

No. 17406

**UNITED STATES OF AMERICA
and
REPUBLIC OF CHINA**

Exchange of notes constituting an interim agreement relating to trade in textiles (with annexes). Washington, 16 December 1977

Exchange of notes constituting an agreement amending and extending the above-mentioned Agreement (with annexes). Washington, 30 March 1978

Authentic texts: English.

Registered by the United States of America on 14 December 1978.

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

Échange de notes constituant un accord provisoire relatif au commerce des textiles (avec annexes). Washington, 16 décembre 1977

Échange de notes constituant un accord modifiant et prorogeant l'Accord susmentionné (avec annexes). Washington, 30 mars 1978

Textes authentiques : anglais.

Enregistrés par les États-Unis d'Amérique le 14 décembre 1978.

EXCHANGE OF NOTES CONSTITUTING AN INTERIM AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CHINA RELATING TO TRADE IN TEXTILES

I

The Secretary of State to the Chinese Ambassador

December 16, 1977

Excellency:

I have the honor to refer to discussions between representatives of the Government of the Republic of China and the Government of the United States of America in Washington from November 14 to November 22 concerning exports to the United States of cotton, wool and man-made fiber textiles and textile products manufactured in the Republic of China. As a result of these discussions, I have the honor to propose, on behalf of the Government of the United States of America, the following Interim Agreement relating to trade in cotton, wool and man-made fiber textiles and textile products between the Republic of China and the United States:

1. The term of the Interim Agreement shall be from January 1, 1978, through March 31, 1978.
2. Textiles and textile products covered by this Agreement shall be classified in three groups, as follows:

<i>Group</i>	<i>Definition</i>
I	Yarns, fabrics, made-up goods and miscellaneous textile products of cotton and man-made fibers. (Categories 300, 301, 310-320, 330, 360-363, 369, 600-605, 610-614, 625-627, 630, 665, 666 and 669.)
II	Apparel of cotton and man-made fibers. (Categories 331-342, 345, 347-352, 359, 631-652 and 659.)
III	Wool textiles and textile products. (Categories 400, 410, 411, 425, 429, 431-436, 438, 440, 442-448, 459, 464, 465, and 469.)

The determination of whether a textile or textile product is of cotton, wool, or man-made fiber shall be made in accordance with the terms of paragraph 6. The categories referred to in the above definitions of groups are those summarized in annex A.

3. (a) The system of categories and the rates of conversion into square yards equivalent listed in annex A shall apply in implementing the Interim Agreement except as set out in subparagraph 3 (b).

(b) For purposes of this Agreement, and in recognition of the patterns of trade of the Republic of China with the United States of America, the groups of categories below are merged and treated as single categories as indicated, with Specific Limits as set out in annex B:

<i>Categories merged</i>	<i>Designation in Agreement</i>
638,639	638/639
645,646	645/646

¹ Came into force on 16 December 1977 by the exchange of the said notes, with effect from 1 January 1978, in accordance with the provisions of the said notes.

For purposes of computing charges to Aggregate, Group and Specific Limits the rates of conversion for categories 638 and 639 shall be 15.5 square yards equivalent per dozen.

4. During the term of this Agreement, the Government of the Republic of China shall limit exports from the Republic of China to the United States of America of cotton, wool, and man-made fiber textiles and textile products manufactured in the Republic of China to the Aggregate, Group and Specific Limits set out in annex B.

5. (a) Categories not subject to Specific Limits are subject to consultation levels and to the Aggregate and applicable Group Limits. Except as specified in annex C, which sets out certain different consultation levels, consultation levels for categories not subject to Specific Limits shall be 250,000 square yards equivalent for categories in Group I, 175,000 square yards equivalent for categories in Group II, and 25,000 square yards equivalent for categories in Group III.

6. (a) Tops, yarns, piece goods, man-made articles, garments and other textile manufactured products, all being products which derive their chief characteristics from their textile components, of cotton, wool, or man-made fibers, or blends thereof, in which any or all of those fibers 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 subject to this Agreement.

(b) For the purposes of this Agreement, textile products shall be classified as cotton, wool or man-made fiber textiles if wholly or in chief value of any of these fibers. Any products covered by subparagraph 6(a) but not in chief value of cotton, wool or man-made fiber 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 wool equals or exceeds 17 percent by weight of all component fibers; and
- (iii) Man-made fiber textiles if neither of the foregoing applies.

7. 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.

8. The visa and exempt certification administrative arrangements presently in force shall continue in force under the interim Agreement.

9. Representatives of the two Governments will meet as soon as possible to complete negotiation of a longer term agreement to be effective, retroactively, on January 1, 1978. The two Governments enter into this Interim Agreement without prejudice to the terms of the longer term agreement; no terms of this Interim Agreement shall constitute a precedent for the longer term agreement.

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 Republic of China shall constitute an agreement between the Government of the United States of America and the Government of the Republic of China.

Accept, Excellency, the renewed assurances of my highest consideration

For the Secretary of State:
WILLIAM BARRACLOUGH

His Excellency James C. H. Shen
Ambassador of the Republic of China

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
YARN			
<i>Cotton:</i>			
300	Carded	4.6	Lb.
301	Combed	4.6	Lb.
<i>Wool:</i>			
400	Tops and yarn	2.0	Lb.
<i>Man-made fiber:</i>			
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.
FABRIC			
<i>Cotton:</i>			
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, n.k.	1.0	SYD
<i>Wool:</i>			
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
<i>Man-made fiber:</i>			
610	Cont. cellulosic, n.k.	1.0	SYD
611	Spun cellulosic, n.k.	1.0	SYD
612	Cont. noncellulosic, n.k.	1.0	SYD
613	Spun noncellulosic, n.k.	1.0	SYD
614	Other fabrics, n.k.	1.0	SYD
625	Knit	7.8	Lb.
626	Pile and tufted	1.0	SYD
627	Specialty	7.8	Lb.
APPAREL			
<i>Cotton:</i>			
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.

Category	Description	Conversion Factor	Unit of Measure
336	Dresses (inc, uniforms)	45.3	Dz.
337	Playsuits, sunsuits, washsuits, creepers	25.0	Dz.
338	Knit shirts (inc. T-shirts, other and sweatshirts) M and B	7.2	Dz.
339	Knit shirts and blouses (inc. T-shirts, other & sweatshirts) W, G and I ..	7.2	Dz.
340	Shirts, n.k.	24.0	Dz.
341	Blouses, n.k.	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, inc. bathrobes, and beach robes, lounging gowns, house coats, and dusters	51.0	Dz.
351	Pajamas and other nightwear	52.0	Dz.
352	Underwear (inc. union suits)	11.0	Dz.
359	Other apparel	4.6	Lb.
<i>Wool:</i>			
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	Shirt and blouses, n.k.	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	36.8	Dz.
446	Sweaters, W, G and I	36.8	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.
<i>Man-made fiber:</i>			
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, washsuits, 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.
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.

<i>Category</i>	<i>Description</i>	<i>Conversion Factor</i>	<i>Unit of Measure</i>
650	Dressing gowns, inc. 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.
MADE-UPS AND MISC.			
<i>Cotton:</i>			
360	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.
<i>Wool:</i>			
464	Blankets and auto robes	1.3	Lb.
465	Floor covering	0.1	SFT
469	Other wool manufactures	2.0	Lb.
<i>Man-made fiber:</i>			
665	Floor coverings	0.1	SFT
666	Other furnishings	7.8	Lb.
669	Other man-made manufactures	7.8	Lb.

ANNEX B

AGGREGATE, GROUP AND SPECIFIC LIMITS
(JANUARY 1, 1978 TO MARCH 31, 1978)

	<i>Unit</i>	<i>Limit</i>
Aggregate	SYE	189,736,209
Group 1	SYE	41,466,872
Group 2	SYE	147,018,910
Group 3	SYE	1,250,426
<i>Category:</i>		
313	Syd.	9,703,853
335	Doz.	10,688
340	Doz.	146,000
341	Doz.	79,146
347	Doz.	69,797
348	Doz.	109,761
434	No.	88,889
440	Doz.	2,996
445	Doz.	2,512
446	Doz.	14,431
633	Doz.	11,939
634	Doz.	157,260
635	Doz.	130,547
638/639	Doz.	1,585,323
640	Doz.	729,845
641	Doz.	146,249
643	No.	165,435
644	No.	198,092
645/646	Doz.	1,006,893
647	Doz.	423,487
648	Doz.	716,502

ANNEX C

DESIGNATED CONSULTATION LEVELS
(JANUARY 1, 1978 TO MARCH 31, 1978)

<i>Category</i>	<i>Level (Square Yards Equivalent)</i>	<i>Category</i>	<i>Level (Square Yards Equivalent)</i>
310	730,924	436	26,780
314	375,000	438	48,691
315	524,999	448	67,500
317	1,041,266	459	370,212
318	1,000,000	600	7,500,000
320	4,500,000	605	375,000
331	375,000	610	375,000
336	287,500	612	500,000
337	500,000	613	950,000
338	184,595	614	750,000
339	313,526	625	1,500,000
345	273,829	627	16,842,577
350	400,000	631	1,845,625
351	587,028	632	944,000
352	550,000	636	3,500,000
359	1,175,000	637	508,104
360	500,000	642	425,000
361	500,000	650	875,000
363	375,000	651	3,750,000
369	561,668	652	450,000
400	62,500	659	12,537,585
410	250,000	666	1,884,386
435	123,158	669	2,500,000

II

December 16, 1977

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's Note of today's date which proposes, on behalf of the Government of the United States of America, an Interim Agreement relating to trade in cotton, wool and man-made fiber textiles and textile products between the Republic of China and the United States for the period from January 1, 1978, through March 31, 1978.

I have further the honor to confirm that your proposed Interim Agreement is acceptable to the Government of the Republic of China.

Accept, Excellency, the assurances of my highest consideration.

JAMES C. H. SHEN
Ambassador
of the Republic of China

The Honorable Cyrus R. Vance
Secretary of State

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CHINA AMENDING AND EXTENDING THE INTERIM AGREEMENT OF 16 DECEMBER 1977 RELATING TO TRADE IN TEXTILES²

I

The Secretary of State to the Chinese Ambassador

March 30, 1978

Excellency:

I have the honor to refer to the Interim Agreement of December 16, 1977 (the "Interim Agreement"), between the Government of the Republic of China and the Government of the United States of America concerning trade in cotton, wool and man-made fiber textiles and textile products manufactured in the Republic of China.

I have also the honor to refer to discussions between representatives of the Government of the Republic of China and the Government of the United States of America held in Taipei from January 23 to 28, 1978, and in Washington from February 21 to 24, 1978, concerning exports to the United States of such textiles and textile products. As a result of these discussions I have the honor to propose, on behalf of the Government of the United States of America, that the Interim Agreement be amended as follows:

1. Paragraph 1 of the Interim Agreement is amended to read:

"1. The term of this Interim Agreement shall be from January 1, 1978, through June 30, 1978."

2. Paragraph 5 of the Interim Agreement is amended to read:

"5. Categories not subject to Specific Limits are subject to consultation levels and to the Aggregate and applicable Group Limits. Except as specified in annex C, which sets out certain different consultation levels, consultation levels for categories not subject to Specific Limits shall be 500,000 square yards equivalent for categories in Group I, 350,000 square yards equivalent for categories in Group II, and 50,000 square yards equivalent for categories in Group III."

3. Annexes B and C to the Interim Agreement are deleted and are replaced, respectively, by annexes B and C to this Note.

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 Republic of China shall constitute an agreement between the Government of the United States of

¹ Came into force on 30 March 1978 by the exchange of the said notes.

² See p. 78 of this volume.

America and the Government of the Republic of China, amending the Interim Agreement.

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

For the Secretary of State:

WILLIAM BARRACLOUGH

His Excellency James C. H. Shen
Chinese Ambassador

ANNEX B

AGGREGATE, GROUP AND SPECIFIC LIMITS (JANUARY 1, 1978 TO JUNE 30, 1978)

	<i>Unit</i>	<i>Limit</i>
Aggregate	SYE	379,472,418
Group 1	SYE	82,933,744
Group 2	SYE	294,037,820
Group 3	SYE	2,500,852
<i>Category:</i>		
313	Syd.	19,407,706
335	Doz.	21,376
340	Doz.	292,000
341	Doz.	158,292
347	Doz.	139,594
348	Doz.	219,522
434	No.	177,778
440	Doz.	5,992
445	Doz.	5,024
446	Doz.	28,862
633	Doz.	23,878
634	Doz.	314,520
635	Doz.	261,094
638	Doz.	676,103
639	Doz.	2,516,590
640	Doz.	1,459,690
641	Doz.	292,498
643	No.	330,870
644	No.	396,184
645/646	Doz.	2,013,786
647	Doz.	846,974
648	Doz.	1,433,004

ANNEX C

DESIGNATED CONSULTATION LEVELS
(JANUARY 1, 1978 TO MARCH 31, 1978)

<i>Category</i>	<i>Level (Square Yards Equivalent)</i>	<i>Category</i>	<i>Level (Square Yards Equivalent)</i>
310	1,461,848	436	53,560
314	750,000	438	97,382
315	1,049,998	448	135,000
317	2,082,532	459	740,424
318	2,000,000	600	15,000,000
320	9,000,000	605	750,000
331	750,000	610	750,000
336	575,000	612	1,000,000
337	1,000,000	613	1,900,000
338	369,190	614	1,500,000
339	627,052	625	3,000,000
345	547,658	627	33,685,154
350	800,000	631	3,691,250
351	1,174,056	632	1,888,000
352	1,100,000	636	7,000,000
359	2,350,000	637	1,016,208
360	1,000,000	642	850,000
361	1,000,000	650	1,750,000
363	750,000	651	7,500,000
369	1,123,336	652	900,000
400	125,000	659	25,075,170
410	500,000	666	3,768,772
435	246,316	669	5,000,000

II

March 30, 1978

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's Note of today's date which proposes, on behalf of the Government of the United States of America, an Interim Agreement relating to trade in cotton, wool and man-made fiber textiles and textile products between the Republic of China and the United States for the period from January 1, 1978, through June 30, 1978.

I have further the honor to confirm that your proposed Interim Agreement is acceptable to the Government of the Republic of China.

Accept, Excellency, the assurances of my highest consideration.

JAMES C. H. SHEN
Ambassador
of the Republic of China

The Honorable Cyrus R. Vance
Secretary of State