1. Those participating countries maintaining restrictions on imports agree to relax their restrictions progressively each year with a view to the elimination of all import restrictions by the end of the arrangement, unless the Cotton Textile Committee agrees to postponement of such termination of import restrictions by a participating country.

2. If imports from participating countries against whom restrictions were in effect are permitted entry into a participating country imposing such restrictions in sufficient quantity to equal at least X per cent of the domestic consumption of that participating country, the latter shall be given the benefit of the provisions applicable to a participating country without restrictions, provided that:

(a) it has taken steps to relax its existing import restrictions which the Cotton Textile Committee believes are evidence of satisfactory progress in meeting the ultimate objective of complete liberalization; and

(b) the import restrictions which are still in effect as of the time the X per cent import level is reached, are considered by the Cotton Textile Committee not to be unduly discriminatory.