GENERAL AGREEMENT ON TARIFFS AND TRADE

LONG-TERM COTTON TEXTILES ARRANGEMENT:

PROCEDURE RELATING TO RESERVATIONS TO ARTICLE II AND ANNEX B

When the Long-Term Arrangement was drawn up by the Cotton Textiles Committee a procedure was agreed to whereby a country which considered that it fulfilled the following criteria, namely:

(i) that in the decade preceding the entry into force of the Arrangement it had experienced a substantial contraction in its cotton textile industry, and

(ii) that it was importing a substantial volume of cotton textiles, in particular from the less-developed countries and territories and Japan, in relation to its own production of cotton textiles, might attach a reservation to its acceptance of the Arrangement in order to provide, in effect, an escape clause from the provisions of paragraphs 1 and 3 of Article 2 and of paragraphs 2 and 3 of Annex B.

A country wishing to make such a reservation should submit its request to that effect not later than 1 September 1962. If by 1 October, the date on which the Arrangement is to enter into operation, none of the contracting parties at present members of the Cotton Textiles Committee which at that time had accepted the arrangement without themselves having entered reservations, had raised an objection, the reservation would be deemed to be valid. Reservations thus accepted would be attached in the form of protocols to the Arrangement.