ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Amendment 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 amendment of its bilateral agreement with China. Specific limits were agreed on Categories 319 (cotton duck), 637 (mmf playsuits), 650 (mmf dressing gowns) and 659-S (mmf swimwear).1

*English only/Anglais seulement/Inglés solamente

1The bilateral agreement, an agreed visa system and previous amendments are contained in COM.TEX/SB/896, 951, 1025, 1130, 1140, 1167 and 1252. China was not participating in the MFA when the agreement and the last amendment were notified.

87-1035
The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
GATT
Rue De Lausanne 154
1211 Geneva

Dear Ambassador Raffaelli:

Pursuant to paragraph 4 of Article 4 of the Arrangement I am instructed by my government to inform the TSB of the further amendment of the bilateral textile agreement between the U.S. and China.

This amendment establishes specific limits for four additional products for 1987 and for the life-time of a new bilateral beginning January 1, 1988, which the two parties are in the process of negotiating.

The U.S. sought the restraints agreed to in this particular amendment in order to deal with problems of real risk (threat) of market disruption as set out in paragraph 8 of the current U.S.-China bilateral.

<table>
<thead>
<tr>
<th>Product</th>
<th>Date of Call</th>
<th>Formula Level</th>
<th>Agreed Restraint</th>
</tr>
</thead>
<tbody>
<tr>
<td>cotton duck</td>
<td>July 1986</td>
<td>1,113,516 syds (319/320P)</td>
<td>2,150,000 syds (319 only)</td>
</tr>
<tr>
<td>mmf playsuits</td>
<td>April 1986</td>
<td>179,239 doz</td>
<td>270,000 doz</td>
</tr>
<tr>
<td>mmf dressing gowns</td>
<td>October 1986</td>
<td>71,376 doz</td>
<td>88,000 doz</td>
</tr>
<tr>
<td>mmf swimwear</td>
<td>May 1986</td>
<td>711,703 lbs</td>
<td>1,050,000 lbs</td>
</tr>
</tbody>
</table>
Growth rates for these restraints range from 2.3% to 3%; swing is set at 5%, with special shift (addition swing) of 10% into category 637; carryover/carry forward are subject to consultation.

The exchange of notes (attached) also treats overshipments of the restraint on category 637 which had been imposed earlier pursuant to the provisions of paragraph 8 of the bilateral and to the formal recession by the U.S. of a "call" on category 330/630.

Sincerely,

[Signature]

Robert E. Shepherd
Minister Counsellor

Attachment
April 10, 1987

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

The United States and the People's Republic of China exchanged notes on March 15, 1987 and March 18, 1987 to amend their bilateral textile agreement between the two Governments. Text of the notes follow:

UNITED STATES NOTE

March 16, 1987

Excellency:

I have the honor to refer 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), as amended. I also have the honor to refer to discussions between our two Governments held in Washington D.C. from February 23 - 27, 1987 regarding the Agreement.

As a result of these discussions, I propose on behalf of the Government of the United States, the following amendment to the Agreement between our two Governments:

For more information contact: EB/TEX: SUSAN SALEM (202) 647-1998
1) Annex B of the Agreement shall be amended to include the Specific Limits listed below:

<table>
<thead>
<tr>
<th>Category</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>319</td>
<td>2,150,000 SYD</td>
</tr>
<tr>
<td>637</td>
<td>270,000 DOZ</td>
</tr>
<tr>
<td>650</td>
<td>88,000 DOZ</td>
</tr>
<tr>
<td>659-S</td>
<td>1,050,000 LBS</td>
</tr>
<tr>
<td></td>
<td>(400,763) DOZ</td>
</tr>
</tbody>
</table>

2) Swing of 5 percent shall be available on the above Specific Limits. In addition, a special shift of 10 percent shall be available from any other Specific Limit into Category 637.

3) Overshipments of 5,000 dozen shall be charged to the 1987 limit for Category 637 and, under the new agreement, in each of the next four years.

4) The United States Government agrees to rescind its request for consultations on Category 330/630, but reserves its right to request consultations in the future should the situation warrant.

5) The following Specific Limits are agreed for the new Agreement to begin on January 1, 1988.

<table>
<thead>
<tr>
<th>Category</th>
<th>1988</th>
<th>Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>319</td>
<td>2,214,500 SYD</td>
<td>3.0</td>
</tr>
<tr>
<td>Item</td>
<td>Quantity</td>
<td>Unit</td>
</tr>
<tr>
<td>-------</td>
<td>------------</td>
<td>------</td>
</tr>
<tr>
<td>637</td>
<td>276,210</td>
<td>DOZ</td>
</tr>
<tr>
<td>650</td>
<td>90,464</td>
<td>DOZ</td>
</tr>
<tr>
<td>659-S</td>
<td>1,076,250</td>
<td>LBS</td>
</tr>
</tbody>
</table>

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

For the Secretary of State:

Ralph R. Johnson

CHINA NOTE

March 18, 1987

Dear Mr. Johnson:

I have the honor to acknowledge the receipt of your note dated March 16, 1987 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]