

No. 14528

**UNITED STATES OF AMERICA
and
PORTUGAL**

**Exchange of notes constituting an agreement relating to trade
in textiles with Macau (with annex). Lisbon, 3 March
1975**

Authentic text: English.

Registered by the United States of America on 31 December 1975.

**ÉTATS-UNIS D'AMÉRIQUE
et
PORTUGAL**

**Échange de notes constituant un accord relatif au commerce
des textiles avec Macao (avec annexe). Lisbonne, 3 mars
1975**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 31 décembre 1975.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN
THE UNITED STATES OF AMERICA AND PORTUGAL RELATING
TO TRADE IN TEXTILES WITH MACAU

I

The American Ambassador to the Portuguese Minister for Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA
LISBON

March 3, 1975

No. 72

Excellency:

I refer to the Arrangement Regarding International Trade in Textiles done at Geneva on December 23, 1973,*² hereinafter referred to as the Arrangement. I also refer to recent discussions between representatives of our two Governments concerning exports of cotton, wool, and man-made fiber textiles and textile products from Macau to the United States. As a result of those discussions, I wish to propose the following agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between Macau and the United States, to replace, effective January 1, 1975, the existing agreements of December 22, 1972,³ as amended,⁴ relating to this trade.

1. The term of this agreement shall be from January 1, 1975 through December 31, 1977. During such term, the Government of Portugal will limit annual exports of cotton, wool, and man-made fiber textiles and textile products from Macau to the United States to aggregate, group, and specific limits as specified in the following paragraphs.

2. For the first agreement year, constituting the twelve-month period beginning January 1, 1975, the aggregate limit will be 31,809,890 square yards equivalent.

3. Within the aggregate limit, the following group limits shall apply for the first agreement year:

<i>Group</i>	<i>Limit (in square yards equivalent)</i>
I Categories 1-64 and 200-243	30,381,750
II Categories 101-132	1,428,140

4. Within the limit for Group I, the following specific limits shall apply for the first agreement year:

<i>Category</i>	<i>Unit</i>	<i>In Square Yards Equivalent</i>
49 other coats, cotton	30,531 Doz.	992,250
50/51 trousers, slacks, & shorts, cotton	58,853 Doz.	1,047,400

* Should read "December 20, 1973".

¹ Came into force on 3 March 1975 by the exchange of the said notes, with retroactive effect from 1 January 1975, in accordance with their provisions.

² United Nations, *Treaty Series*, vol. 930, p. 166.

³ See "Exchange of notes constituting an Agreement between the United States of America and Portugal relating to trade in cotton textiles with Macau" in United Nations, *Treaty Series*; vol. 912, p. 19; "Exchange of notes constituting an Agreement between the United States of America and Portugal relating to trade in wool and man-made fiber textiles products with Macau", *ibid.*, p. 35.

⁴ United Nations, *Treaty Series*, vol. 916, p. 351.

Category		Unit	<i>In Square Yards Equivalent</i>
219	knit shirts, man-made	397,753 Doz.	7,302,750
221	sweaters, man-made	73,272 Doz.	2,696,400
222	trousers, slacks & shorts, knit, man-made.....	276,584 Doz.	4,923,200
223	knit underwear, man-made	124,709 Doz.	1,995,350
224	other knit apparel, man-made	288,077 Lb.	2,247,000
229	coats, man-made	158,189 Doz.	6,525,300

5. Within the aggregate limit, the limit for Group I may be exceeded in any agreement year by the amount of the shortfall in Group II, and the limit for Group II may be exceeded by one percent. Within the group limits, as adjusted, the specific limits in Group I may be exceeded by 7 percent in any agreement year, and the specific limits in Group II (in the event that specific limits are established for this group) may be exceeded by 5 percent. The limits referred to in this paragraph are without the adjustments provided for under paragraph 7 of this agreement.

6. (a) For the second and succeeding agreement years, the aggregate limit shall be increased by 6.25 percent of the aggregate for the preceding year. Within that limit, the limit for Group II shall be increased by one percent annually. Within the aggregate and applicable group limits, all specific limits and consultation levels shall be increased by 6.25 percent annually except those limits in Group II which shall be increased by 1 percent annually.

(b) The difference between the amounts resulting from the application of a 6.25 percent annual growth to the aggregate limit and a one percent annual growth to the limit for Group II shall be applied to Group I. The limits referred to in this paragraph are without adjustments under any other provision of this Agreement.

7. (a) In any agreement year, exports may exceed by a maximum of 11 percent the aggregate limit and any group or specific limit by allocating to the limits for that year an unused portion of the applicable limit for the previous agreement year (carryover) or a portion of the applicable limit for the succeeding agreement year (carry forward).

- (i) Carryover may be utilized as available up to 11 percent of the receiving year's applicable limits;
- (ii) Carry forward may be utilized up to 6 percent of the receiving year's applicable limits and charged against the next year's applicable limits;
- (iii) The combination of carryover and carry forward may not exceed 11 percent of the receiving year's applicable limits in any agreement year.

Notwithstanding the foregoing, carryover of shortfalls into the first agreement year shall not be more than 5 percent of the applicable limits for the year ending December 31, 1974, provided for in the Agreements between the Governments concerning trade in cotton textiles and in wool and man-made fiber textiles of December 1972, as amended.

(b) For purposes of this Agreement, a shortfall occurs when exports from Macau to the United States during an agreement year are below the aggregate limits in this Agreement or the limits in force for the year ending December 31, 1974, provided in the Agreements referred to in subparagraph (a) above. In the agreement year following the shortfall, exports from Macau may be permitted to exceed the aggregate, group, and specific limits in accordance with the provisions of subparagraphs (a) and (b) of this paragraph by carryover of shortfalls in the following manner:

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

(c) The limits referred to in subparagraphs (a) and (b) of this paragraph are without any adjustment under this paragraph or paragraph 5 above.

(d) The total adjustment under this paragraph shall be in addition to the adjustments permitted by paragraph 5 to the limits for any year.

8. Categories not given specific limits are subject to consultation levels and to the aggregate and applicable group limits. In the event the Government of Portugal wishes to permit exports from Macau to the United States in any category in excess of the applicable consultation level during any agreement year, the Government of Portugal shall request consultations with the Government of the United States of America on this question and the Government of the United States of America shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of Portugal shall limit exports from Macau to the United States in the category in question to the consultation level. For the first agreement year, the consultation level for each category not given a specific limit shall be 1,000,000 square yards equivalent in Categories 1–38, 64, 200–213 and 241–243; 700,000 square yards equivalent in Categories 39–63 and 214–240; and 102,010 square yards equivalent in Categories 101–132.

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

10. The Government of the United States of America shall promptly supply the Government of Portugal with data on monthly imports of cotton, man-made fiber and wool textiles from Macau; and the Government of Portugal shall promptly supply the Government of the United States of America with data on monthly exports of cotton, man-made fiber and wool textiles from Macau to the United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

11. (a) In implementing this agreement, the system of categories and the rates of conversion into square yards equivalent listed in the Annex A hereto shall apply.

(b) Tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (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, are included.

(c) For purposes of this agreement, textile products shall be classified as cotton, wool or man-made fiber textiles if wholly or in chief value of either of these fibers. All other products described in subparagraph (b) of this paragraph shall be classified as:

- (i) Cotton textiles if containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fiber component.
- (ii) Wool textiles if not cotton, and the wool equals or exceeds 17 percent by weight of all component fibers.
- (iii) Man-made fiber textiles if neither of the foregoing applies.

12. The Government of Portugal and the Government of the United States of America 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 Portugal considers that, as a result of limitations specified in this agreement, Macau is being placed in an inequitable position vis-a-vis a third country, the Government of Portugal may request consultations 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, wool and man-made fiber textiles from Macau to the United States.

16. The Government of the United States of America may assist the Government of Portugal in implementing the limitation provisions of this agreement by controlling imports of cotton, wool and man-made fiber 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 this proposal is acceptable to the Government of Portugal, this note and your note of confirmation on behalf of the Government of Portugal shall constitute an agreement between the Government of Portugal and the Government of the United States of America.

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

FRANK CARLUCCI

Enclosure:
Annex A

His Excellency Dr. Mário Soares
Minister for Foreign Affairs
Lisbon

ANNEX A

<i>Category</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor</i>
1	Cotton yarn, singles, carded, not ornamented, etc.	lb.	4.6
2	Cotton yarn, plied, carded, not ornamented, etc.	lb.	4.6
3	Cotton yarn, singles, combed, not ornamented, etc.	lb.	4.6
4	Cotton yarn, plied, combed, not ornamented, etc.	lb.	4.6
5	Ginghams, carded yarn.	syd.	1.0
6	Ginghams, combed yarn.	syd.	1.0
7	Velveteens.	syd.	1.0
8	Corduroy.	syd.	1.0
9	Sheeting, carded yarn.	syd.	1.0
10	Sheeting, combed yarn.	syd.	1.0
11	Lawns, carded yarn.	syd.	1.0
12	Lawns, combed yarn.	syd.	1.0
13	Voiles, carded yarn.	syd.	1.0
14	Voiles, combed yarn.	syd.	1.0
15	Poplin and broadcloth, carded yarn.	syd.	1.0
16	Poplin and broadcloth, combed yarn.	syd.	1.0
17	Typewriter ribbon cloth.	syd.	1.0
18	Print cloth, shirting type, 80 × 80 type, carded yarn.	syd.	1.0
19	Print cloth, shirting type, other than 80 × 80 type, carded yarn.	syd.	1.0
20	Shirting, carded yarn.	syd.	1.0
21	Shirting, combed yarn.	syd.	1.0
22	Twill and Sateen, carded yarn.	syd.	1.0
23	Twill and Sateen, combed yarn.	syd.	1.0
24	Yarn-dyed fabrics, n.e.s., carded yarn.	syd.	1.0
25	Yarn-dyed fabrics, n.e.s., combed yarn.	syd.	1.0
26	Fabrics, n.e.s., carded yarn.	syd.	1.0
27	Fabrics, n.e.s., combed yarn.	syd.	1.0
28	Pillowcases, plain, carded yarn.	no.	1.084
29	Pillowcases, plain, combed yarn.	no.	1.084
30	Dish towels.	no.	.348
31	Towels, other than dish towels.	no.	.348

<i>Category</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor</i>
32	Handkerchiefs	doz.	1.66
33	Table damasks and manufactures	lb.	3.17
34	Sheets, carded yarn	no.	6.2
35	Sheets, combed yarn	no.	6.2
36	Bedspreads, including quilts	no.	6.9
37	Braided and woven elastics	lb.	4.6
38	Fishing nets	lb.	4.6
39	Gloves and mittens	doz. pr.	3.527
40	Hose and half hose	doz. pr.	4.6
41	Men's and boys' all white T-shirts, knits or crocheted	doz.	7.234
42	Other T-shirts	doz.	7.234
43	Knitshirts, other than T-shirts and sweatshirts (including infants)	doz.	7.234
44	Sweaters and cardigans	doz.	36.8
45	Men's and boys' shirts, dress, not knit or crocheted	doz.	22.186
46	Men's and boys' shirts, sport, not knit or crocheted	doz.	24.457
47	Men's and boys' shirts, work, not knit or crocheted	doz.	22.186
48	Raincoats, ³ / ₄ length or over	doz.	50.0
49	All other coats	doz.	32.5
50	Men's and boys' trousers, slacks and shorts, outer, whether or not in sets, not knit or crocheted	doz.	17.797
51	Women's, misses' and children's trousers, slacks and shorts, outer, whether or not in sets, not knit or crocheted	doz.	17.797
52	Blouses, whether or not in sets	doz.	14.53
53	Women's, misses', children's and infants' dresses (including nurses, and other uniform dresses), not knit or crocheted	doz.	45.3
54	Playsuits, sunsuits, washsuits, creepers, rompers, etc. (except blouses and shorts; blouses and trousers; or blouses, shorts and skirt sets)	doz.	25.0
55	Dressing gowns, including bathrobes and beachrobes, lounging gowns, dusters and housecoats, not knit or crocheted	doz.	51.0
56	Men's and boys' undershirts (not T-shirts)	doz.	9.2
57	Men's and boys' briefs and undershorts	doz.	11.25
58	Drawers, shorts and briefs (except men's and boys' briefs) knit or crocheted	doz.	5.0
59	All other underwear, not knit or crocheted	doz.	16.0
60	Nightwear and pajamas	doz.	51.96
61	Brassieres and other body supporting garments	doz.	4.75
62	Other knitted or crocheted clothing	lb.	4.6
63	Other clothing, not knit or crocheted	lb.	4.6
64	All other cotton textile items	lb.	4.6
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., n.e.s.	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	dpr.	2.7814
112	Gloves and mittens	dpr.	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, n.e.s., valued not over \$5 per pound	lb.	1.95
117	Knit wearing apparel, n.e.s., valued over \$5 per pound	lb.	1.95

<i>Category</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor</i>
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	Women's, misses', and children's coats and suits	no.	4.75
123	Women's, misses', and children's separate skirts	no.	1.5
124	Trousers, slacks and shorts	no.	1.5
125	Articles of wearing apparel, n.e.s.	lb.	2.0
126	Lace and net articles including veiling	lb.	1.95
128	Miscellaneous manufactures of wool	lb.	1.95
131	Braided floor coverings	sft.	0.11
132	Wool floor coverings, n.e.s.	sft.	0.11
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	syd.	1.0
207	Woven fabrics, cellulosic, wholly made of non-continuous fibers	syd.	1.0
208	Woven fabrics, other, wholly of continuous man-made fibers	doz. pr.	1.0
209	Woven fabrics, other, wholly of non-continuous fibers	syd.	1.0
210	Woven fabrics, other, of man-made fibers	syd.	1.0
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	dpr.	3.53
215	Hosiery	dpr.	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 beachrobes, 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	Manufactures, n.e.s., of man-made fiber	lb.	7.8

II

*The Portuguese Secretary of State for Foreign Affairs
to the American Ambassador*

MINISTÉRIO DOS NEGÓCIOS ESTRANGEIROS¹
GABINETE DO SECRETÁRIO DE ESTADO

Lisbon, March 3, 1975

Excellency:

I have the honour to acknowledge receipt of your Excellency's Note No. 72 of today's date, and of its respective Annex, reading as follows:

[*See note I*]

In reply I have the honour to signify on behalf of the Government of Portugal its concurrence in the foregoing purpose and to confirm that Your Excellency's Note and this Note shall constitute an Agreement between our two Governments in this matter, effective January 1, 1975.

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

[*Signed*]
JORGE CAMPINOS
Secretary of State
for Foreign Affairs

His Excellency Frank Charles Carlucci
Ambassador of the United States of America
Lisbon

[*Annex A as under note I*]

¹ Ministry of Foreign Affairs, Office of the Secretary of State.