ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Report on Measure Reviewed under Article 3:5

United States/China

Note by the Chairman

In accordance with the TSB's recommendation made at its meeting of 17, 18 and 21 April 1986, the attached report has been received from the United States on its consultations with China with respect to Category 670L.

1COM.TEX/SB/1151

*English only/Anglais seulement/Inglés solamente

86-0972
June 11, 1986

The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
GATT
Rue De Lausanne 154
1221 Geneva

Dear Ambassador Raffaelli:

I have been asked to respond to the TSB's recommendations with respect to the Article 3 restraint maintained by the U.S. on man-made fiber luggage (category 670L) from China.

The U.S. and China held consultations on this and other items in Washington on May 21-23, 1986. While both sides made specific offers on a possible level of restraint for this category, it was not possible for an agreed solution to be reached at that negotiating session.

The U.S. also raised the level of the restraint prior to the consultations by 2,000,000 pounds in response to the TSB recommendation that: "In the meantime, the United States should take positive steps to avoid any dislocation of trade and undue hardship to China's exports of product." The U.S. had raised the restraint to the new level of 14,042,805 pounds on May 16, 1986 and exports from China reached that level on May 28, 1986.

The U.S. remains willing to try to seek an agreed resolution with China on this problem and is prepared to resume consultations at any mutually acceptable time.

Sincerely,

Robert E. Shepherd
Minister-Counselor