

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

CONFIDENTIAL  
TEX.SB/285  
1 March 1978

---

Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between the United States and Romania

Note by the Chairman

The attached notification received from the United States mission concerns a new agreement on cotton textiles concluded between the United States and Romania.<sup>1</sup>

---

<sup>1</sup>For previous agreement and amendment see COM.TEX/SB/129 and 294.

---

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4:4

Accord bilatéral entre les Etats-Unis et la Roumanie

Note du Président

La Mission des Etats-Unis a fait parvenir au secrétariat la notification ci-jointe relative à un nouvel accord sur les textiles de coton conclu entre les Etats-Unis et la Roumanie<sup>1</sup>.

---

<sup>1</sup>Pour l'accord précédent et la modification qui lui a été apportée, voir les documents COM.TEX/SB/129 et 294.



UNITED STATES MISSION TO INTERNATIONAL ORGANIZATIONS  
GENEVA, SWITZERLAND

February 27, 1978

The Honorable  
Ambassador Paul Wurth  
Chairman,  
Textiles Surveillance Body  
Centre William Rappard  
154, rue de Lausanne  
1211 Geneve 21

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 TSB of the conclusion of a new five-year bilateral cotton textile agreement between the Government of the United States of America and the Government of the Socialist Republic of Romania. The new agreement, which will have effect from January 1, 1978, succeeds the agreement of January 1, 1975, as amended, which expired on December 31, 1977. The expired agreement was notified to the TSB and circulated as COM.TEX/SB/129 of 27 October 1975. A subsequent amendment to the old cotton textile agreement was notified to the TSB and circulated as COM.TEX/SB/276 of 7 February 1978.

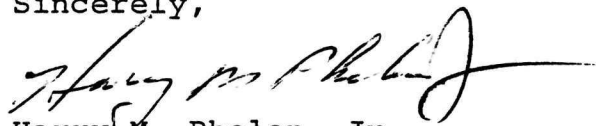
The new agreement is structurally different from the old agreement and, therefore, direct comparison is difficult. The old agreement had an aggregate limit, no group limits and no specific category limits but did have eight designated category consultation levels, the remainder of the categories being subject to the general consultation level. The new agreement has no aggregate limit but does have an apparel group limit, all other categories being subject to either designated consultation levels (17 in number) or to the general consultation levels (1,000,000 syds. equiv. for non-apparel categories and 700,000 syds. equiv. for apparel categories).

Due to the fact that the old agreement had a last agreement year aggregate limit (for all cotton textile products) of 20.6 million syds. equiv. and designated consultation levels for apparel categories totalling 19.5 million syds. there was very little room left for non-apparel shipments when the designated apparel consultation levels were filled which, however, in several designated categories they were not. In order to provide growth and flexibility to the trade in the first year of the new agreement, the aggregate limit was removed, the apparel group first year limit was set at 19,500,000 million syds. equiv. a level equal to the total yardage included in the designated apparel categories in the last year of the old agreement. This provision creates room for significant increases in growth of non-apparel exports from Romania. The apparel group limit for the second and succeeding agreement years grows at 6%.

Since there are no specific category limits and only one group limit there is free swing between all non-apparel categories, between apparel categories and between apparel and non-apparel categories, subject to potential limitations imposed by the apparel group limit and by the designated and general consultation levels. Additional flexibility is provided through the carry-over and carry-forward provisions which permit the apparel group limit to be exceeded in any year by 11%, of which, carry-forward may be no more than 6%.

Attached hereto is a copy of State Department Press Release No. 60 of February 1, 1978 setting forth the full texts of the exchange of Notes giving effect to the new agreement.

Sincerely,



Harry M. Phelan, Jr.  
Minister-Counselor

Enclosure: As stated

# DEPARTMENT OF STATE

February 1, 1978

No. 60

## THE UNITED STATES AND THE SOCIALIST REPUBLIC OF ROMANIA SIGN TEXTILE AGREEMENT

The United States and the Socialist Republic of Romania exchanged notes to effect a new bilateral textile agreement in cotton textiles between the two countries. The texts of the notes follow:

### UNITED STATES NOTE

January 6, 1978

His Excellency  
Ion Patan  
Deputy Prime Minister and Minister of  
Foreign Trade and International Economic  
Cooperation  
Socialist Republic of Romania

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973, hereafter referred to as the Arrangement. I also refer to recent discussions between representatives of our two governments concerning exports of cotton textiles from Romania to the United States of America held in Bucharest from October 25 to October 28, 1977. As a result of those discussions and in conformity with Articles 4 and 6 of the Arrangement, I have the honor to propose, on behalf of the Government of the United States of America, the following Agreement relating to trade in cotton textiles between Romania and the United States of America:

1. The term of this Agreement shall be from January 1, 1978, through December 31, 1982. During such term, the Government of the Socialist Republic of Romania shall limit annual exports of cotton textiles (as defined in paragraph 2) from Romania to the United States of America to the limits specified in the following paragraphs.

For further information contact:

EB - Mr. C. Hand (202) 632-1682

2. All cotton textiles are subject to this Agreement. Textiles include yarns, piece goods, made up articles, garments and other textile manufactured products, all being products which derive their chief characteristics from their textile components of cotton, wool, man-made fibers, or blends thereof, in which any or all of those fibers in combination 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 product. A textile is a cotton textile:

- (A) If wholly or in chief value cotton, or
- (B) If containing 50 percent or more by weight of cotton, or
- (C) If (I) a blend of cotton with wool or man made fiber or both wool and man-made fiber in which any or all of those fibers in combination 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 product and (II) the cotton component exceeds by weight the wool and/or the man-made fiber component.

All other textiles of cotton, wool or man-made fiber remain subject to the Agreement of June 17, 1977 between the Governments of the United States of America and the Socialist Republic of Romania in accordance with its terms.

3. The system of categories and rates of conversion into square yards equivalent listed in the Annex hereto shall apply in implementing this Agreement.

4. The apparel group limit, covering categories 330 through 359, for each Agreement year shall be as follows:

	LIMIT (SQUARE YARDS EQUIVALENT)
1st Agreement year (January 1 - December 31, 1978)	19,500,000
2nd Agreement year (January 1 - December 31, 1979)	20,670,000
3rd Agreement year (January 1 - December 31, 1980)	21,910,200
4th Agreement year (January 1 - December 31, 1981)	23,224,812
5th Agreement year (January 1 - December 31, 1982)	24,618,300

5. (A) Exports in each category subject to this Agreement shall be subject to a consultation level or designated consultation level and to applicable group limits. The annual consultation levels for categories not subject to designated consultation levels pursuant to subparagraph 5 (B) shall be 1,000,000 square yards equivalent for each non-apparel category and 700,000 square yards equivalent for each apparel category.

(B) The following categories shall be subject to annual designated consultation levels as set out below:

Category and Brief Description	Level (Square Yards Equivalent)
Non-Apparel	
313 - Sheetting	2,000,000
314 - Broadcloth	1,500,000
315 - Printcloth	1,500,000
320 - Other fabrics nes	2,000,000
361 - Sheets	3,000,000
369 - Other cotton manufactures apparel	3,000,000
333 - Suit type coats, M and B	2,400,000
334 - Other coats, M and B	1,500,000
335 - Coats, W, G, and I	1,500,000
338 - Knit shirts, M and B	3,240,000
(338 Part, other than T-shirts and sweat shirts)	(700,000)
339 - Knit shirts and blouses, W, G and I	1,000,000
340 - Shirts, not knit	2,700,000
347 - Trousers, M and B	2,500,000
348 - Trousers, W, G and I	1,400,000
352 - Underwear	2,000,000
359 - Other apparel	3,000,000

(C) The Governments of Romania and the United States of America shall consult prior to February 28, 1978, in order

to adjust consultation levels for categories in which shipments of knit cotton warm-up suits have been or will be classified, such adjustment not to exceed a total of 322,000 units.

6. In the event the Government of the Socialist Republic of Romania wishes to export to the United States of America textile products in excess of any applicable consultation levels or levels, the Government of the Socialist Republic of Romania shall request the higher level or levels and the United States shall consider the request sympathetically and shall respond promptly. Until a mutually satisfactory agreement is reached for each category, annual shipments in that category shall not exceed the consultation level applicable to that category.

7. For the first agreement year, each Government shall maintain statistical records on imports or exports, as appropriate, of cotton suits, the component parts of which have been charged to two or more of categories 333, 334, 335, 342, 347 and 348. The Government of the United States of America shall inform the Government of the Socialist Republic of Romania prior to the end of the first agreement year whether it wishes to establish a separate consultation level for cotton suits. If the Government of the United States so indicates, the Government of the Socialist Republic of Romania agrees to the establishment of such level and will consult with the Government of the United States of America in order to fix such level and, as appropriate, the levels for categories 333, 334, 335, 342, 347 and 348, at mutually agreeable amounts.

8. (A) In any agreement year, exports may exceed the apparel group limit by a maximum of 11 percent by allocating to that limit for that agreement year an unused portion of the apparel group limit for the previous agreement year (carryover)

and/or a portion of the apparel group limit for the succeeding agreement year (carry forward) subject to the following conditions:

(I) Carryover may be utilized as available up to 11 percent of the receiving agreement year's apparel group limit, provided, however, that no carryover shall be available for application during the first agreement year;

(II) Carry forward may be utilized up to 6 percent of the receiving agreement year's apparel group limit and charged against the immediately following agreement year's apparel group limit;

(III) If the Governments of the United States of America and the Socialist Republic of Romania are not in agreement on the availability of shortfall, carryover of shortfall shall not be applied until the Governments of the Socialist Republic of Romania and the United States of America have completed consultations and agreed upon the amounts involved.

(B) For purposes of this Agreement, a shortfall occurs when exports to the United States of textiles and textile products of Romanian origin subject to the apparel group limit during an agreement year are below the apparel group limit for that agreement year. In the agreement year following the shortfall, such exports from Romania to the United States may exceed the apparel group limit for that agreement year, subject to conditions of subparagraph (A) of this paragraph, by carryover of shortfall in the following manner:

(I) The carryover shall not exceed the amount of shortfall;

(II) Carryover and carry forward shall not be used to exceed any consultation level except in accordance with paragraph 6.

(C) The apparel group limits referred to in subparagraphs (A) and (B) of this paragraph are without adjustment under this paragraph.



9. In accordance with Article 12, paragraph 3, of the Arrangement and subject to the establishment of a mutually agreed upon certification system, exports from the Socialist Republic of Romania to the United States of America of handloom fabrics of the cottage industry of Romania, or hand-made cottage industry products of such handloom fabrics, or traditional folklore textile products shall not be subject to the provisions of this Agreement.

10. The Government of the Socialist Republic of Romania shall use its best efforts to space exports from Romania to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors, exports from Romania in excess of authorized levels will, if allowed entry into the United States of America, be charged to the applicable level for the agreement year following the year of export.

11. The Government of the United States of America shall promptly supply the Government of the Socialist Republic of Romania with data on monthly imports of cotton textiles from Romania; and the Government of the Socialist Republic of Romania shall promptly supply the Government of the United States of America with quarterly data on exports of cotton textiles to the United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

12. The Government of the United States of America and the Government of the Socialist Republic of Romania agree to consult on any question arising in the implementation of this Agreement.

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

14. If the Government of the Socialist Republic of Romania considers that, as a result of limitations specified in this Agreement, Romania is being placed in an inequitable position vis-a-vis a third country, the Government of the Socialist Republic of Romania may request consultation with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of this Agreement.

15. For the duration of this Agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the export of cotton textiles from Romania to the United States.

16. The Government of the United States of America may assist the Government of the Socialist Republic of Romania in implementing the limitation provisions of this Agreement by controlling imports of cotton textiles covered by the Agreement.

17. Either Government may terminate this Agreement effective at the end of any agreement year by written notice to the other Government to be given at least 90 days prior to the end of such agreement year. Either Government may at any time propose revisions in the terms of this Agreement.

If the foregoing proposal is acceptable to the Government of the Socialist Republic of Romania, this note and your note of confirmation on behalf of the Government of the Socialist Republic of Romania shall constitute an Agreement between the Government of the Socialist Republic of Romania and the Government of the United States of America.

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

/S/ Orison Rudolph Aggrey  
Ambassador

ANNEX				
CRT.	DESCRIPTION	UNITS	SYD CONVERSION FACTOR (SYE/UNIT)	UNITS PER 1,000 SYD
YARN				
300	Carded	LB.	4.6	217.4
301	Combed	LB.	4.6	217.4
FABRIC				
310	Ginghams	SYD	1.0	1,000.0
311	Velveteens	SYD	1.0	1,000.0
312	Corduroy	SYD	1.0	1,000.0
313	Sheeting	SYD	1.0	1,000.0
314	Broadcloth	SYD	1.0	1,000.0
315	Printcloths	SYD	1.0	1,000.0
316	Shirtings	SYD	1.0	1,000.0
317	Twills and Sateens	SYD	1.0	1,000.0
318	Yarn-Dyed	SYD	1.0	1,000.0
319	Duck	SYD	1.0	1,000.0
320	Other fabrics, N.E.S.	SYD	1.0	1,000.0
APPAREL				
330	Handkerchiefs	DOZ	1.7	588.2
331	Gloves	DPR	3.5	285.7
332	Hosiery	DPR	4.6	217.4
333	Suit-type coats, M and B	DOZ	36.2	27.6
334	Other coats, M and B	DOZ	41.3	24.2
335	Coats, W, and I	DOZ	41.3	24.2
336	Dresses	DOZ	45.3	22.1
337	Playsuits	DOZ	25.0	40.0
338	Knit shirts, M and B	DOZ	7.2	138.9
339	Knit shirts and blouses, W, G and I	DOZ	7.2	138.9
340	Shirts, not knit	DOZ	24.0	41.7
341	Blouses, not knit	DOZ	14.5	69.0

342	Shirts, not knit	DOZ	17.8	56.2
343	Suits, M and B	NO	4.5	222.2
344	Suits, W, G and I	NO	4.5	222.2
345	Sweaters	DOZ	36.8	27.2
347	Trousers, M and B	DOZ	17.8	56.2
348	Trousers, W, G and I	DOZ	17.8	56.2
349	Brassieres, etc.	DOZ	4.8	208.3
350	Dressing gowns	DOZ	51.0	19.6
349	Brassieres, etc.	DOZ	4.8	208.3
351	Nightwear	DOZ	52.0	19.2
352	Underwear	DOZ	11.0	90.9
359	Other apparel	LB	4.6	217.4
MADE-UP MISCELLANEOUS				
360	Pillowcases	NO	1.1	909.1
361	Sheets	NO	6.2	161.3
362	Bedspreads and quilts	NO	6.9	144.9
363	Terry and other pile towels	NO	0.5	2,000.0
369	Other cotton manufactures	LB	4.6	217.4

SOCIALIST REPUBLIC OF ROMANIA NOTE

January 25, 1978

His Excellency  
Orison Rudolph Aggrey  
Ambassador of the  
United States of America  
Bucharest

Excellency:

I have the honor to acknowledge receipt of your Note No. 1 addressed to this Excellency Ion Patan, Deputy Prime Minister of the Government, Minister of Foreign Trade and International Economic Cooperation of the Socialist Republic of Romania, proposing an Agreement relating to trade in cotton textiles between the Socialist Republic of Romania and the United States, reading as follows:

See U.S. note.

I confirm that the foregoing proposal of the Government of the United States is acceptable to the Government of the

Socialist Republic of Romania and that the proposal in your Note and this reply constitute an agreement between our two Governments.

Please, accept, Excellency, the renewed assurances of my highest consideration.

/S/ Al.Margaritescu