

No. 9857

UNITED STATES OF AMERICA
and
PORTUGAL

**Exchange of notes constituting an agreement concerning trade in
cotton textiles (with annex). Lisbon, 23 March 1967**

Authentic text: English.

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

ÉTATS-UNIS D'AMÉRIQUE
et
PORTUGAL

**Échange de notes constituant un accord relatif au commerce des
textiles de coton (avec annexe). Lisbonne, 23 mars 1967**

Texte authentique: anglais.

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

EXCHANGE OF NOTES¹ CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
PORTUGAL CONCERNING TRADE IN COTTON TEX-
TILES

I

The American Ambassador to the Portuguese Minister of Foreign Affairs

No. 205

Lisbon, March 23, 1967

Excellency:

I have the honor to refer to recent discussions held in Lisbon between representatives of the Government of the United States of America and the Government of Portugal concerning cotton textile exports from Portugal to the United States and to the interim agreement concerning this trade effected by an exchange of notes signed at Lisbon on December 19, 1966.² In accordance with these discussions, the Government of the United States of America understands that this interim agreement is replaced with the following new agreement.

1. The purpose of this Agreement is to provide for orderly development of trade in cotton textiles between the United States and Portugal. To achieve this purpose:

- (a) The United States Government shall cooperate with the Portuguese Government in promoting orderly development of trade in cotton textiles between Portugal and the United States, and
- (b) The Portuguese Government shall maintain, for the period of four years beginning January 1, 1967, an annual aggregate limit for exports of cotton textiles to the United States, and annual limits for groups and categories subject to the provisions of this Agreement.

2. The aggregate limit for 1967 shall be 102,300,000 square yards equivalent.

¹ Came into force on 23 March 1967 (with retroactive effect from 1 January 1967) by the exchange of the said notes.

² United Nations, *Treaty Series*, vol. 680, p. 396.

3. Within the aggregate limit the following group limits shall apply for the first Agreement year:

	<i>Square yards equivalent</i>
Group I. Yarn (Categories 1-4)	66,100,000
Group II. Fabrics, made up goods and miscellaneous (Categories 5-38 and 64)	27,000,000
Group III. Apparel (Categories 39-63)	9,200,000

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

Group I

Category 1	10,848,000 lbs
Category 2	852,000 lbs.
Category 3	2,499,000 lbs.
Category 4	171,000 lbs.

Group II

Category 5/6	8,517,000 syds. *
Category 9	10,000,000 syds.
Category 22.	1,500,000 syds.
Category 24/25	5,500,000 syds. **
Category 26.	2,400,000 syds.

Group III

Category 41/42/43	90,000 doz.
Category 46.	40,000 doz.
Category 50.	23,000 doz.
Category 51.	23,000 doz.
Category 52.	34,000 doz.
Category 53 and knit dresses in Category 62	34,000 doz.
Category 55.	23,000 doz.
Category 60.	17,000 doz.
Category 62 (sweatshirts only)	55,600 lbs.
Two or three piece ladies' suits made from woven or knit fabrics	350,000 lbs.

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

* Within this limit, annual exports in Category 6 shall not exceed 4,770,000 square yards.

** Within this limit, annual exports in Category 25 shall not exceed 2,000,000 square yards.

6. Within the group limit for each group the square yard equivalent of short-falls in exports in the categories given specific limits may be used in categories not given specific limits subject to the consultation provisions of paragraph 7.

7. In the event that Portugal plans to export during any agreement year more than 350,000 square yards equivalent in any category in Group 3 not given a specific limit, or more than 500,000 square yards equivalent in any category in Group 2 not given a specific limit, the Government of Portugal shall inform the Government of the United States of America of this intention. The Government of the United States of America will notify the Government of Portugal promptly, and, in any event, within 30 days after receipt of the information from the Government of Portugal, whether it wishes to consult on this question. During this 30-day period, the Government of Portugal agrees not to permit agreement year exports to exceed the limit applicable under this paragraph to the category in question. If the Government of the United States of America requests consultations, it shall provide the Government of Portugal with information on conditions of the United States market in this category. During the course of such consultations, the Government of Portugal shall continue to limit exports in this category to an annual level not to exceed the limit applicable to such category under this paragraph.

8. The two Governments undertake to consult whenever there is any question arising in the implementation of this agreement.

- (a) If instances of excessive concentration of Portuguese exports of apparel products made from a particular type of fabric should cause or threaten to cause disruption of the United States domestic market, the United States Government may request in writing consultations with the Portuguese Government to determine an appropriate course of action.
- (b) Such a request shall be accompanied by a detailed factual statement of the reasons and justification for the request, including relevant data on domestic production and consumption and on imports from third countries. During the course of such consultations, the Portuguese Government shall maintain exports of the articles concerned on a quarterly basis at annual levels not in excess of 105% of the exports of such products during the first 12 months of the 15-month period prior to the month in which consultations are requested or at annual levels not in excess of 90% of the exports of such products during the 12 months prior to the month in which consultations are requested, whichever is higher.