RECOGNIZING the need to take co-operative and constructive action with a view to the development of world trade;

RECOGNIZING further that such action should be designed to facilitate economic expansion and promote the development of less-developed countries possessing the necessary resources, such as raw materials and technical skills, by providing larger opportunities for increasing their exchange earnings from the sale in world markets of products which they can efficiently manufacture;

NOTING, however, that in some countries situations have arisen which, in the view of these countries, cause or threaten to cause disruption of the market for cotton textiles,

DESIRING to deal with these problems in such a way as to provide growing opportunities for exports of these products, provided that the development of this trade proceeds in a reasonable and orderly manner so as to avoid disruptive effects in individual markets and on individual lines of production in both importing and exporting countries;

DETERMINED, in carrying out these objectives, to have regard to the Declaration on Promotion of the Trade of Less-developed Countries adopted by Ministers at their meeting during the nineteenth session of the CONTRACTING PARTIES in November 1961;

The PARTICIPATING COUNTRIES have agreed as follows:
Article 5

Nothing in this Arrangement shall prevent the application of mutually acceptable arrangements on other terms not inconsistent with the basic objectives of this Arrangement. The participating countries shall keep the Cotton Textile Committee fully informed of such arrangements, or the parts thereof, which have a bearing on the operation of this Arrangement.

Article 6

1. The participating countries will take steps to ensure, by the exchange of information and other practical means, the effective operation of this Arrangement.

2. The participating countries further agree on the following measures to avoid the circumvention of this Arrangement by trans-shipment, substitution of directly competitive textiles and action by non-participants:

   (a) Trans-shipment

   The participating importing and exporting countries agree to collaborate with a view to preventing circumvention of this Arrangement by trans-shipment and to take appropriate administrative action to prevent such circumvention. In cases where a participating country has reason to believe that imports shipped to it from another participating country did not originate in that country, it may request that country to consult with it with a view to assisting in the determination of the real origin of the goods.

   (b) Substitution of directly competitive textiles

      (still to come)