

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/178

19 July 1976

Special Distribution

Textiles Surveillance Body

Original: English

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Article 4 Notification

Agreement between the United States and Brazil

The Textiles Surveillance Body has received from the United States a notification of a bilateral agreement under Article 4 of the Arrangement between the United States and Brazil concerning trade in textiles.

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

¹See COM.TEX/SB/35, Annex B.

UNITED STATES NOTE
(Cotton)

22 April 1976

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973. I also refer to recent discussions between representatives of our two governments concerning exports of textiles and textile products from Brazil to the United States of America. As a result of these discussions and in conformity with Articles 2, 4 and 6 of the Arrangement Regarding International Trade in Textiles, I wish to propose the following Agreement Relating to Trade in Textiles and Textile Products between Brazil and the United States of America, hereinafter referred to as the Agreement, to replace and supersede, effective April 1, 1976, the Cotton Textile Agreement of October 23, 1970, as amended.

1. The term of this agreement shall be from April 1, 1976 through March 31, 1979. During such term, the Government of the Federative Republic of Brazil will limit annual exports of cotton textiles and textile products from Brazil to the United States of America to aggregate and specific limits at the levels specified in the following paragraphs.

2. During the first year of the agreement, constituting the twelve month period from April 1, 1976 through March 31, 1977, the Government of the Federative Republic of Brazil shall limit annual exports of cotton textiles from Brazil to the United States of America to an aggregate limit of 114,000,000 square yards equivalent.

3. Within the aggregate limits, group limits for the first agreement year shall be:

Group I, yarn (categories 1-4) 40 million square yards equivalent

Group II, fabrics (categories 5-27) 49 million square yards equivalent

Group III, apparel, made-ups and miscellaneous (categories 28-64) 25 million square yards equivalent.

4. Within the aggregate limit and applicable group limits, the following specific limits shall apply for the first agreement year:

	In units	In square yards equivalent
A. Group I		
Categories 1-4	8,695,652 pounds	40,000,000
B. Group II		
Category 9		15,300,000
Categories 18/19		12,900,000
Categories 22/23		5,700,000
Category 26 (duck)		3,200,000
Categories 26/27 (other than duck)		8,300,000
Group III		
Categories 30/31	8,620,690 pieces	3,000,000
Category 43	141,968 dozen	1,027,000
Category 44	40,761 dozen	1,500,000
Category 45	81,000 dozen	1,797,066
Category 46	90,000 dozen	2,201,130
Category 50	115,000 dozen	2,046,655
Category 51	84,284 dozen	1,500,000
Category 55	30,000 dozen	1,530,000
Category 56	100,000 dozen	920,000
Category 62	213,043 pounds	980,000
Category 64 (terry)	630,435 pounds	2,900,000
Category 64 (rugs)	434,783 pounds	2,000,000

5. Within the aggregate limit, export limits in Groups I and II may be exceeded by not more than 15 percent and Group III may be exceeded by 7 percent. Within the applicable group limits, specific limits may be exceeded by 10 percent in Group II and by 7 percent in Group III.

6. Within the group limits, exports in individual categories without specific limits shall be subject to category consultation levels. For categories not given specific ceilings, the annual consultation levels shall be 1,000,000 square yards equivalent for each non-apparel category and 700,000 square yards equivalent for each apparel category.

In the event the Government of the Federative Republic of Brazil wishes to export to the United States of America textile products in excess of the applicable consultation levels, the Government of the Federative Republic of Brazil shall request the higher levels and the Government of the United States of America shall consider the request sympathetically and shall respond promptly. If, because of problems of market disruption as defined in Annex A of the Arrangement Regarding International Trade in Textiles in the United States of America in a category subject to such request, the United States of America is unable to comply fully, the United States of America will so inform the

Government of the Federative Republic of Brazil and will supply data which form the basis of the position taken by the United States of America. If requested by the Government of the Federative Republic of Brazil, the Government of the United States of America will consult promptly. Until a mutually satisfactory change in the consultation level of the category in question is established, shipments shall not exceed the existing consultation level.

7. The aggregate, group and specific limits shall be increased in the second and third agreement years by seven percent annually.

8. (A) In any agreement year, exports may exceed by a maximum of 11 percent the aggregate limit and any group or specific limit by allocating to the limit 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 percent of the receiving year's applicable limits;

(II) Carry forward may be utilized up to 6 percent 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 percent of the receiving year's applicable limits in any agreement year.

(B) For purposes of this agreement a shortfall occurs when exports from Brazil to the United States of America during an agreement year are below the aggregate limit. Carryover in specific and group limits may be used only to the extent of shortfall in each limit.

(C) Carryover and carry forward shall not be used to exceed any category consultation level except in accordance with the consultation procedures.

(D) The limits referred to in subparagraph (A) and (B) of this paragraph are without any adjustments hereunder, except that carryover and carry forward shall be in addition to the adjustments permitted by paragraphs 5 and 7 to the applicable limits during each agreement year.

9. 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. In any situation where the determination of an article to be a cotton textile would be affected by whether the chief weight or chief value criterion provided for in Article 12 of the Arrangement Regarding International Trade in Textiles applies, the chief value criterion used by the Government of the United States of America shall apply.

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

11. The Government of the United States of America shall promptly supply the Government of the Federative Republic of Brazil with data on monthly imports of cotton textiles from Brazil; and the Government of the Federative Republic of Brazil shall promptly supply the Government of the United States of America with data on monthly exports of cotton 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. The Government of the Federative Republic of Brazil 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, having regards to the Arrangement Regarding International Trade in Textiles, the Government of the Federative Republic of Brazil considers that, as a result.

of limitations specified in this agreement, Brazil is being placed in an inequitable position vis-a-vis a third country, the Government of the Federative Republic of Brazil may request consultation 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 Regarding International Trade in Textiles to request restraint on the export of cotton textiles from Brazil to the United States. The applicability of the Arrangement Regarding International Trade in Textiles to this trade shall otherwise be unaffected by this agreement.

16. The Government of the United States may assist the Government of the Federative Republic of Brazil in implementing the limitation provisions of this agreement by controlling imports of cotton 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 90 days prior to the end of such agreement year. Either government may at any time propose revisions in the terms of this agreement.

If the foregoing proposal is acceptable to the Government of the Federative Republic of Brazil, this note and Your Excellency's note of confirmation on behalf of the Government of the Federative Republic of Brazil shall constitute an agreement between the Government of the Federative Republic of Brazil and the Government of the United States of America.

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

Embassy of the United States of America

Brasilia - April 22, 1976

His Excellency
Ambassador Antonio Francisco Azeredo da Silveira
Minister of External Relations
Brasilia, D. F.

ANNEX A

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion Factor</u>
1	Yarn, carded, singles	Lb.	4.6
2	Yarn, carded, plied	Lb.	4.6
3	Yarn, combed, singles	Lb.	4.6
4	Yarn, combed, plied	Lb.	4.6
5	Gingham, carded	Syd.	1.0
6	Gingham, combed	Syd.	1.0
7	Velveteen	Syd.	1.0
8	Corduroy	Syd.	1.0
9	Sheeting, carded	Syd.	1.0
10	Sheeting, combed	Syd.	1.0
11	Lawn, carded	Syd.	1.0
12	Lawn, combed	Syd.	1.0
13	Voile, carded	Syd.	1.0
14	Voile, combed	Syd.	1.0
15	Poplin and broadcloth, carded	Syd.	1.0
16	Poplin and broadcloth, combed	Syd.	1.0
17	Typewriter ribbon cloth	Syd.	1.0

18	Print cloth, shirting type, 80 x 80 type, carded	Syd.	1.0
19	Print cloth, shirting type, other than 80 x 80 type, carded	Syd.	1.0
20	Shirting, jacquard or dobby, carded	Syd.	1.0
21	Shirting, jacquard or dobby, combed	Syd.	1.0
22	Twill and Sateen, carded	Syd.	1.0
23	Twill and Sateen, combed	Syd.	1.0
24	Woven fabric, n. e. s., yarn dyed, carded	Syd.	1.0
25	Woven fabric, n. e. s., yarn dyed, combed	Syd.	1.0
26	Woven fabric, other, carded	Syd.	1.0
27	Woven fabric, other, combed	Syd.	1.0
28	Pillowcases, not ornamented, carded	No.	1.084
29	Pillowcases, not ornamented, combed	No.	1.084
30	Dish towels	No.	0.348
31	Other towels	No.	0.348
32	Handkerchiefs, whether or not in the piece	Doz.	1.66
33	Table Damask and Manufactures	Lb.	3.17
34	Sheets, carded	No.	6.2
35	Sheets, combed	No.	6.2
36	Bedspreads and quilts	No.	6.9
37	Braided and woven elastics	Lb.	4.6
38	Fishing nets and fish nettings	Lb.	4.6
39	Gloves and mittens	Doz. Prs.	3.527
40	Hose and half hose	Doz. Prs.	4.6
41	T-shirts, all white, knit, men's and boys'	Doz.	7.234
42	T-shirts, other, knit	Doz.	7.234
43	Shirts, knit, other than T-shirts and sweatshirts	Doz.	7.234
44	Sweaters and Cardigans	Doz.	36.8
45	Shirts, dress, not knit, men's and boys'	Doz.	22.186
46	Shirts, sport, not knit, men's and boys'	Doz.	24.457
47	Shirts, work, not knit, men's and boys'	Doz.	22.186
48	Raincoats, 3/4 length or longer, not knit	Doz.	50.0
49	Other coats, not knit	Doz.	32.5
50	Trousers, slacks and shorts (outer), not knit, men's and boys'	Doz.	17.797
51	Trousers, slacks and shorts (outer), not knit, women's, girls' and infants'	Doz.	17.797
52	Blouses, not knit	Doz.	14.53
53	Dresses (including uniforms), not knit	Doz.	45.3
54	Playsuits, washsuits, sunsuits, creepers, rompers, etc., not knit, n. e. s.	Doz.	25.0

55	Dressing gowns, including bathrobes, beach robes, housecoats and dusters, not knit	Doz.	51.0
56	Undershirts, knit, men's and boys'	Doz.	9.2
57	Briefs and undershorts, men's and boys'	Doz.	11.25
58	Drawers, shorts, and briefs, knit, n.e.s.	Doz.	5.0
59	All other underwear, not knit	Doz.	16.0
60	Pajamas and other nightwear	Doz.	51.96
61	Brassieres and other body-supporting garments	Doz.	4.75
62	Wearing apparel, knit, n.e.s.	Lb.	4.6
63	Wearing apparel, not knit, n.e.s.	Lb.	4.6
64	All other cotton textiles	Lb.	4.6

UNITED STATES NOTE
MAN-MADE FIBER

Excellency:

I have the honor to refer to the Arrangement regarding International Trade in Textiles done in Geneva on December 20, 1973. I also refer to recent discussions between representatives of our two governments concerning exports of man-made fiber textiles and textile products from Brazil to the United States of America. As a result of these discussions, I wish to propose the following Agreement Relating to Trade in Man-Made Fiber Textiles and Textile Products, hereinafter referred to as the agreement.

1. The term of this agreement shall be from April 1, 1976 through March 31, 1979.

2. During the period specified in paragraph (1) above, should U. S. imports from Brazil on a 12 month basis in categories 200 through 243 as set forth in Annex A exceed by ten percent their highest level in any of the three calendar years prior to this agreement, either government may request consultations regarding this trade, with a view to reaching a mutually satisfactory arrangement on the basis of the appropriate provisions of the Arrangement Regarding International Trade in Textiles, giving due consideration to Article 6.

3. Each government agrees to respond promptly to a request for consultations and to participate in such consultations within 60 days of the request.

4. If the Government of the United States of America considers that imports from Brazil in any man-made fiber category is increasing so as to cause a risk in the United States of market disruption, as defined in Annex A of the Arrangement Regarding International Trade in Textiles, the Government of the United States of America may request consultations with the Government of the Federative Republic of Brazil.

5. When the Government of the United States of America requests such consultations, the Government of the Federative Republic of Brazil shall meet promptly with the Government of the United States of America to work out a mutually satisfactory solution. The consultations shall be concluded within ninety days from the date of the request for such consultations unless the two governments agree otherwise.

6. During the course of the consultations the Government of the Federative Republic of Brazil will limit its exports to the United States in the category or categories affected to 25 percent of their level for the previous 12 months.

7. Consultations under this paragraph will not be requested for any category when imports from Brazil in such category are at annual levels less than 1,000,000 square yards equivalent for each category other than apparel and 700,000 square yards equivalent for each apparel category.

8. 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 90 days prior to the end of such agreement year. Either government may at any time propose revisions in the terms of this agreement.

If the foregoing proposal is acceptable to the Government of the Federative Republic of Brazil, this note and Your Excellency's note of confirmation on behalf of the Government of the Federative Republic of Brazil shall constitute an agreement between the Government of the Federative Republic of Brazil and the Government of the United States of America.

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

Embassy of the United States of America
Brasilia - April 22, 1976

His Excellency
Ambassador Antonio Francisco Azeredo da Silveira
Minister of External Relations
Brasilia, D. F.

ANNEX A

<u>Category</u>	<u>Description</u>	<u>Unit</u>	<u>Conversion Factor</u>
200	Textured yarns	Lb.	3.91
201	Yarn wholly of continuous filament, cellulosic	Lb.	9.19
202	Yarn wholly of continuous filament, other	Lb.	11.6
203	Yarn wholly of noncontinuous filament, cellulosic	Lb.	3.4
204	Yarn wholly of noncontinuous filament, other	Lb.	4.19
205	Yarns, other	Lb.	3.91
206	Woven fabrics, cellulosic, wholly of continuous man-made fiber	Syd.	1.0
207	Woven fabrics, cellulosic, wholly made of noncontinuous fibers	Syd.	1.0
208	Woven fabrics, other, wholly of continuous man-made fibers	Syd.	1.0
209	Woven fabrics, other, wholly of noncontinuous fibers	Syd.	1.0
210	Woven fabrics, other, of man-made fibers	Syd.	1.0

211	Knit fabrics	Lb.	7.8
212	Pile and tufted fabrics	Syd.	1.0
213	Specialty fabrics	Lb.	7.8
214	Gloves and mittens, knit, whether or not ornamented	Doz. Prs.	3.53
215	Hosiery	Doz. Prs.	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, n.e.s.	Lb.	7.8
225	Body-supporting garments	Doz.	4.7
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.	51.00
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	Sft.	0.11
242	Other furnishings	Lb.	7.8
243	Manufactures, n.e.s. of man-made fiber	Lb.	7.8

BRAZIL NOTECOTTON

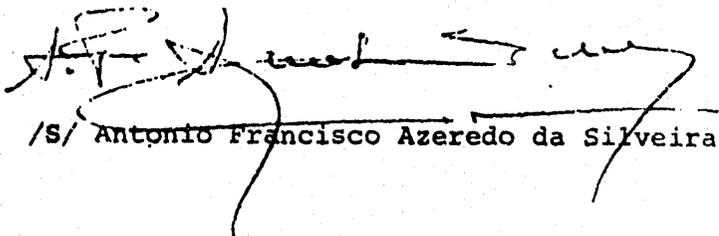
22 April 1976

. Senhor Encarregado de Negócios,

Tenho a honra de acusar o recebimento da Nota de Vossa Senhoria datada de 22 de abril de 1976, relativa às exportações de têxteis de algodão do Brasil para os Estados Unidos da América.

2. Confirmp que o Governo da República Federativa do Brasil concorda com a proposta contida na Nota de Vossa Senhoria e proponho que sua Nota e a presente resposta constituam um acordo entre nossos Governos.

Aproveito a oportunidade para renovar a Vossa Senhoria os protestos da minha mui distinta consideração.



/S/ Antonio Francisco Azeredo da Silveira

Ao Senhor Richard E. Johnson,
Encarregado de Negócios dos Estados Unidos da América.

BRAZIL NOTE
MAN-MADE FIBER

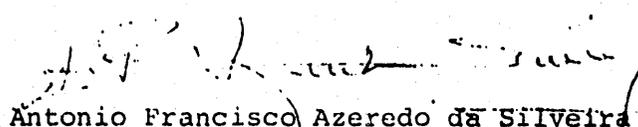
22 April 1976

Senhor Encarregado de Negócios,

Tenho a honra de acusar o recebimento da Nota de Vossa Senhoria datada de 22 de abril de 1976, relativa às exportações de têxteis de fibras artificiais do Brasil para os Estados Unidos da América.

2. Confirmo que o Governo da República Federativa do Brasil concorda com a proposta contida na Nota de Vossa Senhoria e proponho que sua Nota e a presente resposta constituam um acordo entre nossos Governos.

Aproveito a oportunidade para renovar a Vossa Senhoria os protestos da minha mui distinta consideração.


/S/ (Antonio Francisco) Azeredo da Silveira

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Ao Senhor Richard E. Johnson,
Encarregado de Negócios dos Estados Unidos da América.