GENERAL AGREEMENT ON
TARIFFS AND TRADE

LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE
IN COTTON TEXTILES

Bilateral Agreement between the United States and the Republic of Korea

Attached are letters constituting a bilateral agreement concluded between the Governments of the United States and the Republic of Korea concerning trade in cotton textiles.

The text of this agreement has been submitted by the United States mission for notification to the Cotton Textiles Committee.
Letter No. 1

26 January 1965

Excellency,

I have the honour 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 honour 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 1 January 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
   - 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)\(^1\) 365,000 pounds
   - Category 64 (zipper tapes)\(^2\) 50,000 pounds

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\(^1\) TSUSA numbers 366.4500; 366.4600; and 366.4700.
\(^2\) TSUSA number 347.3340.

His Excellency
Hyun Chul Kim,
Ambassador of Korea.
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 per cent 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 per cent 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 5 per cent for the calendar year 1966. For the calendar year 1967, each of these levels shall be increased by a further 5 per cent 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 Arrangement Regarding International Trade in Cotton Textiles done at Geneva on 9 February 1962, to limit imports of cotton textiles from the Republic of Korea into the United States. All other relevant provisions of the Long-Term Arrangement 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 Arrangement 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 31 December 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 23 September, 14 October, and 10 November 1964, requires that deductions be made as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Units</th>
<th>First Year Chg. Against</th>
<th>Chg. Against Group Ceilings</th>
<th>Second Year Chg. Against</th>
<th>Chg. Against Group Ceilings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Specific Ceilings In units</td>
<td>In sq.yds. Equivalent</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group Ceilings In sq.yds.</td>
<td>Equivalent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group 1:</td>
<td></td>
<td>Sq.yds. 91,920</td>
<td>91,920</td>
<td>91,920</td>
<td>91,920</td>
</tr>
<tr>
<td>22</td>
<td>Sq.yds.</td>
<td>91,920</td>
<td>91,920</td>
<td>91,920</td>
<td>91,920</td>
</tr>
<tr>
<td>Group 2:</td>
<td></td>
<td>Sq.yds. -</td>
<td>9,693</td>
<td>-</td>
<td>9,693</td>
</tr>
<tr>
<td>42</td>
<td>Sq.yds.</td>
<td>-</td>
<td>58,002</td>
<td>-</td>
<td>58,002</td>
</tr>
<tr>
<td>43</td>
<td>Sq.yds.</td>
<td>-</td>
<td>58,002</td>
<td>-</td>
<td>58,002</td>
</tr>
<tr>
<td>46</td>
<td>Dozens</td>
<td>481</td>
<td>11,770</td>
<td>481</td>
<td>11,770</td>
</tr>
<tr>
<td>50</td>
<td>Dozens</td>
<td>3,099</td>
<td>55,144</td>
<td>3,099</td>
<td>55,144</td>
</tr>
<tr>
<td>51</td>
<td>Dozens</td>
<td>5,464</td>
<td>97,247</td>
<td>5,464</td>
<td>97,247</td>
</tr>
<tr>
<td>54</td>
<td>Dozens</td>
<td>350</td>
<td>8,750</td>
<td>350</td>
<td>8,750</td>
</tr>
<tr>
<td>60</td>
<td>Dozens</td>
<td>4,925</td>
<td>255,877</td>
<td>4,925</td>
<td>255,877</td>
</tr>
</tbody>
</table>
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.

(Signed) For the Secretary of State:

Enclosure:

## ANNEX

### COTTON TEXTILE CATEGORIES AND CONVERSION FACTORS

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Unit</th>
<th>Conversion Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yarn, carded, singles</td>
<td>lb.</td>
<td>4.6</td>
</tr>
<tr>
<td>2</td>
<td>Yarn, carded, plied</td>
<td>lb.</td>
<td>4.6</td>
</tr>
<tr>
<td>3</td>
<td>Yarn, combed, singles</td>
<td>lb.</td>
<td>4.6</td>
</tr>
<tr>
<td>4</td>
<td>Yarn, combed, plied</td>
<td>lb.</td>
<td>4.6</td>
</tr>
<tr>
<td>5</td>
<td>Gingham, carded</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>6</td>
<td>Gingham, combed</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>7</td>
<td>Velveteen</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>8</td>
<td>Corduroy</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>9</td>
<td>Sheeting, carded</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>10</td>
<td>Sheeting, combed</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>11</td>
<td>Lawn, carded</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>12</td>
<td>Lawn, combed</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>13</td>
<td>Voile, carded</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>14</td>
<td>Voile, combed</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>15</td>
<td>Poplin and broadcloth, carded</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>16</td>
<td>Poplin and broadcloth, combed</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>17</td>
<td>Typewriter ribbon cloth</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>18</td>
<td>Print cloth, shirting type, 80 x 80 type, carded</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>19</td>
<td>Print cloth, shirting type, other than 80 x 80 type, carded</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>20</td>
<td>Shirting, Jacquard or doby, carded</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>21</td>
<td>Shirting, Jacquard or doby, combed</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>22</td>
<td>Twill and sateen, carded</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>23</td>
<td>Twill and sateen, combed</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>24</td>
<td>Woven fabric, n.e.s., yarn dyed, carded</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>25</td>
<td>Woven fabric, n.e.s., yarn dyed, combed</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>26</td>
<td>Woven fabric, other, carded</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>27</td>
<td>Woven fabric, other, combed</td>
<td>sq.yd.</td>
<td>1.0</td>
</tr>
<tr>
<td>28</td>
<td>Pillowcases, carded</td>
<td>no.</td>
<td>1.084</td>
</tr>
<tr>
<td>29</td>
<td>Pillowcases, combed</td>
<td>no.</td>
<td>1.084</td>
</tr>
<tr>
<td>30</td>
<td>Dish towels</td>
<td>no.</td>
<td>.548</td>
</tr>
<tr>
<td>31</td>
<td>Other towels</td>
<td>no.</td>
<td>.548</td>
</tr>
<tr>
<td>32</td>
<td>Handkerchiefs, whether or not in the piece</td>
<td>doz.</td>
<td>1.66</td>
</tr>
<tr>
<td>33</td>
<td>Table damask and manufactures</td>
<td>lb.</td>
<td>3.17</td>
</tr>
<tr>
<td>34</td>
<td>Sheets, carded</td>
<td>no.</td>
<td>6.2</td>
</tr>
<tr>
<td>35</td>
<td>Sheets, combed</td>
<td>no.</td>
<td>6.2</td>
</tr>
<tr>
<td>36</td>
<td>Bedspreads and quilts</td>
<td>no.</td>
<td>6.9</td>
</tr>
<tr>
<td>37</td>
<td>Braided and woven elastics</td>
<td>lb.</td>
<td>4.6</td>
</tr>
<tr>
<td>38</td>
<td>Fishing nets and fish netting</td>
<td>lb.</td>
<td>4.6</td>
</tr>
<tr>
<td>39</td>
<td>Gloves and mittens</td>
<td>doz.prs.</td>
<td>3.527</td>
</tr>
<tr>
<td>40</td>
<td>Hose and half hose</td>
<td>doz.prs.</td>
<td>4.6</td>
</tr>
</tbody>
</table>

**Conversion Factors:**
- 4.6
- 1.0
- 1.084
- .548
Apparel items exported in sets shall be recorded under separate categories of the component items.
Letter No. 2

KOREAN EMBASSY
Washington, DC

26 January 1965

Excellency:

I have the honour to acknowledge receipt of your note of today's date proposing a bilateral agreement concerning trade in cotton textiles between the Republic of Korea and the United States, which reads as follows:

(See Letter No. 1)

I have the honour to confirm on behalf of the Government of the Republic of Korea that this bilateral agreement is acceptable and that Your Excellency's note and this note in reply shall constitute an agreement between our Governments.

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

(signed) Hyun Chul Kim

His Excellency Dean Rusk,
Secretary of State
of the United States.
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Letter No. 3
26 January 1965

Dear Mr. Ambassador:

I refer to the agreement signed today between the Governments of the United States of America and the Republic of Korea relating to trade in cotton textiles.

Under this agreement the Government of the Republic of Korea undertakes to limit annual exports of cotton textiles from the Republic of Korea to the United States to stated levels. It is accordingly the understanding of the Government of the United States, subject to the separate understanding regarding shipments from Korea prior to 1 January 1965, that shipments are to be counted against the agreed levels applying as of the date of exportation from the Republic of Korea, and not as of the date of their importation into the United States.

However, since the Government of the United States will be co-operating with the Government of the Republic of Korea in administering the agreement through controlling imports of Korean cotton textiles into the United States, the Government of the United States proposes to facilitate the orderly movement of such textiles by counting shipments exported from Korea during one agreement year, but entering the United States during the succeeding year, against the agreed level for the second year if the level for the first year has been exhausted.

I should be grateful if you will confirm this understanding if it is acceptable to your Government.

Sincerely yours,

For the Secretary of State:

G. Griffith Johnson
Assistant Secretary

His Excellency Hyun Chul Kim,
Ambassador of Korea.
Dear Mr. Johnson:

I have the honour to refer to your letter of 26 January 1965 which reads as follows:

(See Letter No.3)

I wish to assure you, on behalf of my Government, that your proposal is acceptable to the Government of the Republic of Korea.

Sincerely yours,

(Signed) Hyun Chul Kim
Ambassador

The Honourable G. Griffith Johnson,
Assistant Secretary of State for
Economic Affairs,
Department of State.
Dear Mr. Ambassador:

I refer to the agreement concerning trade in cotton textiles between the Republic of Korea and the United States signed today.

With regard to categories under restraint on 31 December 1964, it is understood that cotton textiles exported from Korea prior to 1 January 1965 which are not covered by the terms of paragraph 13, have been or will be entered for consumption, or withdrawn from warehouse for consumption into the United States in 1965, and charged against the appropriate restraint levels which were established under Article 3 and were in effect on 31 December 1964 to the extent that these had not been filled. Any amounts in excess of such restraint levels will be charged against the specific ceilings of the appropriate categories during the first year of the agreement.

I should be grateful if you will confirm this understanding if it is acceptable to your Government.

Sincerely yours,

For the Secretary of State:

G. Griffith Johnson
Assistant Secretary

His Excellency,
Hyun Chul Kim,
Ambassador of Korea
Dear Mr. Johnson:

I have the honour to refer to your letter of 26 January 1965 which reads as follows:

(See Letter No. 5)

I wish to assure you, on behalf of my Government, that your proposal is acceptable to the Government of the Republic of Korea.

Sincerely yours,

(Signed) Hyun Chul Kim
Ambassador

The Honourable G. Griffith Johnson,
Assistant Secretary of State for Economic Affairs,
Department of State.