

No. 11136

**UNITED STATES OF AMERICA
and
YUGOSLAVIA**

**Exchange of notes constituting an agreement concerning trade in
cotton textiles (with annex). Belgrade, 31 December 1970**

Authentic text: English.

Registered by the United States of America on 7 June 1971.

**ÉTATS-UNIS D'AMÉRIQUE
et
YOUGOSLAVIE**

**Échange de notes constituant un accord relatif au commerce des
textiles de coton (avec annexe). Belgrade, 31 décembre 1970**

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 7 juin 1971.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
 BETWEEN THE UNITED STATES OF AMERICA AND
 THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA
 CONCERNING TRADE IN COTTON TEXTILES

I

The American Ambassador to the Yugoslav State Secretary for Foreign Affairs

Belgrade, December 31, 1970

Excellency:

I have the honor to refer to the cotton textile agreement between our two Governments effected by exchange of notes September 26, 1967² and to recent discussions in Washington between representatives of our two Governments concerning exports of cotton textiles from Yugoslavia to the United States.

As a result of these discussions, I have the honor to propose that the aforementioned agreement, which is in effect through December 31, 1970, will be succeeded upon its expiration by the following new agreement.

1. The term of this agreement shall be from January 1, 1971 through December 31, 1975. During the term of this agreement, the Government of the Socialist Federal Republic of Yugoslavia shall limit annual exports of cotton textiles from Yugoslavia to the United States to aggregate, group and specific limits at the levels specified in the following paragraphs.

2. For the first agreement year, constituting the 12-month period beginning January 1, 1971, the aggregate limit shall be 23,360,000 square yards equivalent.

3. Within this aggregate limit, the following group limits shall apply:

<i>Groups</i>	<i>Level in square yards equivalent</i>
A. Categories 1–38 and Category 64.	21,196,700
B. Categories 39–63	2,163,300

¹ Came into force on 1 January 1971, in accordance with the provisions of the said notes.

² United Nations, *Treaty Series*, vol. 700, p. 303.

4. Within the aggregate limit and the applicable group limits, the following specific limits shall apply:

<i>Group A Categories</i>	<i>Level in square yards</i>	
9	10,000,000	
18/19	500,000	
22	4,000,000	
26 (duck)	2,000,000	
26 (other than duck)	2,500,000	

<i>Group B Categories</i>	<i>Level in units</i>	<i>In square yards equivalent</i>
48	14,000 doz.	700,000
49	27,700 doz.	900,000
43/44/45/46/50/51		500,000

5. Within the aggregate limit, the limit for Group A may be exceeded by not more than 10 percent and the limit for Group B may be exceeded by not more than 5 percent. Within the applicable group limit, as it may be adjusted under this provision, specific limits may be exceeded by not more than 5 percent.

6. In the second and succeeding 12-month periods for which any limitation is in force under this agreement, the level of exports permitted under such limitation shall be increased by 5 percent of the corresponding level for the preceding 12-month period, the latter level not to include any adjustments under paragraph 5 or 15.

7. Within the aggregate limit and the applicable group limits, the square yard equivalent of any shortfalls occurring in exports in the categories given specific limits may be used in any category not given a specific limit, subject to the provisions of paragraph 8.

8. In the event Yugoslavia desires to export during any agreement year more than the consultation level established herein in any category not given a specific limit, the Government of the Socialist Federal Republic of Yugoslavia shall request consultations with the Government of the United States of America on this question. The Government of the United States of America shall agree to enter into such consultations and during the course thereof, shall provide the Government of the Socialist Federal Republic of Yugoslavia with information on the condition of the United States market in the category in question. Until agreement is reached, the Government of the Socialist Federal Republic of Yugoslavia shall limit its exports in the category in question to the consultation level. During the first agreement year, the consultation level for each category in Group A not given a specific limit shall be

578,812 square yards equivalent and for each category in Group B not given a specific limit shall be 469,033 square yards equivalent.

9. The Government of the Socialist Federal Republic of Yugoslavia shall use its best efforts to space exports from Yugoslavia to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.

10. The two Governments recognize that the successful implementation of this agreement depends in large part upon mutual cooperation on statistical questions. The Government of the United States of America shall promptly supply the Government of the Socialist Federal Republic of Yugoslavia with data on monthly imports of cotton textiles from Yugoslavia. The Government of the Socialist Federal Republic of Yugoslavia shall promptly supply the Government of the United States of America with data on monthly exports of cotton textiles to the United States. Each Government agrees to supply promptly any other available relevant statistical data requested by the other Government.

11. In the implementation of this agreement, the system of categories and the rates of conversion into square yard equivalents listed in the Annex hereto shall apply. In any situation where the determination of an article to be a cotton textile would be affected by whether the criterion provided for in Article 9 of the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962¹ (hereinafter referred to as the Long-Term Arrangement) is used or the criterion provided for in paragraph 2 of Annex E of the Long-Term Arrangement is used, the chief value criterion used by the Government of the United States of America in accordance with paragraph 2 of Annex E shall apply.

12. The Government of the United States of America and the Government of the Socialist Federal Republic of Yugoslavia agree to consult on any question arising in the implementation of the agreement. In particular, in the event that, because of a return to normalcy of market conditions in the United States, the Government of the United States relaxes measures it has taken under the Long-Term Arrangement with respect to categories given ceilings herein, consultation may be requested by the Government of the Socialist Federal Republic of Yugoslavia to negotiate removal or modification of those ceilings.

¹ United Nations, *Treaty Series*, vol. 471, p. 296. As registered by the Executive Secretary to the Contracting Parties to the General Agreement on Tariffs and Trade, this Arrangement is identified in the United Nations *Treaty Series* by the date of its entry into force, i.e., 1 October 1962.

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

15. (a) For any agreement year immediately following a year of a shortfall under this agreement or the agreement effected by exchange of notes September 26, 1967, (i.e., a year in which cotton textile exports from Yugoslavia to the United States were below the aggregate limit and any group and specific limits applicable to the category concerned) the Government of the Socialist Federal Republic of Yugoslavia may permit exports to exceed these limits by carryover in the following amounts and manner:

- (i) The carryover shall not exceed the amount of the shortfall in either the aggregate limit or any applicable group or specific limit, and shall not exceed either 5 percent of the aggregate limit or 5 percent of the applicable group limit in the year of the shortfall; and
- (ii) In the case of shortfalls in categories subject to specific limits the carryover shall not exceed 5 percent of the specific limit applicable to the category in the year of the shortfall, shall be used in the same category in which the shortfall occurred, and shall be in addition to the exports permitted in paragraph 5; and
- (iii) In the case of shortfalls not attributable to categories subject to specific limits, the carryover shall not be used to exceed any applicable specific limit except in accordance with the provisions of paragraph 5, and shall be subject to the provisions of paragraph 8 of the agreement.

(b) The limits referred to in subparagraph (a) of this paragraph are without any adjustments under this paragraph or paragraph 5.

16. During the term of this agreement, the Government of the United States of America will not request restraint on the export of cotton textiles from Yugoslavia to the United States under the procedures of Articles 3 and 6 (c) of the Long-Term Arrangement.

17. The Government of the United States of America may assist the Government of the Socialist Federal Republic of Yugoslavia in implementing the provisions of this agreement by controlling imports of cotton textiles.

18. Either Government may terminate this agreement effective at the end of an 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 the agreement and the Government receiving such a request will reply to the proposal within 60 days.

If the foregoing proposal is acceptable to your Government, this note and your Excellency's note of acceptance on behalf of the Government of the Socialist Federal Republic of Yugoslavia shall constitute an agreement between our two Governments, which shall enter into force on January 1, 1971.

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

WILLIAM LEONHART

Enclosure:
Annex.

His Excellency Mirko Tepavaz
State Secretary for Foreign Affairs
Belgrade

ANNEX

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
1	Cotton Yarn, carded, singles	lbs.	4.6
2	Cotton Yarn, carded, plied	lbs.	4.6
3	Cotton Yarn, combed, singles	lbs.	4.6
4	Cotton Yarn, combed, plied	lbs.	4.6
5	Gingham, carded	Syds.	Not required
6	Gingham, combed	Syds.	Not required
7	Velveteen	Syds.	Not required
8	Corduroy	Syds.	Not required
9	Sheeting, carded	Syds.	Not required
10	Sheeting, combed	Syds.	Not required
11	Lawns, carded	Syds.	Not required
12	Lawns, combed	Syds.	Not required
13	Voile, carded	Syds.	Not required
14	Voile, combed	Syds.	Not required

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
15	Poplin and Broadcloth, carded	Syds.	Not required
16	Poplin and Broadcloth, combed	Syds.	Not required
17	Typewriter ribbon cloth	Syds.	Not required
18	Print cloth, shirting type 80 x 80 type, carded	Syds.	Not required
19	Print cloth, shirting type, other than 80 x 80 type, carded	Syds.	Not required
20	Shirting, Jacquard or dobby, carded	Syds.	Not required
21	Shirting, Jacquard or dobby, combed	Syds.	Not required
22	Twill and sateen, carded	Syds.	Not required
23	Twill and sateen, combed	Syds.	Not required
24	Woven fabric, n.e.s., yarn dyed, carded	Syds.	Not required
25	Woven fabric, n.e.s., yarn dyed, combed	Syds.	Not required
26	Woven fabric, n.e.s., other, carded	Syds.	Not required
27	Woven fabric, n.e.s., other, combed	Syds.	Not required
28	Pillowcases, not ornamented, carded	Numbers	1.084
29	Pillowcases, not ornamented, combed	Numbers	1.084
30	Towels, dish	Numbers	.348
31	Towels, other	Numbers	.348
32	Handkerchiefs, whether or not in the piece	Dozen	1.66
33	Table damask and manufactures	lbs.	3.17
34	Sheets, carded	Numbers	6.2
35	Sheets, combed	Numbers	6.2
36	Bedspreads and quilts	Numbers	6.9
37	Braided and woven elastic	lbs.	4.6
38	Fishing nets and fish netting	lbs.	4.6
39	Gloves and mittens	Dozen	3.527
40	Hose and half hose	Doz. prs.	4.6
41	T-shirts, all white, knit, men's and boys'	Dozen	7.234
42	T-shirts, other knit	Dozen	7.234
43	Shirts, knit, other than T-shirts and sweatshirts	Dozen	7.234
44	Sweaters and cardigans	Dozen	36.8
45	Shirts, dress, not knit, men's and boys'	Dozen	22.186

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
46	Shirst, sport, not knit, men's and boys' . . .	Dozen	24.457
47	Shirts, work, not knit, men's and boys' . . .	Dozen	22.186
48	Raincoats, $\frac{3}{4}$ length or longer, not knit. . .	Dozen	50.0
49	Coats, other, not knit	Dozen	32.5
50	Trousers, slacks, and shorts (outer), not knit, men's and boys'	Dozen	17.797
51	Trousers, slacks and shorts (outer), not knit, women's, girls' and infants'	Dozen	17.797
52	Blouses, not knit	Dozen	14.53
53	Dresses (including uniforms) not knit . . .	Dozen	45.3
54	Playsuits, sunsuits, washsuits, creepers, romp- pers, etc., not knit, n.e.s.	Dozen	25.0
55	Dressing gowns, including bathrobes and beachrobes, lounging gowns, housecoats, and dusters, not knit	Dozen	51.0
56	Undershirts, knit, men's and boys'	Dozen	9.2
57	Briefs and undershorts, men's and boys' . .	Dozen	11.25
58	Drawers, shorts and briefs, knit, n.e.s. . . .	Dozen	5.0
59	All other underwear, not knit	Dozen	16.0
60	Pajamas and other nightwear	Dozen	51.95
61	Brassieres and other body supporting garments	Dozen	4.75
62	Wearing apparel, knit, n.e.s.	lbs.	4.6
63	Wearing apparel, not knit, n.e.s.	lbs.	4.6
64	All other cotton textiles	lbs.	4.6

II

The Yugoslav Secretary of State for Foreign Affairs to the American Ambassador

No. 441729

Beograd, December 31, 1970

Excellency,

I have the honor to acknowledge the receipt of your Excellency's Note today's date proposing a bilateral agreement relating to exports of cotton textiles from Yugoslavia to the United States, which reads as follows:

[See note I]

I have the honor to inform you that the foregoing conforms with the understanding of my Government and that your Excellency's Note and this Note shall constitute an agreement between our two Governments.

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

For the Secretary of State for Foreign Affairs:

[Signed]

ILIJA TOPALOSKI

Assistant Secretary of State

His Excellency William Leonhart
Ambassador of the United States of America
Beograd
