

February 24, 1964

**EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT ON
COTTON TEXTILE BETWEEN THE REPUBLIC OF THE PHILIPPINES
AND THE UNITED STATES OF AMERICA**

Note: The Agreement entered into force, February 24, 1964.

Excellency:

I have the honor to refer to recent discussions in Manila and Washington between representatives of the Government of the United States of America and the Government of the Republic of the Philippines concerning trade in cotton textiles between the Philippines and 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 the Philippine and the United States.

1. The Governments recognize that substantially all the exports of cotton textiles from the Philippines to the United States in categories 52, 53, 54, 59, and 63 consist of infants' wear produced by the Philippine cottage industry and traditionally part of the special United States Philippine cotton textile trade. The Governments agree that the annual levels of these "traditional trade" categories have most recently approximated the following pattern:

Category 52	25,000 dozen
Category 53	410,000 dozen
Category 54	75,000 dozen
Category 59	130,000 dozen
Category 63	860,000 dozen

Total	<hr/> 1,500,000 dozen
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His Excellency
Amelito R. Mutuc,
Ambassador of the Philippines.

2. In the event the Government of the Republic of the Philippines desires to permit exports in the traditional trade categories enumerated in paragraph 1 to exceed in any calendar year 110 percent of the levels of traditional trade enumerated in paragraph 1 (as adjusted pursuant to paragraph 7), it shall so notify the Government of the United States. Upon receipt of such notification, the Government of the United States may request consultations on the matter if, in its view, the proposed export levels would constitute an undue concentration of trade threatening to cause a disruption of the United States market in these categories. The Government of the United States shall accompany its request for consultations with detailed information on the condition of the United States market in the category or categories in question. The Government of the Republic of the Philippines shall agree to enter into such consultations, and during the course thereof the Government of the Republic of the Philippines shall limit its exports on an annual basis in the categories in question

to 110 percent of the level of traditional trade enumerated in paragraph 1(as adjusted pursuant to paragraph 7).

3. During calendar year 1964, the Government of the Republic of the Philippines shall limit its exports to the United States in all categories of cotton textiles, except those enumerated in paragraph 1, to an aggregate limit of 15.5 million square yards equivalent.

4. Within the aggregate limit specified in paragraph 3 the following specific ceilings shall apply:

Category 32	3,150,000 dozen
Category 39	225,000 dozen pair
Category 50	15,000 dozen
Category 51	15,000 dozen
Category 60	7,000 dozen
Category 61	1,200,000 dozen
Category 64	152,175 lbs.

5. Within the aggregate limit specified in paragraph 3, export in category 45 shall not exceed 30,000 dozen in any calendar year.

6. The square yard equivalent of any shortfalls in categories given a specific ceiling in paragraphs 4 and 5 may be used in any category not given a specific ceiling and not enumerated in paragraph 1. Annual exports in categories not given a specific ceiling and not enumerated in paragraph 1 shall not exceed 350,000 square yards equivalent except by mutual agreement of the two Governments.

7. The limitations on exports established by paragraphs 3, 4, and 6 and the levels of traditional trade categories enumerated in paragraph 1 shall be raised by 5 percent for calendar year 1965 and, on a cumulative basis, for each subsequent calendar year.

8. With the exception of seasonal items, the Government of the Philippines shall space its annual exports of cotton textiles to the United States as evenly as may be practicable in each calendar year.

9. In the event concentration of exports from the Philippines to the United States of apparel items made of a particular fabric not of United States origin causes or threatens to cause market disruption in the United States, the Government of the United States may call for consultations with the Government of the Republic of the Philippines in order to reach a mutually satisfactory solution to the problem. The Government of the Philippines shall agree to enter into such consultations, and, during the course thereof, shall limit its exports of the item in question to an annual level of 105 percent of its exports of that item during the 12-month period immediately preceding the month in which consultations are requested.

10. Each Government agrees to supply promptly any available statistical data requested by the other Government. In the implementation of this Agreement, the system of categories and the factors of conversion into square yards equivalent set forth in the Annex hereto shall apply.

11. For the duration of this Agreement, the Government of the United States shall not limit the importation of cotton textiles from the Philippines to levels lower than those provided in this Agreement.

12. The Governments agree to consult on any question arising in the implementation of this Agreement.

13. The Governments agree that this Agreement, while governing trade in cotton textiles, does not prejudice any interpretations by either Government of the Agreement between the United States and the Philippines Concerning Trade and Related Matters signed at Washington on September 6, 1955.

14. This Agreement shall continue in force through December 31, 1967, provided that either Government may propose revisions in the terms of the Agreement no later than 90 days prior to the beginning of a new 12-month period. Either Government may terminate this Agreement effective at the end of calendar year 1965 or 1966 by written notice to the other Government given at least 90 days prior to the end of either calendar year; provided that such termination shall not operate to prejudice the ability of the Philippines to export cotton textiles to the United States in amounts preserving its proportionate share of the United States market as represented by the levels specified in this Agreement for the calendar year in which the Agreement is terminated.

I have further the honor to request you to be good enough to confirm the foregoing understandings on behalf of the Government of the Republic of the Philippines,

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

For the Secretary of State:

SGD. G. GRIFFITH JOHNSON

Enclosure:

Annex.

SQUARE YARD EQUIVALENT CONVERSION FACTORS BY CATEGORY

Category	Description	Unit	Conversion Factor
1	Yarn, carded, singles	Lb.	4.6
2	Yarn, 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	Syd.	1.0

	type, 80 x 80 type, carded		
19.	Print cloth, shirting type, other than 80 x 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
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.	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, 3/4 length or longer, not knit	Doz.	50.0
49	Other coats, not knit	Doz.	32.5
50	Trouser 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	Pajamas and other njgbtwear	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 ^[1]
64	All other cotton textiles	Lb.	4.6

Excellency

I have the honor to acknowledge receipt of your note of today's date concerning trade in cotton textiles between the Republic of the Philippines and the United States which reads as follows:

"Excellency:

"I have the honor to refer to recent discussions in Manila and Washington between representatives of the Government of the United States of