

No. 9777

**UNITED STATES OF AMERICA
and
PAKISTAN**

**Exchange of notes constituting an agreement concerning trade
in cotton textiles (with annexes). Washington, 3 July 1967**

Authentic text: English.

Registered by the United States of America on 6 August 1969.

**ÉTATS-UNIS D'AMÉRIQUE
et
PAKISTAN**

**Échange de notes constituant un accord relatif au commerce des
textiles de coton (avec annexes). Washington, 3 juillet 1967**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 6 août 1969.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT ¹
BETWEEN THE UNITED STATES OF AMERICA AND
PAKISTAN CONCERNING TRADE IN COTTON TEXTILES

I

DEPARTMENT OF STATE
WASHINGTON

July 3, 1967

Excellency,

I have the honor to refer to the decision of the Cotton Textiles Committee of the General Agreement on Tariffs and Trade approving a Protocol ² to extend through September 30, 1970, the Long-Term Arrangement Regarding International Trade in Cotton Textiles, done in Geneva on February 9, 1962 ³ (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 November 21, 1966.⁴ 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 abovementioned Protocol will enter into force for our two Governments on October 1, 1967.

1. The term of this agreement shall be from July 1, 1966, through June 30, 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

¹ Came into force on 3 July 1967 with retroactive effect from 1 July 1966, in accordance with the provisions of the said notes.

² United Nations, *Treaty Series*, vol. 620, p. 276.

³ *Ibid.*, vol. 471, p. 296. As registered by the Executive Secretary of the Contracting Parties to the General Agreement on Tariffs and Trade, this Arrangement is identified in the United Nations *Treaty Series* by the date of its entry into force, i.e., 1 October 1962.

⁴ *Ibid.*, vol. 681, p. 3.

2, 3 and 4 for the second agreement year are 5 % 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 July 1, 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.

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

<i>Group</i>	<i>First Agree- ment Year (In syds. equivalent)</i>	<i>Second Agree- ment Year</i>
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:

GROUP I

<i>Category</i>	<i>First Agree- ment Year (In syds. equivalent)</i>	<i>Second Agree- ment Year</i>
Category 9 (Sheeting, carded)	24,375,000	29,925,000
Category 15 (Poplin & 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

* 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

<i>Category</i>	<i>Units</i>	<i>Square Yards Equivalent</i>
<i>First Agreement Year</i>		
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
<i>Second Agreement Year</i>		
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 percent and the limit for Group II may be exceeded by not more than 5 percent. Within the applicable group limit, as it may be adjusted under this provision, specific limits may be exceeded by not more than 5 percent.

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 percent of the corresponding level for the preceding 12-month period, the latter level not to include any adjustments under paragraphs 5 or 14.

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 percent 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

** See foot-note p. 82.

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 % of the aggregate limit or 5 % 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 % 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 subparagraph (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

His Excellency Agha Hilaly
Ambassador of Pakistan

A N N E X 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 × 80 type, carded"; Category 19 "Printcloth, shirting type, other than 80 × 80 type, carded"; and under the T.S.U.S.A. numbers of Category 26 "Woven fabric, not elsewhere specified, other, carded" listed below:

T.S.U.S.A. Numbers

- | | | |
|------|--------|---|
| 320. | × × 34 | Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, not bleached or colored. |
| 321. | × × 34 | Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, bleached but not colored. |
| 322. | × × 34 | Printcloth other than printcloth type shirting, not combed, wholly of cotton, not fancy or figured, colored, whether or not bleached. |
| 326. | × × 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 colored. |
| 327. | × × 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 colored. |
| 328. | × × 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, colored, 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 (T.S.U.S.A.) listed below. For administrative purposes, barkcloth-type fabrics shall be considered as including all fabrics falling under these numbers. Schedule 3 of the T.S.U.S.A., 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 ("× ×") of the following numbers and specifically described in Schedule 3 of the T.S.U.S.A., are included in the restraint action.

T.S.U.S.A. Numbers

320.	× × 88	328.	× × 88	324.	× × 92
321.	× × 88	329.	× × 88	325.	× × 92
322.	× × 88	330.	× × 88	326.	× × 92
323.	× × 88	331.	× × 88	327.	× × 92
324.	× × 88	320.	× × 92	328.	× × 92
325.	× × 88	321.	× × 92	329.	× × 92
326.	× × 88	322.	× × 92	330.	× × 92
327.	× × 88	323.	× × 92	331.	× × 92

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.

A N N E X B

LIST OF COTTON TEXTILE CATEGORIES AND CONVERSION FACTORS

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Sq. Yds.</i>
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

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Sq. Yds.</i>
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 × 80 type, carded . .	Sq. Yds.	Not required
19.	Print cloth, shirting, type, other than 80 × 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., yarn 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
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

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Sq. Yds.</i>
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, wo- men'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
55.	Dressing gowns, including bathrobes and beach- robes, 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.	Pajamas 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

II

EMBASSY OF PAKISTAN
WASHINGTON, D.C.

Ambassador of Pakistan

July 3, 1967

My dear Mr. Secretary,

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

[*See note I*]

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
3/7/67

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