

No. 7378

**UNITED STATES OF AMERICA
and
PHILIPPINES**

**Exchange of notes constituting an agreement relating to
trade in cotton textiles (with annex and exchange of
letters). Washington, 24 February 1964**

Official text: English.

Registered by the United States of America on 11 August 1964.

**ÉTATS-UNIS D'AMÉRIQUE
et
PHILIPPINES**

**Échange de notes constituant un accord relatif au com-
merce des textiles de coton (avec annexe et échange de
lettres). Washington, 24 février 1964**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 11 août 1964.

No. 7378. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE PHILIPPINES RELATING TO TRADE IN COTTON TEXTILES. WASHINGTON, 24 FEBRUARY 1964

I

The Secretary of State to the Ambassador of the Philippines

DEPARTMENT OF STATE
WASHINGTON

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 Philippines 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	1,500,000 dozen

¹ Came into force on 24 February 1964 by the exchange of the said notes.

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, exports 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 for 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, 1955.¹

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 years 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 :

G. Griffith JOHNSON

Enclosure :

Annex.

His Excellency Amelito R. Mutuc
Ambassador of the Philippines

¹ United Nations, *Treaty Series*, Vol. 238, p. 109.