ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification of the Bilateral Agreement between the United States and China

Note by the Chairman

Attached is a notification received from the United States of a further modification of its bilateral agreement with China.

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The original bilateral agreement, an agreed visa system and a previous modification are contained in COM.TEX/SB/896, 951 and 1025. At the time of the notification of the agreement China was not a participating country.

*English only/Anglais seulement/Inglés solamente
The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
GATT
Rue De Lausanne 154
1211 Geneva

Dear Mr. Chairman:

Pursuant to the provisions of paragraph 4 of Article 4 of the Arrangement Regarding International Trade in Textiles, I am instructed by my government to inform the Textiles Surveillance Body of further amendments of the cotton, wool and man-made fiber textile agreement between the Government of the United States of America and the Government of the People's Republic of China.

These amendments provide for the addition of 11 new mutually agreed specific limits and one sub-limit to the bilateral agreement, all of which had been requested by the United States to eliminate a real risk of market disruption pursuant to paragraph eight of the U.S.-China bilateral. Four of the products subject to these new limits (categories 313, 317, 444, and 649) had been included in the eight categories referred to the TSB by China under Article 11.4 and had been reviewed by the body at its 18th meeting of 1984 (see com.Tex/SB/1006).1/

Enclosed herewith are copies of the notes giving effect to these amendments. Additional data to aid in preparation of the fact sheet for these amendments will be provided separately.

Sincerely,

Robert E. Shepherd
Minister-Counselor

Enclosure

1/ With respect to the other four categories (410, 436, 442, and 637), consultations are continuing with respect to the first two (410 and 436); the restraints were withdrawn on the other two (442 and 637) per the TSB's recommendation.
The United States and the People's Republic of China exchanged notes dated June 5 and June 17, 1985 to effect amendment of the bilateral textile agreement between the two Governments. Texts of the notes follow.

UNITED STATES NOTE

Beijing
June 5, 1985

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the People's Republic of China and has the honor to refer to the arrangement regarding International Trade in Textiles, with Annexes, done at Geneva on December 20, 1973, and extended by protocol on December 22, 1981 (the Arrangement), and to the agreement between the People's Republic of China and the United States of America relating to Trade in Cotton, Wool and Man-Made Fiber Textiles and Textile Products, effected by exchange of Notes in Beijing on August 19, 1983 (the Agreement). The Embassy also refers to discussions between representatives of the Government of the United States of America and the Government of the People's
Republic of China in Washington January 7-11 and February 26-
March 4, in Beijing March 25-29 and in Washington May 20-24,
1985.

The Embassy of the United States of America has the
honor to propose, on behalf of its government, that Annex B
of the Agreement be amended to include the following specific
limits:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>317 SYD.</td>
<td>15,000,000</td>
<td>15,600,000</td>
<td>16,224,000</td>
<td>16,872,960</td>
</tr>
<tr>
<td>317(PT) SYD./1</td>
<td>(3,000,000)</td>
<td>(3,120,000)</td>
<td>(3,244,800)</td>
<td>(3,374,592)</td>
</tr>
<tr>
<td>320(PT) SYD./2</td>
<td>13,250,000</td>
<td>13,780,000</td>
<td>14,331,200</td>
<td>14,904,448</td>
</tr>
<tr>
<td>336 DOZ.</td>
<td>115,000</td>
<td>118,450</td>
<td>122,004</td>
<td>125,664</td>
</tr>
<tr>
<td>352 DOZ.</td>
<td>1,200,000</td>
<td>1,254,000</td>
<td>1,310,430</td>
<td>1,369,399</td>
</tr>
<tr>
<td>359(PT) LBS./3</td>
<td>675,000</td>
<td>708,750</td>
<td>744,188</td>
<td>781,397</td>
</tr>
<tr>
<td>444 DOZ.</td>
<td>15,000</td>
<td>15,150</td>
<td>15,302</td>
<td>15,455</td>
</tr>
<tr>
<td>613(PT) SYD./4</td>
<td>23,500,000</td>
<td>24,205,000</td>
<td>24,931,150</td>
<td>25,679,084</td>
</tr>
<tr>
<td>639 DOZ.</td>
<td>935,000</td>
<td>958,375</td>
<td>982,334</td>
<td>1,006,893</td>
</tr>
<tr>
<td>649 DOZ.</td>
<td>580,000</td>
<td>603,200</td>
<td>627,328</td>
<td>652,421</td>
</tr>
<tr>
<td>669(PT) LBS./5</td>
<td>2,350,000</td>
<td>2,491,000</td>
<td>2,640,460</td>
<td>2,798,888</td>
</tr>
</tbody>
</table>

/1 - 317(PT) includes only 1984 TSUSA numbers 320.-- through 331.--,
with statistical suffixes 54 and 60.

/2 - 320(PT) includes only 1984 TSUSA numbers 320.--92, 321.--92,
322.--92, 326.--92, 327.--92, 328.--92.

/3 - 359(PT) includes only 1984 TSUSA numbers 379.0822, 379.6410,
383.0828 and 383.5035.

/4 - 613(PT) includes only 1984 TSUSA numbers 338.5035, 338.5036,
338.5039, 338.5041 and 338.5069.

/5 - 669(PT) includes only 1984 TSUSA number 385.5300.
Swing shall apply according to paragraph 5 of the Agreement.

These proposals reflect the views of both sides concerning the understandings reached during these several discussions. The Government of the United States understands that the Government of the People's Republic of China may desire further discussions on the matter of carryover and carryforward. However, until otherwise agreed, paragraph 7 of the Agreement will apply.

If these proposals are acceptable to the Government of the People's Republic of China, this Note and the Note of the Government of the People's Republic of China of confirmation shall constitute an amendment to the Agreement.

The Embassy takes this opportunity to renew to the Ministry of Foreign Affairs its highest consideration.
Madam Ann L. Hollick
Acting Deputy Assistant Secretary
Trade and Commercial Affairs
Department of State

Washington
June 17, 1985

Madam:

I have the honor to acknowledge the receipt of your note dated June 5, 1985, through your Embassy in Beijing, relating to the proposed amendment to the Textile Agreement between our two countries.

I have the honor to confirm on behalf of the Government of the People's Republic of China that the proposed amendment conforms with the understanding of my Government and agree that your note and this note shall constitute an amendment to the Agreement between our two Governments.

As your Government understands, my Government would like to further discuss the matter of carryover and carryforward with respect to these categories.

Accept the renewed assurances of my highest consideration.

For the Ambassador of the People's Republic of China:
July 5, 1985

UNITED STATES AND PEOPLE'S REPUBLIC OF CHINA AMEND BILATERAL TEXTILE AGREEMENT

The United States and the People's Republic of China exchanged notes in Washington to effect amendment to the bilateral textile agreement between the two Governments. Texts of the notes follow.

UNITED STATES NOTE

Washington
July 1, 1985

His Excellency
Han Xu
Ambassador of the People's Republic of China
Washington

Excellency:

I have the honor to refer to the Arrangement regarding International Trade in Textiles, with annexes, done at Geneva on December 20, 1973 and extended by protocol on December 22, 1981 (the Arrangement), and to the Agreement between the People's Republic of China and the United States of America relating to Trade in Cotton, Wool and Man-made Fiber Textiles and Textile Products, effected by exchange of notes in Beijing on August 19, 1983, as amended (the Agreement). I also refer to discussions between representatives of our Governments in

I have the honor to propose, on behalf of my Government, that Annex B of the Agreement be amended to include the following specific limit:

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>1984</th>
<th>1985</th>
<th>1986</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SYD</td>
<td>49,150,000</td>
<td>50,526,200</td>
<td>51,940,934</td>
<td>53,395,280</td>
</tr>
</tbody>
</table>

If this proposal is acceptable to the Government of the People's Republic of China, this note and the Embassy's note of confirmation shall constitute an amendment to the Agreement.

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

For the Secretary of State:
Mr. Gerlad Monroe  
Acting Deputy Assistant Secretary  
Bureau of Economic and Business Affairs  
Department of State  
Washington  

Dear Mr. Monroe:

I have the honor to acknowledge the receipt of your note dated July 1, 1985 relating to the proposed amendment to the Textile Agreement between our two countries.

I have the honor to confirm on behalf of the Government of the People's Republic of China that the proposed amendment conforms with the understanding of my Government and agree that your note and this note shall constitute an amendment to the Agreement between our two countries.

Accept the renewed assurance of my highest consideration.

For the Ambassador of the People's Republic of China:

[Signature]