchange of notes today between the Government of the Socialist Federal Republic of Yugoslavia and the Government of the United States of America concerning exports of cotton textiles from Yugoslavia to the United States.

With regard to currently restrained categories in which the restraint levels are now filled, the Government of the Socialist Federal Republic of Yugoslavia may wish to initiate exports prior to January 1, 1965 in order to preserve an orderly pattern of exports to the United States. Accordingly, the Government of the Socialist Federal Republic of Yugoslavia now requests that the Government of the United States agree to permit entry of exports in these categories, up to 20 percent of the specific ceilings for these categories established for the first year of the bilateral agreement, exported from Yugoslavia in the period November 10 through December 31, 1964, whenever the Government of the Socialist Federal Republic of Yugoslavia advises that these goods have been licensed for export against the specific ceilings of the bilateral agreement for calendar year 1965. Exports from Yugoslavia in the period November 10 through December 31, 1964 admitted for entry into the United States in accordance with the advice of the Government of the Socialist Federal Republic of Yugoslavia would be applied against the specific ceilings of the appropriate categories during the first year of the bilateral agreement. It is understood that the Government of the Socialist Federal Republic of Yugoslavia would advise the United States of all such shipments at the time they are licensed for export to the United States.

The Government of the Socialist Federal Republic of Yugoslavia also requests that the Government of the United States now agree to consider favorably, on the same terms, similar problems which might arise with regard to other categories currently under restraint in which restraint levels are not now filled.

Very truly yours,

Mihailo STEVOVIC
Chief of the Yugoslav Delegation
for Textile Negotiations

The Honorable G. Griffith Johnson
Assistant Secretary of State
for Economic Affairs
Department of State

II

The Secretary of State to the Chief of the Yugoslav Delegation for Textile Negotiations

October 5, 1964

Sir :

I refer to your letter of October 5, 1964, which reads as follows :

[*See related letter I*]

I wish to assure you on the behalf of my Government that your proposal is acceptable to the Government of the United States.

Accept, Sir, the assurance of my high consideration.

For the Secretary of State :

G. Griffith JOHNSON
Assistant Secretary

Mr. Mihailo Stevovic
Chief of the Yugoslav Delegation
for Textile Negotiations
Embassy of the Socialist Federal Republic
of Yugoslavia

III

The Secretary of State to the Chief of the Yugoslav Delegation for Textile Negotiations

October 5, 1964

Sir :

I refer to the agreement, effected by an exchange of notes today, between the Government of the Socialist Federal Republic of Yugoslavia and the Government of the United States of America concerning exports of cotton textiles from Yugoslavia to the United States.

As indicated in the attached tabulation,¹ 863,780 square yards of cotton textiles of Yugoslav origin classified in category 9, are now held in bonded warehouse in the United States because these shipments are in excess of the restraint level of 4.1 million square yards for that category applicable for the twelve-month period of January 3, 1964 to January 2, 1965.

It is my understanding that the Government of the Socialist Federal Republic of Yugoslavia is agreeable to the release of these goods, to be charged against the export ceilings for category 9 established under the bilateral agreement effected today in the following manner :

50 percent of the quantity released to be deducted from the ceiling for the first year of the agreement, beginning January 1, 1965 and the remaining 50 percent to be deducted from the ceiling for the second year of the agreement, beginning January 1, 1966.

¹ See p. 80 of this volume.

If this understanding is correct, I would appreciate receiving confirmation from the Government of the Socialist Federal Republic of Yugoslavia.

Accept, Sir, the assurance of my high consideration.

For the Secretary of State :

G. Griffith JOHNSON
Assistant Secretary

Mr. Mihailo Stevovic
Chief of the Yugoslav Delegation
for Textile Negotiations
Embassy of the Socialist Federal Republic
of Yugoslavia

LIST OF EMBARGOED CATEGORY 9 SHIPMENTS FROM YUGOSLAVIA
NOW IN BOND

<i>Entry No.</i>	<i>Entry Date</i>	<i>Port of Entry</i>	<i>Date of Exportation</i>	<i>Importer of Record</i>	<i>Sq. Yards</i>
2202	6/6/64	Norfolk	4/29/64	Olympic Textile In- ternational Inco.	353,114
2218	6/8/64	Norfolk	4/29/64	Hipage Co. Inco.	367,425
2276	6/30/64	Norfolk	5/27/64	Hipage Co. Inco.	112,205
60955	6/1/64	New York	4/28/64	Maiden Lane Trad- ing Inco.	31,036
TOTAL					863,780

IV

*The Chief of the Yugoslav Delegation for Textile Negotiations
to the Assistant Secretary of State for Economic Affairs*

EMBASSY OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA
WASHINGTON

October 5, 1964

Sir :

I have the honor to refer to your letter of October 5, 1964, which reads as follows :

[See related letter III]

I wish to assure you on behalf of my Government that your proposal is acceptable to the Government of the Socialist Federal Republic of Yugoslavia.

Very truly yours,

Mihailo STEVOMIC
Chief of the Yugoslav Delegation
for Textile Negotiations

The Honorable G. Griffith Johnson
Assistant Secretary of State
for Economic Affairs
Department of State