

No. 11362

**UNITED STATES OF AMERICA
and
MEXICO**

**Exchange of notes constituting an agreement concerning trade
in cotton textiles (with annex and related notes). Wash-
ington, 29 June 1971**

Authentic texts: English and Spanish.

Registered by the United States of America on 12 October 1971.

**ÉTATS-UNIS D'AMÉRIQUE
et
MEXICO**

**Échange de notes constituant un accord relatif au commerce
des textiles de coton (avec annexe et notes connexes).
Washington, 29 juin 1971**

Textes authentiques: anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 12 octobre 1971.

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

I

DEPARTMENT OF STATE
WASHINGTON

June 29, 1971

Excellency:

I have the honor to refer to the recent discussions held in Washington and Mexico City between representatives of our two Governments. In accordance with these discussions I propose the following agreement concerning exports of cotton textiles from Mexico to the United States.

1. The term of this agreement shall be from May 1, 1971 through April 30, 1976. During the term of this agreement, the Government of Mexico shall limit annual exports of cotton textiles from Mexico to the United States to aggregate, group and specific limits at the levels specified in the following paragraphs.

2. For the first agreement year, constituting the 12-month period beginning May 1, 1971, there shall be an aggregate limit of 98.1 million square yards equivalent which shall apply to cotton textiles, exclusive of "Mexican Items" and a separate limit of 3.4 million square yards equivalent which shall apply to "Mexican Items".

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

<i>Groups</i>	<i>In Sq. Yds. Equivalent</i>
I. Yarn (Categories 1-4) . . .	49,050,000
II. Fabric (Categories 5-27 and 64(1))	41,650,000
III. Made-up goods, apparel and miscellaneous (Categories 28- 63 and 64(2))	7,400,000 (of which not more than 3,700,000 square yards equivalent shall be in apparel, Categories 39-63)

¹ Came into force on 29 June 1971, with retroactive effect from 1 May 1971, in accordance with the provisions of the said notes.

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

Group II, Fabric

Categories 9/10 12,262,500 square yards

Categories 22/23. 12,262,500 square yards

Categories 26/27 and 64(1) 17,125,000 square yards (but not more than 6,750,000 square yards in Categories 26 and 27 shall be in duck, and not more than 625,000 square yards equivalent shall be in knit fabric, TSUSA Nos. 3451020, 3451040, 3464560, 3535014, and 3591040).

*Group III, Made-up Goods,
Apparel and Miscellaneous*

Category 64(2) 2,800,000 (of which not more than 1,800,000 square yards equivalent shall be in zipper tape).

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

6. In the second and succeeding agreement years for which this agreement is in force, the level of exports permitted under each limitation in this agreement, including the limitation for "Mexican Items", shall be increased by 5 percent of the corresponding level for the preceding agreement year, the latter level not to include any adjustments under paragraphs 5 and 8.

7. Within the group limits for each group the square yard equivalent of any shortfalls occurring in exports in the categories subject to specific limits may be used in any category not subject to a specific limit. In the event Mexico desires to export during any agreement year more than the consultation levels established herein in any category in Group II and III not subject to a specific limit, the Government of Mexico 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 Mexico with information on the condition of the United States market in the category in question. Until

agreement is reached, the Government of Mexico shall limit its exports in the category in question to the consultation level. During the first agreement year, the consultation levels for categories not subject to specific limits shall be 607,754 square yards for such categories in Group II and 425,427 square yards for such categories in Group III.

8. (a) For any agreement year immediately following a year of shortfall (i.e., a year in which cotton textile exports from Mexico to the United States were below the applicable aggregate limit and any group and specific limits applicable to the category concerned) the Government of Mexico 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 applicable aggregate limit or any applicable group or specific limit and shall not exceed either 5 percent of the applicable aggregate limit or 5 percent 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 percent 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) Except as otherwise provided in subparagraph (a) (iii) of this paragraph, the carryover shall be in addition to the exports permitted in paragraph 5.

9. For any agreement year immediately following a year of a shortfall in exports of "Mexican Items" from Mexico to the United States, the Government of Mexico may permit exports of "Mexican Items" to exceed the applicable limit determined under paragraphs 2 and 6 by carryover in an amount not to exceed the amount of the shortfall and not to exceed 5 percent of the applicable limit determined under paragraphs 2 and 6 for the year of the shortfall.

10. For the purposes of this agreement, "Mexican Items" are defined as articles of cotton textiles which are uniquely the products of the cottage industry of Mexico. A comprehensive list of such items is attached as Annex B.

11. In the implementation of this agreement, the system of categories and the rates of conversion into square yard equivalents as 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 Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, as extended,¹ 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.

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

13. 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 Mexico with data on monthly imports of cotton textiles from Mexico. The Government of Mexico 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.

14. The Government of the United States of America and the Government of Mexico agree to consult on any question arising in the implementation of this agreement.

15. Mutually satisfactory administrative arrangements or adjustments may be made in the implementation of this agreement.

16. If the Government of Mexico considers that, as a result of limitations specified in this agreement, Mexico is being placed in an inequitable position vis-a-vis a third country, the Government of Mexico 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. 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 Mexico to the United States under the procedures of Article 3 of the Long-Term Arrangement. The applicability of the Long-Term Arrangement to trade

¹ United Nations, *Treaty Series*, vol. 471, p. 296, and annex A in volumes 620 and 753. As registered by the Executive Secretary to 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.

in cotton textiles between Mexico and the United States shall otherwise be unaffected by this agreement.

18. Both governments shall take appropriate measures of export and import control to implement the limitation provisions of the agreement. The nature of these measures may be a matter of discussion pursuant to paragraph 15.

19. 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 these proposals are acceptable to your Government, this note and Your Excellency's note of acceptance on behalf of the Government of Mexico shall constitute an agreement between the Government of Mexico and the Government of the United States of America.

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

For the Secretary of State:

PHILIP H. TREZISE

Enclosure:
Annex A

His Excellency Dr. José Juan de Olloqui
Ambassador of Mexico

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

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
13	Voile, carded	Syds.	Not required
14	Voile, combed	Syds.	Not required
15	Poplin and Broadcloth, carded	Syds.	Not required
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	0.348
31	Towels, other	Numbers	0.348
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	Doz. prs.	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 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

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
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, house-coats, 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	Pyjamas 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 (1)	Knit fabrics	lbs.	4.6
64 (2)	All other cotton textiles	lbs.	4.6

II

[SPANISH TEXT — TEXTE ESPAGNOL]

EMBAJADA DE MÉXICO
WASHINGTON, D. C.

29 de junio de 1971

1888

Señor Secretario:

Tengo el honor de acusar recibo de su nota de esta fecha, en la que propone un Acuerdo bilateral relacionado con el comercio de textiles de algodón entre México y Estados Unidos, que dice como sigue, traducida al español:

«Tengo el honor de referirme a las recientes discusiones que se celebraron en Washington y en la Ciudad de México, entre representantes de nuestros dos Gobiernos. De conformidad con estas discusiones, propongo el siguiente Acuerdo con respecto a las exportaciones de textiles de algodón de México a Estados Unidos.

1. La duración de este Acuerdo será del 1o. de mayo de 1971, al 30 de abril de 1976. Durante el término de este Acuerdo el Gobierno de México

[TRANSLATION ¹ — TRADUCTION ²]

EMBASSY OF MEXICO
WASHINGTON, D.C.

June 29, 1971

1888

Mr. Secretary:

I have the honor to acknowledge receipt of your note of this date, in which you propose a bilateral agreement concerning trade in cotton textiles between Mexico and the United States and which, translated into Spanish, reads as follows:

[*See note I*]

I have the honor to confirm, in the name of the Government of Mexico, that the contents of Your Excellency's note are in accord with the arrangements reached in the discussions which you mention. Therefore, it is agreed that your note and this note of confirmation shall constitute an Agreement between our two Governments on this matter.

I renew to Your Excellency the assurances of my highest and most distinguished consideration.

[*Signed*]

JOSÉ JUAN DE OLLOQUI
Ambassador

Enclosure:

List of categories with conversion factors *

His Excellency William P. Rogers
Secretary of State
Washington, D.C.

* See p. 274 of this volume.

¹ Translation supplied by the Government of the United States of America.

² Traduction fournie par le Gouvernement des États-Unis d'Amérique.

RELATED NOTES

Ia

DEPARTMENT OF STATE
WASHINGTON

June 29, 1971

Excellency:

I have the honor to refer to the exchange of notes of today's date constituting a new cotton textile agreement between our two Governments, and, in particular, to numbered paragraph 10 of that Agreement which refers to an "Annex B" concerning "Mexican Items."

In view of the substantial amount of preparation necessary to compile an agreed list of "Mexican Items", it was not possible to complete an "Annex B" at this time for inclusion in the aforementioned agreement. It is my understanding that discussions will continue between representatives of our two Governments on this matter and that an agreed "Annex B" will be completed and included in the aforementioned agreement by amendment at the earliest possible time.

It is further my understanding that, until an "Annex B" is included in the aforementioned agreement, all cotton textile exports from Mexico to the United States will be subject to the aggregate limit and the applicable group and specific limits.

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

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

For the Secretary of State:

PHILIP H. TREZISE

His Excellency Dr. José Juan de Olloqui
Ambassador of Mexico

Reitero a Vuestra Excelencia las seguridades de mi más alta y distinguida consideración.

[Signed — Signé]

JOSÉ JUAN DE OLLOQUI
Embajador

Excelentísimo señor William P. Rogers
Secretario de Estado
Washington, D.C.

[TRANSLATION ¹ — TRADUCTION ²]

EMBASSY OF MEXICO
WASHINGTON, D.C.

June 29, 1971

1889

Mr. Secretary:

I have the honor to acknowledge receipt of your note of this date, which, translated into Spanish, reads as follows:

[See note Ia]

I have the honor to confirm, in the name of the Government of Mexico, that the statements made in your note are in accord with my understanding. Therefore, it is agreed that Your Excellency's note and this note of confirmation shall constitute an Agreement between our two Governments on this matter.

Accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

[Signed]

JOSÉ JUAN DE OLLOQUI
Ambassador

His Excellency William P. Rogers
Secretary of State
Washington, D.C.

¹ Translation supplied by the Government of the United States of America.

² Traduction fournie par le Gouvernement des États-Unis d'Amérique.

Si la anterior proposición es aceptable al Gobierno de los Estados Unidos, se propone que esta nota y la nota de aceptación de Su Excelencia, constituirán un arreglo administrativo entre nuestros dos Gobiernos.

Reitero a Vuestra Excelencia las seguridades de mi más alta y distinguida consideración.

[Signed — Signé]

JOSÉ JUAN DE OLLOQUI
Embajador

Excelentísimo señor William P. Rogers
Secretario de Estado
Washington, D.C.

[TRANSLATION — TRADUCTION]

MEXICAN EMBASSY, WASHINGTON, D.C.

1890

29 June 1971

[See note IIb]

IIb

DEPARTMENT OF STATE
WASHINGTON

June 29, 1971

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's note of today's date, which reads as follows:

“Excellency:

“I have the honor to refer to the cotton textile agreement entered into by our two Governments by exchange of notes of today's date (hereinafter referred to as the “New Agreement”) and to discussions leading to the conclusion of that New Agreement. During these discussions it was decided that, as soon as the necessary arrangements could be completed, our two Governments would exchange notes establishing a visa system applicable to exports of cotton textiles from Mexico to the United States.

“Pending the establishment of such a visa system, I propose the following arrangement:

“(a) The Government of the United States shall control imports of cotton textiles from Mexico in Group III of the New Agreement on a

month-by-month basis. For the period extending from May 1, 1971 through June 30, 1971, special import controls shall be imposed for Group III and for categories within Group III at amounts equal to one-sixth of the annual group limit, specific limits, and consultation levels applicable to those categories under the Agreement dated June 2, 1967¹ (hereinafter referred to as the "Old Agreement"). For each succeeding month, the cumulative amount of imports permitted entry under these special import controls shall be increased by one-twelfth of the applicable annual limits of the Old Agreement.

"(b) The amount of imports permitted entry under this arrangement may be increased, up to the level of the applicable annual limits provided in the New Agreement, at the request of the Government of Mexico.

"(c) This arrangement is without prejudice to the rights and obligations of the Government of Mexico and of the Government of the United States under the provisions of the New Agreement.

"(d) Either Government may terminate this arrangement by written notice to the other Government, to be given at least thirty days prior to the effective date of termination.

"I the foregoing proposal is acceptable to the Government of the United States, it is proposed that this note and Your Excellency's note of acceptance shall constitute an administrative arrangement between our two Governments.

"Accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

"JOSÉ JUAN DE OLLOQUI, *Ambassador*"

I have further the honor to inform Your Excellency that the proposals set forth in Your Excellency's note are acceptable to the Government of the United States of America and to confirm that Your Excellency's note and this reply thereto constitute an agreement between our two Governments on this subject.

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

For the Secretary of State:

PHILIP H. TREZISE

His Excellency Dr. José Juan de Olloqui
Ambassador of Mexico

¹ United Nations, *Treaty Series*, vol. 686, p. 3.