

No. 11789

**UNITED STATES OF AMERICA
and
PERU**

**Exchange of notes constituting an agreement concerning trade
in cotton textiles (with annex). Lima, 23 November 1971**

Authentic texts of notes: English and Spanish.

Authentic text of annex: English.

Registered by the United States of America on 24 April 1972.

**ÉTATS-UNIS D'AMÉRIQUE
et
PÉROU**

**Échange de notes constituant un accord relatif au commerce
des textiles de coton (avec annexe). Lima, 23 novembre
1971**

Textes authentiques des notes: anglais et espagnol.

Texte authentique de l'annexe: anglais.

Enregistré par les États-Unis d'Amérique le 24 avril 1972.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
PERU CONCERNING TRADE IN COTTON TEXTILES

I

The American Ambassador to the Peruvian Minister of Foreign Relations

EMBASSY OF THE UNITED STATES OF AMERICA

No. 718

Lima, November 23, 1971

Excellency:

I have the honor to refer to the Long-Term Arrangement Regarding International Trade in Cotton Textiles (hereinafter referred to as the Long-Term Arrangement), done in Geneva on February 9, 1962,² as extended until September 30, 1973.³ I also refer to recent discussions between our two Governments concerning the export of cotton textiles from Peru to the United States. As a result of these discussions, I have the honor to propose the following agreement relating to trade in cotton textiles between Peru and the United States.

1. The term of this agreement shall be from October 1, 1971 through September 30, 1976. During the term of this agreement the Government of Peru shall limit annual exports of cotton textiles from Peru to aggregate and specific limits at the levels specified in the following paragraphs.

2. For the first agreement year, constituting the 12-month period beginning October 1, 1971, the aggregate limit shall be 5.0 million square yards equivalent.

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

<i>Category</i>	<i>Quantity</i>	<i>Equivalent Square Yards</i>
22	1,750,000 sq. yds.	1,750,000
56	48,913 doz.	450,000
57	40,000 doz.	450,000
58	90,000 doz.	450,000
60	14,434 doz.	750,000

¹ Came into force on 23 November 1971 by the exchange of the said notes, with retroactive effect from 1 October 1971, in accordance with their provisions.

² United Nations, *Treaty Series*, vol. 471, p. 296. 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.

³ *Ibid.*, vol. 620, p. 276, and annex A in volume 753.

4. Within the aggregate limit, each specific limit may be exceeded by not more than five percent.

5. Categories not given specific limits are subject to consultation levels and to the aggregate limit. In the event the Government of Peru wishes to permit exports to the United States in any category during any agreement year in excess of the applicable consultation level, the Government of Peru shall request consultations with the Government of the United States of America on this question and the Government of the United States of America shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of Peru shall limit exports in the category in question to the consultation level. For the first agreement year, the consultation level for each category not given a specific limit shall be 500,000 square yards equivalent in categories 1–38 and category 64 and 350,000 square yards equivalent in categories 39–63.

6. 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, subject to the provisions of paragraph 5, or for the purpose described in paragraph 4.

7. In the second and any succeeding agreement year, the level of exports permitted under each limitation in the agreement shall be increased by five percent of the corresponding level for the preceding agreement year, the latter level not to include any adjustments under paragraph 4 or 8.

8. (a) For any agreement year immediately following a year of shortfall (i.e., a year in which cotton textile exports from Peru to the United States were below the aggregate limit and any specific limit applicable to the category concerned) the Government of Peru may permit exports to exceed these 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 specific limit, and shall not exceed five percent of the aggregate limit applicable to the year of the shortfall;
- (ii) In the case of shortfalls in categories subject to specific limits, the carryover shall be used in the same category in which the shortfall occurred, shall not exceed five percent of the specific limit applicable to the category in the year of the shortfall, and shall be in addition to the exports permitted by paragraph 4; and
- (iii) In the case of shortfalls not attributable to categories subject to specific limits, the carryover shall not be used to exceed any applicable specific limit except in accordance with the provisions of paragraph 4 and shall be subject to the provisions of paragraph 5.

(b) The limits referred to in subparagraph (a) of this paragraph are without any adjustments under this paragraph or paragraph 4.

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

10. The Government of the United States of America shall promptly supply the Government of Peru with data on monthly imports of cotton textiles from Peru; and the Government of Peru shall promptly supply the Government of the United States of America with quarterly data on exports of cotton textiles to the United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

11. In implementing 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 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 Peru and the Government of the United States of America agree to consult on any question arising in the implementation of this agreement.

13. 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.

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

15. For the duration of this agreement, the Government of the United States of America shall not invoke the procedures of Article 3 or 6 (c) of the Long-Term Arrangement to request restraint on the export of cotton textiles from Peru to the United States.

16. The Government of the United States of America may assist the Government of Peru in implementing the limitation provisions of this agreement by controlling imports of cotton textiles covered by the agreement.

17. Either Government may terminate this agreement effective at the end of any 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 revision in the terms of this agreement.

If the foregoing proposal is acceptable to the Government of Peru this note and Your Excellency's note of confirmation on behalf of the Govern-

ment of Peru shall constitute an agreement between the Government of Peru and the Government of the United States of America.

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

TAYLOR G. BELCHER

Attachment:
Annex A.

His Excellency General Edgardo Mercado Jarrín
Minister of Foreign Relations
Lima

ANNEX

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</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	Syd.	Not required
6	Gingham, combed	Syd.	Not required
7	Velveteen	Syd.	Not required
8	Corduroy	Syd.	Not required
9	Sheeting, carded	Syd.	Not required
10	Sheeting, combed	Syd.	Not required
11	Lawns, carded	Syd.	Not required
12	Lawns, combed	Syd.	Not required
13	Voile, carded	Syd.	Not required
14	Voile, combed	Syd.	Not required
15	Poplin and Broadcloth, carded	Syd.	Not required
16	Poplin and Broadcloth, combed	Syd.	Not required
17	Typewriter ribbon cloth	Syd.	Not required
18	Print cloth, shirting type, 80 × 80 type carded	Syd.	Not required
19	Print cloth, shirting type, other than 80 × 80 type, carded	Syd.	Not required
20	Shirting, Jacquard or dobby, carded	Syd.	Not required
21	Shirting, Jacquard or dobby, combed	Syd.	Not required
22	Twill and sateen, carded	Syd.	Not required
23	Twill and sateen, combed	Syd.	Not required
24	Woven fabric, n.e.s., yard dyed, carded	Syd.	Not required
25	Woven fabric, n.e.s., yarn dyed, combed	Syd.	Not required
26	Woven fabric, n.e.s., other, carded	Syd.	Not required
27	Woven fabric, n.e.s., other, combed	Syd.	Not required
28	Pillowcases, not ornamented, carded	Nos.	1.084

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
29	Pillowcases, not ornamented, combed . . .	Nos.	1.084
30	Towels, dish	Nos.	.348
31	Towels, other	Nos.	.348
32	Handkerchiefs, whether or not in the piece	Doz.	1.66
33	Table damask and manufactures.	Lb.	3.17
34	Sheets, carded	Nos.	6.2
35	Sheets, combed	Nos.	6.2
36	Bedspreads and quilts	Nos.	6.9
37	Braided and woven elastic	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 sweatshirts	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	Coats, other, 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, sunsuits, washsuits, creepers, rompers, etc., not knit, n.e.s.	Doz.	25.0
55	Dressing gowns, including bathrobes and beachrobes, lounging gowns, house- coats, 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	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.

[TRANSLATION¹ — TRADUCTION²]

The Peruvian Minister of Foreign Relations to the American Ambassador

MINISTRY FOR FOREIGN RELATIONS

No. (He) 6-3/98

Lima, November 23, 1971

Mr Ambassador:

I have the honor to acknowledge receipt of Your Excellency's note No. 718 of November 23, 1971, and of the annex thereto, the text of the note reading as follows:

[*See note I*]

In reply, I have the honor to inform Your Excellency that the proposal contained in the note, transcribed above, is acceptable to my Government; therefore, the text of that note and its annex, together with this note, shall constitute an agreement on the matter between our Governments.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest and most distinguished consideration.

E. MERCADO J.

His Excellency Taylor G. Belcher
Ambassador Extraordinary and Plenipotentiary
of the United States of America
City

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

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