

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/522
1 February 1980

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Textiles Surveillance Body

Original: English/
French

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Article 4:4 Notification

Bilateral Agreement between Canada and Romania

The Textiles Surveillance Body has received from Canada a notification of a new bilateral agreement^{1/} which has been concluded under Article 4 of the Arrangement between Canada and Romania, for a three-year period starting 1 January 1979.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4^{2/}, has examined the relevant documentation and is circulating the text of this agreement to participating countries for their information.^{3/}

^{1/} For details of previous agreement see COM.TEX/SB/274

^{2/} See COM.TEX/SB/35, Annex B.

^{3/} For the observations of the TSB see COM.TEX/SB/537, paragraphs 6-8.

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF CANADA
AND THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA
RELATING TO THE EXPORT FROM ROMANIA OF CERTAIN TEXTILES
AND TEXTILE PRODUCTS FOR IMPORT INTO CANADA

It is hereby agreed that the Memorandum of Understanding between the Government of Canada as represented by the Department of Industry, Trade and Commerce and the Government of the Socialist Republic of Romania as represented by the Ministry of Foreign Trade and International Economic Co-operation regarding the export of certain textiles and textile products from Romania for the importation into Canada, initialled at Ottawa on the first day of June, 1978, will come into effect on 1 January 1979 and will remain in effect for three calendar years ending on 31 December 1981 except as provided for in Annex I of the Memorandum of Understanding for worsted fabrics where the arrangement will be deemed to have taken effect as from 1 January 1978 for a period of four calendar years.

Done in duplicate at Ottawa this 17th day of November 1978 in the English and French languages.

For the Government of Canada
As represented by the
Department of Industry,
Trade and Commerce

For the Government of the
Socialist Republic of Romania

(signed) C.D. Arthur
Director-General
Office of Special Import Policy
Ottawa, Canada

(signed) Barbu Popescu
Ambassador Extraordinary and
Plenipotentiary of the Socialist
Republic of Romania to Canada
Ottawa, Canada

MEMORANDUM OF UNDERSTANDING

ARTICLE 1

1. This Memorandum of Understanding sets out the Arrangement that has been agreed between the Government of Canada as represented by the Department of Industry, Trade and Commerce (hereinafter referred to as the Canadian authority) and the Government of the Socialist Republic of Romania as represented by the Ministry of Foreign Trade and International Economic Co-operation (hereinafter referred to as the Romanian authority) regarding the export of certain textiles and textile products from Romania for import into Canada.
2. This Arrangement has been made having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the ITA") and in particular to Article 4 and Article 6 thereof, and to the Protocol extending the said Arrangement (L/4616).
3. During the time this Arrangement is in force both of the parties agree that the export of textiles and textile products from Romania to Canada will be executed by the Romanian authority within the mutually agreed quantitative limits set out for those products in Annex I hereto.
4. For the purposes of classifying textiles and textile products in the appropriate category, the definitions and notes set out in Annex I should apply.

ARTICLE 2

1. The two parties agree to exchange useful information concerning their mutual trade in textiles and textile products in order to ensure the successful implementation of this Arrangement.
2. The two parties agree that the quantitative limits established under this Arrangement shall be managed under a system of control, the details of which are set out in Annex II to this Arrangement.
3. The Romanian authority agrees to furnish the Canadian authority with precise statistical information, on a quarterly basis, at the latest two months after the ending of the quarter, of all export licences issued by them for all categories of textiles and textile produce exports to which this Arrangement applies.
4. The Canadian authority agrees to supply the Romanian authority with quarterly statistics on imports from Romania of those textiles and textile products to which this Arrangement applies.

ARTICLE 3

1. The Romanian authority shall endeavour to space out as evenly as possible over each of the Arrangement years the exports of all textiles and textile products for which quantitative limits may be established under this Arrangement, due account being taken of seasonal factors.

ARTICLE 4

1. Each party agrees at the request of the other party to enter promptly into consultations with each other on any problems arising from the application of this Arrangement.

2. The following specific consultation procedures shall apply to the trade in textiles and textile products not specifically provided for in this Arrangement.

3. The Canadian authority may request consultations with the Romanian authority with a view to reaching a mutually acceptable solution for those textiles or textile products not specifically provided for in this Arrangement when conditions in the Canadian market are such that a limitation on further trade in certain of these textiles or textile products may be necessary to eliminate real risk of market disruption.

4. The request for such consultation shall be accompanied within 21 days by a statement of the market conditions in Canada which make necessary the request for consultations. The statement shall include data in respect of the existence of real risk of market disruption.

5. Until such time as a mutually accepted solution has been reached, the Romanian authority undertakes, if so requested by the Canadian authority, to limit shipments from the date on which Canada requests consultations, in order to ensure that exports of the products in question to Canada do not exceed, based on an annual rate, the level of 106 per cent of the exports recorded in the twelve-month period ending two months before the month in which the request for consultation was made. Should, in the opinion of the Romanian authority, the application of these provisions give rise to difficulties causing hardship to the commercial interests involved, the Romanian authority may request consultations to which the Canadian authority will respond promptly. The Canadian authority shall, in particular, give full and sympathetic consideration to the treatment of goods for which there are outstanding bona fide contracts and letters of credit.

6. The parties shall consult following the communication of the statement referred to in paragraph 4 above and will make their best efforts to reach a mutually acceptable solution within 60 days of the communication.

ARTICLE 5

1. If, having regard to the provisions of the Arrangement Regarding International Trade in Textiles, either party considers that it is being placed in an inequitable position as compared with a third country, that party may seek consultations with the other with a view to taking appropriate remedial action.

ARTICLE 6

1. This Arrangement shall be effective for three calendar years starting on the 1st day of January 1979 and ending on the 31st day of December 1981, except as provided for in Annex I for worsted fabrics where the Arrangement becomes effective earlier.

2. Either party may at any time propose modifications to this Arrangement or terminate it provided that notice of such proposal or termination is given to the other party at least 90 days before the expiry of any year of this Arrangement; in the event of a notice to terminate, the Arrangement will come to an end at the expiry of the Arrangement year in which the notice is given.

3. In this Arrangement, "Arrangement year" means any period of twelve consecutive months commencing on 1 January during the life of this Arrangement.

ARTICLE 7

1. Subject to the specific limitations set out in Annex I, any quantitative limit shown therein may be exceeded by the percentage shown in column (e) thereof provided that an equivalent amount is deducted from any other quantitative limit shown therein.

2. For the purpose of implementing these swing provisions the conversion factors shown in column (d) of Annex I shall apply.

ARTICLE 8

1. Following notification to the Canadian authority of the quantities involved, portions of any quantitative limit set out in Annex I which are not used during any restraint period may be carried over and added to the corresponding quantitative limit for the following restraint period within the higher percentage limit set out in column (f) of the Annex.

2. Any quantitative limit may be increased within the lower percentage limit set out in column (f) of Annex I by an amount advanced from the corresponding quantitative limit for the following restraint period. The quantitative limit for the following restraint period shall be reduced by an amount equal to the amount so advanced.

3. Notwithstanding the foregoing, the carry-over and carry-forward provisions may be used in combination only up to the higher percentage limit set out in column (f) of Annex I.

ARTICLE 9

1. Annexes I and II to this Arrangement shall form an integral part thereof.

For the Government of the Socialist
Republic of Romania

For the Government
of Canada

ANNEX I

(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
1.	<p>Men's & Boys' Fine Suits (Structured)</p> <p>(a) Structured Sportscoats and Blazers, men's and boys'.</p> <p>(b) Structured Suits, men's and boys'.</p> <p>The suit-jacket, sportscoat or blazer must contain the following three elements or equivalent:</p> <p>(i) lining;</p> <p>(ii) shoulder padding; and</p> <p>(iii) front stiffening</p> <p><u>Footnotes:</u></p> <p>(1) A unit is either a jacket or a suit. A suit is a two-or three-piece garment</p> <p>(2) No swing into this product is permitted. Swing out of this product is permitted subject to the swing provisions for the receiving product.</p> <p>(3) Carryover and borrow forward is not permitted</p>	<p>1979: 74,000</p> <p>1980: 74,740</p> <p>1981: 75,490</p>	4.50 sq. yds per unit	See Footnote (2)	See Footnote (3)

ANNEX I

(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/Borrow Forward
2	<p>Shirts with tailored collars, men's and boys'.</p> <p>A garment covering the upper part of the body with tailored collar and no body lining, of woven or knitted construction, normally worn next to the skin or directly over underwear and with a full or partial front or back opening which may include a zipper. It may be designed to be worn either inside or outside of pants. Included are all men's and boys' shirts meeting this description whether exported separately or as part of a set.</p> <p>A "tailored collar" consists of one or more pieces of material which are cut and sewn or cut and fused and designed with two pointed or rounded ends. The following may be used, when needed, in the construction of a "tailored collar": stays; lining; stiffening by any means.</p> <p>Footnotes:</p> <p>(1) No swing into this product is permitted. Swing out of this product is permitted subject to the swing provisions for the receiving product.</p> <p>(2) Carryover and borrow forward is not permitted.</p>	<p>1979: 150,000</p> <p>1980: 151,500</p> <p>1981: 153,000</p>	<p>2.10 sq. yds. per unit.</p>	<p>See footnote (1)</p>	<p>See footnote (2)</p>

ANNEX I

(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/Borrow Forward
3	<p>Shirts, men's and boys', other than with tailored collars, including full-fashioned collars</p> <p>A full-fashioned collar consists of a one-piece knitted-to-shape collar.</p> <p><u>Footnotes:</u></p> <p>(1) The definition of the above is subject to the overriding definition of men's and boys' shirts with tailored collars.</p> <p>(2) The restraint levels in column (c) may not be increased by more than 10% by the combined use of swing, carryover and borrow forward,</p>	<p>1979: 475,000</p> <p>1980: 489,250</p> <p>1981: 503,930</p>	2.10/sq. yds. per unit	5%	10% of which borrow forward shall not be more than 5%

ANNEX I

(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/Borrow Forward
4	<p><u>Sweaters, Pullovers, Cardigans.</u> A knitted garment covering the upper part of the body of construction coarser than 19 cut, i.e. less than 19 vertical stitches per inch. It includes knitted ponchos and sweaters, pullovers or cardigans with co-ordinates or matching accessories, e.g. hats, scarves, gloves, mittens, booties, etc. A garment in this item when packed and shipped with such co-ordinating or matching accessories will be considered a set and counted as one unit.</p> <p>(i) men's and boys' (ii) women's and girls', and (iii) childrens' and infants' (0-6X)</p> <p><u>Footnotes:</u> (1) Swing is permitted from adults' to infants' at a 3 to 5 ratio. No swing into this product is permitted. Swing out of this product is permitted subject to the swing provisions for the receiving product. (2) Carryover and borrow forward is not permitted.</p>	<p>1979: 850,000 1980: 867,000 1981: 884,340</p>	<p>1.40/sq. yds. per unit</p>	<p>See footnote (1)</p>	<p>See footnote (2)</p>

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(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/Borrow Forward
5.	<p>T-Shirts and Sweatshirts, men's and boys', women's and girls'.</p> <p>T-Shirts are knitted garments without front opening covering the upper part of the body of construction 19 cut or finer, i.e., 19 or more vertical stitches per inch.</p> <p>Sweatshirts are garments, at least one side of which is brushed or fleeced, covering the upper part of the body.</p> <p>- of which T-Shirts -</p>	<p>1979: 600,000 1980: 618,000 1981: 636,540</p> <p>1979: 100,000 1980: 103,000 1981: 106,090</p>	1.7 sq. yds. per unit	5%	10% of which borrow forward shall not be more than 5%.
<p><u>Footnotes:</u></p> <p>(1) The definitions of T-shirts and sweatshirts for men's and boys' are subject to the overriding definitions of men's and boys' shirts with tailored or full fashioned collars.</p> <p>(2) The restraint levels in column (c) may not be increased by more than 10% by the combined use of swing, carryover and borrow forward.</p>					

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(a) Item No.	(b) Description of Product	(c) Restraint Level	(d), Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
6.	<p>Children's and Infants', T-shirts, Sweatshirts, Blouses and Shirts.</p> <p>Garments covering the upper part of the body. Definitions for these products are as in Items (2), (3) and (5)</p> <p><u>Footnote:</u></p> <p>(1) The restraint levels in column (c) may not be increased by more than 10% by the combined use of swing, carryover and borrow forward.</p> <p>(2) Children's and infants' garments are sizes 0 to 6X.</p>	<p>1979: 40,000 1980: 42,400 1981: 44,940</p>	<p>0.60 sq. yd.</p>	<p>5%</p>	<p>10% of which borrow forward shall not be more than 5%.</p>

ANNEX I

(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
7.	<p><u>PANTS</u>, Men's, boys', women's, girls', children's and infants'.</p> <p>(a) <u>Pants and Slacks</u>. Garments in this sub-category do not extend above the waist but do extend to the knee or below. Included are jodhpurs, knickers, footless tights, and gauchos.</p> <p>(b) <u>Outer Shorts</u>. As pants and slacks, but not extending to the knee.</p> <p>(c) <u>Overalls and Coveralls</u>. A one-piece garment, as either pants or shorts but extending above the waist in the form of a bib (or permanently affixed straps) or other structure which partially or fully covers the upper part of the body. One-piece jumpsuits are included in this item.</p> <p>Footnote: (1) Swing is permitted from adults' to infants' at a ratio of 3 to 5. (2) The restraint levels in column (c) may not be increased by more than 10% by the combined use of swing, carryover and borrow forward (3) Children's and infants' are sizes 0 to 6X</p>	1979: 50,000 1980: 51,500 1981: 53,045	1.70 sq. yd. per unit	5%	10% of which borrow forward shall not be more than 5%

ANNEX I

(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/Borrow Forward
B.	<p>Men's, boys', women's, girls', children's and infants' (wholly or mainly by weight of cotton, man-made fibre or wool or blends thereof):</p> <p>(i) <u>Overcoats and Topcoats.</u> An outerwear garment extending to the knee or below, excluding rainwear and leather coats.</p> <p>(ii) <u>Professional and Shopcoats.</u> One-piece garments including barber coats, clinical coats, medical coats, laboratory coats, surgical gowns.</p>	<p>1979: 186,000 1980: 197,160 1981: 208,990</p>	<p>4.00 sq. yds. per unit</p>	<p>5%</p>	<p>10% of which borrow forward shall not be more than 5%</p>
B	<p>Jackets. An outerwear garment covering the upper part of the body, not extending to the knees, including woven ponchos, vests, boleros, excluding leather jackets.</p>	<p>1979: 150,000 1980: 159,000 1981: 168,540</p>	<p>3.5 sq. yds. per unit</p>	<p>5%</p>	<p>10% of which borrow forward shall not be more than 5%</p>
C	<p><u>Outerwear.</u> (Commonly referred to as snowsuits, snowmobile suits, ski-suits, ski pants and snow-pants, and jackets and vests including parkas, ski-jackets and similar jacket-type garments that have an outer shell manufactured substantially by surface area with woven fabrics and that are lined and designed to protect the wearer against cold, e.g. quilted linings, down or fibre filling, etc., but not plain acetate or viscose lining, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, but</p>	<p>1979: 50,000 1980: 51,500 1981: 53,045</p>	<p>3.5 sq. yds.</p>	<p>5%</p>	<p>10% of which borrow forward shall not be more than 5%</p>

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(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/Borrow Forward
	<p>excluding: all unlined outerwear; all coats three-quarter length or longer, that is, to the knee or below the knee; garments commonly known as squall jackets, wind-breakers or similar jacket-type garments where there is no thermal insulation; bona fide industrial end-use clothing, although they meet the requirements of the above description; and ski-pants and cross-country ski-suits which do not meet the above description (e.g. constructed entirely from knitted fabric).</p> <p>Footnotes:</p> <ol style="list-style-type: none"> 1. Children's and infants' garments are sizes 0 to 6X. 2. Swing is permitted from adults' to children's and infants' at a ratio of 3 to 5. 3. The restraint level in column (c) may not be increased by more than 10% by the combined use of swing, carryover and borrow forward. 4. An outerwear unit comprises garments which have been designed to be sold as a set, eg. matching or co-ordinated ski-jackets and ski-pants comprising a ski suit will be counted as one unit if packed and shipped as a set. Vests are counted separately. 				

ANNEX I

(a) Item No.	(b) Description of Product	(c) Restraint Level	(d) Conversion Factor	(e) Swing	(f) Carryover/ Borrow Forward
9.	Worsted Fabrics. Woven fabric having 17% or more by weight of wool and in which at least the warp is made from worsted spun yarn.	1978: 190,550sq. yds. 1979: 196,267. " 1980: 202,154. " 1981: 208,219. "	2.16 sq. yds. per lb. " " " "	None	10% of which borrow forward shall not be more than 5%.

ANNEX II

AGREED DETAILS OF CONTROL SYSTEM UNDER THE
PROVISIONS OF ARTICLE 2

As agreed between the parties in Article 2 of this Arrangement, the administration of exports from Romania and imports into Canada of those textiles and textile products to which this Arrangement applies will be based on a system of control applied by the Romanian authority and the Canadian authority. The details of the said system of control are set out below.

The Canadian authority will accept imports of textiles and textile products referred to above on submission of the importer's application together with a certified copy of the export licence issued by the Romanian authority. There must be no discrepancy between the actual product received and the product indicated on the export licence.

All shipments valued at less than \$250 (Canadian) f.o.b. do not require an export licence.

The export licences issued by the Romanian authority in respect of products subject to restraint under this Arrangement shall specify and contain:

1. destination
2. serial number
3. importer's name and address
4. exporter's name and address
5. category and description of product
6. quantity in the units as designated in the Arrangement, and, where the quantity is expressed other than as designated in the Arrangement, the equivalent weight, units or sq. yds. calculated in accordance with the conversion factors set out in Annex I.
7. certification by the Romanian authority that the quantity has been debited against the agreed ceiling for exports to Canada or, where appropriate, is for immediate re-export or for inward processing and subsequent re-export outside Canada.

The Canadian authority will not raise difficulties in the event of a discrepancy between the (weight) (sq. yds.) (units) indicated in the export licence and the shipment or import (weight) (sq. yds.) (units) provided it is within reasonable limits.

In the event of total or partial withdrawal of an export licence, the Romanian authority will notify the Canadian authority of such total or partial withdrawal. If this amount has already been debited to a quantitative limit the Romanian authority may then credit the amount involved to the appropriate limit.

The Romanian authority will supply the Canadian authority with the periodic returns provided for in Article 2 of this Arrangement showing the details referred to in (5) and (6) above, covered by the export licences issued against the quantitative limits for exports to Canada for all categories of textiles and textile products exports to Canada.

Note No. 24

(FACSIMILE)

The Canadian Embassy has the honour to refer to discussions held in Ottawa between representatives of the Government of the Socialist Republic of Romania and the Government of Canada on 6 October, 8 November and 8 December 1978, and 1 February 1979 on the subject of trade in overcoats, jackets and outerwear between our two countries.

The Embassy has further the honour to confirm, on behalf of the Government of Canada, the following understanding reached as a result of the above-mentioned discussions in accordance with the provisions of the Arrangement Regarding International Trade in Textiles done in Geneva on 20 December 1973.

It is understood that the Annex attached hereto¹ will be substituted for Item 3 as it appears in the Memorandum of Understanding between the Government of Canada and the Government of the Socialist Republic of Romania Relating to the Export from Romania of Certain Textiles and Textile Products for Import into Canada now in force between the two Governments.

The Embassy has further the honour to propose that this note together with the Annex thereto, and the Ministry's note in reply confirming acceptance on behalf of the Government of the Socialist Republic of Romania of the above amendment to the Memorandum of Understanding shall constitute an arrangement between our two countries.

Canadian Embassy
Bucharest

20 June 1979

¹This Annex has been incorporated into the Arrangement.

Bucharest, 16 July 1979

The Ministry of Foreign Affairs of the Socialist Republic of Romania presents its compliments to the Canadian Embassy in Bucharest and referring to the Embassy Note No. 24 of 20 June 1979 has the honour to convey the agreement of the Romanian side with the matters referred to by the above-mentioned Note and its Annex.

At the same time, in the spirit of the Memorandum of Agreement between the Government of the Socialist Republic of Romania and the Government of Canada concerning the exports of textiles and textile goods from Romania to Canada, the Romanian side reserves the right of having consultations with the Canadian authorities as often as it finds necessary.

The Ministry of Foreign Affairs of the Socialist Republic of Romania avails itself of this opportunity to renew to the Canadian Embassy in Bucharest the assurance of its highest consideration.

Socialist Republic of Romania,
Ministry of Foreign Affairs,
Bucharest.