

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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17 March 1978

Special Distribution

Textiles Surveillance Body

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification Under Articles 7 and 8

Interim Bilateral Agreement Between the
United States and a Non-Participating Country

The Textiles Surveillance Body has received from the United States a notification of an interim agreement concluded between the United States and a non-participating country. This notification has been made in accordance with the decision of the Textiles Committee that actions taken vis-à-vis non-participants should be notified.

The TSB is circulating this notification to participating countries for their information.

UNITED STATES AND THE REPUBLIC OF CHINA
SIGN INTERIM AGREEMENT

The United States and the Republic of China signed an Interim Agreement concerning trade of cotton, wool and man-made fibre textiles and textile products on 16 December 1977. The texts of the notes follow:

UNITED STATES NOTE

16 December 1977

Excellency:

I have the honour to refer to discussions between representatives of the Government of the Republic of China and the Government of the United States in Washington from 14 November to 22 November concerning exports to the United States of cotton, wool and man-made fibre textiles and textile products manufactured in the Republic of China. As a result of these discussions, I have the honour to propose, on behalf of the Government of the United States, the following Interim Agreement relating to trade in cotton, wool and man-made fibre textiles and textile products between the Republic of China and the United States:

1. The term of the Interim Agreement shall be from 1 January 1978 through 31 March 1978.
2. Textiles and textile products covered by this Agreement shall be classified in three groups, as follows:

<u>Group</u>	<u>Definition</u>
I	Yarns, fabrics, made-up goods and miscellaneous textile products of cotton and man-made fibres. (Categories 300, 301, 310-320, 330, 360-363, 369, 600-605, 610-614, 625-627, 630, 665, 666 and 669)

His Excellency
James C.H. Shen,
Ambassador of the Republic of China.

<u>Group</u>	<u>Definition</u>
II	Apparel of cotton and man-made fibres. (Categories 331-342, 345, 347-352, 359, 631-652 and 659)
III	Wool textiles and textile products. (Categories 400, 410, 411, 425, 429, 431-436, 438, 440, 442-448, 459, 464, 465 and 469)

The determination of whether a textile or textile product is of cotton, wool, or man-made fibre shall be made in accordance with the terms of paragraph 6. The categories referred to in the above definitions of groups are those summarized in Annex A.

3. (a) The system of categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing the Interim Agreement except as set out in sub-paragraph 3(b).

(b) For purposes of this Agreement, and in recognition of the patterns of trade of the Republic of China with the United States, the groups of categories below are merged and treated as single categories as indicated, with Specific Limits as set out in Annex B:

<u>Categories Merged</u>	<u>Designation in Agreement</u>
638, 639	638/639
645, 646	645/646

For purposes of computing charges to Aggregate, Group and Specific Limits the rates of conversion for categories 638 and 639 shall be 15.5 square yards equivalent per dozen.

4. During the term of this Agreement, the Government of the Republic of China shall limit exports from the Republic of China to the United States of cotton, wool, and man-made fibre textiles and textile products manufactured in the Republic of China to the Aggregate Group and Specific Limits set out in Annex B.

5. (a) Categories not subject to Specific Limits are subject to consultation levels and to the Aggregate and applicable Group Limits. Except as specified in Annex C, which sets out certain different consultation levels, consultation levels for categories not subject to Specific Limits shall be 250,000 square yards equivalent for categories in Group I, 175,000 square yards equivalent for categories in Group II, and 25,000 square yards equivalent for categories in Group III.

6. (a) Tops, yarns, piece goods, man-made articles, garments and other textile manufactured products, all being products which derive their chief characteristics from their textile components, of cotton, wool, or man-made fibres, or blends thereof, in which any or all of those fibres 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 subject to this Agreement.

(b) For the purposes of this Agreement, textile products shall be classified as cotton, wool or man-made fibre textiles if wholly or in chief value of any of these fibres. Any products covered by subparagraph 6(a) but not in chief value of cotton, wool or man-made fibre 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 wool equals or exceeds 17 per cent by weight of all component fibres; and
- (iii) Man-made fibre textiles if neither of the foregoing applies.

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

8. The visa and exempt certification administrative arrangements presently in force shall continue in force under the Interim Agreement.

9. Representatives of the two Governments will meet as soon as possible to complete negotiation of a longer term agreement to be effective, retroactively, on 1 January 1978. The two Governments enter into this Interim Agreement without prejudice to the terms of the longer term agreement; no terms of this Interim Agreement shall constitute a precedent for the longer term agreement.

If the foregoing proposal is acceptable to your Government, this note and your Excellency's note of acceptance on behalf of the Government of the Republic of China shall constitute an agreement between the Government of the United States and the Government of the Republic of China.

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

For the Secretary of State:

(signed) William Barraclough

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
	<u>YARN</u>		
	<u>Cotton</u>		
300	Carded	4.6	Lb.
301	Combed	4.6	Lb.
	<u>Wool</u>		
400	Tops and yarn	2.0	Lb.
	<u>Man-made fibre</u>		
600	Textured	3.5	Lb.
601	Cont. cellulosic	5.2	Lb.
602	Cont. non-cellulosic	11.6	Lb.
603	Spun cellulosic	3.4	Lb.
604	Spun non-cellulosic	4.1	Lb.
605	Other yarns	3.5	Lb.
	<u>FABRIC</u>		
	<u>Cotton</u>		
310	Ginghams	1.0	SYD
311	Velveteens	1.0	SYD
312	Corduroy	1.0	SYD
313	Sheeting	1.0	SYD
314	Broadcloth	1.0	SYD
315	Printcloths	1.0	SYD
316	Shirtings	1.0	SYD
317	Twills and sateens	1.0	SYD
318	Yarn-dyed	1.0	SYD
319	Duck	1.0	SYD
320	Other fabrics, n.k.	1.0	SYD
	<u>Wool</u>		
410	Woollens and worsted	1.0	SYD
411	Tapestries and upholstery	1.0	SYD
425	Knit	2.0	Lb.
429	Other fabrics	1.0	SYD

Category	Description	Conversion Factor	Unit of Measure
	<u>Man-made fibre</u>		
610	Cont. cellulosic, n.k.	1.0	SYD
611	Spun cellulosic, n.k.	1.0	SYD
612	Cont. non-cellulosic, n.k.	1.0	SYD
613	Spun non-cellulosic, n.k.	1.0	SYD
614	Other fabrics, n.k.	1.0	SYD
625	Knit	7.8	Lb.
626	Pile and tufted	1.0	SYD
627	Specialty	7.8	Lb.
	<u>APPAREL</u>		
	<u>Cotton</u>		
330	Handkerchiefs	1.7	Dz.
331	Gloves	3.5	DPR
332	Hosiery	4.6	DPR
333	Suit-type coats, M and B	36.2	Dz.
334	Other coats, M and B	41.3	Dz.
335	Coats, W, G and I	41.3	Dz.
336	Dresses (inc. uniforms)	45.3	Dz.
337	Playsuits, sunsuits, washsuits, creepers	25.0	Dz.
338	Knit shirts, (inc. T-shirts, other and sweatshirts) M and B	7.2	Dz.
339	Knit shirts and blouses (inc. T-shirts, other and sweatshirts) W, G and I	7.2	Dz.
340	Shirts, n.k.	24.0	Dz.
341	Blouses, n.k.	14.5	Dz.
342	Skirts	17.8	Dz.
345	Sweaters	36.8	Dz.
347	Trousers, slacks and shorts (outer) M and B	17.8	Dz.
348	Trousers, slacks and shorts (outer) W, G and I	17.8	Dz.

Category	Description	Conversion Factor	Unit of Measure
349	Brassières, etc.	4.8	Dz.
350	Dressing gowns, inc. bathrobes, beach robes, lounging gowns housecoats and dusters	51.0	Dz.
351	Pajamas and other nightwear	52.0	Dz.
352	Underwear (inc. union suits)	11.0	Dz.
359	Other apparel	4.6	Lb.
	<u>Wool</u>		
431	Gloves	2.1	DPR
432	Hosiery	2.8	DPR
433	Suit-type coats, M and B	3.0	No.
434	Other coats, M and B	4.5	No.
435	Coats, W, G and I	4.5	No.
436	Dresses	4.1	No.
438	Knit shirts and blouses	15.0	Dz.
440	Shirts and blouses, n.k.	24.0	Dz.
442	Skirts	1.5	No.
443	Suits, M and B	4.5	No.
444	Suits, W, G and I	4.5	No.
445	Sweaters, M and B	36.8	Dz.
446	Sweaters, W, G and I	36.8	Dz.
447	Trousers, slacks and shorts (outer) M and B	1.5	No.
448	Trousers, slacks and shorts (outer) W, G and I	1.5	No.
459	Other wool apparel	2.0	Lb.
	<u>Man-made fibre</u>		
630	Handkerchiefs	1.7	Dz.
631	Gloves	3.5	DPR
632	Hosiery	4.6	DPR
633	Suit-type coats, M and B	36.2	Dz.
634	Other coats, M and B	41.3	Dz.
635	Coats, W, G and I	41.3	Dz.
636	Dresses	45.3	Dz.
637	Playsuits, sunsuits, washsuits, etc.	21.3	Dz.

Category	Description	Conversion Factor	Unit of Measure
638	Knit shirts, (inc. T-shirts), M and B	18.0	Dz.
639	Knit shirts and blouses (inc. T-shirts), W, G and I	15.0	Dz.
640	Shirts, n.k.	24.0	Dz.
641	Blouses, n.k.	14.5	Dz.
642	Skirts	17.8	Dz.
643	Suits, M and B	4.5	No.
644	Suits, W, G and I	4.5	No.
645	Sweaters, M and B	36.8	Dz.
646	Sweaters, W, G and I	36.8	Dz.
647	Trousers, slacks and shorts (outer), M and B	17.8	Dz.
648	Trousers, slacks and shorts (outer), W, G and I	17.8	Dz.
649	Brassières, etc.	4.8	Dz.
650	Dressing gowns, inc. bath- and beach-robos	51.0	Dz.
651	Pajamas and other nightwear	52.0	Dz.
652	Underwear	16.0	Dz.
659	Other apparel	7.8	Lb.
<u>MADE-UPS AND MISC:</u>			
<u>Cotton</u>			
360	Pillowcases	1.1	No.
361	Sheets	6.2	No.
362	Bedspreads and quilts	6.9	No.
363	Terry and other pile towels	0.5	No.
369	Other cotton manufactures	4.6	Lb.
<u>Wool</u>			
464	Blankets and auto robes	1.3	Lb.
465	Floor covering	0.1	SFT
469	Other wool manufactures	2.0	Lb.
<u>Man-made fibre</u>			
665	Floor coverings	0.1	SFT
666	Other furnishings	7.8	Lb.
669	Other man-made manufactures	7.8	Lb.

ANNEX B

Aggregate, Group and Specific Limits

(1 January 1978 to 31 March 1978)

	<u>Unit</u>	<u>Limit</u>
Aggregate	SYE	189,736,209
Group 1	SYE	41,466,872
Group 2	SYE	147,018,910
Group 3	SYE	1,250,426
Category		
313	Syd.	9,703,853
335	Doz.	10,688
340	Doz.	146,000
341	Doz.	79,146
347	Doz.	69,797
348	Doz.	109,761
434	No.	88,889
440	Doz.	2,996
445	Doz.	2,512
446	Doz.	14,431
633	Doz.	11,939
634	Doz.	157,260
635	Doz.	130,547
638/639	Doz.	1,585,323
640	Doz.	729,845
641	Doz.	146,249
643	No.	165,435
644	No.	198,092
645/646	Doz.	1,006,893
647	Doz.	423,487
648	Doz.	716,502

ANNEX C

Designated Consultation Levels
(1 January 1978 to 31 March 1978)

<u>Category</u>	<u>Level</u> (Square Yards Equivalent)
310	730,924
314	375,000
315	524,999
317	1,041,266
318	1,000,000
320	4,500,000
331	375,000
336	287,500
337	500,000
338	184,595
339	313,526
345	273,829
350	400,000
351	587,028
352	550,000
359	1,175,000
360	500,000
361	500,000
363	375,000
369	561,668
400	62,500
410	250,000
435	123,158
436	26,780
438	48,691
448	67,500
459	370,212
600	7,500,000
605	375,000
610	375,000

<u>Category</u>	<u>Level</u> (Square Yards Equivalent)
612	500,000
613	950,000
614	750,000
625	1,500,000
627	16,842,577
631	1,845,625
632	944,000
636	3,500,000
637	508,104
642	425,000
650	875,000
651	3,750,000
652	450,000
659	12,537,585
666	1,884,386
669	2,500,000

REPUBLIC OF CHINA NOTE

16 December 1977

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date which proposes, on behalf of the Government of the United States, an Interim Agreement relating to trade in cotton, wool and man-made fibre textiles and textile products between the Republic of China and the United States for the period from 1 January 1978 through 31 March 1978.

I have further the honour to confirm that your proposed Interim Agreement is acceptable to the Government of the Republic of China.

Accept, Excellency, the assurances of my highest consideration.

(signed) James C.H. Shen
Ambassador of the
Republic of China

The Honourable
Cyrus R. Vance,
Secretary of State.