

No. 10049

**UNITED STATES OF AMERICA
and
SPAIN**

**Exchange of notes constituting an agreement concerning trade in
cotton textiles (with annex). Washington, 13 October 1967**

Authentic text: English.

Registered by the United States of America on 1 December 1969.

**ÉTATS-UNIS D'AMÉRIQUE
et
ESPAGNE**

**Échange de notes constituant un accord relatif au commerce des
textiles de coton (avec annexe). Washington, 13 octobre 1967**

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 1^{er} décembre 1969.

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

I

DEPARTMENT OF STATE
WASHINGTON

October 13, 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 Spain to the United States effected by an exchange of notes dated July 16, 1963, ⁴ as amended. ⁵ I confirm, on behalf of my Government, the understanding that the 1963 Agreement, as amended, is replaced as of January 1, 1967 by this new Agreement. The new Agreement is based on our understanding that the above-mentioned Protocol has entered into force for our two Governments.

1. The term of this Agreement shall be from January 1, 1967 through December 31, 1970. During the term of this Agreement, the Government of Spain shall limit annual exports of cotton textiles from Spain to the United States to aggregate, group and specific limits at the levels specified in the following paragraphs. It is noted that where applicable, these levels reflect a special adjustment for the

¹ Came into force on 13 October 1967 with retroactive effect from 1 January 1967, 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. 488, p. 77.

⁵ *Ibid.*, vol. 527, p. 322, and annex A in volumes 533, 541, 674, and p. 402 of this volume.

first agreement year. The levels set forth in paragraphs 2, 3 and 4 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 7 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 January 1, 1967, the aggregate limit for all cotton textiles shall be 37,911,000 square yards equivalent. For the second agreement year, the aggregate limit shall be 40,341,000 square yards equivalent.

3. Within this aggregate limit, the following group limits shall apply:

Groups	First Agreement	Second Agreement
	Year	Year
	(In square yards equivalent)	
A. Categories 5-27 and Category 64 . . .	21,806,000	23,100,000
B. Categories 28-63	6,932,000	7,350,000

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

Group A

Categories	First Agreement Year	Second Agreement Year
5/6	2,205,000 syds.	2,315,250 syds.
9	12,270,000 syds.	13,125,000 syds.
15/16	1,500,000 syds.	1,575,000 syds.
18/19	6,904,000 syds.	7,350,000 syds.
22/23	4,257,000 syds.	4,725,000 syds.
24	1,000,500 syds.	1,092,000 syds.
26(1) (duck)	1,586,000 syds.	1,680,000 syds.
26(2) (other than duck).	8,305,000 syds.	8,925,000 syds.
27	846,500 syds.	1,050,000 syds.
64(1) Chenille yarn (TSUSA No. 303.1000).	500,000 lbs.	525,000 lbs.
64(2) Other than Chenille yarn . .	330,750 lbs. (of which not more than 120,000 lbs. shall be of lace)	347,300 lbs. (of which not more than 126,000 lbs. shall be of lace)

Group B

<i>Categories</i>	<i>First Agreement Year</i>	<i>Second Agreement Year</i>
36	120,000 pcs.	131,250 pcs.
41/43	161,000 doz.	169,050 doz.
44	20,000 doz.	21,000 doz.
48	10,000 doz.	10,500 doz.
53	20,000 doz.	21,000 doz.
57/58	1,982,000 syds.	2,100,000 syds.
62	331,000 lbs.	347,550 lbs.

5. Within the aggregate limit, the limit for Group A may be exceeded by not more than 10 per cent and the limit for Group B 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 not more than 5 per cent.

6. (a) Exports of yarn in Categories 1, 2, 3 and 4 may equal the square yard equivalent of the amount by which the aggregate limit exceeds total exports in Group A and Group B, but in the event of undue concentration in exports from Spain to the United States of cotton textiles in any yarn category, the Government of the United States of America may request consultation with the Government of Spain to determine an appropriate course of action. Until a mutually satisfactory solution is reached, the Government of Spain shall limit exports in the category in question from Spain to the United States starting with the 12-month period beginning on the date of the request for consultation. This limit shall be 105 per cent of the exports of such products from Spain to the United States during the most recent 12-month period preceding the request for consultation for which statistics are available to the two Governments.

(b) 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, but, except to the extent our two Governments mutually decide that they may be exceeded, consultation limits shall apply for categories in Groups A and B that do not have specific limits. For the first agreement year, the consultation limit shall be 450,000 square yards per category in Group A and 385,875 square yards equivalent per category in Group B.

7. 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 per cent of the corresponding level for the preceding 12-month period, the latter level not to include any adjustments under paragraphs 5 or 15.

8. The Government of Spain shall use its best efforts to space exports from Spain 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 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 Spain with data on monthly imports of cotton textiles from Spain. The Government of Spain 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 the Annex 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 Spain 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 Spain considers that, as a result of limitations specified in this agreement, Spain is being placed in an inequitable position vis-à-vis a third country, the Government of Spain 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. 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 Spain 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 Spain and the United States shall otherwise be unaffected by this agreement.

15. (a) For any agreement year subsequent to the first agreement year and immediately following a year of a shortfall (i.e., a year in which cotton textile exports from Spain to the United States were below the aggregate limit and any group and specific limits applicable to the category concerned) the Government of Spain 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 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 be used in the same category in which the shortfall occurred and shall not exceed 5 per cent of the specific limit in the year of the shortfall, 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 in paragraph 5 and shall be subject to the provisions of paragraph 6 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.

16. The United States will, dependent on market conditions in the United States, consider favorably any request made by the Government of Spain for permission to allow up to 1 million pounds of yarn to be exported from Spain to the United States during the second half of 1967 without being counted against the limitations of the agreement. The United States Government will inform the Government of Spain of the result of such consideration by July 1, 1967 or within 30 days after the date of request, whichever is later. The United States Government

will also consider further annual requests by the Government of Spain for permission to allow specified quantities of yarn to be exported from Spain to the United States after 1967 without being counted against the limitations in 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 Spain shall constitute an Agreement between our Governments.

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

For the Secretary of State:

Anthony M. SOLOMON

Attachment:
Annex A

His Excellency The Marquis de Merry del Val
Ambassador of Spain

ANNEX A

<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, not ornamented, carded	No.	1.084
29	Pillowcases, not ornamented, 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

<i>Category</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor</i>
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 boys'	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 bathrobes, beach 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	Pyjamas 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

II

SPANISH EMBASSY
WASHINGTON

No. 191

Excellency:

I have the honor to acknowledge receipt of your Note which reads as follows:

[See note I]

I have the honor of confirming that the Government of Spain agrees to the proposal set forth in your Note and that Your Excellency's Note and this reply, constitute an Agreement between our Governments.

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

Washington, D.C., October 13th, 1967

The Marquis DE MERRY DEL VAL
Ambassador of Spain

The Hon. Secretary of State
U.S. Department of State
Washington D.C.