GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL
TEX.SB/1097/Rev.1*
10 April 1985

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between the United States and Peru

Note by the Chairman

Attached is a notification received from the United States of a bilateral agreement concluded with Peru for the period 1 May 1984 to 30 April 1989. The bilateral agreement supersedes two unilateral measures taken by the United States under Article 3:51 with respect to imports of Categories 317 pt (twills) and 319 (duck).

The TSB review of the action on Category 319 is contained in COM.TEX/SB/1004. The TSB had deferred its review of the action on Category 317 pt at the request of the two parties (COM.TEX/SB/1006). See also COM.TEX/SB/1037.

^{*}English only/Anglais seulement/Inglés solamente



ANSWERED | DOG. ISSUED FOLIO EX SOLIOCK T STATES TRADE REPRESENTATIVE M Div. 2 5 MAUNUATED 1-3 AVENUE DE LA PAIX Accom Comment) Inf. 202 GENEVA, SWITZERLAND io. Service Telephone: 32 09 70 FILE L GAL AFF. Sass. / Council Aff. Div. March 22, 1985 Agriculture Div. CHAIRMAN TSB

Chairman, Textiles Surveillance Body

OPER DEPT. A

Tach Coop. Div.

Trade Pol. Div.

Spec. Proj. Div.

OPER DEPT. B

Econ. R/Anal. Unit

Tariff Div. Tech. Bar. T. Div.

Ext. Rel. Div.

Jarf. Char ser/aud

Adm. / Fin. Div.

Training Div.

Personnel Off. onferance Off.

Trans. / Doc. Div.

n'Bis 3.9

Dear Mr. Chairman:

Rue de Lausanne 154

Ambassador Marcelo Raffaelli

The Honorable

1211 Geneva

GATT

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 a new five-year (5/1/84 - 4/30/89)cotton, wool and man-made fiber textile agreement between the Government of the United States of America and the Government of Peru.

This new agreement, which was negotiated pursuant to articles 4 and 6 of the MFA, was sought by the United States on the one hand to address problems in the U.S. market, and on the other hand, to establish a framework for ensuring the orderly development of trade in textile products from Peru.

Specific limits were agreed on the following categories at the levels listed below. The SL's for categories 317 and 319 supersede the unilateral restraints imposed earlier on categories 317 part and 319 pursuant to article 3.

Category	Limit (SYDS)	Swing	Growth	Carryover/ Carry forward*
315	3,600,000	7%	7%	11/7%
317	15,000,000	7%	7%	11/7%

(sateen sub- limit)	(4,500,000)	7 %	7%	11/7%
319	20,000,000	7 %	7%	11/7%
320	14,500,000	7 %	7 %	11/7%
(printcloth sub-limit)	(4,000,000)	7 %	7%	11/7%

*Carryover not available for first agreement period or carryforward for the last.

The agreement contains two different consultation mechanisms with respect to categories not subject to specific limits:

- (a) a set of designated consultation levels for four categories and two product groupings as set forth in paragraph 7 and annexes C and D of the bilateral; and
- (b) "call-type" procedures as set out in paragraph 8, which outline steps to be taken by the U.S. if it feels the need to request consultations with respect to seeking specific limits on any additional products, as well as the steps to be followed if agreement were not to be reached during those consultations.

The bilateral contains, inter alia, provisions or classification; exempting handloom, folklore and cottage industry products; dealing with overshipments; spacing of exports; exchanges of data; and consultations on implementation or revision of the agreement. The two governments also agreed to the establishment of a visa system and to provisions for making adjustments for any changes which might result from U.S. adoption of the Harmonized code.

Attached hereto are copies of the notes giving effect to this bilateral.

Sincerely,

Robert E. Shepherd Minister-Counselor

Attachment



United States Department of State Bureau of Economic and Business Affairs Washington, D.C.

UNITED STATES AND PERU SIGN BILATERAL TEXTILE AGREEMENT

The United States and Peru exchanged notes in Lima on January 3, 1985, to effect a bilateral textile agreement concerning exports of cotton, wool, and man-made fiber textiles and textile products manufactured in Peru and exported to the United States. Texts of the notes follow.

UNITED STATES NOTE

Lima January 3, 1985

His Excellency
Dr. Luis Percovich Roca
Minister of Foreign Relations
Palacio Torre Tagle
Lima

Excellency:

I have the honor to refer to the Arrangement Regarding

International Trade in Textiles (hereinafter referred to as the Arrangement), done at Geneva on December 20, 1973, as extended by the protocol on December 22, 1981.

For more information contact:

EB/TEX:JSpiegel

(202) 632-2062

I also refer to discussions between representatives of the Government of Peru and the Government of the United States of America in Washington, P.C. from December 4-7, 1984, concerning exports of cotton, wool, and man-made fiber textiles and textile products manufactured in Peru and exported to the United States. As a result of these discussions, I propose on behalf of the Government of the United States, under Articles 4 and 6, and in conformity with the Arrangement, the following Agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between the Government of Peru and the Government of the United States.

Agreement Term

1. The term of this Agreement will be the period from May 1, 1984 through April 30, 1989. Each "agreement period" shall be a twelve-month period from May 1 of a given year to April 30 of the following year.

Coverage of Agreement

2. (A) Textiles and textile products covered by this Agreement are those summarized in Annex A. Tops, yarn, piece goods, made-up articles, garments, and other textile manufactured products, all being products which derive rheir chief characteristics from their textile components, if all those fibers represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent or more by weight of wool) of the products, are subject to this Agreement.

Classification

- (B) For the purposes of this Agreement, textile products shall be classified as cotton, wool, or man-made fiber textiles if wholly or in chief value of any of these fibers. Any products covered by Paragraph 2 but not in chief value of cotton, wool, or man-made fiber shall be classified as:
- (I) cotton textiles if containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fiber components;
- (II) wool textiles if not cotton, and wool equals or exceeds 17 percent by weight of all component fibers; and
- (III) man-made fiber textiles if neither of the foregoing applies.
- (C) The system of categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing this Agreement.
- (D) For purposes of computing limits and charges to limits, the rates of conversion for individual categories set out in Annex A shall be applied.

Handloom - Folklore - Cottage Industry Exemption

3. In conformity with Article 12, Paragraph 3, of the Arrangement, this Agreement shall not apply to exports of handicom fabrics, folklore products, cottage industry products, or handmade products, of Peru. Handloom fabrics, folklore

products, cottage industry products, or handmade products, of Peru, shall be properly certified under arrangements to be established between the two Governments.

Specific Limits

4. Commanding with the first agreement period and during the subsequent term of this Agreement, the Government of Peru shall limit annual **port** from Feru to the United States of cotton, wood, and man-made fiber textiles and textiles products to the specific limits set out in Annex B, as such specific limits may be adjusted in accordance with Paragraph 5. The specific limits in Annex B include growth, but do not include flexibility under Paragraph 5.

Flexibility (Swing)

- 5. During any agreement period, the specific limits set out in Annex B may be exceeded by not more than the seven (7) percent swing (five percent for wool categories), provided that a corresponding reduction in square-yards equivalent is made in one or more other specific limits during the same agreement year.
- (A) The Government of Peru shall indicate to the Government of the United States the specific limits it intends to increase and which it wishes to decrease.

Flexibility (Carryover/Carryforward)

- 6. The extent to which any specific limit set out in Annex B may be exceeded in any agreement period by carryforward (borrowing a portion of the corresponding specific limit from the succeeding agreement period) and/or carryover (the use of any unused yardage (shortfall) of the corresponding specific limit for the previous agreement period) is eleven (11) percent, of which carryforward shall not constitute more than seven (7) percent.
- (A) For the purposes of the Agreement, a shortfall occurs when exports of textiles or textile products from Peru to the United States during an agreement year are below any specific limit as set out in Annex 2 or, in the case of any limit decreased pursuant to Paragraph 5, when such exports are below the limit as decreased.
- (B) No carryover shall be available for application in the first agreement period. No carryforward shall be available for application in the final agreement period.
- (C) The Government of Peru will notify the Government of the United States when it wishes to use unused yardage (shortfall) available in categories for carryover, or for use by other categories for swing; subject to the provisions set out above.

Designated Consultation Levels

- 7. The categories listed in Annex C are subject to the annual designated consultation levels specified therein. The cotton apparel and wool product group levels listed in Annex D shall be treated as designated consultation levels.
- (A) If the Government of Peru wi: as to export textile products to the United States in excess of the applicable designated consultation levels, the Government of Peru shall request the higher levels. The Government of the United States shall consider such requests sympathetically. The Government of the United States shall respond promptly and make every effort to resolve the issue within 30 days of the initial request. If the Government of the United States is unable to comply fully with the request due to problems of market disruption, as described in Annex A of the Arrangement, or the real risk thereof, in a category or product subject to such request, the Government of the United States will so inform the Government of Peru. The Government of the United States will supply data which form the basis of the position it has taken. Uncil a mutually satisfactory change in the consultation level in question is established, shipments shall not exceed the existing consultation level.

Consultation Mechanism

- 8. (A) In the event that the Government of the United States believes that imports of cotton, wool, or man-made fiber textiles or textile products from Peru, in any category or product not covered by specific limits or designated consultation levels listed in Annex C are, due to market disruption or the real risk thereof, threatening to impede the orderly development of trade between the two countries, the Government of the United States may request consultations with the Government of Peru with a view to avoiding such market disruption or the real risk thereof. The Government of the United States will provide the Government of Peru, at the time of the request, with a detailed and factual statement of reasons for its request for consultation which, in the view of the Government of the United States demonstrates:
 - (I) the existence or the real risk of market disruption; and
 - (II) the role of exports from Peru in that disruption or real risk of disruption.
 - (B) The Government of Peru agrees to consult with the Government of the United States within 30 days of receipt of the request for consultations. Both sides agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 cays of the receipt of such request, unless extended by mutual agreement.

- (C) During the 90 day consultation period, the Government of Peru agrees to hold its shipments to the United States of cotton, wool or man-made fiber textiles or textile products subject to these consultations to a level no greater than 35 percent of the amount entered, as reported in U.S. General Import Statistics, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made.
- (D) If no mutually satisfactory solution is reached during these consultations, the Government of the United States may establish annual specific limits for shipments of cotton, wool, or man-nade fiber products in the product or categories concerned for the duration of the Agreement. The amount will not be less than the amount, as reported in U.S. General Import Statistics, entered during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made, plus 20 percent for cotton and man-made fiber product categories, and 6 percent for wool product categories.
- (E) The first term of any specific limit established under Sub-paragraph 8(D) will begin on the first day following the conclusion of the consultation period and end on the last day of the agreement period in which the specific limit was established. If a specific limit is established during an agreement period, that limit and any applicable swing or carryforward will be prorated to correspond to the period of

not be available in the first agreement period. For each remaining agreement period any specific limit established under Sub-paragraph 8(D) will be increased by 7 percent per agreement period in the case of cotton and man-made fiber categories and by 1 percent per agreement period in the case of wool categories.

Overshipment Charges

- greement period may be denied entry into the United States.

 Any such shipments denied entry may be permitted entry into the United States and charged to the applicable limit in the succeeding agreement period. The Government of the United States shall inform the Government of Peru of any such charges.
- (A) Exports from Peru in excess of authorized limits in any agreement period will, if allowed entry into the United States during that agreement period, be charged to the applicable limit in the succeeding agreement period.
- (B) Any action taken pursuant to this paragraph will not prejudice the rights of either side regarding consultations.

Spacing Provisions

10. The Government of Peru shall use its best efforts to space exports to the United States within each category, sub-category, or part category evenly throughout each agreement period, taking into consideration normal seasonal factors.

U.S. Assistance in Implementation of the Limitation Provisions

11. The Government of Peru shall administer its export control system under this Agreement. The Government of the United States may assist the Government of Peru in implementing the limitation provisions of this Agreement by controlling imports. by the date of export, of textiles and textile products covered by this Agreement.

Exchange of Data

12. The Government of the United States shall promptly supply the Government of Peru with data on monthly imports of cotton, man-made fiber, and wool textiles and textile products into the United States from Peru. The Government of Peru shall promptly supply the Government of the United States with data on monthly exports of cotton, man-made fiber, and wool textiles and textile products from Peru to the United States. Each Government agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement.

Mutually Satisfactory Administrative Arrangement

13. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including difference in points of procedure or operation.

Consultation on Implementation Questions

14. The Government of the United States and the Government of Peru agree, upon the request of the other to consult on any question arising in the implementation of this Agreement.

Right to Propose Revisions to the Agreement

15. The Government of the United States and the Government of Peru may at any time propose revisions in the terms of this agreement. Each agrees to consult promptly with the other about such proposals with a view to making such revisions to this Agreement, or taking such other appropriate action as may be mutually agreed upon. The Agreement is subject to both parties being free to request, at any time, consultations with a view to proposing revisions in the light of any successor to the current Arrangement.

Consultations in Case of Inequity Vis-a-vis a Third Country

16. If the Government of Peru considers that as a result of

limitations specified in this Agreement, it is being placed in
an inequitable position in relation to a third country, the

Government of Peru may request consultations with the Government
of the United States with a view to taking appropriate remedial
actions, such as a reasonable modification of this Agreement.

17. For the duration of this Agreement, the Government of the United States shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the exports of cotton, wool, and man-made fiber textiles and textile products covered by this Agreement to the United States. The Government of the United States and the Government of Peru reserve their rights under the Arrangement with respect to textiles and textile products not covered by this Agreement.

Visa System

18. Both Governments scree to establish a correct category/ correct quantity visa system.

Provision for Textile Agreements Harmonized Commodity Code

19. Both parties recognize that adoption by the Government of
the United States of the Harmonized Commodit and may result in
some changes in the United States category system of textile
products as presently covered by this Agreement. If such
changes are made during the term of this Agreement, the
Government of the United States and the Government of Peru will
consult with the view of reaching a satisfactory resolution of
issues concerning categories covered by this Agreement. The
Government of Peru recognizes that, should there be no
resolution in such consultations, the Government of the United
States reserves its rights to make such adjustments to Annexes
A, B, C, and D as necessary to bring it into conformity with the

new category system and with the Harmonized Commodity Code. The intent of this conversion on the part of the Government of the United States is solely to align the current category system and limit with the Harmonized Commodity Code; it is not to diminish or alter overall trade in textiles and apparel with Peru.

(A) Consultations under this provision shall be conducted no later than 90 days before final adoption of the Harmonized Commodity Code by the Government of the United States.

Exchange of Information

20. Each Government agrees to supply promptly any information reasonably believed to be necessary to the enforcement of this Arrangement requested by the other Government.

Right to Terminate the Agreement

21. Either Government may terminate this Agreement, effective at the end of an agreement period, by written notice to the other Government, to be given at least 90 days prior to the end of such agreement period.

Closing Paragraph

If the foregoing conforms with the understanding of the Government of Peru, this note and Your Excellency's note of confirmation on behalf of the Government of Peru shall constitute an Agreement between our two Governments.

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

ANNEX A

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT OF MEASURE
Yarn		TASTOR	HEASONS
Cotton			
300 301	Cotton carded yarn Cotton Combed Yarn	4.6 4.6	LB LB
Wool			
400	Tops and yarns	2.0	LB
Man-Made	Fiber		
600	Textored	3.5	LB
601	Continuous cellulosic	5.2	LB
602	Continuous Non-cellulosic	11.6	LB
603	Spun cellulosic	3.4	LB
604	Spun cellulosic	4.1	LB
605	Other yards .	3.5	LB
Fabric			
Cotton			
310	Gingham	1.0	SYD
311	Velveteen	1.0	SYD
312	Corduray	1.0	SYD
313	Sheeting	1.0	SYD
314	Broadaloth	1.0	SYD
315	Printeleth	1.0	SYD
316	Shirtings	1.0	SYD
317	Twills and sateens	1.0	SYD
318	Yarn-Dyed	1.0	SYD
319	Duck	1.0	SYD
320	Other Fabrics, N.K.	1.0	SYD
Wool			
410	Woolens and worsted	1.0	SYD
411	Tapestries and Upholstery	1.0	SYD
425	Knit	2.0	LB
429	Other Fabrics	1.0	SYD
Man-Made	Fiber		
610	Continuous cellulosic N.K.	1.0	SYD
611	Spun cellulosic, N.K.	1.0	SYD
612	Continuous Non-cellulosic, N.K.	1.0	SYD
613	Spun non-cellulosic, N.K	1.0	SYD

- 15 Annex A (continued)

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT OF
614	Other fabrics, N.K.	1.0	SYD
625	Knit	7.8	LB
626	Pile and tufted	1.0	SYD
627	Specialty	7.8	LB
600	Textured	3.5	LB
601	Continuous cellulosic	5.2	LB
602	Continuous non-cellulosic	11.6	LB
603	Spun cellulosic	3.4	LB
604	Spun non-cellulosic	4.1	LB
605	Other yarns	3.5	LB
Apparel			
cotton	,		
330	Handkerchiefs	1.7	OZ
331	Gloves	3.5	DPR
332	Hosiery	4.6	DPR
333	Suit-type coats, M and B	36.2	DZ
334	Other coats, M and B	41.3	DZ
335	Coats, W, G ard I	41.3	DΖ
336	Dresses (including uniforms)	45.3	DZ
337	Playsuits, sunsuits, washsuits,		
	creepers, rompais, etc.	25.0	DZ
338	Knit shirts (including		
	T-snirts, other and		
	sweatshirts) M and B	7.2	OZ
339	Knit shirts and blouses		
	(including T-shirts, other		
	and sweatshirts), W. G and I	7.2	DZ
340	Shirts, N.K.	24.0	DZ
341	Blouses, N.K.	14.5	DZ
342	Skirts	17.8	DZ
345	Sweaters	36.8	DZ.
347	Trousers, slacks, and shorts		
	(outer) M and B	17.8	DZ
348	Trousers, slacks and shorts		
,	(outer) W, G and I	17.8	DZ
349	Brassiers, etc.	4.8	DZ
350	Dressing gowns, including		
	bathrobes and beach house		
	coats, and dusters	51:0	DZ
351	Pajamas and other nightwear	52.0	DZ
352	Underwear (including union	11.0	DZ
	suits)		
353	Down and featherfilled coats,		
	jackets, vests, M and B	41.3	DZ
354	Down and Featherfilled coats,	129	
	Eackets, vests, W, G and I	41.3	DZ
359	Other apparel	4 5	TRC

Annex A (continued)

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT OF MEASURE
Wool	·		
431	Gloves	2.1	DPR
432	Hosiery	2.8	DPR
433	Suit-type coats, M and B	36.0	DZ
434	Other coats, M and B	54.0	DZ
435	Coats, W, G and I	54.0	DZ
436	Dresses	54.0	02
438	Knit shirts and blouses	15.0	DZ
440	Shirts and blouses, N.K.	24.0	DZ
442	Skirts	18.0	
443	ACTION AND ADMINISTRATION ADMINISTRATION AND ADMINISTRATION AND ADMINISTRATION AND ADMINI		DZ
444	Suits, M and B	54.0	DZ
	Suits, W, G and I	54.0	DZ
445	Sweaters, M and B	14.88	DZ
446	Sweaters, W, G and I	14.88	DZ
447	Trousers, slacks and shorts		
	(outer) M and B	18.0	D2
448	Trousers, slacks and shorts		
	(outer) W, G and I	. 18.0	DZ
459	Other wool apparel	2.0	LB
Man-made	fiber		
630	handkerchiefs	1.7	52
631	Cloves	3.5	DPR
632	Hosiery	4.5	DPF.
633	Suit-type coats, M and B	36.2	DZ
634	Other coats, M and B	41.3	DZ
635	Coats, W. G and I	41.3	DZ
636	Dresses	45.3	
637	Playsuits, sunsuits		DZ DZ
037		21.3	DZ
	washsuits, etc.		
538	Knit shirts, (including T-shirts	· · · · · · · · · · · · · · · · · · ·	
(20	M and B	18.0	DZ
639	Knit shirts and blouses (includi		
	T-shirts), W, G and I	15.0	DZ
640	Shirts, N.K.	24.0	DZ
641	Blouses, N.K.	14.5	DZ
642	Skirts	17.8	DZ
643	Suits, M and B	54.0	DZ
644	Suits, W, G and I	54.0	DZ
645	Sweaters M and B	36.8	DZ
646	Sweaters, W, G and I	36.8	DZ
647	Trousers, slacks, and		
	shorts (outer) M and B	17.8	DZ
648	Trousers, slacks and shorts		
	(outer), W, G and I	17.8	DZ
649	Brassiers, etc.	4.8	DZ
650	Dressing gowns, incl. bath and		
	beach robes	51.0	DZ
651	Pajamas and other nightwear	52.0	DZ
652	Underwear	16.0	DZ
653	Down and featherfilled coats,		
	The Mand R	41.3	DZ

Annex A (continued)

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT OF MEASURE
654	Down and featherfilled coats,		
034	jackets, vests, W, G and I	41.3	DZ
659 `	Other appare!	7.8	LB
	•••		40
Made-ups an	i Miscellaneous		
Cotton			
360	Pillowcases	1.1	NO
361	sheets	6.2	NO
362	Bedspreads and quilts	6.2	NO
363	Terry and other pile towels	0.5	NO -
369	Other cotton manufactures	4.6	LB
Wool			
W001			
464	Blankets and auto robes	1.3	LB
465	Floor covering	0.1	SFT
469	Other wool manufactures	2.0	LB
Man-made	fiber		
665	Floor coverings	0.1	SFT
65 6	Other furnishings	7.8	LB
o69	Manufactures	7.8	LB
670	Luggage, flatgoods, and handbags	2.0	LB

M and B: Men's and boys'
W, G and I: Women's, gir's' and infants'
N.K.: Not knit

ANNEX B

	PERIOD I	PERIOD 11	PERIOD 111	FERIOD IV	PERIOD V
	5/84-4/85	5/85-4/86	5/86-6/87	5/87-4/88	5/88-4/89
		*			
315	3,600,000	3,852,000	4,121,640	4,410,155	4,718,866
317	15,000,000	16,050,000	17,173,500	18,375,645	19,661,940
(sateen sub-limit)	(4,500,000)	(4,815,000)	(5,152,050)	(5,512,693)	(5,898,582)
319 (SYDS)	20,000,000	21,400,000	22,898,000	24,500,860	26,215,920
320 (SYDS) (printcloth sub-limit-SYE)	14,500,000	15,515,000	16,601,050	17,763,123	19,006,542
	(4,000,000)	(4,280,000)	(4,579,690)	(4,900,172)	(5,243,184)

ANNEX C

DESIGNATED CONSULTATION LEVEL

CATEGORY		LEVEL		
300	1.	3 million LBS (13,800,000 SYE)		
301		2.25 million LBS (10,350,000 SYE)		
313		15 million SYDS		
410		1.5 million SYDS		

ANNEX D

GROUP LEVELS

Wool product: 4 million SYE

Cotton apparel: 10 million SYE

PERU NOTE

Lima January 3, 1985

His Excellency
The Ambassador of the United States of America
Lima

Excellency:

I have the honor to acknowledge receipt of Your Excellency's note No. 003 of January 3, 1985, by means of which Your Excellency's Government proposes to the Government of Peru the conclusion of an Agreement regarding trade in textiles and textile products between the Republic of Peru and the United States of America.

The text of Your Excellency's note reads as follows:

(Spanish text repeats U.S. text in all respects)

I have the honor to express the concurrence of my Government with the Agreement transcribed above and to agree that Your Excellency's note and this reply shall constitute an Agreement between both Governments, which shall enter into force on today's date.

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

(Signed) Luis Percovich Roca
Prime Minister and
Minister of Foreign Relations