

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/92
22 July 1975

Special Distribution

Textiles Surveillance Body

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Article 4 Notification

Agreement Between the United States and Portugal on Behalf of Macao

The Textiles Surveillance Body has received from the Government of the United States a notification of an agreement between the United States and Portugal on behalf of Macao concerning trade in textiles. This agreement has been notified by the United States under Article 4, paragraph 4, of the Arrangement.

The Textiles Surveillance Body, pursuant to its procedure regarding bilateral agreements notified under Article 4¹, has examined the relevant documentation. The Textiles Surveillance Body is circulating the text of this agreement to participating countries in the Arrangement for their information.

¹See COM.TEX/SB/35 Annex B.

1 May 1975

UNITED STATES AND MACAO EXTEND
TEXTILE AGREEMENT

The United States and Macao agreed to extend the bilateral agreement on trade in cotton textiles between the two countries by exchange of notes in Lisbon on 3 March 1975. Texts of the notes follow:

Note No.1

Lisbon, 3 March 1975

Excellency:

I refer to the Arrangement Regarding International Trade in Textiles done at Geneva on 23 December 1973, hereinafter referred to as the Arrangement. I also refer to recent discussions between representatives of our two Governments concerning exports of cotton, wool and man-made fibre textiles and textile products from Macao to the United States. As a result of those discussions, I wish to propose the following agreement relating to trade in cotton, wool and man-made fibre textiles and textile products between Macao and the United States, to replace, effective 1 January 1975 the existing agreements of 22 December 1972, as amended, relating to this trade.

1. The term of this agreement shall be from 1 January 1975 through 31 December 1977. During such term, the Government of Portugal will limit annual exports of cotton, wool and man-made fibre textiles and textile products from Macao to the United States to aggregate, group and specific limits as specified in the following paragraphs.
2. For the first agreement year, constituting the twelve-month period beginning 1 January 1975, the aggregate limit will be 31,809,890 square yards equivalent.
3. Within the aggregate limit, the following group limits shall apply for the first agreement year:

<u>Group</u>	<u>Limit</u> (in square yards equivalent)
I Categories 1-64 and 200-243	30,381,750
II Categories 101-132	1,428,140

4. Within the limit for Group I, the following specific limits shall apply for the first agreement year:

<u>Category</u>		<u>Unit</u>	<u>In square yards equivalent</u>
49	Other coats, cotton	30,531 doz.	992,250
50/51	Trousers, slacks and shorts, cotton	58,853 doz.	1,047,400
219	Knit shirts, man-made	397,753 doz.	7,302,750
221	Sweaters, man-made	73,272 doz.	2,696,400
222	Trousers, slacks and shorts, knit, man-made	276,584 doz.	4,923,200
223	Knit underwear, man-made	124,709 doz.	1,995,350
224	Other knit apparel, man-made	288,077 lbs.	2,247,000
229	Coats, man-made	158,189 doz.	6,525,300

5. Within the aggregate limit, the limit for Group I may be exceeded in any agreement year by the amount of the short-fall in Group II, and the limit for Group II may be exceeded by one per cent. Within the group limits, as adjusted, the specific limits in Group I may be exceeded by 7 per cent in any agreement year, and the specific limits in Group II (in the event that specific limits are established for this group) may be exceeded by 5 per cent. The limits referred to in this paragraph are without the adjustments provided for under paragraph 7 of this agreement.

6. (a) For the second and succeeding agreement years, the aggregate limit shall be increased by 6.25 per cent of the aggregate for the preceding year. Within that limit, the limit for Group II shall be increased by 1 per cent annually. Within the aggregate and applicable group limits, all specific limits and consultation levels shall be increased by 6.25 per cent annually except those limits in Group II which shall be increased by 1 per cent annually.

(b) The difference between the amounts resulting from the application of a 6.25 per cent annual growth to the aggregate limit and a 1 per cent annual growth to the limit for Group II shall be applied to Group I. The limits referred to in this paragraph are without adjustments under any other provision of this agreement.

7. (a) In any agreement year, exports may exceed by a maximum of 11 per cent the aggregate limit and any group or specific limit by allocating to the limits for that year an unused portion of the applicable limit for the previous agreement year (carryover) or a portion of the applicable limit for the succeeding agreement year (carry forward).

- (i) Carryover may be utilized as available up to 11 per cent of the receiving year's applicable limits;
- (ii) Carry forward may be utilized up to 6 per cent of the receiving year's applicable limits and charged against the next year's applicable limits;
- (iii) The combination of carryover and carry forward may not exceed 11 per cent of the receiving year's applicable limits in any agreement year.

Notwithstanding the foregoing, carryover of shortfalls into the first agreement year shall not be more than 5 per cent of the applicable limits for the year ending 31 December 1974, provided for in the agreements between the Governments concerning trade in cotton textiles and in wool and man-made fibre textiles of December 1972, as amended.

(b) For purposes of this agreement, a shortfall occurs when exports from Macao to the United States during an agreement year are below the aggregate limits in this agreement or the limits in force for the year ending 31 December 1974, provided in the agreements referred to in sub-paragraph (a) above. In the agreement year following the shortfall, exports from Macao may be permitted to exceed the aggregate, group and specific limits in accordance with the provisions of sub-paragraph (a) and (b) of this paragraph by carryover of shortfalls in the following manner:

- (i) The carryover shall not exceed the amount of shortfall in either the aggregate limit or any applicable group or specific limit; and
- (ii) In the case of shortfalls in the categories (or combination of categories) subject to specific limits, the shortfalls shall be used in the same category (or combination of categories) in which the shortfall occurred; and
- (iii) In the case of shortfalls not attributable to categories (or combination of categories) subject to specific limits, the carryover shall be used in the same group in which the shortfall occurred.

(c) The limits referred to in sub-paragraphs (a) and (b) of this paragraph are without any adjustment under this paragraph or paragraph 5 above.

(d) The total adjustment under this paragraph shall be in addition to the adjustments permitted by paragraph 5 to the limits for any year.

8. Categories not given specific limits are subject to consultation levels and to the aggregate and applicable group limits. In the event the Government of Portugal wishes to permit exports from Macao to the United States in any category

in excess of the applicable consultation level during any agreement year, the Government of Portugal shall request consultations with the Government of the United States of America on this question and the Government of the United States of America shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of Portugal shall limit exports from Macao to the United States in the category in question to the consultation level. For the first agreement year, the consultation level for each category not given a specific limit shall be 1,000,000 square yards equivalent in Categories 1-38, 64, 200-213 and 241-243; 700,000 square yards equivalent in Categories 39-63 and 214-240; and 102,010 square yards equivalent in Categories 101-132.

9. The Government of Portugal shall use its best efforts to space exports from Macao to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.

10. The Government of the United States of America shall promptly supply the Government of Portugal with data on monthly imports of cotton, man-made fibre and wool textiles from Macao; and the Government of Portugal shall promptly supply the Government of the United States of America with data on monthly exports of cotton, man-made fibre and wool textiles from Macao to the United States. Each government agrees to supply promptly any other pertinent and readily available statistical data requested by the other government.

11. (a) In implementing this agreement, the system of categories and the rates of conversion into square yards equivalent listed in the Annex A hereto shall apply.

(b) Tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (being products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibres, or blends thereof, in which any or all of those fibres in combination represent either the chief value of the fibres or 50 per cent or more by weight (or 17 per cent or more by weight of wool) of the product, are included.

(c) For purposes of this agreement, textile products shall be classified as cotton, wool or man-made fibre textiles if wholly or in chief value of either of these fibres. All other products described in sub-paragraph (b) of this paragraph shall be classified as:

(i) Cotton textiles if containing 50 per cent or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fibre component;

(ii) Wool, textiles if not cotton, and the wool equals or exceeds 17 per cent by weight of all component fibres;

(iii) Man-made fibre textiles if neither of the foregoing applies.

12. The Government of Portugal and the Government of the United States of America agree to consult on any question arising in the implementation of this agreement.

13. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this agreement, including differences in points of procedure or operation.

14. If the Government of Portugal considers that, as a result of limitations specified in this agreement, Macao is being placed in an inequitable position vis-à-vis a third country, the Government of Portugal may request consultations with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of this agreement.

15. For the duration of this agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the export of cotton, wool and man-made fibre textiles from Macao to the United States.

16. The Government of the United States of America may assist the Government of Portugal in implementing the limitation provisions of this agreement by controlling imports of cotton, wool and man-made fibre textiles covered by the agreement.

17. Either government may terminate this agreement effective at the end of any agreement year by written notice to the other government to be given at least ninety days prior to the end of such agreement year. Either government may at any time propose revisions in the terms of this agreement.

If this proposal is acceptable to the Government of Portugal, this note and your note of confirmation on behalf of the Government of Portugal shall constitute an agreement between the Government of Portugal and the Government of the United States of America.

Accept, Excellency, the renewed assurances of my highest consideration.

(signed) Frank Carlucci
Ambassador of
the United States

Enclosure: Annex A

His Excellency
Dr. Mario Soares
Minister for Foreign Affairs
Lisbon

ANNEX A

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
1.	Cotton yarn, singles, carded, not ornamented, etc.	lb.	4.6
2.	Cotton yarn, plied, carded, not ornamented, etc.	lb.	4.6
3.	Cotton yarn, singles, combed, not ornamented, etc.	lb.	4.6
4.	Cotton yarn, plied, combed, not ornamented, etc.	lb.	4.6
5.	Ginghams, carded yarn	sq.yd.	1.0
6.	Ginghams, combed yarn	sq.yd.	1.0
7.	Velveteens	sq.yd.	1.0
8.	Corduroy	sq.yd.	1.0
9.	Sheeting, carded yarn	sq.yd.	1.0
10.	Sheeting, combed yarn	sq.yd.	1.0
11.	Lawns, carded yarn	sq.yd.	1.0
12.	Lawns, combed yarn	sq.yd.	1.0
13.	Voiles, carded yarn	sq.yd.	1.0
14.	Voiles, combed yarn	sq.yd.	1.0
15.	Poplin and broadcloth, carded yarn	sq.yd.	1.0
16.	Poplin and broadcloth, combed yarn	sq.yd.	1.0
17.	Typewriter ribbon cloth	sq.yd.	1.0
18.	Print cloth, shirting type, 80 x 80 type, carded yarn	sq.yd.	1.0
19.	Print cloth, shirting type, other than 80 x 80 type, carded yarn	sq.yd.	1.0
20.	Shirting, carded yarn	sq.yd.	1.0
21.	Shirting, combed yarn	sq.yd.	1.0
22.	Twill and sateen, carded yarn	sq.yd.	1.0

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
23.	Twill and sateen, combed yarn	sq.yd.	1.0
24.	Yarn-dyed fabrics, n.e.s., carded yarn	sq.yd.	1.0
25.	Yarn-dyed fabrics, n.e.s., combed yarn	sq.yd.	1.0
26.	Fabrics, n.e.s., carded yarn	sq.yd.	1.0
27.	Fabrics, n.e.s., combed yarn	sq.yd.	1.0
28.	Pillowcases, plain, carded yarn	No.	1.084
29.	Pillowcases, plain, combed yarn	No.	1.084
30.	Dish towels	No.	.348
31.	Towels, other than dish towels	No.	.348
32.	Handkerchiefs	doz.	1.66
33.	Table damasks and manufactures	lb.	3.17
34.	Sheets, carded yarn	No.	6.2
35.	Sheets, combed yarn	No.	6.2
36.	Bedspreads, including quilts	No.	6.9
37.	Braided and woven elastics	lb.	4.6
38.	Fishing nets	lb.	4.6
39.	Gloves and mittens	doz.pr.	3.527
40.	Hose and half hose	doz.pr.	4.6
41.	Men's and boys' all white T-shirts, knits or crocheted	doz.	7.234
42.	Other T-shirts	doz.	7.234
43.	Knitshirts, other than T-shirts and sweatshirts (including infants)	doz.	7.234
44.	Sweaters and cardigans	doz.	36.8
45.	Men's and boys' shirts, dress, not knit or crocheted	doz.	22.186
46.	Men's and boys' shirts, sport, not knit or crocheted	doz.	24.457

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
47.	Men's and boys' shirts, work, not knit or crocheted	doz.	22.186
48.	Raincoats, $\frac{3}{4}$ length or over	doz.	50.0
49.	All other coats	doz.	32.5
50.	Men's and boys' trousers, slacks and shorts, outer, whether or not in sets, not knit or crocheted	doz.	17.797
51.	Women's, misses' and children's trousers, slacks and shorts, outer, whether or not in sets, not knit or crocheted	doz.	17.797
52.	Blouses, whether or not in sets	doz.	14.53
53.	Women's, misses', children's and infants' dresses (including nurses, and other uniform dresses), not knit or crocheted	doz.	45.3
54.	Playsuits, sunsuits, washsuits, creepers, rompers, etc. (except blouses and shorts; blouses and trousers; or blouses, shorts and skirt sets)	doz.	25.0
55.	Dressing gowns, including bathrobes and beachrobes, lounging gowns, dusters and housecoats, not knit or crocheted	doz.	51.0
56.	Men's and boys' undershirts (not T-shirts)	doz.	9.2
57.	Men's and boys' briefs and undershorts	doz.	11.25
58.	Drawers, shorts and briefs (except men's and boys' briefs), knit or crocheted	doz.	5.0
59.	All other underwear, not knit or crocheted	doz.	16.0

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
60.	Nightwear and pajamas	doz.	51.96
61.	Brassieres and other body supporting garments	doz.	4.75
62.	Other knitted or crocheted clothing	lb.	4.6
63.	Other clothing, not knit or crocheted	lb.	4.6
64.	All other cotton textile items	lb.	4.6
101.	Wool tops and wool advanced	lb.	1.95
102.	Yarns of Angora rabbit hair	lb.	1.95
103.	Other yarns of wool and hair	lb.	1.95
104.	Woven fabrics of wool, including blankets (carriage robes, lap robes, steamer rugs, etc.) over 3 yards in length	sq.yd.	1.0
105.	Billiard cloth	sq.yd.	1.0
106.	Blankets	lb.	1.295
107.	Carriage and auto robes, etc., n.e.s.	lb.	1.295
108.	Tapestries and upholstery fabrics	sq.yd.	1.0
109.	Pile and tufted fabrics	sq.yd.	1.0
110.	Knit fabrics in the piece	lb.	1.95
111.	Hosiery	doz.pr.	2.7814
112.	Gloves and mittens	doz.pr.	2.093
113.	Underwear, knit	lb.	1.95
114.	Other infants' articles, knit, not ornamented	lb.	1.95
115.	Knit hats and similar items	lb.	1.95
116.	Knit wearing apparel, n.e.s., valued not over \$5 per pound	lb.	1.95
117.	Knit wearing apparel, n.e.s., valued over \$5 per pound	lb.	1.95

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
118.	Hats, caps, not blocked	lb.	1.95
119.	Hats, caps, blocked, finished	lb.	1.95
120.	Men's and boys' suits	No.	4.5
121.	Men's and boys' outer coats	No.	4.5
122.	Women's, misses', and children's coats and suits	No.	4.75
123.	Women's, misses', and children's separate skirts	No.	1.5
124.	Trousers, slacks and shorts	No.	1.5
125.	Articles of wearing apparel, n.e.s.	lb.	2.0
126.	Lace and net articles including veiling	lb.	1.95
128.	Miscellaneous manufactures of wool	lb.	1.95
131.	Braided floor coverings	sq.ft.	0.11
132.	Wool floor coverings, n.e.s.	sq.ft.	0.11
200.	Textured yarns	lb.	3.51
201.	Yarn wholly of continuous filament, cellulosic	lb.	5.19
202.	Yarn wholly of continuous filament, other	lb.	11.6
203.	Yarn wholly of non-continuous filament, cellulosic	lb.	3.4
204.	Yarn wholly of non-continuous filament, other	lb.	4.12
205.	Yarns, other	lb.	3.51
206.	Woven fabrics, cellulosic, wholly of continuous man-made fibre	sq.yd.	1.0
207.	Woven fabrics, cellulosic, wholly made of non-continuous fibres	sq.yd.	1.0
208.	Woven fabrics, other, wholly of continuous man-made fibres	sq.yd.	1.0

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
209.	Woven fabrics, other, wholly of non-continuous fibres	sq.yd.	1.0
210.	Woven fabrics, other, of man-made fibres	sq.yd.	1.0
211.	Knit fabrics	lb.	7.8
212.	Pile and tufted fabrics	sq.yd.	1.0
213.	Specialty fabrics	lb.	7.8
214.	Gloves and mittens, knit, whether or not ornamented	doz.pr.	3.53
215.	Hosiery	doz.pr.	4.6
216.	Dresses, knit	doz.	45.3
217.	Pajamas and other nightwear, knit	doz.	51.96
218.	T-shirts, knit	doz.	7.24
219.	Shirts, other (including blouses), knit	doz.	18.36
220.	Skirts, knit	doz.	17.8
221.	Sweaters and cardigans, knit	doz.	36.8
222.	Trousers, slacks and shorts, knit, women's, girls' and infants'	doz.	17.8
223.	Underwear, knit	doz.	16.0
224.	Other wearing apparel, knit, whether or not ornamented	lb.	7.8
225.	Body-supporting garments	doz.	4.75
226.	Handkerchiefs	doz.	1.66
227.	Mufflers, scarves and shawls, not knit	lb.	7.8
228.	Blouses, not knit	doz.	14.53
229.	Coats, not knit	doz.	41.25
230.	Dresses, not knit	doz.	45.3
231.	Dressing gowns, including bathrobes and beachrobes, not knit	doz.	51.0

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion factor</u>
232.	Pajamas and other nightwear, not knit	doz.	51.96
233.	Playsuits, sunsuits, washsuits, etc., not knit	doz.	21.3
234.	Dress shirts, not knit	doz.	22.19
235.	Shirts, other, not knit	doz.	24.46
236.	Skirts, not knit	doz.	17.8
237.	Suits, not knit	No.	4.5
238.	Trousers, slacks and shorts, not knit	doz.	17.8
239.	Underwear, not knit	doz.	16.0
240.	Other wearing apparel, not knit, whether or not ornamented	lb.	7.8
241.	Floor coverings	sq.ft.	0.11
242.	Other furnishings	lb.	7.8
243.	Manufactures, n.e.s. of man-made fibre	lb.	7.8

Note No. 2

Lisbon, 3 March 1975

Excellency:

I have the honour to acknowledge receipt of your Excellency's Note No. 72 of today's date, and of its respective Annex, reading as follows:

(See Note No. 1)

In reply I have the honour to signify on behalf of the Government of Portugal its concurrence in the foregoing purpose and to confirm that Your Excellency's Note and this Note shall constitute an Agreement between our two Governments in this matter, effective 1 January 1975.

Accept, Excellency, the renewed assurances of my highest consideration.

Jorge Campinos
Secretary of State for Foreign Affairs

Frank Carlucci
Ambassador of the United States

Enclosure: Annex A (same as United States)