LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE IN COTTON TEXTILES

Restraint by the United States in Accordance with Articles 3 and 6(c)

The following communication has been received by the Director-General from the United States mission.

I have been requested to transmit to you, for notification to the Cotton Textiles Committee, the attached note delivered to the Polish Embassy in Washington on 30 August 1966 requesting Article 3 restraints on Category 52 and Category 53 shipments from Poland1 for the twelve-month period beginning 30 August 1966.

1 Not party to the Long-Term Arrangement.
The Secretary of State presents his compliments to His Excellency the Polish Ambassador and has the honour to refer to the Long-Term Arrangement Regarding International Trade in Cotton Textiles, done at Geneva on 9 February 1962, and especially to the market disruption provision in Article 3 and the equity provision in Article 5(c) of said Arrangement.

The Government of the United States has noted that application has been made to the Foreign Assets Control Office of the Department of the Treasury for an import licence to permit entry of 240,000 dozen blouses (cotton textile Category 52) and 10,000 dozen dresses (cotton textile Category 53).

For some time there has existed disruption of the United States market for these products. Imports into the United States of blouses in Category 52 increased from 2,258,101 dozen in 1961 to 4,040,427 dozen in 1965, while imports of dresses in Category 53 rose from 217,761 dozen in 1961 to 508,162 dozen in 1965. To prevent further disruption of the United States market, the Government of the United States has taken action in accordance with the provisions of the Long-Term Arrangement concerning exports in Category 52 from fourteen supplying countries and in Category 53 from thirteen supplying countries. Most of these countries are participants in the Long-Term Arrangement and are entitled to the protection afforded by Article 6(c) of the Long-Term Arrangement.

A factual statement describing domestic market conditions and the effect of imports on the markets for the products in question is appended as an Annex to this note.

In view of the continuing disruption of the United States market and taking into account its equity obligation to supplying countries whose exports are already under restraint, the Government of the United States respectfully requests the Government of Poland to limit its exports of cotton textiles to the United States for the twelve-month period beginning as of the date of this note to the following levels in the following Categories:

| Category 52 | 20,000 dozen |
| Category 53 | 10,000 dozen |

The Government of the United States would be pleased to make available the facilities of the United States Bureau of Customs to assist the Government of Poland in implementing this request.

This restraint request is made without prejudice to the aforementioned application for an import licence made to the Foreign Assets Control Office.

If the Government of Poland wishes any further information concerning this restraint request, the competent officials of the Government of the United States will be pleased to consult with the representatives of the Government of Poland.
ANNEX

MARKET STATEMENTS

Category 52, Blouses, Whether or Not in Sets

Domestic production

In recent years, the trend in domestic production for women’s and children’s blouses has moved downward. After reaching a peak of 12.0 million dozen in 1962, domestic production steadily declined, and in 1964 reached a level of 12.3 million dozen. Production data for 1965 are not available.

Imports

Imports from all countries were at a high of 4.3 million dozen in 1960 and then dropped to a low of 2.3 million in 1961. Since 1962, they have been on the upswing, reaching 3.5 million in 1963 and 4.0 million in 1965. The ratio of imports to domestic production has been exceptionally high in recent years. In 1960, the ratio was 34 per cent, but in 1961, it moved downward to 18.5 per cent, owing to a fall in imports. However, since 1962 the rate has steadily risen, reaching 30.4 per cent in 1964. Until June 1966, there has been no history of trade in blouses with Poland.

Prices

The landed duty paid price of blouses valued at $4.50-$6.00 per dozen in Poland would be $5.75-$10.25. Generally, imported apparel items sell for a price line lower than comparable domestic goods, which in this case would be $7.75-$15.00 per dozen. The landed duty paid price of girls’ blouses valued at $3.50-$4.50 per dozen would be $4.50-$6.50 per dozen. Comparable domestic blouses would cost about $6.50-$9.00 per dozen.

Countries under restraint

The high level of imports generally selling at prices considerably lower than comparable domestic blouses have caused disruption in the United States market for these goods. As a result, fourteen countries have agreed to ceilings in Category 52 in accordance with the provisions of the Long-Term Arrangement Regarding International Trade in Cotton Textiles.
Category 53, Dresses, Not Knit

Domestic production

In recent years, there has been a steady trend downward in the domestic production of dresses. Output of 21.7 million dozen in 1960 declined to 21.2 million in 1962 and to 20.1 million in 1964, the latest year for which census data is available. This is a drop of 7.5 per cent since 1960. (These data include knit dresses; the import data do not.)

Imports

Imports of dresses in Category 53 from all countries was 322,000 dozen in 1960. In 1961, imports dropped to 218,000 dozen but increased substantially to 510,000 dozen in 1963 and again to a high of 571,000 dozen in 1964. In 1965, imports totalled 507,000 dozen, 57 per cent higher than the 1960 level. There is no history of imports of dresses in Category 53 from Poland.

Prices

The landed duty paid price of ladies' dresses valued at $11.00-$16.00 per dozen would be $14.00-$20.50 per dozen. Imported apparel items are generally sold at a price line lower than comparable domestic goods which in this case would be $21-$28 per dozen.

Children's dresses valued at $3-$11 per dozen would be landed at about $10-$12 per dozen. Comparable domestic dresses would sell for about $16.50-$21.00 per dozen.

Countries under restraint

In order to prevent further disruption of the domestic market, the Government of the United States has taken action on imports in Category 53 from thirteen countries in accordance with the provisions of the Long-Term Arrangement Regarding International Trade in Cotton Textiles.