ATTACHED is a notification received from the United States of a further amendment of its bilateral agreement with Hungary. Restraints were agreed on Categories 313 (sheeting) and 604 (mmf yarn) for the period 1 March 1988 to 31 December 1991. 1

1 The bilateral agreement and previous amendments are contained in COM.TEX/SB/864, 972, 1063, 1194, 1301, 1321 and 1440.

*English only/Anglais seulement/Inglés solamente

88-1850
The Honorable
Ambassador Marcelo Raffaelli
Chairman, Textiles Surveillance Body
GATT
Rue De Lausanne 154
1211 Geneva

Dear Ambassador Raffaelli:

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 the amendment of the bilateral textile agreement between the Government of the United States of America and the Government of Hungary.

This amendment provides new specific limits on cotton sheeting (category 313) and mmf yarn (category 604). The U.S. requested consultations on these two products to avoid real risk of market disruption in the context of consultations on other products in January 1988, and reached agreement with Hungary during consultations in April:

<table>
<thead>
<tr>
<th>Category</th>
<th>Reference Level Oct 1987</th>
<th>Notional Annual Level</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>313</td>
<td>7,200,000 sys</td>
<td>13,250,000 sys</td>
<td>6 percent</td>
</tr>
<tr>
<td>604</td>
<td>718,000 lbs</td>
<td>1,500,000 lbs</td>
<td>6 percent</td>
</tr>
</tbody>
</table>

Swing and carryover/carry forward were set in accordance with paragraphs 4 and 5 of the basic bilateral, i.e., at 5 percent and 11/6 percent, respectively.
Attached are copies of the notes giving effect to this bilateral.

Sincerely,

Robert E. Shepherd
Minister Counsellor
UNITED STATES AND HUNGARY AMEND BILATERAL TEXTILE AGREEMENT

The United States and the People's Republic of Hungary exchanged notes in Budapest on June 23, 1988 and August 1, 1988, to amend their Bilateral Textile Agreement. Text of the notes follow:

UNITED STATES NOTE

Budapest, June 23, 1988

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Trade of the People's Republic of Hungary and has the honor to refer to the Arrangement regarding international trade in textiles (the Arrangement) and to the bilateral agreement between the Government of the United States of America, and the Government of the Hungarian People's Republic relating to trade in cotton, wool and man-made fiber textile products with annexes, effected by exchange of notes done at Budapest February 15 and 25, 1983, as amended (the Agreement). The Embassy also refers to discussions in Washington between representatives of the Governments of the United States and Hungary during May 23 and 24, 1988.

For more information contact:  
EB/TEX: JOHN MCCASLIN  
(202) 647-0304
The Embassy of the United States has the honor to propose, on behalf of the Government of the United States of America, that the agreement be amended as follows:

I. The following categories shall be added to annexes A and B of the Agreement:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Conversion Factor</th>
<th>Unit to Square Yards</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANNEX A(1)</td>
<td>New Category System and Conversion Factors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(effective January 1, 1988)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FABRIC</strong></td>
<td>COTTON</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>313  SHEETING</td>
<td>1.0</td>
<td>SYD</td>
</tr>
<tr>
<td><strong>YARN</strong></td>
<td>MAN-MADE FIBER</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>604  STAPLE SYNTHETIC YARN</td>
<td>4.1</td>
<td>LB</td>
</tr>
</tbody>
</table>
Annex B(1)

New Category System Limits
(effective January 1, 1988)

Category Unit 3/1-12/31 1989 1990 1991
1988

FABRIC

313 SYD 11,042,000 14,045,000 14,887,700 15,780,962

YARN

MAN-MADE FIBER

604 LB 1,250,000 1,590,000 1,685,400 1,786,524

Annex A(2)

Harmonized Commodity Code Listings
(Enters into effect on notification by the United States
that it has adopted the Harmonized Commodity Code)

Category Description Conversion Factor Unit
to Square Meters

FABRIC

COTTON

313 SHEETING 1.0 M2
Annex B(2)
Harmonized Commodity Code Limits
(Enters into effect on notification by the United States
that it has adopted the Harmonized Commodity Code)

Category Unit 3/1-12/31 1989 1990 1991
1988

FABRIC

COTTON

313 M2 9,232,240 11,743,409 12,448,014 13,194,895

YARN

MAN-MADE FIBER

604 KG 566,991 721,212 764,485 810,354
Swing, carryover and carry forward shall be available pursuant to paragraphs 4 and 5 of the agreement.

III. If the foregoing is acceptable to the Government of the People's Republic of Hungary, then this note and the note of confirmation of the Government of the People's Republic of Hungary, shall constitute an amendment to the Agreement between our two governments.

The Embassy of the United States of America takes this opportunity to present to the Ministry of Trade of the Hungarian People's Republic the assurances of its highest consideration.

Embassy of the United States of America,

The Ministry of Trade of the Hungarian People’s Republic presents its compliments to the Embassy of the United States of America in Budapest and has the honour to refer to the Embassy's Note No. 287 dated June 23, 1988 which reads as follows:

"The Embassy of the United States of America presents its compliments to the Ministry of Foreign Trade of the People’s Republic of Hungary and has the honor to refer to the Arrangement regarding international trade in textiles /the Arrangement/ and to the bilateral agreement between the Government of the United States of America, and the Government of the Hungarian People’s Republic relating to trade in cotton, wool and man-made fiber textile products with annexes, effected by exchange of notes done at Budapest February 15 and 25, 1983, as amended /the Agreement/. The Embassy also refers to discussions in Washington between representatives of the Governments of the United States and Hungary during May 23 and 24, 1988.

The Embassy of the United States has the honor to propose, on behalf of the Government of the United States of America, that the agreement be amended as follows:

I. The following categories shall be added to annexes A and B of the Agreement:
Annex A /1/

New Category System and Conversion Factors
/Effective January 1, 1988/

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Conversion Factor</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>FABRIC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COTTON</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>313 SHEETING</td>
<td></td>
<td>1,0</td>
<td>SYD</td>
</tr>
</tbody>
</table>

Annex B /1/

New Category System Limits
/effective January 1, 1988/

|---------------|---------------|------|------|------|
FABRIC

COTTON

313 SYD 11,042,000 14,045,000 14,887,700 15,780,962

YARN

MAN-MADE FIBER

604 LB 1,250,000 1,590,000 1,685,400 1,786,524

Annex A /2/
Harmonized Commodity Code Listings
/Enters into effect on notification by the United States
that it has adopted the Harmonized Commodity Code/

Category Description Conversion Factor Unit
to Square Meters

FABRIC

COTTON

313 SHEETING 1.0 M2
MAN-MADE FIBER

604 STAPLE SYNTHETIC YARN 7.6 KG

Annex B/2/
Harmonized Commodity Code Limits
/Enters into effect on notification by the United States
that it has adopted the Harmonized Commodity Code/

Category Unit 3/1-12/31 1989 1990 1991
1988

FABRIC

COTTON

313 M2 9,232,240 11,743,409 12,448,014 13,194,895

YARN

MAN-MADE FIBER

604 KG 566,991 721,212 764,485 810,354
II. Swing, carryover and carry forward be available pursuant to paragraphs 4 and 5 of the agreement.

III. If the foregoing is acceptable to the Government of the People's Republic of Hungary, then this note and the note of confirmation of the Government of the People's Republic of Hungary, shall constitute an amendment to the Agreement between our two governments.

The Embassy of the United States of America takes this opportunity to present to the Ministry of Trade of the Hungarian People's Republic the assurances of its highest consideration.

Embassy of the United States of America,


The Ministry of Trade has the honour to confirm on behalf of the Government of the Hungarian People's Republic that the foregoing proposal is acceptable to the Government of the Hungarian People's Republic and this reply thereto shall constitute an agreement between the Government of the Hungarian People's Republic and the Government of the United States of America.

The Ministry of Trade of the Hungarian People's Republic takes this opportunity to present to the Embassy of the United States of America the assurances of its highest consideration.

Budapest August 1, 1988