

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

CONFIDENTIAL

TEX.SB/297  
11 April 1978

---

Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

The extension and the establishment of certain new export  
limits to the existing bilateral agreement<sup>1</sup> between the  
United States and Hong Kong

Note by the Chairman

The attached notifications received from the United States mission concern, firstly, an amendment to extend, for three months, the existing bilateral agreement with Hong Kong and, secondly, an exchange of letters regarding the establishment of certain new limits on exports from Hong Kong.

---

<sup>1</sup>For original agreement see COM.TEX/SB/48.

---

ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4:4

Prorogation de l'accord bilatéral en vigueur<sup>1</sup> entre les  
Etats-Unis et Hong-kong, et institution de certaines  
nouvelles limitations des exportations

Note du Président

La Mission des Etats-Unis a fait parvenir au secrétariat les notifications ci-jointes qui concernent, la première, les modifications apportées à l'accord bilatéral en vigueur entre les Etats-Unis et Hong-kong afin de le proroger de trois mois et, la seconde, un échange de lettres relatives à l'institution de certaines nouvelles limitations des exportations de Hong-kong.

---

<sup>1</sup>Pour l'accord initial, voir le document COM.TEX/SB/48.



UNITED STATES MISSION TO INTERNATIONAL ORGANIZATIONS  
GENEVA, SWITZERLAND

April 5, 1978

The Honorable  
Ambassador Paul Wurth  
Chairman, Textiles Surveillance Body  
Centre William Rappard  
154, rue de Lausanne  
CH-1211 Geneva 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 Textiles Surveillance Body of an agreement between the Government of the United States of America and the Government of Hong Kong to extend, for a period of three months, the bilateral textile agreement between the two governments which would have expired September 30, 1977. The purpose of the amendment was to provide time for the completion of consultations and negotiations incident to the conclusion of a new bilateral textile agreement which would go into effect on January 1, 1978.

In addition to extending the basic agreement (originally circulated as COM.TEX/SB/48), as amended, for a period of three months (October 1 - December 31, 1977), the amendment being notified establishes mathematical factors to be applied to the limits in effect in the last year (October 1, 1976 - September 30, 1977) of the basic agreement in order to set up pro-rata increases in growth and flexibilities for a new "final" agreement year beginning October 1, 1976 and ending December 31, 1977.

A copy of State Department Press Release No. 380 setting forth texts of the exchange of notes giving effect to the amendment is attached hereto.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry M. Phelan, Jr.", written in a cursive style.

Harry M. Phelan, Jr.  
Minister Counselor

Enclosure:  
As stated

# DEPARTMENT OF STATE

August 11, 1977

No. 380



## UNITED STATES AND HONG KONG SIGN TEXTILE AGREEMENT

The United States and Hong Kong exchanged notes on July 25, 1977 to effect a new bilateral textile agreement on trade in cotton, wool and man-made fiber textiles. Texts of the notes follow:

### UNITED STATES NOTE

Consulate General  
of the  
United States of America

No. 6

Hong Kong, July 25, 1977

Sir:

I have the honor to refer to the arrangement regarding International Trade in Textiles (hereinafter referred to as the Arrangement), done in Geneva on December 20, 1973.

I also refer to the Bilateral Agreement of July 25, 1974, as amended (hereinafter referred to as the Agreement), relating to trade in cotton, wool and man-made fiber textiles between Hong Kong and the United States of America, and to discussions between representatives of the Government of Hong Kong and the United States held in Lyon and Geneva from June 1 to June 23, 1977, concerning the extension of the Agreement. As a result of these discussions, and in conformity with Article 4 of the Arrangement, I propose on behalf of my government that the Agreement be amended as follows:

1. The Agreement is extended also to cover the period October 1, 1977 through December 31, 1977.
2. The Agreement year covering the period October 1, 1976 through September 30, 1977 under the Agreement is extended to include the period from October 1, 1976 through December 31, 1977.

For further information contact:

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

-2-

with the aggregate and specific limits for the agreement year covering the period from October 1, 1976 to December 31, 1977 being equal to 126.5625 percent of the equivalent limits of the October 1, 1976 to September 30, 1977 agreement year; except that specific limits on wool textiles shall be equal to 125.25 percent of the equivalent limits for the October 1, 1976 to September 30, 1977 agreement year. The group limit for wool textiles (Group IV) for the agreement year covering the period October 1, 1976 to December 31, 1977 shall be equal to 125.25 percent of the group limit for wool textiles (Group IV) for the agreement year October 1, 1976 to September 30, 1977; the difference between the amounts resulting from the application of 6.25 percent annual growth to the aggregate limit and 1 percent annual growth to the wool group limit shall be divided pro rata among the group limits for Groups I, II and III. Restraint levels on products (categories) established in accordance with Paragraph 8 of the Agreement for the agreement year covering the period October 1, 1976 to September 30, 1977 are to be applied to exports of such products (categories) for the agreement year covering the period October 1, 1976 to December 31, 1977; such levels for the agreement year covering the period October 1, 1976 to December 31, 1977 shall be 125 percent of the corresponding levels for the agreement year covering the period October 1, 1976 to September 30, 1977 unless otherwise agreed.

3. In order to avoid distortion of existing trade patterns, the aggregate, group, and specific limits for the agreement year covering the period October 1, 1976 to December 31, 1977 may, after mutually satisfactory completion of consultations, be exceeded by not more than 6 percent of the limits applicable to the agreement year covering the period October 1, 1976 to September 30, 1977 multiplied by 1.015625, except for wool limits, which shall be multiplied by 1.0025, provided that an equivalent reduction is made to the appropriate applicable limits during the first agreement year of the Bilateral Textile Restraint

-3-

Agreement beginning January 1, 1978.

4. Both governments, recognizing outstanding statistical and category differences pertaining to shipments of cotton knit shirts/tank tops, agree to meet at the expert level before August 18, 1977 in order to resolve such differences prior to September 30, 1977.

If this proposal is acceptable to the Government of Hong Kong, this note and your note of acceptance on behalf of the Government of Hong Kong shall constitute an agreement between our two governments, amending the agreement.

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

/S/ Mr. Charles T. Cross  
Consul General

The Honorable  
W. Dorward, O.B.E., J.P.  
Acting Director of Commerce and Industry  
Hong Kong

HONG KONG NOTE

25 July 1977

Sir,

I have the honour to acknowledge receipt of your letter of 25 July 1977 proposing amendments to the bilateral agreement of 26 July 1974, as amended, relating to trade in cotton, wool and man-made fibre textiles between Hong Kong and the United States of America, and to confirm that your proposed amendments are acceptable to the Government of Hong Kong.

-4-

Accept, Sir, the renewed assurances of my high consideration.

/S/W. Dorward  
Acting Director of Commerce  
and Industry  
Hong Kong

Mr. Charles T. Cross,  
Consul-General,  
American Consulate-General,  
26 Garden Road,  
Hong Kong.



UNITED STATES MISSION TO INTERNATIONAL ORGANIZATIONS  
GENEVA, SWITZERLAND

April 5, 1978

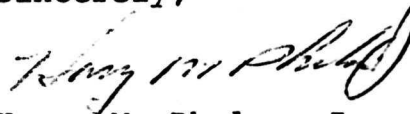
The Honorable  
Ambassador Paul Wurth  
Chairman, Textiles Surveillance Body  
Centre William Rappard  
154, rue de Lausanne  
CH-1211 Geneva 21

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 Textiles Surveillance Body of an exchange of letters between representatives of the Government of the United States of America and the Government of Hong Kong regarding the establishment of certain new limits on exports from Hong Kong to the United States in categories 37, 228, 122, 124, 234/235, and 238 for the "final" fifteen-month year (October 1, 1976 - December 31, 1977) of the bilateral agreement of October 1, 1974.

A copy of State Department Press Release No. 358 which sets forth texts of the exchange of letters (self-explanatory) is attached hereto.

Sincerely,

  
Harry M. Phelan, Jr.  
Minister Counselor

Enclosure:  
As stated

# DEPARTMENT OF STATE

August 2, 1977

No. 358



## LIMITS SET FOR EIGHT CATEGORIES OF U.S. - HONG KONG BILATERAL TEXTILE AGREEMENT

The U.S. Government and the British Embassy, representing Hong Kong, have exchanged letters on July 25 and 27 setting limits for eight categories of the U.S.-Hong Kong bilateral textile agreement for the period October 1, 1976 through December 31, 1977. The texts of the letters follow:

### HONG KONG LETTER #1

British Embassy  
3100 Massachusetts Avenue NW Washington DC 20008

Mr. Charles Angevine  
Chief  
Fibers & Textiles Division  
Department of State  
Washington, D.C.

25 July 1977

Dear Chuck,

I refer to the recent consultations between the Government of Hong Kong and the United States, requested by the latter on May 3 under paragraph 8 of the Hong Kong/United States Textiles Agreement of 1974, on category 39 (cotton gloves). I refer also to the request of May 27 for consultations on category 228 (man-made fibre woven blouses).

As a result of the consultations the Government of Hong Kong agrees to limit exports to the United States, during the 15 months beginning October 1, 1976 and ending December 31, 1977, to the following amounts:

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

For further information contact:



-2-

Category 39	3,900,000 dozen pairs
Category 228	742,689 dozen

Yours sincerely,

/S/ A. Hermann,  
Counsellor for Hong Kong  
Commercial Affairs.

UNITED STATES LETTER #1

July 25, 1977

Mr. Alexander H. B. Hermann  
Counselor (Hong Kong Commercial Affairs)  
British Embassy  
3100 Massachusetts Avenue N.W.  
Washington, D.C. 20008

Dear Mr. Hermann:

I refer to your letter of July 25, 1977 to Mr. Charles Angevine reporting the agreement of the Government of Hong Kong to limit its exports to the U.S. of cotton gloves in Category 39 to 3,900,000 dozen pairs, and of man-made fiber blouses in Category 228 to 742,689 dozen, during the 15 month agreement period October 1, 1976 through December 31, 1977.

I confirm to you the agreement of the U.S. to this limit.

Sincerely,

/S/ Paul H. Boeker  
Deputy Assistant Secretary for  
Economic and Business Affairs

UNITED STATES LETTER #2

July 25, 1977

Mr. Alexander H. B. Hermann  
Counselor (Hong Kong Commercial Affairs)  
British Embassy  
3100 Massachusetts Avenue N.W.  
Washington, D.C. 20008

Dear Mr. Hermann:

I refer to Mr. Charles Angevine's letters of May 27 and June 28, requesting consultations under paragraph 8 of the Agreement of July 25, 1974, as amended, between the United States and Hong Kong on textile trade, concerning appropriate levels of restraint for the current agreement year for, inter alia, Categories 234, 235, 238, 122, and 124 of the Agreement.

My Government notes that these consultations have not resulted in Agreement between the United States and Hong Kong on appropriate levels of restraint for these categories. Therefore, in accordance with the provisions of paragraph 8 of the Agreement, my Government hereby requests that the Government of Hong Kong limit exports in these categories to the following levels for the 15-month agreement period October 1, 1976 through December 31, 1977, established by the amendment of July 25, 1977, to the Agreement.

Category	Restraint Level
122	125,000 pieces
124	250,000 pieces
234/235 (combined)	812,500 dozen
238	375,000 dozen

I will appreciate your confirmation that the Government of Hong Kong will limit exports in the above categories to the stated levels for this agreement period.

Sincerely,

/S/ Paul H. Boeker  
Deputy Assistant Secretary for  
Economic and Business Affairs

HONG KONG LETTER #2

BRITISH EMBASSY,  
WASHINGTON, D.C.,  
27 July, 1977.

Mr. Paul H. Boeker,  
Deputy Assistant Secretary for  
Economic and Business Affairs,  
Department of State,  
Washington, D.C.

Dear Mr. Boeker,

I acknowledge your letter of July 25, conveying the request of the U.S. Government that the Hong Kong Government limit exports in the following textile categories to the following levels for the 15-month period ending December 31, 1977:

<u>Category</u>	<u>Restraint Level</u>
122	125,000 pieces
124	250,000 pieces
234/5 combined	812,500 dozen
238	375,000 dozen

I am instructed to confirm that the Hong Kong Government will limit exports in the above categories to the stated levels for the agreement period in question.

I am further instructed to state that the Hong Kong Government reserve their position on possible further action, including the possible exercise of their right under paragraph 8(f) of the Agreement of July 25, 1974.

Yours sincerely,

/S/ A. Hermann  
Counsellor for Hong Kong Commercial  
Affairs.

UNITED STATES LETTER #3

July 25, 1977

Mr. Alexander H. B. Hermann  
Counselor (Hong Kong Commercial Affairs)  
British Embassy  
3100 Massachusetts Avenue N.W.  
Washington, D.C. 20008

Dear Mr. Hermann:

I refer to Mr. Charles Angevine's letter of May 3 requesting consultations under paragraph 8 of the agreement of July 25, 1974, as amended, between the United States and Hong Kong on textile trade, concerning an appropriate level of restraint for the current agreement year for, inter alia, Category 120 for the Agreement.

My Government notes that these consultations have not resulted in agreement on an appropriate level of restraint for this Category. We therefore suggest that consultations on this Category be continued through September 27, 1977, with a view toward reaching agreement on such a level.

Pending the outcome of such consultations, my Government agrees that the Government of Hong Kong may issue export authorizations for the period October 1, 1976 through December 31, 1977 up to a level equal to 125% of the level at which authorizations were suspended pursuant to my Government's request for consultations. Authorizations were suspended at 82,027 units; they may be resumed up to a level of 102,534 units.

I will appreciate your confirmation that the Government of Hong Kong will limit exports in Category 120 to the above stated figure while consultations are continuing concerning an appropriate level of restraint for this Category.

Sincerely,

/S/ Paul H. Boeker  
Deputy Assistant Secretary for  
Economic and Business Affairs

HONG KONG LETTER #3

BRITISH EMBASSY,  
WASHINGTON, D.C.,  
27 July, 1977.

Mr. Paul H. Boeker,  
Deputy Assistant Secretary for  
Economic and Business Affairs,  
Department of State,  
Washington, D.C.

Dear Mr. Boeker,

Thank you for your letter of July 25th, concerning the current consultations between Hong Kong and the United States on Hong Kong's exports in textile category 120.

I am instructed by the Hong Kong Government to inform you that, in view of the extension of the current Bilateral Agreement to the end of 1977, they are prepared (without prejudice to Hong Kong's position on the U.S. request on category 120) to accept your suggestion that consultations be continued, provided they will be concluded by September 27th, 1977.

As suggested, they will now resume the issue of export authorizations up to 102,534 units for the 15 months ending on December 31, 1977.

Yours sincerely,

/S/ A. Hermann,  
Counsellor for Hong Kong Commercial Affairs.