

No. 7862

**UNITED STATES OF AMERICA
and
REPUBLIC OF KOREA**

**Exchange of notes (with annex and related letters) constituting an agreement relating to trade in cotton textiles.
Washington, 26 January 1965**

Official text: English.

Registered by the United States of America on 27 July 1965.

**ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE DE CORÉE**

Échange de notes (avec annexe et lettres connexes) constituant un accord relatif au commerce des textiles de coton. Washington, 26 janvier 1965

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 27 juillet 1965.

No. 7862. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF KOREA RELATING TO TRADE IN COTTON TEXTILES. WASHINGTON, 26 JANUARY 1965

I

The Secretary of State to the Korean Ambassador

DEPARTMENT OF STATE
WASHINGTON

January 26, 1965

Excellency :

I have the honor to refer to recent discussions between representatives of the Government of the United States of America and the Government of the Republic of Korea concerning exports of cotton textiles from the Republic of Korea 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 the Republic of Korea and the United States :

1. The purpose of this agreement is to provide for orderly development of trade in cotton textiles between the Republic of Korea and the United States.

2. The Government of the Republic of Korea shall limit exports from the Republic of Korea to the United States in all categories of cotton textiles for the twelve-month period beginning January 1, 1965 to an aggregate limit of 26 million square yards equivalent.

3. Within the annual aggregate limit established in paragraph 2 above, the following group ceilings shall apply :

Group 1 (Categories 1-38 and 64)	18,500,000 square yards
Group 2 (Categories 39-63)	7,500,000 square yards

4. Within the group ceilings established in paragraph 3 above, the following specific ceilings shall apply :

Group 1:

Category 9	2,000,000 square yards
Categories 18 and 19 combined	1,500,000 square yards
Category 22	525,000 square yards

¹ Came into force on 26 January 1965 by the exchange of the said notes.

Category 26 (duck only)	9,750,000 square yards
Category 26 (other fabrics)	750,000 square yards
Category 31 (wiping cloth only)	862,100 pieces
Category 34	80,645 pieces
Category 64 (tablecloths and napkins)*	365,000 pounds
Category 64 (zipper tapes)**	50,000 pounds

Group 2:

Category 45	26,500 dozen
Category 46	21,000 dozen
Category 48	10,000 dozen
Category 49	15,000 dozen
Category 50	38,000 dozen
Category 51	51,000 dozen
Category 52	25,000 dozen
Category 54	30,000 dozen
Category 60	20,000 dozen

* T.S.U.S.A. numbers 366.4500; 366.4600; and 366.4700

** T.S.U.S.A. number 347.3340

5. Within the group ceilings established in paragraph 3, the square yard equivalent of any shortfalls occurring in exports in the categories given a specific ceiling may be used in any category not given a specific ceiling. In the event the Government of the Republic of Korea desires to export in a calendar year more than 350,000 square yards equivalent in any category not given a specific ceiling, it shall request consultations with the Government of the United States on this question. The United States Government shall agree to enter into such consultations and, during the course thereof, shall provide the Government of the Republic of Korea with information on the condition of the United States market in the category in question. Until agreement is reached, the Government of the Republic of Korea shall maintain its exports in the category in question at a level for the calendar year not in excess of 350,000 square yards equivalent.

6. The Government of the Republic of Korea shall limit exports of items of chief value corduroy in categories 46, 50, 51, 53, 54, and 63 to a calendar year level of 1,900,000 square yards equivalent. In the event excessive concentration in exports from the Republic of Korea to the United States of items of apparel made of a particular fabric causes or threatens to cause market disruption in the United States, the Government of the United States may request in writing consultations with the Government of the Republic of Korea to determine an appropriate course of action. Such a request shall be accompanied by a detailed factual statement of the reasons and justification for the request, including relevant data on imports from third countries. During the course of such consultations the Government of the Republic of Korea shall maintain exports in the categories in question at an annual level not in excess of 105 percent of the exports in such categories during the first twelve months of the fifteen-month period immediately preceding the month in which consultations are requested or at an annual level not in excess of 90 percent of the exports in such categories during the twelve-month period

immediately preceding the month in which consultations are requested, whichever is higher.

7. The levels established in paragraphs 2, 3, 4, 5 and 6 of this agreement shall be increased by five percent for the calendar year 1966. For the calendar year 1967, each of these levels shall be increased by a further five percent over the levels for the calendar year 1966.

8. Exports in all categories of cotton textiles shall be spaced as evenly as possible, taking into account seasonal factors.

9. Each Government agrees to supply promptly any available statistical data requested by the other Government. In particular, the Governments agree to exchange monthly data on exports and imports of cotton textiles from the Republic of Korea into the United States. In the implementation of this agreement, the system of categories and factors for conversion into square yards equivalent set forth in the annex to this agreement shall apply.

10. For the duration of this agreement, the United States shall not invoke Article 3 of the Long-Term Arrangements Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962,¹ to limit imports of cotton textiles from the Republic of Korea into the United States. All other relevant provisions of the Long-Term Arrangements shall remain in effect between the two Governments.

11. The Governments agree to consult on any question arising in the implementation of this agreement. In particular, if, in the event of a return to normal market conditions in the United States, the Government of the United States relaxes measures it has taken under the Long-Term Arrangements for any of the categories, the Government of the Republic of Korea may request and the Government of the United States agrees to enter into consultations concerning the possible removal or modification of the ceilings established for such categories by the present agreement.

12. 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 ninety (90) days prior to the beginning of a calendar year; and provided further that either Government may terminate this agreement effective at the beginning of a new calendar year by written notice to the other Government given at least ninety (90) days prior to the beginning of such new calendar year.

13. The Governments recognize that the entry into the United States of certain cotton textiles exported from the Republic of Korea, as proposed in letters dated September 23, October 14, and November 10, 1964,² requires that deductions be made as follows :

¹ United Nations, *Treaty Series*, Vol. 471, p. 296. As registered by the Executive Secretary of the Contracting Parties to the General Agreement on Tariffs and Trade, the Arrangements are identified in the United Nations *Treaty Series* by the date of their entry into force, i.e., 1 October 1962.

² Not printed by the Department of State of the United States of America.

Category	Units	First Year		Second Year	
		Chg. Against Specific Ceilings in Units	Chg. Against Group Ceilings in Syds. Equiv.	Chg. Against Specific Ceilings in Units	Chg. Against Group Ceilings in Syds. Equiv.
Group 1:					
22	syds	91,920	91,920	91,920	91,920
Group 2:					
42	syds	—	9,693	—	9,693
43	syds	—	58,002	—	58,002
46	dozens	481	11,770	481	11,770
50	dozens	3,099	55,144	3,099	55,144
51	dozens	5,464	97,247	5,464	97,247
54	dozens	350	8,750	350	8,750
60	dozens	4,925	255,877	4,925	255,877

If these proposals are acceptable to the Government of the Republic of Korea, this note and your note of acceptance on behalf of the Government of the Republic of Korea shall constitute an agreement between our two Governments.

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

For the Secretary of State :

G. Griffith JOHNSON

Enclosure :

Annex : Cotton Textile Categories and Conversion Factors.

His Excellency Hyun Chul Kim
Ambassador of Korea

ANNEX

COTTON TEXTILE CATEGORIES AND CONVERSION FACTORS

Category	Description	Unit	Conversion Factor
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