

No. 9845

**UNITED STATES OF AMERICA
and
ISRAEL**

**Exchange of notes constituting an agreement concerning trade in
cotton textiles (with annex). Washington, 27 January 1967**

Authentic text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
ISRAËL**

**Échange de notes constituant un accord relatif au commerce des
textiles de coton (avec annexe). Washington, 27 janvier 1967**

Texte authentique: anglais.

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

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

I

DEPARTMENT OF STATE
WASHINGTON

January 27, 1967

Excellency:

I have the honor to refer to recent discussions held in Washington between representatives of the Government of the United States of America and the Government of Israel concerning the cotton textiles agreement between our two Governments effected by an exchange of notes signed at Tel Aviv and Jerusalem November 5 and 22, 1963,² an amendment to that agreement effected by an exchange of notes signed at Washington June 30, 1966,³ and the Long Term Arrangements Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962⁴ (hereinafter referred to as the Long Term Arrangements). In accordance with these discussions, the Government of the United States of America understands that the agreement, but not the amendment, which provides a one-time allowance extending through December 31, 1966, is replaced as of October 1, 1966 with the following new agreement:

1. The term of this agreement shall be from October 1, 1966 through September 30, 1970. During the term of this agreement the Government of Israel shall limit annual exports of cotton textiles from Israel to the United States to aggregate, group and specific limits at the levels specified in the following paragraphs.

¹ Came into force on 27 January 1967 with retroactive effect from 1 October 1966, in accordance with the provisions of the said notes.

² United Nations, *Treaty Series*, vol. 494, p. 89.

³ *Ibid.*, vol. 593, p. 318.

⁴ *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.

2. For the first agreement year, constituting the 12-month period beginning October 1, 1966, the aggregate limit shall be 23 million square yards equivalent.

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

	<i>In Million Square Yards Equivalent</i>
Group I. Yarn (Categories 1-4)	11.5
Group II. Fabric and Miscellaneous (Categories 5-38 and 64) . .	7.5
Group III. Apparel (Categories 39-63)	4

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

GROUP I. *Yarn*

Category 1/2 2,150,000 pounds (9,890,000 square yards equivalent) (of which exports in Category 2 may not exceed 100,000 pounds) (460,000 square yards equivalent).

Category 3 350,000 pounds (1,610,000 square yard equivalent).

GROUP II. *Fabrics and Miscellaneous*

Category 9/10. 1 million square yards

Category 22/23 2 million square yards

Category 26/27 (of which exports in duck may not exceed 1.75 million square yards). 2.5 million square yards

Category 64 220,000 pounds (1,012,000 square yards equivalent)

GROUP III. *Apparel*

	<i>In Square Yards Equivalent</i>
Category 48	30,098 dozens 1,504,900
Category 52	25,000 dozens 363,250
Category 53	10,000 dozens 453,000
Category 62	220,000 pounds 1,012,000
Category 63	100,000 pounds 460,000

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%.

6. Within group limits for each group 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. In the event the Government of Israel desires to permit exports during any agreement year of more than the level of the consultation limit in any category not having a specific limit, the Government of Israel shall request consultations with the Government of the United States of America on this question. For the first agreement year the level of the consultation limit for Category 4 and for each category in Group II not having a specific limit shall be 500,000 square yards equivalent, and for each category in Group III not having a specific limit shall be 300,000 square yards equivalent. The Government of the United States of America shall enter into such consultations and, during the course thereof, shall provide the Government of Israel with information on the condition of the United States market in the category in question. Until agreement is reached, the Government of Israel shall continue to limit exports in that category for that agreement year to the consultation limit.

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

8. In the second and succeeding 12-month periods for which any limitations are in force under this agreement, the level of exports permitted under such limitations shall be increased by 5% of the corresponding levels for the preceding 12-month period, the latter levels not to include any adjustments under paragraph 5 above.

9. The two Governments recognize that the successful implementation of this agreement depends in large part upon mutual cooperation on statistical questions. The Government of the United States of America shall promptly supply the Government of Israel with monthly data on the import of cotton textiles from Israel. The Government of Israel 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 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 Long Term Arrangements is used or the criterion provided for in paragraph 2 of Annex E of the Long Term Arrangements is used, the criterion provided for in the latter shall apply.

11. The Government of the United States of America and the Government of Israel 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 procedures or operation.

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

14. 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 Israel to the United States under the provisions of Article 3 of the Long Term Arrangements. The applicability of the Long Term Arrangements to trade in cotton textiles between Israel and the United States shall otherwise be unaffected by this agreement.

15. In view of the special circumstances that existed in 1966 the following special provisions apply:

(a) For the first agreement year only, exports in Categories 9/10, 22/23 and 26/27 up to 60% in excess of the specific limit for each such set of these categories and the sublimit in duck:

- (i) shall not be counted against the specific limits specified in paragraph 4 or the Group II limit specified in paragraph 3, but
- (ii) shall be counted against the aggregate limit specified in paragraph 2.

The figures stated in paragraphs 3 and 4 for group and specific limits shall be used without any adjustments authorized under paragraph 5 for the purpose of calculating the amount of these exports that are not to be counted against specific and group limits.

(b) During each of the second, third and fourth agreement years, the two Governments will charge against the specific, group and aggregate limits for each such year the following quantities as compensation for overshancements during the 12-month period beginning October 1, 1965:

<i>Category</i>	<i>2nd Agreement Year</i>	<i>3rd Agreement Year (In Square Yards Equivalent)</i>	<i>4th Agreement Year</i>
3	780,000 (169,565 lbs)	780,000 (169,565 lbs)	780,000 (169,565 lbs)
22	160,000	160,000	160,000
26 (duck)	240,000	240,000	240,000
62	50,000	50,000	50,000
	TOTAL	1,230,000	1,230,000
		1,230,000	1,230,000

The figures in this paragraph 15 (b) shall, at the request of the Government of the United States of America, be adjusted by amendment of this agreement if the December, 1966 statistics of the Government of the United States of America indicate that these figures would not provide appropriate compensation for these overshancements.

16. 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 the agreement.

If these proposals are acceptable to your Government, this note and your Excellency's note of acceptance on behalf of the Government of Israel shall constitute an agreement between our Governments.

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

For the Secretary of State:

Anthony M. SOLOMON

His Excellency Avraham Harman
Ambassador of Israel

ANNEX A

COTTON TEXTILE CATEGORIES AND CONVERSION FACTORS

<i>Category</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor (Square Yards)</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

<i>Category</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor (Square Yards)</i>
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
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 boy's' . .	Doz.	7.234
42	T-shirts, other, knit	Doz.	7.234
43	Shirts, knit, other than T-shirts and sweat-shirts	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 bath-robos, beach robes, lounge robes, housecoats and dust-ers, 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

<i>Category</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor (Square Yards)</i>
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

EMBASSY OF ISRAEL
WASHINGTON, D.C.

Excellency,

I have the honor to acknowledge receipt of your Note of January 27, 1967, reading as follows:

[See note I]

The foregoing text is acceptable to the Government of Israel and accordingly concur that your Excellency's Note and this, my affirmative Note in reply, shall constitute an agreement between our two Governments.

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

Avraham HARMAN

The Honorable the Secretary of State
U.S. Department of State
Washington, D.C.
January 27, 1967