

No. 12817

**UNITED STATES OF AMERICA
and
REPUBLIC OF KOREA**

Exchange of notes constituting an agreement relating to trade in wool and man-made fiber textile products (with annexes). Washington, 4 January 1972

Exchange of notes constituting an agreement supplementing the above-mentioned Agreement. Washington, 20 September 1972

Authentic texts: English.

Registered by the United States of America on 21 November 1973.

**ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE DE CORÉE**

Échange de notes constituant un accord relatif au commerce des produits textiles en laine et en fibres synthétiques (avec annexes). Washington, 4 janvier 1972

Échange de notes constituant un accord additionnel à l'Accord susmentionné. Washington, 20 septembre 1972

Textes authentiques : anglais.

Enregistrés par les États-Unis d'Amérique le 21 novembre 1973.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND THE
REPUBLIC OF KOREA RELATING TO TRADE IN WOOL
AND MAN-MADE FIBER TEXTILE PRODUCTS

I

The American Ambassador at Large to the Korean Ambassador

DEPARTMENT OF STATE
WASHINGTON

January 4, 1972

Excellency:

I refer to recent discussions between our two Governments concerning exports of wool and man-made fiber textile products from the Republic of Korea to the United States of America. As a result of those discussions, I propose the following agreement:

1. The Republic of Korea shall limit exports of wool and man-made fiber textile products to the United States for the five agreement years beginning October 1, 1971, and extending through September 30, 1976, to the annual aggregate, group and specific limits set forth in annex A, and in accordance with the provisions of this Agreement.

2. (a) Within the applicable aggregate and group limits shown in annex A, for wool and man-made fiber textiles, the following specific limits shall apply for the first agreement year:

Wool Textile Products

<i>Category</i>	<i>Thousand Square Yards Equivalent</i>
104	1,505.9
120	1,413.6

Man-made Fiber Textile Products

<i>Category</i>	<i>Thousand Square Yards Equivalent</i>
211	13,282.5
216	5,250.3
219	58,301.1
221	80,186.7
222	11,080.3
228	8,664.7
229	24,699.4
234	66,378.4
235	27,073.2
238	2,642.2

¹ Came into force on 4 January 1972 by the exchange of the said notes, with retroactive effect from 1 October 1971, in accordance with their provisions.

(b) Within the annual aggregate and group limits set forth in annex A, the specific limits set forth in (a) of this paragraph for man-made fiber textile products shall be increased over the preceding agreement year by 9 percent for the second year and 8 percent for the third year. During the third year, the two Governments shall consult to determine the growth rates appropriate for man-made fiber textiles to distribute between the fourth and fifth year the balance remaining of the five-year aggregate limit shown in annex A after deduction of the aggregate limits provided for the first three years. The growth rates determined in such consultations shall also be applied to the group and specific limits provided for herein.

(c) The specific limits for wool textile products set forth in (a) of this paragraph shall be increased beginning with the second agreement year by 1 percent for each agreement year over the preceding agreement year.

3. The following procedures shall apply during each agreement year with respect to all exports in that year in each category of man-made fiber and wool textile products not subject to a specific limit under paragraph 2 above.

(a) By August 15 of each agreement year the Government of the Republic of Korea shall notify the Government of the United States of America of anticipated exports in each such category during the next agreement year. Following receipt of such notice, the Government of the United States of America shall have 30 days in which to request consultations with respect to any category.

(b) When the Government of the United States of America requests consultations, the Government of the Republic of Korea shall meet promptly with the Government of the United States of America to work out a mutually satisfactory solution to such problems as may exist with respect to the anticipated exports referred to under (a) of this paragraph. The consultations shall be concluded within 30 days, unless the two Governments agree otherwise. In the event that such consultations do not result in a mutually acceptable solution, the Government of the Republic of Korea shall limit its exports in any category in question during the agreement year in question to the level requested by the Government of the United States of America at the conclusion of such consultations.

(c) If no consultations are requested by the Government of the United States of America, the Government of the Republic of Korea shall not permit exports to exceed the level stated by the Government of the Republic of Korea under (a) of this paragraph without the specific concurrence of the Government of the United States of America to such additional exports. The Government of the Republic of Korea may request such concurrence at any time it believes appropriate. The Government of the United States of America shall give due consideration to such request and shall respond within 21 days of receipt of such request.

4. The following shall be applied separately to the wool textile aggregate, group and specific limits and to the man-made fiber textile aggregate, group and specific limits.

(a) For any agreement year subsequent to the first agreement year and immediately following a year of a shortfall (i.e., a year in which textile exports from the Republic of Korea were below the aggregate limit and any group and specific limits applicable to the category concerned) the Government of the Republic of Korea may permit exports to exceed these limits by carryover in the following amounts and manner:

- (i) The carryover shall not exceed the amount of shortfall in either the aggregate limit or any applicable group or specific limit and shall not exceed either five percent of the aggregate limit or five percent of the applicable group limit in the year of the shortfall, and
- (ii) in the case of shortfalls in the categories subject to specific limits the carryover shall be used in the same category in which the shortfall occurred, and shall not exceed five percent of the specific limit in the year of the shortfall, and

(iii) in the case of shortfalls not attributable to categories subject to specific limits, the carryover shall be used in the same group in which the shortfall occurred and shall not be used to exceed any applicable specific limit except in accordance with the provisions of paragraph 7 and shall be subject to the provisions of paragraph 3 of this Agreement.

(b) The limits referred to in subparagraph (a) of this paragraph are without any adjustments under this paragraph or paragraphs 5, 6 or 7.

(c) The carryover shall be in addition to the exports permitted in paragraphs 5, 6 and 7 of this Agreement.

5. In addition to the amounts provided for under paragraphs 2 and 4, aggregate exports of man-made fiber textiles may be increased by an amount equal to 5 percent of the aggregate limit, and within that amount, exports in any group or category may be exceeded by 5 percent of the applicable group and category limits, provided that exports under the cotton textile agreement for the corresponding year ending December 31 are below the aggregate limit and the comparable group and category limits established therein by an equivalent square yard amount. In applying this paragraph only, the maximum allowable exports under the cotton textile agreement shall be deemed the "limits".

6. Within the applicable aggregate limits, as they may be adjusted under paragraphs 4 and 5, exports in the apparel groups for man-made fiber textiles and for wool textiles may exceed the applicable group limits as adjusted pursuant to paragraph 5 by 5 percent of such adjusted limits in each year and exports in the other groups may exceed the group limits applicable thereto as adjusted pursuant to paragraph 5 by 10 percent.

7. Within the applicable aggregate and group limits as adjusted pursuant to paragraphs 4, 5, and 6, exports in any category given a specific limit may exceed that limit by not more than 5 percent in addition to the amount authorized under paragraph 4; provided, however, that the total of exports authorized for any category under this paragraph and paragraph 5 shall not exceed 5 percent of the unadjusted category limit for the year in question. Within the applicable group limits for each group, 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.

8. The Government of the Republic of Korea shall use its best efforts to space exports to the United States of America as evenly as practicable taking into account seasonal factors.

9. Each Government agrees to supply promptly any relevant available statistical data requested by the other government. In particular, the Governments agree to exchange monthly data on exports and imports of wool and man-made fiber textiles from the Republic of Korea to the United States of America.

10. (a) For the purpose of this Agreement the schedules of categories and conversion factors attached hereto as annex B shall apply.

(b) (i) Any textile product which is wholly or in part of wool and/or man-made fiber, but is not in chief value cotton, shall be subject to the terms of this Agreement, whether or not listed in annex B.

(b) (ii) For purposes of this Agreement a product covered under (b) (i) and not listed in annex B shall be treated as a wool textile product if (a) it is 17 percent or more by weight of wool, or (b) the weight of the wool component is not less than the weight of the man-made fiber content, or (c) the product contains no man-made fiber. All other products under (b) (i) but not listed in annex B shall be considered man-made fiber textile products.

(c) Both Governments agree to take such measures as may be appropriate to prevent the evasion of this Agreement by substitution, transshipment or other means.

11. (a) The Governments agree to consult on any question arising in the implementation of this Agreement. 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.

(b) Experts of the two Governments shall meet to consider hardship situations which may exist at the outset of this Agreement. The experts may make recommendations to the two governments for appropriate solutions. In considering these situations, conditions in both countries shall be taken into account.

12. The Government of the Republic of Korea shall administer its export control system under this Agreement. The Government of the United States of America may assist the Government of the Republic of Korea in implementing the limitations of this Agreement.

13. A schedule of handicraft and art articles which shall be exempt from the limitations of this Agreement shall be developed by the two Governments and incorporated into this Agreement as annex C.¹

14. If the Government of the Republic of Korea considers that as a result of limitations specified in this Agreement, the Republic of Korea is being placed in an inequitable position vis-a-vis a third country, the Government of the Republic of Korea 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. 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 this Agreement.

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

Accept, Excellency, the assurances of my highest consideration.

For the Secretary of State:

[Signed]

DAVID M. KENNEDY
Ambassador at Large

His Excellency Dong Jo Kim
Ambassador of Korea

A N N E X A

MAN-MADE FIBER AND WOOL TEXTILE PRODUCTS

1. The aggregate and group limits for exports of man-made fiber textiles from the Republic of Korea to the United States of America for the five years beginning October 1, 1971, shall not exceed 1,954,400,000 square yards equivalent. The totals for the first three years are indicated below in square yards equivalent.

¹ See p. 78 of this volume.

<i>Period</i>	<i>Limits</i>
October 1, 1971-September 30, 1972	
Aggregate	344,300,000
Group I. Apparel (Categories 214-240)	296,442,300
Group II. Fabric (Categories 206-213)	16,044,600
Group III. Other (Categories 200-205, 241-243)	31,813,100
October 1, 1972-September 30, 1973	
Aggregate	375,287,000
Group I. Apparel (Categories 214-240)	323,122,100
Group II. Fabric (Categories 206-213)	17,488,600
Group III. Other (Categories 200-205, 241-243)	34,676,300
October 1, 1973-September 30, 1974	
Aggregate	405,310,000
Group I. Apparel (Categories 214-240)	348,971,900
Group II. Fabric (Categories 206-213)	18,887,700
Group III. Other (Categories 200-205, 241-243)	37,450,400
October 1, 1974-September 30, 1975*	
Aggregate	
Group I. Apparel (Categories 214-240)	
Group II. Fabric (Categories 206-213)	
Group III. Other (Categories 200-205, 241-243)	
October 1, 1975-September 30, 1976*	
Aggregate	
Group I. Apparel (Categories 214-240)	
Group II. Fabric (Categories 206-213)	
Group III. Other (Categories 200-205, 241-243)	

2. The aggregate and group limits in square yards equivalent for Korean exports of wool textiles to the United States for the periods indicated below are:

<i>Period</i>	<i>Limits</i>
October 1, 1971-September 30, 1972	
Aggregate	12,730,000
Group I. Apparel (Categories 111-125)	10,600,000
Group II. Fabric, made-ups & miscellaneous (Categories 101-110, 128-132)	2,130,000
October 1, 1972-September 30, 1973	
Aggregate	12,857,300
Group I. Apparel (Categories 111-125)	10,706,000
Group II. Fabric, made-ups, and miscellaneous (Categories 101-110, 128-132)	2,151,300
October 1, 1973-September 30, 1974	
Aggregate	12,985,900
Group I. Apparel (Categories 111-125)	10,813,100
Group II. Fabric, made-ups & miscellaneous (Categories 101-110, 128-132)	2,172,800
October 1, 1974-September 30, 1975	
Aggregate	13,115,700
Group I. Apparel (Categories 111-125)	10,921,200
Group II. Fabric, made-ups & miscellaneous (Categories 101-110, 128-132)	2,194,500

* See paragraph 2(b) of this Agreement regarding fourth and fifth year limits.

<i>Period</i>	<i>Limits</i>
October 1, 1975-September 30, 1976	
Aggregate	13,246,900
Group I. Apparel (Categories 111-125)	11,030,400
Group II. Fabric, made-ups, and miscellaneous (Categories 101-110, 128-132)	2,216,500

3. Growth in the group and specific limits in the second and succeeding years shall be at the same rate as growth in the aggregate limit in the second and succeeding years.

ANNEX B

CATEGORIES OF WOOL TEXTILE PRODUCTS

<i>Category</i>	<i>Description</i>	<i>Unit of Measure</i>	<i>Syd. Conversion</i>
101	Wool tops and wool advanced	Lb.	1.95
102	Yarns of Angora Rabbit Hair	Lb.	1.95
103	Other yarns of wool and hair	Lb.	1.95
104	Woven fabrics of wool, including blankets (carriage robes, lap robes, steamer rugs, etc.) over 3 yards in length ...	Syd.	1.0
105	Billiard cloth	Syd.	1.0
106	Blankets	Lb.	1.295
107	Carriage and auto robes, etc., nes.	Lb.	1.295
108	Tapestries and upholstery fabrics	Syd.	1.0
109	Pile and tufted fabrics	Syd.	1.0
110	Knit fabrics in the piece	Lb.	1.95
111	Hosiery	Doz. Pr.	2.7814
112	Gloves and mittens	Doz. Pr.	2.093
113	Underwear, knit	Lb.	1.95
114	Other infants articles, knit not ornamented	Lb.	1.95
115	Knit hats and similar items	Lb.	1.95
116	Knit wearing apparel, nes., valued not over \$5 per pound	Lb.	1.95
117	Knit wearing apparel, nes., valued over \$5 per pound ...	Lb.	1.95
118	Hats, caps, not blocked	Lb.	1.95
119	Hats, caps, blocked, finished	Lb.	1.95
120	Men's and boys' suits	No.	4.5
121	Men's and boys' outer coats	No.	4.5
122	Woman's, misses', and children's coats and suits	No.	4.75
123	Women's misses', children's separate skirts	No.	1.5
124	Trousers, slacks and shorts	No.	1.5
125	Articles of wearing apparel, nes.	Lb.	2.0
126	Lace and net article including veiling	Lb.	1.95
128	Miscellaneous wool manufactures	Lb.	1.95
131	Braided floor coverings	Sft.	.0111
132	Wool floor coverings, nes.	Sft.	.0111
200	Textured yarns	Lb.	3.51
201	Yarn wholly of continuous filament, cellulosic	Lb.	5.19
202	Yarn wholly of continuous filament, other	Lb.	11.6
203	Yarn wholly of non-continuous filament, cellulosic	Lb.	3.4
204	Yarn wholly of non-continuous filament, other	Lb.	4.12
205	Yarns, other	Lb.	3.51
206	Woven fabrics, cellulosic, wholly of continuous man-made fiber	Lb.	1.0
207	Woven fabrics, cellulosic, wholly of non-continuous fibers	Syd.	1.0
208	Woven fabrics, other, wholly of continuous man-made fiber	Syd.	1.0
209	Woven fabrics, other, wholly of noncontinuous fibers ...	Syd.	1.0
210	Woven fabrics, other, of man-made fibers (including fabric containing more than 17% by weight of wool; glass fabrics and mixed yarn fabrics)	Syd.	1.0

<i>Category</i>	<i>Description</i>	<i>Unit of Measure</i>	<i>Syd. Conversion</i>
211	Knit fabrics	Lb.	7.8
212	Pile and tufted fabrics	Syd.	1.0
213	Specialty fabrics	Lb.	7.8
214	Gloves and mittens, knit, whether or not ornamented	Doz. Pr.	3.53
215	Hosiery	Doz. Pr.	4.6
216	Dresses, knit	Doz.	45.3
217	Pajamas and other nightwear, knit	Doz.	51.96
218	T-Shirts, knit	Doz.	7.24
219	Shirts, other (including blouses), knit	Doz.	18.36
220	Skirts, knit	Doz.	17.8
221	Sweaters and cardigans, knit	Doz.	36.8
222	Trousers, slacks and shorts, knit women's girls' and infants'	Doz.	17.8
223	Underwear, knit	Doz.	16.0
224	Other wearing apparel, knit, whether or not ornamented .	Lb.	7.8
225	Body supporting garments	Doz.	4.75
226	Handkerchiefs	Doz.	1.66
227	Mufflers, scarves and shawls, not knit	Lb.	7.8
228	Blouses, not knit	Doz.	14.53
229	Coats, not knit	Doz.	41.25
230	Dresses, not knit	Doz.	45.3
231	Dressing gowns, including bathrobes and beach robes, not knit	Doz.	51.0
232	Pajamas and other nightwear; not knit	Doz.	51.96
233	Playsuits, sunsuits, washsuits, etc., not knit	Doz.	21.3
234	Dress shirts, not knit	Doz.	22.19
235	Shirts, other, not knit	Doz.	24.46
236	Skirts, not knit	Doz.	17.8
237	Suits, not knit	No.	4.5
238	Trousers, slacks and shorts, not knit	Doz.	17.8
239	Underwear, not knit	Doz.	16.0
240	Other wearing apparel, not knit, whether or not ornamented	Lb.	7.8
241	Floor coverings	Sft.	0.11
242	Other furnishings	Lb.	7.8
243	Man-made fiber manufactures, nes.	Lb.	7.8

II

EMBASSY OF THE REPUBLIC OF KOREA
WASHINGTON, D.C.

January 4, 1972

KAM 72/2

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's note of January 4, 1972, concerning the exports of wool and man-made fiber textile products from the Republic of Korea to the United States of America.

I have the honor to inform Your Excellency that the proposals set forth in Your Excellency's note are acceptable to the Government of the Republic of

Korea and to confirm that Your Excellency's note and this reply constitute an agreement between our two Governments.

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

[*Signed*]

DONG-JO KIM
Ambassador

His Excellency David M. Kennedy
Ambassador at Large
Department of State
Washington, D.C.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND THE
REPUBLIC OF KOREA SUPPLEMENTING THE AGREE-
MENT OF 4 JANUARY 1972 RELATING TO TRADE IN WOOL
AND MAN-MADE FIBER TEXTILE PRODUCTS²

I

EMBASSY OF THE REPUBLIC OF KOREA
WASHINGTON, D.C.

KAM 72/192

The Ambassador of the Republic of Korea presents his compliments to His Excellency, the Secretary of State and has the honor to refer to article 13 of the Agreement on Wool and Man-made Fiber Textiles between Korea and the United States dated January 4, 1972² and to propose that the following list of traditional "Korean items", not including those garments tailored to conform with western styles be incorporated into the Agreement as annex C:

1. Chima—The long, formless and ample skirt portion of the traditional Korean Chima-Chogori dress set.
2. Chogori—The short halter type blouse or top portion of the traditional Korean Chima-Chogori dress set.
3. Bosun—An ankle boot-type article, wholly of cloth, worn by Korean women indoors.
4. Fabrics, not exceeding 24 × 48 inches in size, containing hand embroidered or handpainted Korean scenes and used primarily as decorations or art objects.
5. Handmade carpets, i.e., in which the pile was inserted or knotted by hand and classified by the U.S. Customs under TSUSA numbers 360.0500, 360.1000, 360.1500 or 360.7540.

The Ambassador of the Republic of Korea further has the honor to propose that if the foregoing is acceptable to His Excellency, this note and His Excellency's note in reply shall constitute annex C to the Agreement.

The Ambassador of the Republic of Korea avails himself of the opportunity to renew to the Secretary of State the assurances of his highest consideration.

Washington, D.C. September 20, 1972.

¹ Came into force on 20 September 1972 by the exchange of the said notes.

² See p. 70 of this volume.

II

DEPARTMENT OF STATE
WASHINGTON

September 20, 1972

Excellency:

I have the honor to acknowledge receipt of your note of today's date which reads as follows:

[*See note I*]

I have further the honor to confirm that the proposal contained in your note is acceptable to the Government of the United States of America.

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

For the Secretary of State:

WILLIS C. ARMSTRONG

His Excellency Dong Jo Kim
Ambassador of Korea