

No. 9689

**UNITED STATES OF AMERICA
and
PAKISTAN**

**Exchange of notes constituting an agreement relating to
trade in cotton textiles (with annexes). Rawalpindi,
21 November 1966**

Authentic text : English.

Registered by the United States of America on 2 July 1969.

**ÉTATS-UNIS D'AMÉRIQUE
et
PAKISTAN**

**Échange de notes constituant un accord relatif au com-
merce des textiles de coton (avec annexes). Rawalpindi,
21 novembre 1966**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 2 juillet 1969.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND PAKISTAN RELATING TO TRADE IN COTTON TEXT- ILES

I

*The American Ambassador to the Pakistan Secretary,
Ministry of Commerce*

No. 766

Rawalpindi, November 21, 1966

Sir,

I have the honor to refer to the recent discussions held in Karachi between representatives of our two Governments concerning the cotton textile agreement between our two Governments effected by an exchange of notes at Washington on February 26, 1965.² In accordance with these discussions, the Government of the United States of America understands that the agreement is replaced with the following new agreement :

1. The term of this agreement shall be from July 1, 1966 through June 30, 1970. During the term of this agreement, the Government of Pakistan shall limit annual exports of cotton textiles from Pakistan 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 July 1, 1966, the aggregate limit shall be fifty-five million square yards equivalent.

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

<i>Groups</i>	<i>In Sq. Yds. Equivalent</i>
I. (categories 1-27)	48 million
II. (categories 28-64)	7 million

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

¹ Came into force on 21 November 1966 with retroactive effect from 1 July 1966, in accordance with the provisions of the said notes.

² United Nations, *Treaty Series*, vol. 542, p. 103.

A. Group I		Million Sq. Yds.
Category 9 (sheeting, carded)		23.0
Category 15 (poplin and broadcloth, carded)		2.0
Print Cloth (categories 18, 19 and parts of category 26)*		10.0
Category 22 (twill and sateen, carded)		2.0
Barkcloth-type Fabrics (parts of category 26)*		3.0
Duck (parts of category 26)		6.0
Other**		2.0

B. Group II		Units	Sq. Yds. Equivalent (Millions)
Shop towels (part of category 31)	3.9 million		1.357
T Shirts (categories 41 and 42)	250,000 doz.		1.808
Other**			3.835

* Print cloth and broad-cloth type fabrics are further described in Annex A.

** These "other" categories are not subject to specific limits. Hence, within the aggregate and the applicable group limits, as they may be adjusted under paragraph 5, the square yard equivalent of shortfalls in exports in categories with specific limits may be used in these "other" categories subject to the provisions of paragraph 7.

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

6. In the second and succeeding 12-month periods for which any limitation is in force under this agreement, the level of exports permitted under such limitation shall be increased by 5 percent of the corresponding level for the preceding 12-month period, the latter level not to include any adjustments under paragraph 5.

7. In the event of undue concentration in exports from Pakistan to the United States of cotton textiles in any category not given a specific limit, the Government of the United States of America may request consultation with the Government of Pakistan to determine an appropriate course of action. Until a mutually satisfactory solution is reached, the Government of Pakistan shall limit exports in the category in question from Pakistan to the United States starting with the 12-month period beginning on the date of the request for consultation. This limit shall be 105 percent of the exports of such products from Pakistan to the United States during the most recent 12-month period preceding the request for consultation and for which statistics are available to our two governments.

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

9. 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 Pakistan with data on monthly imports of cotton textiles from Pakistan. The Government of Pakistan 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.

10. In the implementation of this agreement, the system of categories and the rates of conversion into square yard equivalents listed in Annex B hereto shall apply.

11. The Government of the United States of America and the Government of Pakistan agree to consult on any question arising in the implementation of the agreement.

12. 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.

13. If the Government of Pakistan considers that as a result of limitations specified in this agreement, Pakistan is being placed in an inequitable position vis-a-vis a third country, the Government of Pakistan 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.

14. 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.

15. 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 Pakistan to the United States under the procedures of Article 3 of the Long-Term Arrangements Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962.¹ The applicability of the Long-Term Arrangements to trade in cotton textiles between Pakistan and the United States shall otherwise be unaffected by this agreement.

16. The Government of the United States of America may assist the Government of Pakistan in implementing the limitation provisions of this agreement by controlling the imports of cotton textiles covered by the agreement until agreement is reached that Pakistan will control these exports in accordance with the limitations of the agreement.

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, this Arrangement is identified in the United Nations *Treaty Series* by the date of its entry into force, i.e., 1 October 1962.