

**No. 18013**

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**UNITED STATES OF AMERICA  
and  
ROMANIA**

**Exchange of notes constituting an agreement relating to  
trade in textiles (with annex). Bucharest, 6 and  
25 January 1978**

*Authentic text: English.*

*Registered by the United States of America on 22 October 1979.*

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

**Échange de notes constituant un accord relatif au com-  
merce des textiles (avec annexe). Bucarest, 6 et 25 jan-  
vier 1978**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 22 octobre 1979.*

# EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND THE SOCIALIST REPUBLIC OF ROMANIA RELATING TO TRADE IN TEXTILES

## I

*The American Ambassador to the Romanian Deputy Prime Minister and Minister  
of Foreign Trade and International Economic Cooperation*

January 6, 1978

Note No. 1

Excellency:

I have the honor to refer to the Arrangement regarding International Trade in Textiles done at Geneva on December 20, 1973,<sup>2</sup> hereafter referred to as the Arrangement. I also refer to recent discussions between representatives of our two Governments concerning exports of cotton textiles from Romania to the United States of America held in Bucharest from October 25 to October 28, 1977. As a result of those discussions and in conformity with articles 4 and 6 of the Arrangement, I have the honor to propose, on behalf of the Government of the United States of America, the following Agreement relating to trade in cotton textiles between Romania and the United States of America:

1. The term of this Agreement shall be from January 1, 1978, through December 31, 1982. During such term, the Government of the Socialist Republic of Romania shall limit annual exports of cotton textiles (as defined in paragraph 2) from Romania to the United States of America to the limits specified in the following paragraphs.

2. All cotton textiles are subject to this Agreement. Textiles include yarns, piece goods, made up articles, garments and other textile manufactured products, all 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. A textile is a cotton textile:

- (A) If wholly or in chief value cotton; or
- (B) If containing 50 percent or more by weight of cotton; or
- (C) If (I) a blend of cotton with wool or man-made fiber or both wool and man-made fiber 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 and (II) the cotton component exceeds by weight the wool and/or the man-made fiber component.

All other textiles of cotton, wool or man-made fiber remain subject to the Agreement of June 17, 1977, between the Governments of the United States of America and the Socialist Republic of Romania<sup>3</sup> in accordance with its terms.

<sup>1</sup> Came into force on 25 January 1978 by the exchange of the said notes, with retroactive effect from 1 January 1978, in accordance with their provisions.

<sup>2</sup> United Nations, *Treaty Series*, vol. 930, p. 166.

<sup>3</sup> United Nations, *Treaty Series*, vol. 1117, p. 49.

3. The system of categories and rates of conversion into square yards equivalent listed in the annex hereto shall apply in implementing this Agreement.

4. The apparel group limit, covering categories 330 through 359, for each agreement year shall be as follows:

	<i>Limit (square yards equivalent)</i>
1st agreement year (January 1–December 31, 1978) .....	19,500,000
2nd agreement year (January 1–December 31, 1979) .....	20,670,000
3rd agreement year (January 1–December 31, 1980) .....	21,910,200
4th agreement year (January 1–December 31, 1981) .....	23,224,812
5th agreement year (January 1–December 31, 1982) .....	24,618,300

5. (A) Exports in each category subject to this Agreement shall be subject to a consultation level or designated consultation level and to applicable group limits. The annual consultation levels for categories not subject to designated consultation levels pursuant to subparagraph 5 (B) shall be 1,000,000 square yards equivalent for each non-apparel category and 700,000 square yards equivalent for each apparel category.

(B) The following categories shall be subject to annual designated consultation levels as set out below:

<i>Category and brief description</i>	<i>Level (square yards equivalent)</i>
<b>Non-apparel</b>	
313, Sheeting .....	2,000,000
314, Broadcloth .....	1,500,000
315, Printcloth .....	1,500,000
320, Other fabrics N.E.S. ....	2,000,000
361, Sheets .....	3,000,000
369, Other cotton manufactures .....	3,000,000
<b>Apparel</b>	
333, Suit type coats, M and B .....	2,400,000
334, Other coats, M and B .....	1,500,000
335, Coats, W, G, and I .....	1,500,000
338, Knit shirts, M and B .....	3,240,000
(338 Part, Other than T-shirts and sweat shirts) .....	(700,000)
339, Knit shirts and blouses, W, G and I .....	1,000,000
340, Shirts, not knit .....	2,700,000
347, Trousers, M and B .....	2,500,000
348, Trousers, W, G and I .....	1,400,000
352, Underwear .....	2,000,000
359, Other apparel .....	3,000,000

(C) The Governments of Romania and the United States of America shall consult prior to February 28, 1978, in order to adjust consultation levels for categories in which shipments of knit cotton warm-up suits have been or will be classified, such adjustment not to exceed a total of 322,000 units.

6. In the event the Government of the Socialist Republic of Romania wishes to export to the United States of America textile products in excess of any applicable consultation level or levels, the Government of the Socialist Republic of Romania shall request the higher level or levels, and the United States shall consider the request sympathetically and shall respond promptly. Until a mutually satisfactory agreement is

reached for each category, annual shipments in that category shall not exceed the consultation level applicable to that category.

7. For the first agreement year, each Government shall maintain statistical records on imports or exports, as appropriate, of cotton suits, the component parts of which have been charged to two or more of categories 333, 334, 335, 342, 347 and 348. The Government of the United States of America shall inform the Government of the Socialist Republic of Romania prior to the end of the first agreement year whether it wishes to establish a separate consultation level for cotton suits. If the Government of the United States so indicates, the Government of the Socialist Republic of Romania agrees to the establishment of such level and will consult with the Government of the United States of America in order to fix such level and, as appropriate, the levels for categories 333, 334, 335, 342, 347 and 348, at mutually agreeable amounts.

8. (A) In any agreement year, exports may exceed the apparel group limit by a maximum of 11 percent by allocating to that limit for that agreement year an unused portion of the apparel group limit for the previous agreement year (carryover) and/or a portion of the apparel group limit for the succeeding agreement year (carry forward) subject to the following conditions:

- (I) Carryover may be utilized as available up to 11 percent of the receiving agreement year's apparel group limit, provided, however, that no carryover shall be available for application during the first agreement year;
- (II) Carry forward may be utilized up to 6 percent of the receiving agreement year's apparel group limit and charged against the immediately following agreement year's apparel group limit;
- (III) If the Governments of the United States of America and the Socialist Republic of Romania are not in agreement on the availability of shortfall, carryover of shortfall shall not be applied until the Governments of the Socialist Republic of Romania and the United States of America have completed consultations and agreed upon the amounts involved.

(B) For purposes of this Agreement, a shortfall occurs when exports to the United States of textiles and textile products of Romanian origin subject to the apparel group limit during an agreement year are below the apparel group limit for that agreement year. In the agreement year following the shortfall, such exports from Romania to the United States may exceed the apparel group limit for that agreement year, subject to conditions of subparagraph (A) of this paragraph, by carryover of shortfall in the following manner:

- (I) The carryover shall not exceed the amount of shortfall;
- (II) Carryover and carry forward shall not be used to exceed any consultation level except in accordance with paragraph 6.

(C) The apparel group limits referred to in subparagraphs (A) and (B) of this paragraph are without adjustment under this paragraph.

9. In accordance with article 12, paragraph 3, of the Arrangement and subject to the establishment of a mutually agreed upon certification system, exports from the Socialist Republic of Romania to the United States of America of handloom fabrics of the cottage industry of Romania, or handmade cottage industry products of such handloom fabrics, or traditional folklore textile products shall not be subject to the provisions of this Agreement.

10. The Government of the Socialist Republic of Romania shall use its best efforts to space exports from Romania to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors; exports from Romania in excess of authorized levels will, if allowed entry into the United States of America, be charged to the applicable level for the agreement year following the year of export.

11. The Government of the United States of America shall promptly supply the Government of the Socialist Republic of Romania with data on monthly imports of cotton textiles from Romania; and the Government of the Socialist Republic of Romania shall promptly supply the Government of the United States of America with quarterly data on exports of cotton textiles to the United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

12. The Government of the United States of America and the Government of the Socialist Republic of Romania 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 the Socialist Republic of Romania considers that, as a result of limitations specified in this Agreement, Romania is being placed in an inequitable position *vis-à-vis* a third country, the Government of the Socialist Republic of Romania may request consultation 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 textiles from Romania to the United States.

16. The Government of the United States of America may assist the Government of the Socialist Republic of Romania in implementing the limitation provisions of this Agreement by controlling imports of cotton 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 the foregoing proposal is acceptable to the Government of the Socialist Republic of Romania, this note and your note of confirmation on behalf of the Government of the Socialist Republic of Romania shall constitute an agreement between the Government of the Socialist Republic of Romania and the Government of the United States of America.

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

ORISON RUDOLPH AGGREY

His Excellency Ion Păţan  
Deputy Prime Minister and Minister of Foreign Trade  
and International Economic Cooperation  
Socialist Republic of Romania

## ANNEX

<i>Cat.</i>	<i>Description</i>	<i>Units</i>	<i>Syd conversion factor (\$YE/Unit)</i>	<i>Units per 1,000 SYD</i>
<b>Yarn</b>				
300	Carded .....	Lb.	4.6	217.4
301	Combed .....	Lb.	4.6	217.4
<b>Fabric</b>				
310	Ginghams .....	Syd.	1.0	1,000.0
311	Velveteens .....	Syd.	1.0	1,000.0
312	Corduroy .....	Syd.	1.0	1,000.0
313	Sheeting .....	Syd.	1.0	1,000.0
314	Broadcloth .....	Syd.	1.0	1,000.0
315	Printcloths .....	Syd.	1.0	1,000.0
316	Shirtings .....	Syd.	1.0	1,000.0
317	Twills and Sateens .....	Syd.	1.0	1,000.0
318	Yarn-Dyed .....	Syd.	1.0	1,000.0
319	Duck .....	Syd.	1.0	1,000.0
320	Other fabrics, N.E.S. ....	Syd.	1.0	1,000.0
<b>Apparel</b>				
330	Handkerchiefs .....	Doz.	1.7	588.2
331	Gloves .....	Dpr.	3.5	285.7
332	Hosiery .....	Dpr.	4.6	217.4
333	Suit-type coats, M and B .....	Doz.	36.2	27.6
334	Other coats, M and B .....	Doz.	41.3	24.2
335	Coats, W, and I .....	Doz.	41.3	24.2
336	Dresses .....	Doz.	45.3	22.1
337	Playsuits .....	Doz.	25.0	40.0
338	Knit shirts, M and B .....	Doz.	7.2	138.9
339	Knit shirts and blouses, W, G and I .....	Doz.	7.2	138.9
340	Shirts, not knit .....	Doz.	24.0	41.7
341	Blouses, not knit .....	Doz.	14.5	69.0
342	Shirts, not knit .....	Doz.	17.8	56.2
343	Suits, M and B .....	No.	4.5	222.2
344	Suits, W, G and I .....	No.	4.5	222.2
345	Sweaters .....	Doz.	36.8	27.2
347	Trousers, M and B .....	Doz.	17.8	56.2
348	Trousers, W, G and I .....	Doz.	17.8	56.2
349	Brassieres, etc. ....	Doz.	4.8	208.3
350	Dressing gowns .....	Doz.	51.0	19.6
351	Nightwear .....	Doz.	52.0	19.2
352	Underwear .....	Doz.	11.0	90.9
359	Other apparel .....	Lb.	4.6	217.4
<b>Made-up miscellaneous</b>				
360	Pillowcases .....	No.	1.1	909.1
361	Sheets .....	No.	6.2	161.3
362	Bedspreads and quilts .....	No.	6.9	144.9
363	Terry and other pile towels .....	No.	0.5	2,000.0
369	Other cotton manufactures .....	Lb.	4.6	217.4

## II

*The Romanian First Deputy Minister of Foreign Trade and International  
Economic Cooperation to the American Ambassador*

REPUBLICA SOCIALISTA ROMANIA

MINISTERUL COMERTULUI EXTERIOR SI COOPERARII ECONOMICE INTERNATIONALE

Cabinet Prim Adjunct al Ministrului<sup>1</sup>Bucuresti,<sup>2</sup> January, 25 1978

Excellency,

I have the honor to acknowledge receipt of your Note No. 1 addressed to this Excellency Ion Păţon, Deputy Prime Minister of the Government, Minister of Foreign Trade and International Economic Cooperation of the Socialist Republic of Romania, proposing an Agreement relating to trade in cotton textiles between the Socialist Republic of Romania and the United States, reading as follows:

[See note I]

I confirm that the foregoing proposal of the Government of the United States is acceptable to the Government of the Socialist Republic of Romania and that the proposal in your Note and this reply constitute an agreement between our two Governments.

Please, accept, Excellency, the renewed assurances of my highest consideration.

[Signed]

MĂRGĂRITESCU

His Excellency Orison Rudolph Aggrey  
Ambassador of the United States of America

[Annex as under note I]

<sup>1</sup> In translation reads "Socialist Republic of Romania, Ministry of Foreign Trade and International Economic Cooperation, First Deputy to the Minister"

<sup>2</sup> Bucharest.