

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

CONFIDENTIAL  
TEX.SB/374  
14 February 1979

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Textiles Surveillance Body

Organe de surveillance des textiles

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Amendment to the bilateral agreement between  
the United States and Portugal (on behalf of Macao)

Note by the Chairman

The attached notification received from the United States mission concerns a further amendment to the bilateral agreement, as extended<sup>1</sup>, between the United States and Portugal, on behalf of Macao.

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<sup>1</sup>For original agreement and amendment see COM.TEX/SB/92 and 297.

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ARRANGEMENT CONCERNANT LE COMMERCE INTERNATIONAL DES TEXTILES

Notification conformément à l'article 4:4

Modification de l'accord bilatéral entre les Etats-Unis  
et le Portugal (au nom de Macao)

Note du Président

La Mission des Etats-Unis a fait parvenir au secrétariat la notification ci-jointe relative à une nouvelle modification qui a été apportée à l'accord bilatéral, prorogé<sup>1</sup>, entre les Etats-Unis et le Portugal au nom de Macao.

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<sup>1</sup>Pour le texte initial de l'accord et la première modification qui lui avait été apportée, voir les documents COM.TEX/SB/92 et 297.

TS/140-4



UNITED STATES MISSION TO INTERNATIONAL ORGANIZATIONS  
GENEVA, SWITZERLAND

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ANSWERED	DOC. ISSUED	FOLIO
TE	SB	374
FEB - 9 FEB 1979		
TRADE POLICY DE:		
Gen. Div.		
February 5, 1979		
Special Div.		
TRADE DEVELOP. DE:		
Sp. Asst. Textiles		
Dev. Div.		
Intel. Div.		
CHAIR, TSB		
OFFICE OF U-G:		
Consultant (ADG)		
Conf. Div.		
Dir. Ext. Rels/Info.		
Ext. Rels. Sec.		
fo/Lib. Serv.		
Training Prog.		

The Honorable  
 Ambassador Paul Wurth  
 Chairman, Textiles Surveillance Body  
 G.A.T.T.  
 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 TSB of a further amendment of the bilateral cotton, wool and man-made fiber textile agreement, as amended and extended, between the Government of the United States of America and the Government of Portugal in behalf of Macau. The original agreement was notified to the TSB and circulated as COM.TEX/SB/92. A subsequent amendment (and extensions) was notified and circulated as COM.TEX/SB/297. The present amendment, which has retroactive effect from January 1, 1978, was effected by an exchange of Notes dated August 10, 1978, and October 26, 1978.

The primary purpose of the present amendment is to adapt the agreement to the new United States category system which went into effect January 1, 1978. The new limits, specified in the amendment, represent the combination of a number of pre-existing specific limits in the old category system into combined categories under the new system. The combined categories, of course, reflect some minor changes in levels necessitated both by the adaption of old specific limits to the new system, with the levels so adapted increased by the standard growth factor of 6.25% per annum for cotton and man-made fiber textiles and 1% for wool textiles.


The provisions governing the use and distribution of shortfall have been redrawn so as to make clear that the automaticity of shortfall allocation, when there is a discrepancy between export and import figures upon which the determination

of the existence of shortfall is based, will be based upon import data pending mutual efforts to reconcile the export and import data.

The consultation level provisions in the old agreement have been changed so as to recognize the addition of designated consultation levels in this amendment (new Annex B to the bilateral) and to reflect the nomenclature of the new U.S. category system. There has been no numerical change in the standard consultation levels in effect in the old agreement although a provision for annual growth in consultation levels has been suppressed.

Attached hereto is a copy of State Department Press Release No. 465 of December 22, 1978, which sets forth full texts of the Note exchange giving effect to the amendments.

Sincerely,



Harry M. Phelan, Jr.  
Minister Counselor

Enclosure:  
As stated

December 22, 1978  
No. 465

UNITED STATES AND MACAU  
AMEND TEXTILE AGREEMENT

*Received  
11/25/79*

The United States and Macau exchanged notes dated August 10, 1978 and October 26, 1978 to amend their bilateral textile agreement. The texts of the notes follow:

U.S. NOTE

Hong Kong, August 10, 1978

The Honorable  
Dr. Armando Gil Lopes de Campos  
Director of Economic Services  
Government of Macau  
Macau

Sir:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with Annexes, done at Geneva on December 23, 1973, and extended by protocol adopted on December 14, 1977 at Geneva (hereinafter referred to as the Arrangement), and to the Agreement Relating to Trade in Cotton, Wool and Man-made Fiber Textiles and Textile Products between Portugal and the United States of America of March 3, 1975,

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as amended, (the Agreement). I have also the honor to refer to the new system of classifying textiles and textile products by category implemented by the United States of America on January 1, 1978 and to discussions between representatives of our two governments concerning the Agreement and the new system of classifying textiles and textile products, held in Hong Kong on February 14, 1978. As a result of these discussions, I wish to propose the following amendment to the Agreement:

1. This Amendment shall be effective as of January 1, 1978.
2. Paragraph 3 of the Agreement is amended to read as follows:  
"Within the Aggregate Limit, the following Group Limits shall apply for the Fourth Agreement Year:

<u>CROUP</u>	<u>LIMIT (IN SQUARE YARDS EQUIVALENT)</u>
I Categories 300-369 and 600-669	36,683,370
II Categories 400-469	1,471,413

3. Paragraph 4 of the Agreement is amended to read as follows:

"Within the applicable Group Limit, the following Specific Limits shall apply for the Fourth Agreement Year:

<u>Category</u>	<u>Description</u>	<u>Units</u>	<u>Square Yards Equivalent</u>
333/334/335	Coats	73,050 doz.	
339	Knit Tops, W, G and I	432,502 doz.	3,114,014
347/348	Trousers	230,407 doz.	4,101,245
633/634/635	Coats	162,509 doz.	
638/639	Knit Tops	---	10,438,626
645/646	Sweaters	87,888 doz.	3,234,278

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647/648	Trousers	177,297 doz.	3,155,887
445/446	Sweaters	66,576 doz.	990,651

4. Paragraph 7 of the Agreement is amended by the addition of the following subparagraph:

--"(E) If there shall be difference of view between the two governments with respect to the allocation of shortfall in Categories subject to Specific Limits, the two governments agree to consult promptly, and in any case within the first six months of the Agreement Year subsequent to the Agreement Year in which the shortfall occurred to resolve such differences on a mutually satisfactory basis. Pending resolution of such differences, if any, the Government of Macau may allocate shortfall in such Categories on the basis of trade statistics and trade information provided by the United States in accordance with paragraph 10 of this Agreement."

5. The third and fourth sentences of Paragraph 8 of the Agreement are amended to read as follows:

"Until agreement on a different level of exports is reached, Macau shall limit exports from Macau to the United States of America in the Category in question to the Consultation Level in effect at the time of the request for consultations. For each Agreement Year, the Consultation Level for each Category not subject to a Specific Limit, or to a Designated Consultation Level set out in Annex B, shall be 1,000,000 square yards equivalent for Categories 300-330, 360-369, 600-630 and 660 to 669, 700,000 square yards for Categories 331-359 and 631-659; and 102,010 square yards equivalent for Categories 400-469. Consultation Levels are designated in Annex B. "

6. Subparagraph 11 (A) of the Agreement is amended to read as follows:

"In implementing this Agreement, the system of Categories and the rates of conversion into square yards equivalent listed in Annex A hereto shall apply, except as set out in subparagraph 11 (D)."

7. Paragraph 11 of the Agreement is amended by the inclusion of the following subparagraph:

"(D) For purposes of this Agreement, the group of Categories below are merged and treated as single Categories as indicated:

<u>Categories Merged</u>	<u>Designated in Agreement</u>
333,334,335	333/334/335
347,348	347/348
445,446	445/446
633,634,635	633/634/635
638,639	638/639

For purposes of computing charges to the Aggregate, Group and Specific Limits for the Categories cited above, the rates of conversion for individual Categories set out in Annex A shall be applied.

8. The Agreement is amended by the inclusion of a new paragraph which reads as follows:

"18. During the 1978 Agreement Year, each government shall maintain records of imports or exports, as appropriate, of cotton suits, the component parts of which were charged to two or more of Categories 333,334,335,342, 347, and 348. If the Government of the United States of America requests consultation with the Government of Macau prior to the end of the 1978 Agreement Year with a view to creating a separate Specific Limit for

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cotton suits, the Government of Macau agrees to consult promptly with the Government of the United States of America.

9. Annex A to the Agreement is replaced with Annex A to this Amendment. Annex B to this Amendment is added to the Agreement, as Annex B. If this proposal is acceptable to the Government of Macau, this note and your note of confirmation on behalf of the Government of Macau shall constitute an Amendment to the Agreement which will enter into force on the date of your note of confirmation.

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

/S/ Thomas P. Shoesmith

Enclosures:

1. Annex A
2. Annex B

<u>Category</u>	<u>Description</u>	<u>ANNEX A</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
<u>Yarn</u>				
<u>Cotton</u>				
300	Carded		4.6	Lb.
301	Combed		4.6	Lb.
<u>Wool</u>				
400	Tops and yarn		2.0	Lb.
<u>Man-made fiber</u>				
600	Textured		3.5	Lb.
601	Cont. cellulosic		5.2	Lb.
602	Cont. noncellulosic		11.6	Lb.
603	Spun cellulosic		3.4	Lb.
604	Spun noncellulosic		4.1	Lb.
605	Other yarns		3.5	Lb.



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FabricCotton

310	Ginghams	1.0	SYd.
311	Velveteens	1.0	SYd.
312	Corduroy	1.0	SYd.
313	Sheeting	1.0	SYd.
314	Broadcloth	1.0	SYd.
315	Printcloths	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, not knit	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	Cont. cellulosic, not knit	1.0	SYd.
611	Spun cellulosic, not knit	1.0	SYd.
612	Cont. noncellulosic, not knit	1.0	SYd.
613	Spun noncellulosic, not knit	1.0	SYd.
614	Other fabrics, not knit	1.0	SYd.
625	Knit	7.8	Lb.
626	Pile and tufted	1.0	SYd.
627	Specialty	7.8	Lb.

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ApparelCotton

330	Handkerchiefs	1.7	Dz.
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 and I	41.3	Dz.
336	Dresses (including uniforms)	45.3	Dz.
337	Playsuits, sunsuits, washsuits, creepers	25.0	Dz.
338	Knit shirts, (including T-shirts, other and sweatshirts) M and B	7.2	Dz.
339	Knit shirts and blouses including T-shirts, other and sweatshirts) W, G and I	7.2	Dz.
340	Shirts, not knit	24.0	Dz.
341	Blouses, not knit	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	Brassieres, etc.	4.8	Dz.
350	Dressing gowns, including bathrobes, and beach robes lounging gowns, house coats, and dusters	51.0	Dz.

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351	Pajamas and other nightwear	52.0	Dz.
352	Underwear (including union suits)	11.0	Dz.
359	Other apparel	4.6	Lb.
	<u>Wool</u>		
431	Gloves	2.1	Dpr.
432	Hosiery	2.8	Dpr.
433	Suit-type coats, M and B	3.0	No.
434	Other Coats, M and B	4.5	No.
435	Coats, W, G and I	4.5	No.
436	Dresses	4.1	No.
438	Knit shirts and blouses	15.0	Dz.
440	Shirts and Blouses, not knit	24.0	Dz.
442	Skirts	1.5	No.
443	Suits, M and B	4.5	No.
444	Suits, W, G and I	4.5	No.
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	1.5	No.
448	Trousers, slacks and shorts (outer) - W, G and I	1.5	No.
459	Other Wool apparel	2.0	Lb.

Man-Made Fiber

630	Handkerchiefs	1.7	Dz.
631	Gloves	3.5	Dpr.
632	Hosiery	4.6	Dpr.
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	Dz.
637	Playsuits, Sunsuits, Washesuits, etc .	21.3	Dz.
638	Knit Shirts, (Inc. T-Shirts), M and B	18.0	Dz.
639	Knit Shirts and Blouses (Inc. 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	4.5	No.
644	Suits, W, G and I	4.5	No.

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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	Brassieres, etc.	4.8	Dz.
650	Dressing Gowns, including bath and beach robes	51.0	Dz.
651	Pajamas and other nightwear	52.0	Dz.
652	Underwear	16.0	Dz.
659	Other apparel	7.8	Lb.
<u>Made-ups and Misc.</u>			
360	<u>Cotton</u> Pillowcases	1.1	No.
361	Sheets	6.2	No.
362	Bedspreads and quilts	6.9	No.
363	Terry and other pile towels	0.5	No.
369	Other cotton manufactures	4.6	Lb.
<u>Wool</u>			
464	Blankets and auto robes	1.3	Lb.
465	Floor covering	0.1	Sft.
469	Other Wool Manufactures	2.0	Lb.
<u>Man-made Fiber</u>			
665	Floor coverings	0.1	Sft.
666	Other furnishings	7.8	Lb.
669	Other man-made manufactures	7.8	Lb.

ANNEX B

Annual Consultation Levels for Categories not Subject to Minimum Consultation Levels.

<u>Category</u>	<u>Description</u>	<u>Units</u>	<u>Square Yards Equivalent</u>
317	Twill and sateen	2,257,813 Syd.	2,257,813
340	Shirts, not knit	93,625 Doz.	2,247,000
652	Underwear	149,583 Doz.	2,393,328
659	Other apparel	203,724 Lb.	1,589,047

MACAU NOTE

Macau, 26th October, 1978.

Mr. Michael Smith  
Minister & Head of U.S. Textile Delegation  
c/o Consulate General of USA  
26, Garden Road, Central,  
HONG KONG

Dear Mr. Smith,

I have the honour to refer to your letter of July 22, 1978, regarding specific points of our textiles Agreement agreed upon our meeting held in Hong Kong last July.

I also have the honour to refer to the Consulate's letter of August 10, 1978.

This note is to confirm on behalf of the Government of Macau that the Amendments to the Agreement which have been discussed and agreed have been accepted by this Government.

I take this opportunity to renew the assurances of my high consideration.

Yours sincerely,

/S/ Armando Lopes de Campos  
Director