

No. 9857

UNITED STATES OF AMERICA
and
PORTUGAL

**Exchange of notes constituting an agreement concerning trade in
cotton textiles (with annex). Lisbon, 23 March 1967**

Authentic text: English.

Registered by the United States of America on 2 September 1969.

ÉTATS-UNIS D'AMÉRIQUE
et
PORTUGAL

**Échange de notes constituant un accord relatif au commerce des
textiles de coton (avec annexe). Lisbonne, 23 mars 1967**

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 2 septembre 1969.

EXCHANGE OF NOTES¹ CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
PORTUGAL CONCERNING TRADE IN COTTON TEX-
TILES

I

The American Ambassador to the Portuguese Minister of Foreign Affairs

No. 205

Lisbon, March 23, 1967

Excellency:

I have the honor to refer to recent discussions held in Lisbon between representatives of the Government of the United States of America and the Government of Portugal concerning cotton textile exports from Portugal to the United States and to the interim agreement concerning this trade effected by an exchange of notes signed at Lisbon on December 19, 1966.² In accordance with these discussions, the Government of the United States of America understands that this interim agreement is replaced with the following new agreement.

1. The purpose of this Agreement is to provide for orderly development of trade in cotton textiles between the United States and Portugal. To achieve this purpose:

- (a) The United States Government shall cooperate with the Portuguese Government in promoting orderly development of trade in cotton textiles between Portugal and the United States, and
- (b) The Portuguese Government shall maintain, for the period of four years beginning January 1, 1967, an annual aggregate limit for exports of cotton textiles to the United States, and annual limits for groups and categories subject to the provisions of this Agreement.

2. The aggregate limit for 1967 shall be 102,300,000 square yards equivalent.

¹ Came into force on 23 March 1967 (with retroactive effect from 1 January 1967) by the exchange of the said notes.

² United Nations, *Treaty Series*, vol. 680, p. 396.

3. Within the aggregate limit the following group limits shall apply for the first Agreement year:

	<i>Square yards equivalent</i>
Group I. Yarn (Categories 1-4)	66,100,000
Group II. Fabrics, made up goods and miscellaneous (Categories 5-38 and 64)	27,000,000
Group III. Apparel (Categories 39-63)	9,200,000

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

Group I

Category 1	10,848,000 lbs
Category 2	852,000 lbs.
Category 3	2,499,000 lbs.
Category 4	171,000 lbs.

Group II

Category 5/6	8,517,000 syds. *
Category 9	10,000,000 syds.
Category 22.	1,500,000 syds.
Category 24/25	5,500,000 syds. **
Category 26.	2,400,000 syds.

Group III

Category 41/42/43	90,000 doz.
Category 46.	40,000 doz.
Category 50.	23,000 doz.
Category 51.	23,000 doz.
Category 52.	34,000 doz.
Category 53 and knit dresses in Category 62	34,000 doz.
Category 55.	23,000 doz.
Category 60.	17,000 doz.
Category 62 (sweatshirts only)	55,600 lbs.
Two or three piece ladies' suits made from woven or knit fabrics	350,000 lbs.

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

* Within this limit, annual exports in Category 6 shall not exceed 4,770,000 square yards.

** Within this limit, annual exports in Category 25 shall not exceed 2,000,000 square yards.

6. Within the group limit for each group the square yard equivalent of short-falls in exports in the categories given specific limits may be used in categories not given specific limits subject to the consultation provisions of paragraph 7.

7. In the event that Portugal plans to export during any agreement year more than 350,000 square yards equivalent in any category in Group 3 not given a specific limit, or more than 500,000 square yards equivalent in any category in Group 2 not given a specific limit, the Government of Portugal shall inform the Government of the United States of America of this intention. The Government of the United States of America will notify the Government of Portugal promptly, and, in any event, within 30 days after receipt of the information from the Government of Portugal, whether it wishes to consult on this question. During this 30-day period, the Government of Portugal agrees not to permit agreement year exports to exceed the limit applicable under this paragraph to the category in question. If the Government of the United States of America requests consultations, it shall provide the Government of Portugal with information on conditions of the United States market in this category. During the course of such consultations, the Government of Portugal shall continue to limit exports in this category to an annual level not to exceed the limit applicable to such category under this paragraph.

8. The two Governments undertake to consult whenever there is any question arising in the implementation of this agreement.

- (a) If instances of excessive concentration of Portuguese exports of apparel products made from a particular type of fabric should cause or threaten to cause disruption of the United States domestic market, the United States Government may request in writing consultations with the Portuguese Government to determine an appropriate course of action.
- (b) Such a request shall be accompanied by a detailed factual statement of the reasons and justification for the request, including relevant data on domestic production and consumption and on imports from third countries. During the course of such consultations, the Portuguese Government shall maintain exports of the articles concerned on a quarterly basis at annual levels not in excess of 105% of the exports of such products during the first 12 months of the 15-month period prior to the month in which consultations are requested or at annual levels not in excess of 90% of the exports of such products during the 12 months prior to the month in which consultations are requested, whichever is higher.

(c) This provision should only be resorted to sparingly. In the event that the Portuguese Government considers that the substance of the present Agreement would be seriously affected due to such consultations, the Portuguese Government may request that the consultations include a discussion of possible modifications of those categories under specific ceilings.

9. In the second and succeeding twelve-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% of the corresponding level for the preceding twelve-month period, the latter level not to include any adjustments under paragraph 5 above.

10. In the implementation of this Agreement, the system of categories and the rates of conversion into square yards equivalent 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 LTA or the criterion provided for in paragraph 2 of Annex E of the LTA is used, the criterion provided for in the latter shall apply.

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

12. As regards products in any category under specific limits specified in this Agreement, the United States Government shall keep under review the effect of this Agreement with a view to orderly development for trade in cotton textiles between the United States and Portugal, and shall furnish to the Portuguese Government, once a year, the available statistics and other relevant data on imports, production and consumption of such products as would clarify the question of the impact of imports on the industry concerned.

13. If the Portuguese Government considers that as a result of limitations specified in this Agreement, Portugal is being placed in an inequitable position *vis-à-vis* a third country, the Portuguese Government may request consultations with the United States Government with a view to taking appropriate remedial action such as a reasonable modification of this Agreement.

14. The two Governments recognize that the successful implementation of this Agreement depends largely upon mutual cooperation on statistical questions. Accordingly, each Government agrees to supply promptly any available statistical data requested by the other Government. In particular, the United States Government shall supply the Portuguese Government with data on monthly imports of

cotton textiles from Portugal as well as from third countries and the Portuguese Government shall supply the United States Government with data on monthly exports of cotton textiles to the United States.

15. 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.

16. During the term of this Agreement, the United States Government will not request restraint on the export of cotton textiles from Portugal to the United States under the procedures of Article 3 of the Long-Term Arrangements Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962¹. The applicability of the Long-Term Arrangements to trade in cotton textiles between Portugal and the United States shall otherwise be unaffected by this Agreement.

17. This Agreement shall continue in force through December 31, 1970. 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 Portugal shall constitute an agreement between our Governments.

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

W. Tapley BENNETT

His Excellency Prof. Dr. Alberto Gorjao Franco Nogueira
Minister of Foreign Affairs
Lisbon

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, this Arrangement is identified in the United Nations *Treaty Series* by the date of its entry into force, i.e., 1 October 1962.

ANNEX A
LIST OF COTTON 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
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, 80×80 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

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Sq. Yds.</i>
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 prs.	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, $\frac{3}{4}$ 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
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

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

The Portuguese Minister of Foreign Affairs to the American Ambassador

MINISTÉRIO DOS NEGÓCIOS ESTRANGEIROS
GABINETE DO MINISTRO ¹

Lisbon, March 23, 1967

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note No. 205 of today's date reading as follows:

[See note I]

In reply I have the honour to signify on behalf of the Government of Portugal its concurrence in the foregoing proposals and to confirm that Your Excellency's Note and this Note shall constitute an Agreement between our two Governments in this matter, effective from today's date.

Accept, Excellency, the assurance of my highest consideration.

A. Franco NOGUEIRA

His Excellency W. Tapley Bennett Jr.
Ambassador of the United States of America
Lisboa

¹ Ministry of Foreign Affairs. Minister's Office.