LONG-TERM ARRANGEMENT REGARDING TRADE IN COTTON TEXTILES

Proposals Regarding Procedures

(Note by the Executive Secretary)

The following note is intended to give guidance to interested governments in regard to the action that is required prior to 1 October 1962 in connexion with the above Arrangement, as read with the Record of Understandings reached by the Cotton Textiles Committee during its meeting from 29 January - 9 February 1962 (L/1813). The following procedures are suggested:

(a) Acceptance of Arrangement

A certified copy of the Arrangement has been sent to all contracting parties and to those governments not contracting parties which were represented by observers at the meetings of the Cotton Textiles Committee. In accordance with Article 11, the Arrangement is now open for acceptance by contracting parties, "by signature or otherwise". It is suggested that those contracting parties which decide to accept the Arrangement should do so by means of a letter of acceptance addressed to the Executive Secretary. The provisions regarding subsequent accession to the Arrangement by those governments which are not contracting parties are contained in paragraph 2 of Article 11.

(b) Reservations

The procedure to be followed by a government wishing to 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 of the Arrangement, is set out in paragraphs 32 and 33 of the Record of Understandings (L/1813). It will be noted that a government wishing to make such a reservation should submit its request to that effect to the Executive Secretary of the GATT not later than 1 September 1962.

(c) Annex A

The first sentence of paragraph 3 of Article 2 of the Arrangement reads as follows:

"The participating countries at present applying import restrictions to cotton textiles imported from other participating countries undertake to expand access to their markets for such cotton textiles so as to reach, by
the end of the period of validity of the present Arrangement, for the products remaining subject to restrictions at that date, taken as a whole, a level corresponding to the quotas opened in 1962, for such products, as increased by the percentage mentioned in Annex A."

The percentages to be included in Annex A in respect of those governments to which paragraph 3 of Article 2 applies are a most important part of the Arrangement as a whole and governments will wish to know in good time what percentages will, in fact, appear in the Annex before coming to a decision as regards acceptance of the Arrangement. It would, therefore, be appreciated if each government to which paragraph 3 of Article 2 will apply would forward to the Executive Secretary, not later than 1 September 1962, the percentage which it wishes to have included in Annex A.

(d) Meeting of Cotton Textiles Committee

No meeting of the Cotton Textiles Committee has been scheduled. A meeting of the Committee could of course be called if developments made it necessary. Further, one or more governments which have accepted the Arrangement may request a meeting of the Committee under paragraph 2 of Article 12.