

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1047\*

22 March 1985

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Textiles Surveillance Body

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4:4

#### Bilateral Agreement between the United States and Poland

The Textiles Surveillance Body has received a notification from the United States of a new bilateral agreement with Poland, concluded under Article 4 of the MFA, valid for the period 1 January 1985 to 31 December 1989.<sup>1</sup>

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4<sup>2</sup>, has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.

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<sup>1</sup>The previous bilateral agreement is contained in COM.TEX/SB/701

<sup>2</sup>See COM.TEX/SB/35, Annex B

\* English only/Anglais seulement/Inglés solamente

The United States and the Polish People's Republic exchanged notes in Warsaw dated 5 December and 31 December 1984, respectively, to establish a bilateral textile agreement regarding export of cotton, wool and man-made fibre textiles and textile products manufactured in the Polish People's Republic to the United States. Text of the Polish note which incorporates the United States note follows:

POLISH NOTE

Warsaw, 31 December 1985

The Ministry of Foreign Affairs of the Polish People's Republic presents its compliments to the Embassy of the United States in Warsaw and has the honour to acknowledge the receipt of the Embassy's Note No. 45 of 5 December 1984 which reads as follows:

"The Embassy of the United States presents its compliments to the Ministry of Foreign Affairs of the Polish People's Republic and has the honour to refer to the Arrangement Regarding International Trade in Textiles, with Annexes, done at Geneva on 20 December 1973 and extended by Protocol adopted on 22 December 1981, at Geneva (hereinafter referred to as the Arrangement).

The Embassy of the United States also has the honour to refer to discussions held in Warsaw during 10-11 October 1984, between representatives of the Government of the United States and the Government of the Polish People's Republic concerning exports to the United States of cotton, wool, and man-made fibre textiles and textile products manufactured in the Polish People's Republic. As a result of these discussions, and in conformity with Article 4 of the Arrangement, the Embassy has the honour to propose, on behalf of the Government of the United States, the following Agreement relating to trade in cotton, wool and man-made fibre textiles and textile products between the United States and the Polish People's Republic.

1. The term of the Agreement shall be the five-year period from 1 January 1985 through 31 December 1989. Each "Agreement Year" shall be a calendar year.
2. (a) The system of categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing the Agreement.  
  
(b) For purposes of this Agreement, Categories 645, 646, and 443, 643, 644 are merged and treated as single Categories 645/646 and 443/643/644 respectively.

3. Textiles and textile products covered by the Agreement shall be classified in four groups as follows:

- Group I Cotton, wool and man-made fibre products other than apparel (Categories 300-320, 360-369, 400-429, 464-469, 600-627, 665-670).
- Group II Cotton and man-made fibre apparel other than suits (Categories 330-359, 630-642, 645-659).
- Group III Wool apparel, other than men's and boys' suits (Categories 431-442, 444-459).
- Group IV Men's and boys' suits of wool and all suits of man-made fibre (Category 443/643/644).

4. Commencing with the first agreement year, and during the subsequent term of the Agreement, the Government of the Polish People's Republic shall limit annual exports from Poland to the United States of cotton, wool and man-made fibre textiles and textile products to the limits set out in Annex B, as such limits may be adjusted in accordance with paragraphs 5, 6 and 7. Exports are subject to limits or levels for the year in which exported. The limits set out in Annex B do not include any adjustments permitted under paragraphs 5, 6 and 7.

5. Within the aggregate limit, in any agreement year the group limit for Group II may be exceeded by 7 per cent, the group limit for Group III may be exceeded by 3 per cent and the group limit for Group IV may be exceeded by 6 per cent.

6. During any agreement year and within the applicable aggregate and group limits for such agreement year as they may be adjusted pursuant to paragraphs 5 and 7, any category specific limit (or sub-limit) set out in Annex B may be exceeded by not more than:

- 10 per cent if included in Group I;
- 7 per cent if included in Group II;
- 5 per cent if included in Group III;
- 6 per cent if included in Group IV.

7. (a) In any agreement year, in addition to any adjustment pursuant to paragraphs 5 and 6, exports may exceed by a maximum of 11 per cent any limit set out in Annex B by allocating to such limit for that agreement year an unused portion of the corresponding limit for the previous agreement year ("carryover") or a portion of the corresponding limit for the succeeding agreement year ("carry forward") subject to the following conditions:

- (i) carryover may be utilized as available up to 11 per cent of the receiving agreement year's limits provided, however, that no carryover shall be available for application during the first agreement year;
- (ii) the combination of carryover and carry forward shall not exceed 11 per cent of the received agreement year's applicable limit in any agreement year;
- (iii) carry forward may be utilized up to 6 per cent of the receiving agreement year's applicable limits and shall be charged against the immediately following agreement year's corresponding limits; no carry forward shall be available for application during the fifth agreement year;
- (iv) carryover of shortfall (as defined in sub-paragraph 7(b)) shall not be applied to any limits until the Governments of the United States and the Polish People's Republic have agreed upon the amounts of shortfall involved.

(b) For purposes of the Agreement, a shortfall occurs when exports of textiles or textile products from Poland to the United States during an agreement year are below any applicable group and category specific limit or sub-limit as set out in Annex B. In the agreement year following the shortfall, such exports from Poland to the United States may be permitted to exceed the applicable limits, subject to conditions of sub-paragraph 7(a), by carryover or shortfalls in the following manner:

- (i) the carryover shall not exceed the amount of shortfall in any applicable limit;
- (ii) the shortfall shall be used in the category in which the shortfall occurred.

(c) The total adjustment permissible under this paragraph for the first agreement year shall be 6 per cent consisting solely of carry forward.

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 the Polish People's Republic wishes to permit exports to the United States in any category in excess of the applicable consultation level during any agreement year, the Government of the Polish People's Republic shall request consultations with the Government of the United States on this question and the Government of the United States shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of the Polish People's Republic shall limit exports to the United States in

the category in question to the consultation level. For each agreement year, the minimum consultation level for each category not given a specific limit shall be 1,000,000 square yards equivalent for each cotton and man-made fibre non-apparel category, 700,000 square yards equivalent for each cotton and man-made fibre apparel category, and 100,000 square yards equivalent for each wool category. Annual consultation levels above these stated amounts are specified in Annex C hereto.

9. Shipments of textiles and apparel from Poland to the United States individually valued at US\$250.00 or less shall not be charged to the limits or consultation levels set out in this Agreement.

10. The Government of the Polish People's Republic shall use its best efforts to space exports from Poland to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors. Exports from Poland in excess of authorized levels for each agreement year will, if allowed entry into the United States, be charged to the applicable level for the succeeding agreement year.

11. The Government of the United States shall promptly supply the Government of the Polish People's Republic with monthly data on imports of textiles from Poland, and the Government of the Polish People's Republic shall promptly supply the Government of the United States with quarterly data on exports of textiles to the United States. Each government agrees to supply promptly any other pertinent and readily available statistical data requested by the other government.

12. (a) 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 these 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 subject to the Agreement.

(b) For purposes of the Agreement, textiles and textile products shall be classified as cotton, wool or man-made fibre textiles if wholly or in chief value of any of these fibres.

(c) Any product covered by sub-paragraph (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 the man-made fibre components;

- (ii) wool textiles if not cotton and the 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.

13. The Government of the United States and the Government of the Polish People's Republic agree to consult on any question arising in the implementation of the Agreement.

14. 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.

15. If the Government of the Polish People's Republic considers that, as a result of a limitation specified in this Agreement, Poland is being placed in an inequitable position vis-à-vis a third country, the Government of the Polish People's Republic may request consultation with the Government of the United States with a view to taking appropriate remedial action such as reasonable modification of the Agreement.

16. At the request of either government, the two governments will undertake a major review of this Agreement during the second half of the second agreement year.

17. For the duration of the Agreement, the Government of the United States shall not invoke the procedures of Article 3 of the Arrangement to request restraints on the export from Poland of textiles covered by the Agreement.

18. The Government of the United States may assist the Government of the Polish People's Republic in implementing the limitation provisions of the Agreement by controlling its imports of the textiles covered by the Agreement.

19. Either government may terminate the 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 the Agreement.

If the foregoing proposal is acceptable to the Government of the Polish People's Republic, this note and the Ministry's note of confirmation on behalf of the Government of the Polish People's Republic shall constitute an agreement between our two governments."

The Ministry of Foreign Affairs has the honour to inform that the Government of the Polish People's Republic accepts the above-mentioned proposal and agrees that the Embassy's note and this reply shall constitute an agreement between our two governments.

The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States the assurances of its highest consideration.

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
<b>Yarn</b>			
- cotton			
300	Cotton carded yarn	4.6	lb.
301	Cotton combed yarn	4.6	lb.
- wool			
400	Tops and yarns	2.0	lb.
- man-made fibre			
600	Textured	3.5	lb.
601	Continuous cellulosic	5.2	lb.
602	Continuous non-cellulosic	11.6	lb.
603	Spun cellulosic	3.4	lb.
604	Spun non-cellulosic	4.1	lb.
605	Other yarns	3.5	lb.
<b>Fabric</b>			
- cotton			
310	Gingham	1.0	syd
311	Velveteen	1.0	syd
312	Corduroy	1.0	syd
313	Sheeting	1.0	syd
314	Broadcloth	1.0	syd
315	Printcloth	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
- wool			
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
Fabric (cont'd)			
- man-made fibre			
610	Continuous cellulosic, n.k.	1.0	syd
611	Spun cellulosic, n.k.	1.0	syd
612	Continuous 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	Speciality	7.8	lb.
Apparel			
- cotton			
330	Handkerchieves	1.7	doz.
331	Gloves	3.5	dpr
332	Hosiery	4.6	dpr
333	Suit-type coats, M and B	36.2	doz.
334	Other coats, M and B	41.3	doz.
335	Coats, W, G and I	41.3	doz.
336	Dresses (incl. uniforms)	45.3	doz.
337	Playsuits, sunsuits, washsuits, creepers		
338	Knit shirts (incl. T-shirts, other, and sweatshirts), M and B	7.2	doz.
339	Knit shirts and blouses (incl. T-shirts, other, and sweatshirts), W, G and I	7.2	doz.
340	Shirts, n.k.	24.0	doz.
341	Blouses, n.k.	14.5	doz.
342	Skirts	17.8	doz.
345	Sweaters	36.8	doz.
347	Trousers, slacks and shorts (outer) M and B	17.8	doz.
348	Trousers, slacks and shorts (outer) W, G and I	17.8	doz.
349	Brassiêres, etc.	4.8	doz.
350	Dressing gowns, incl. bathrobes, beach house coats and dusters	51.0	doz.
351	Pyjamas and other nightwear	52.0	doz.

Category	Description	Conversion Factor	Unit of Measure
Apparel (cont'd)			
352	Underwear (incl. union suits)	11.0	doz.
353	Down and featherfilled coats, jackets, vests, M and B	41.3	doz.
354	Down and featherfilled coats, jackets, vests, W, G and I	41.3	doz.
359	Other apparel	4.6	lb.
431	Gloves	2.1	dpr
432	Hosiery	2.8	dpr
- wool			
434	Other coats, M and B	54.0	doz.
435	Coats, W, G and I	54.0	doz.
436	Dresses	49.2	doz.
438	Knit shirts and blouses	15.0	doz.
440	Shirts and blouses, n.k.	24.0	doz.
442	Skirts	18.0	doz.
443	Suits, M and B	54.0	doz.
444	Suits, W, G and I	54.0	doz.
445	Sweaters, M and B	14.88	doz.
446	Sweaters, W, G and I	14.88	doz.
447	Trousers, slacks and shorts (outer) M and B	18.0	doz.
448	Trousers, slacks and shorts (outer) W, G and I	18.0	doz.
459	Other wool apparel	2.0	lb.
- man-made fibre			
630	Handkerchieves	1.7	doz.
631	Gloves	3.5	dpr
632	Hosiery	4.6	dpr
633	Suit-type coats, M and B	36.2	doz.
634	Other coats, M and B	41.3	doz.
635	Coats, W, G and I	41.3	doz.
636	Dresses	45.3	doz.
637	Playsuits, sunsuits, washsuits, etc.	21.3	doz.
638	Knit shirts, (incl. T-shirts) M and B	18.0	doz.
639	Knit shirts and blouses (incl. T-shirts) W, G and I	15.0	doz.

Category	Description	Conversion Factor	Unit of Measure
Apparel (cont'd)			
640	Shirts, n.k.	24.0	doz.
641	Blouses, n.k	14.5	doz.
642	Skirts	17.8	doz.
643	Suits, M and B	54.0	doz.
644	Suits, W, G and I	54.0	doz.
645	Sweaters, M and B	36.8	doz.
646	Sweaters, W, G and I	36.8	doz.
647	Trousers, slacks and shorts (outer), M and B	17.8	doz.
648	Trousers, slacks and shorts (outer), W, G and I	17.8	doz.
649	Brassières, etc.	4.8	doz.
650	Dressing gowns (incl. bath and beach robes)	51.0	doz.
651	Pyjamas and other nightwear	52.0	doz.
652	Underwear	16.0	doz.
653	Down and featherfilled coats, jackets, vests, M and B	41.3	doz.
654	Down and featherfilled coats, jackets, vests, W, G and I	41.3	doz.
659	Other apparel	7.8	lb.
Made-ups and miscellaneous			
- cotton			
360	Pillowcases	1.1	no.
361	Sheets	6.2	no.
362	Bedspreads and quilts	6.2	no.
363	Terry and other pile towels	0.5	no.
369	Other cotton manufactures	4.6	lb.
- wool			
464	Blankets and auto robes	1.3	lb.
465	Floor coverings	0.1	sft.
469	Other wool manufactures	2.0	lb.

Category	Description	Conversion Factor	Unit of Measure
Made-ups and miscellaneous			
- man-made fibre			
665	Floor coverings	0.1	sft.
666	Other furnishings	7.8	lb.
669	Other man-made manufactures	7.8	lb.
670	Luggage, flatgoods, handbags	2.0	lb.

ANNEX B

SPECIFIC LIMITS  
AGREEMENT YEAR  
(square yard equivalents)

	1985	1986	1987	1988	1989
Aggregate	69,152,402	73,647,308	78,434,383	83,532,618	88,962,237
Category 410	2,289,329	2,312,222	2,335,344	2,358,697	2,382,284
Group II	52,627,059	55,784,683	59,131,764	62,679,670	66,440,450
333	3,381,924	3,584,839	3,799,929	4,027,925	4,269,601
334	9,464,901	10,032,795	10,634,763	11,272,849	11,949,220
335	1,864,502	1,976,372	2,094,954	2,220,651	2,353,890
338	5,049,908	5,352,902	5,674,076	6,014,521	6,375,392
(TSUSA No. 379.4050)	(2,019,964)	(2,141,162)	(2,269,632)	(2,405,810)	(2,550,159)
339	2,075,009	2,199,510	2,331,481	2,471,370	2,619,652
634	6,315,247	6,694,162	7,095,812	7,521,561	7,972,855
(Knit)	(4,683,789)	(4,964,816)	(5,262,705)	(5,578,467)	(5,913,175)
(Not Knit)	(2,007,338)	(2,127,778)	(2,255,445)	(2,390,772)	(2,534,218)
635	3,307,987	3,506,466	3,716,854	3,939,865	4,176,257
(Not Knit)	(1,503,630)	(1,593,848)	(1,689,479)	(1,790,848)	(1,898,299)
638	3,935,596	4,053,664	4,175,274	4,300,532	4,429,548
639	2,459,748	2,533,540	2,609,546	2,687,832	2,768,467
645/646	4,219,243	4,472,398	4,740,742	5,025,187	5,326,698
647	2,706,534	2,868,926	3,041,062	3,223,526	3,416,938
(Not Knit)	(1,052,541)	(1,115,693)	(1,182,635)	(1,253,593)	(1,328,809)
648	1,503,630	1,593,848	1,689,479	1,790,848	1,898,299
(Not Knit)	(601,452)	(637,539)	(675,791)	(716,338)	(759,318)
659	1,503,630	1,593,848	1,689,479	1,790,848	1,898,299
Group III	2,305,091	2,328,142	2,351,423	2,374,937	2,398,686
433	268,034	270,714	273,421	276,155	278,917
435	321,641	324,857	328,106	331,387	334,701
440	182,106	183,927	185,766	187,624	189,500
444	268,034	270,714	273,421	276,155	278,917
445	214,427	216,571	218,737	220,924	223,133
446	187,625	189,501	191,396	193,310	195,243
447	214,427	216,571	218,737	220,924	223,133
459	214,427	216,571	218,737	220,924	223,133
Group IV	834,564	842,910	851,339	859,852	868,451
443/643/644	730,504	737,809	745,187	752,639	760,165

ANNEX C

DESIGNATED CONSULTATION LEVELS  
(square yard equivalents)

<u>Category</u>	<u>Consultation Level</u>
363	1,500,000
612	2,000,000
614	1,200,000
340	1,500,000
347	1,174,800
359	1,518,000
(334 part - other than zippered sweatshirts currently in TSUSA 380.0611)	
434	200,000