

No. 10060

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**UNITED STATES OF AMERICA  
and  
REPUBLIC OF KOREA**

**Exchange of notes constituting an agreement superseding the Agreement of 26 January 1965, as amended, except for the exchange of letters dated 22 November 1966, concerning trade in cotton textiles (with annex). Washington, 11 December 1967**

*Authentic text: English.*

*Registered by the United States on 1 December 1969.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
RÉPUBLIQUE DE CORÉE**

**Échange de notes constituant un accord relatif au commerce des textiles de coton, abrogeant et remplaçant l'Accord du 26 janvier 1965, tel qu'il avait été modifié, à l'exception de l'échange de lettres en date du 22 novembre 1966 (avec annexe). Washington, 11 décembre 1967**

*Texte authentique: anglais.*

*Enregistré par les États-Unis d'Amérique le 1<sup>er</sup> décembre 1969.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT <sup>1</sup>  
BETWEEN THE UNITED STATES OF AMERICA AND  
THE REPUBLIC OF KOREA, SUPERSEDING THE  
AGREEMENT OF 26 JANUARY 1965,<sup>2</sup> AS AMENDED,<sup>3</sup>  
EXCEPT FOR THE EXCHANGE OF LETTERS DATED  
22 NOVEMBER 1966,<sup>4</sup> CONCERNING TRADE IN COTTON  
TEXTILES

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I

DEPARTMENT OF STATE  
WASHINGTON

December 11, 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 <sup>5</sup> to extend through September 30, 1970 the Long-Term Arrangement regarding International Trade in Cotton Textiles, done in Geneva on February 9, 1962 <sup>6</sup> (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 the Republic of Korea to the United States effected by an exchange of notes dated January 26, 1965,<sup>2</sup> as amended.<sup>3</sup> I confirm on behalf of my Government, the understanding that, as of January 1, 1967, the following agreement supersedes the 1965 agreement, as amended, except for the exchange of letters dated November 22, 1966 <sup>4</sup> concerning amounts of cotton textiles exported between January 1, 1966 and April 1, 1967 that are not charged against the limitations in the agreement. This agreement is based on our understanding that the above-mentioned Protocol entered into force for our two Governments on October 1, 1967.

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<sup>1</sup> Came into force on 11 December 1967 by the exchange of the said notes.

<sup>2</sup> United Nations, *Treaty Series*, vol. 541, p. 77.

<sup>3</sup> *Ibid.*, vol. 680, p. 388, and p. 405 of this volume.

<sup>4</sup> *Ibid.*, vol. 680, p. 392.

<sup>5</sup> *Ibid.*, vol. 620, p. 276.

<sup>6</sup> *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.

1. The purpose of this agreement is to provide for the orderly development of trade in cotton textiles between the Republic of Korea and the United States of America.

2. The agreement shall extend through December 31, 1970. During the term of the agreement, the Government of the Republic of Korea shall limit annual exports of cotton textiles to the United States 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 3, 4 and 5 for the second agreement year are 5 per cent higher than the limits for the preceding year without this special adjustment; thus the growth factor provided for in paragraph 10 has already been applied in arriving at these levels for the second agreement year.

3. For the first agreement year, constituting the 12-month period beginning January 1, 1967, the aggregate limit shall be 32,216,250 square yards equivalent. For the second agreement year, the aggregate limit shall be 35,070,000 square yards equivalent.

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

	<i>Square Yards Equivalent</i>	
	<i>First Agreement Year</i>	<i>Second Agreement Year</i>
Group I (Categories 1-38 and 64) . . . . .	22,882,500	24,896,812
Group II (Categories 39-63) . . . . .	9,333,750	10,173,188

5. 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 Agreement Year</i>	<i>Second Agreement Year</i>
7 . . . . .	500,000 syds.	525,000 syds.
9 . . . . .	2,426,250 syds.	2,625,000 syds.
18/19 . . . . .	1,838,438 syds.	1,995,000 syds.
22 . . . . .	743,001 syds.	840,000 syds.
26 (other than duck) . . . . .	919,219 syds.	997,500 syds.
26 (duck) . . . . .	10,937,344 syds.	11,550,000 syds.

<i>Category</i>	<i>First Agreement Year</i>	<i>Second Agreement Year</i>
31 (wiping cloths) . . . . .	950,866 pcs. (330,901 syds.)	998,550 pcs. (347,495 syds.)
34 . . . . .	88,977 pcs. (551,657 syds.)	93,450 pcs. (579,390 syds.)
64A (Tablecloths & Napkins) . . .	443,353 lbs. (2,039,424 syds.)	479,850 lbs. (2,207,310 syds.)
64B (Zipper Tapes) . . . . .	55,781 lbs. (256,592 syds.)	58,800 lbs. (270,480 syds.)

*Group II*

<i>Category</i>	<i>First Agreement Year Unit</i>	<i>Second Agreement Year Unit</i>
45 . . . . .	29,804 doz. (661,232 syds.)	31,500 doz. (698,859 syds.)
46 . . . . .	23,788 doz. (581,783 syds.)	25,200 doz. (616,316 syds.)
49 . . . . .	22,885 doz. (743,763 syds.)	26,250 doz. (853,125 syds.)
50 . . . . .	41,974 doz. (747,011 syds.)	44,100 doz. (784,848 syds.)
51 . . . . .	56,807 doz. (1,010,994 syds.)	59,850 doz. (1,065,150 syds.)
52 . . . . .	29,391 doz. (427,051 syds.)	31,500 doz. (457,695 syds.)
54 . . . . .	42,019 doz. (1,050,475 syds.)	47,250 doz. (1,181,250 syds.)
60 . . . . .	25,013 doz. (1,299,675 syds.)	27,300 doz. (1,418,508 syds.)

6. Within the aggregate limit and the applicable group limits, the following specific limits shall apply for the second agreement year only. In agreement years other than the second agreement year, the procedures of paragraph 8(b) shall apply:

<i>Category</i>	
38 . . . . .	625,000 syds.
47 . . . . .	25,000 doz. (554,650 syds.)
48 . . . . .	10,000 doz. (500,000 syds.)
53 . . . . .	10,000 doz. (453,000 syds.)
55 . . . . .	10,000 doz. (510,000 syds.)

7. Within the aggregate limit, the limit for Group I may be exceeded by not more than 10 per cent and the limit for Group II may be exceeded by not more than 5 per cent. Within the applicable Group limit, as it may be adjusted under this provision, specific limits may be exceeded by 5 per cent.

8. (a) Within the applicable 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.

(b) In the event the Government of the Republic of Korea desires to export in any agreement year more than the consultation level specified in this agreement in any category not given a specific limit, it shall request consultations with the Government of the United States of America on this question. The Government of the United States of America shall agree to enter into such consultations and, during the course thereof, shall provide the Government of the Republic of Korea with information on the condition of the United States market in the category in question. Until agreement is reached, the Government of the Republic of Korea shall maintain its exports in the category in question at a level for the agreement year not in excess of the consultation level. For the first agreement year, the consultation level shall be 525,000 square yards equivalent for categories in Group I, and 385,875 square yards equivalent for categories in Group II.

9. The Government of the Republic of Korea shall limit exports of items of chief value corduroy in Categories 46, 50, 51, 53, 54 and 63 during each agreement year. For the first agreement year the level of this limit shall be 2,094,750 square yards equivalent. In the event excessive concentration in exports from the Republic of Korea to the United States of items of apparel of a particular fabric causes or threatens to cause market disruption in the United States, the Government of the United States may request in writing consultations with the Government of the Republic of Korea to determine an appropriate course of action. Such a request shall be accompanied by a detailed factual statement of the reasons and justifications for the request, including relevant data on imports from third countries. During the course of such consultations the Government of the Republic of Korea shall maintain exports in the categories in question at an annual level not in excess of 105 per cent of the exports in such categories during the first twelve months of the fifteen month period immediately preceding the month in which consultations are requested, or at an annual level not in excess of 90 per cent of the exports in such categories during the twelve-month period immediately preceding the month in which consultations are requested, whichever is higher.

10. In the 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 per cent of the corresponding level for the preceding twelve-month period, the latter level not to include any adjustments under paragraphs 7 or 17.

11. Exports in all categories of cotton textiles shall be spaced as evenly as possible, taking into account seasonal factors.

12. Each Government agrees to supply promptly any available statistical data requested by the other Government. In particular the Governments agree to exchange monthly data on exports of cotton textiles from the Republic of Korea into the United States. In the implementation of this agreement the system of categories and factors for conversion into square yards equivalent set forth in the annex to this agreement 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.

13. During the term of this agreement the United States shall not invoke Article 3 of the Long-Term Arrangement to limit imports of cotton textiles from the Republic of Korea into the United States. The applicability of the Long-Term Arrangement to trade in cotton textiles between the Republic of Korea and the United States shall otherwise be unaffected by this agreement.

14. The Governments agree to consult on any question arising in the implementation of this agreement. In particular, if, in the event of a return to normal market conditions in the United States, the Government of the United States relaxes measures it has taken under the Long-Term Arrangement for any of the categories, the Government of the Republic of Korea may request and the Government of the United States of America agrees to enter into consultations concerning the possible removal or modification of the limits established for such categories by the present agreement.

15. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of the agreement including differences in points of procedure or operation.

16. If the Government of the Republic of Korea considers that as a result of limitations specified in this agreement, the Republic of Korea is being placed in an inequitable position vis-à-vis a third country, the Government of the Republic of Korea 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.

17. (a) For any agreement year immediately following a year of a shortfall (i.e., a year in which cotton textile exports from the Republic of Korea were below the aggregate limit and any group and specific limit applicable to the category concerned) the Government of the Republic of Korea may permit exports to exceed the aggregate, group and specific limits by carryover in the following amounts and manner:

- (i) The carryover shall not exceed the amount of shortfall in either the aggregate limit or any applicable group or specific limit and shall not exceed either 5 per cent of the aggregate limit or 5 per cent 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 per cent 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 7, and shall not be used to exceed the limits in paragraph 8 of this agreement.

(b) The limits referred to in subparagraph (a) of this paragraph are without any adjustments under this paragraph or paragraph 7.

(c) The carryover shall be in addition to the exports permitted in paragraph 7.

18. The Government of the Republic of Korea and the Government of the United States of America may at any time propose revisions in the terms of this agreement. Each Government agrees to consult promptly with the other Government about such proposals with a view to making such revisions to the present agreement, or taking such other appropriate action, as may be mutually agreed upon.

19. Either Government may terminate this agreement effective at the beginning of a new agreement year by written notice to the other Government to be given at least ninety days prior to the beginning of such new agreement year.

If the foregoing conforms with the understanding of your Government, this note and Your Excellency's note of confirmation on behalf of the Government of the Republic of Korea shall constitute an agreement between our two Governments.

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

For the Acting Secretary of State:  
Anthony M. SOLOMON

Enclosure:  
Annex A.

His Excellency Dong Jo Kim  
Ambassador of the Republic of Korea

#### ANNEX A

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
1	Cotton Yarn, carded, singles . . . . .	lbs.	4.6
2	Cotton Yarn, carded, plied . . . . .	lbs.	4.6
3	Cotton Yarn, combed, singles . . . . .	lbs.	4.6
4	Cotton Yarn, combed, plied . . . . .	lbs.	4.6
5	Gingham, carded . . . . .	Syds.	Not required
6	Gingham, combed . . . . .	Syds.	Not required
7	Velveteen . . . . .	Syds.	Not required
8	Corduroy . . . . .	Syds.	Not required
9	Sheeting, carded . . . . .	Syds.	Not required
10	Sheeting, combed . . . . .	Syds.	Not required
11	Lawns, carded . . . . .	Syds.	Not required
12	Lawns, combed . . . . .	Syds.	Not required
13	Voile, carded . . . . .	Syds.	Not required
14	Voile, combed . . . . .	Syds.	Not required
15	Poplin and Broadcloth, carded . . . . .	Syds.	Not required



<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
16	Poplin and Broadcloth, combed . . . . .	Syds.	Not required
17	Typewriter ribbon cloth . . . . .	Syds.	Not required
18	Print cloth, shirting type, 80 × 80 type, carded. . .	Syds.	Not required
19	Print cloth, shirting type, other than 80 × 80 type, carded . . . . .	Syds.	Not required
20	Shirting, Jacquard or dobby, carded . . . . .	Syds.	Not required
21	Shirting, Jacquard or dobby, combed. . . . .	Syds.	Not required
22	Twill and sateen, carded . . . . .	Syds.	Not required
23	Twill and sateen, combed . . . . .	Syds.	Not required
24	Woven fabric, n.e.s., yarn dyed, carded . . . . .	Syds.	Not required
25	Woven fabric, n.e.s., yarn dyed, combed . . . . .	Syds.	Not required
26	Woven fabric, n.e.s., other, carded . . . . .	Syds.	Not required
27	Woven fabric, n.e.s., other, combed . . . . .	Syds.	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 . . . . .	lbs.	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 . . . . .	lbs.	4.6
38	Fishing nets and fish netting . . . . .	lbs.	4.6
39	Gloves and mittens . . . . .	Dozen	3.527
40	Hose and half hose . . . . .	Doz. 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 sweat-shirts . .	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, ¾ length or longer, not knit . . . . .	Dozen	50.0
49	Coats, other, not knit . . . . .	Dozen	32.5

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
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 beachrobes, 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. . . . .	lbs.	4.6
63	Wearing apparel, not knit, n.e.s. . . . .	lbs.	4.6
64	All other cotton textiles . . . . .	lbs.	4.6

## II

KOREAN EMBASSY  
WASHINGTON, D.C.

KAM-67/298

December 11, 1967

Excellency:

I have the honor to refer to your note of today's date proposing an agreement concerning trade in cotton textiles between the Republic of Korea and the United States of America, which reads as follows:

[See note I]

I have the further honor to confirm on behalf of the Government of the Republic of Korea that your proposal is acceptable to the Government of the Republic of Korea and that this note in reply and your Excellency's note shall constitute an agreement between our two Governments.

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

DONG JO KIM  
Ambassador

His Excellency Nicholas deB. Katzenbach  
Acting Secretary of State  
of the United States of America  
Washington, D.C.

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