

**No. 20421**

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**UNITED STATES OF AMERICA  
and  
CHINA**

**Agreement relating to trade in cotton, wool, and man-made  
fiber textiles and textile products (with annexes).  
Signed at Washington on 17 September 1980**

*Authentic texts: English and Chinese.*

*Registered by the United States of America on 30 September 1981.*

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

**Accord relatif au commerce des textiles et des produits  
textiles en coton, en laine et en fibres chimiques (avec  
annexes). Signé à Washington le 17 septembre 1980**

*Textes authentiques : anglais et chinois.*

*Enregistré par les États-Unis d'Amérique le 30 septembre 1981.*

## AGREEMENT<sup>1</sup> RELATING TO TRADE IN COTTON, WOOL, AND MAN-MADE FIBER TEXTILES AND TEXTILE PRODUCTS BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

The Government of the United States of America and the Government of the People's Republic of China, as a result of discussions concerning exports to the United States of America of cotton, wool, and man-made fiber textiles and textile products manufactured in the People's Republic of China, agree to enter into the following Agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between the Government of the United States of America and the Government of the People's Republic of China (hereinafter referred to as "the Agreement"):

1. The two Governments reaffirm their commitments under the Agreement on Trade Relations\*,<sup>2</sup> between the United States of America and the People's Republic of China as the basis of their trade and economic relations.

2. The term of the Agreement shall be the three-year period from January 1, 1980, through December 31, 1982. Each "Agreement Year" shall be a calendar year.

3. (a) The system of categories and the rates of conversion into square yards equivalent listed in annex A shall apply in implementing the Agreement.

(b) For purposes of the Agreement, categories 347, 348 and 645, 646 are merged and treated as single categories 347/348 and 645/646 respectively.

4. (a) Commencing with the first Agreement Year, and during the subsequent term of the Agreement, the Government of the People's Republic of China shall limit annual exports from China to the United States of America of cotton, wool, and man-made fiber textiles and textile products to the specific limits set out in annex B, as such limits may be adjusted in accordance with paragraphs 5 and 7. The limits in annex B include growth. Exports shall be charged to limits for the year in which exported. The limits set out in annex B do not include any of the adjustments permitted under paragraphs 5 and 7.

(b) With respect to category 340, 200,000 dozens of the quantity exported in 1979 shall be charged against the Specific Limit for that category for the first Agreement Year.

(c) With respect to category 645/646, 48,000 dozens of the quantity exported in 1980 will be entered without charge.

5. (a) Any specific limit may be exceeded in any Agreement Year by not more than the following percentage of its square yards equivalent total listed in annex B, provided that the amount of the increase is compensated for by an

\* Signed July 7, 1979.

<sup>1</sup> Came into force on 17 September 1980, the date of signature, with retroactive effect from 1 January 1980, in accordance with the provisions of the Agreement.

<sup>2</sup> United Nations, *Treaty Series*, vol. 1202, p. 179.

equivalent SYE decrease in one or more other specific limits for that Agreement Year.

<i>Category</i>	<i>Percentage</i>	<i>Category</i>	<i>Percentage</i>
331	6	341	5
339	5	347/348	5
340	5	645/646	6

(b) No limit may be decreased pursuant to subparagraph 5 (a) to a level which is below the level of exports charged against that category limit for that Agreement Year.

(c) When informing the United States of adjustments under the provisions of this paragraph, the Government of the People's Republic of China shall indicate the category or categories to be increased and the category or categories to be decreased by commensurate quantities in square yards equivalent.

6. The Government of the People's Republic of China shall use its best efforts to space exports from China to the United States within each category evenly throughout each Agreement Year, taking into consideration normal seasonal factors. Exports from China in excess of authorized levels for each Agreement Year will, if allowed entry into the United States, be charged to the applicable level for the succeeding Agreement Year.

7. (a) In any Agreement Year, exports may exceed by a maximum of 11 percent any limit set out in annex B by allocating to such limit for that Agreement Year an unused portion of the corresponding limit for the previous Agreement Year ("carryover") or a portion of the corresponding limit for the succeeding Agreement Year ("carryforward") subject to the following conditions:

- (1) Carryover may be utilized as available up to 11 percent of the receiving Agreement Year's limits provided, however, that no carryover shall be available for application during the first Agreement year;
- (2) Carryforward may be utilized up to seven percent of the receiving Agreement Year's applicable limits and shall be charged against the immediately following Agreement Year's corresponding limits;
- (3) The combination of carryover and carryforward shall not exceed 11 percent of the receiving Agreement Year's applicable limit in any Agreement Year;
- (4) Carryover of shortfall (as defined in subparagraph 7 (b)) shall not be applied to any limits until the Governments of the United States of America and the People's Republic of China have agreed upon the amounts of shortfall involved.

(b) For purposes of the Agreement, a shortfall occurs when exports of textiles or textile products from China to the United States of America during an Agreement Year are below any specific limit as set out in annex B (or, in the case of any limit decreased pursuant to paragraph 5, when such exports are below the limit as so decreased). In the Agreement Year following the shortfall, such exports from China to the United States of America may be permitted to exceed the applicable limits, subject to conditions of sub-paragraph 7 (a), by carry-over of shortfalls in the following manner:

- (1) The carryover shall not exceed the amount of shortfall in any applicable limit;

(2) The shortfall shall be used in the category in which the shortfall occurred.

(c) The total adjustment permissible under paragraph 7 for the first Agreement Year shall be seven percent consisting solely of carryforward.

8. (a) In the event that the Government of the United States believes that imports from the People's Republic of China classified in any category or categories not covered by specific limits are, due to market disruption, threatening to impede the orderly development of trade between the two countries, the Government of the United States may request consultations with the Government of the People's Republic of China with a view to avoiding such market disruption. The Government of the United States of America shall provide the Government of the People's Republic of China at the time of the request with a detailed factual statement of the reasons and justification for its request for consultation, with current data, which in the view of the Government of the United States of America shows

- 1) The existence or threat of market disruption, and
- 2) The contribution of exports from the People's Republic of China to that disruption.

(b) The Government of the People's Republic of China agrees to consult with the Government of the United States within 30 days of receipt of a request for consultations. Both sides agree to make every effort to reach agreement on a mutually satisfactory resolution of the issue within 90 days of the receipt of the request, unless this period is extended by mutual agreement.

(c) During the 90-day period, the Government of the People's Republic of China agrees to hold its exports to the United States of America in the category or categories subject to this consultation to a level no greater than 35 percent of the amount entered in the latest twelve month period for which data are available.

(d) If no mutually satisfactory solution is reached during these consultations, the People's Republic of China will limit its exports in the category or categories under this consultation for the succeeding twelve months to a level of 20 percent for man-made fiber and cotton product categories (and of 6 percent for wool product categories) above the level of imports entered during the first twelve of the most recent fourteen months preceding the date of the request for consultations.

9. To prevent inadvertent or fraudulent circumvention of the Agreement, to ensure accurate record keeping, and to facilitate proper entry into the United States of the products covered by the Agreement, a visa system shall be established as soon as practicable as an administrative arrangement under the Agreement.

10. The Government of the United States of America shall promptly supply the Government of the People's Republic of China with monthly data on imports of textiles from China, and the Government of the People's Republic of China shall promptly supply the Government of the United States of America with quarterly data on exports of China's textiles to the United States in categories for which levels have been established. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

11. (a) 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 these 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 subject to the Agreement.

(b) For purposes of the Agreement, textiles and textile products shall be classified as cotton, wool or man-made fiber textiles if wholly or in chief value of either of these fibers.

(c) Any product covered by sub-paragraph 11 (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 the man-made fiber components; (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 the United States of America and the Government of the People's Republic of China agree to consult on any question arising in the implementation of the 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 People's Republic of China considers that, as a result of a limitation specified in this Agreement, China is being placed in an inequitable position *vis-à-vis* a third country or party, the Government of the People's Republic of China 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 and the Government of the United States of America shall agree to hold such consultations.

15. At the request of either Government, the two Governments will undertake a major review of the Agreement at the end of the second Agreement Year.

16. Each Government will take such measures as may be necessary to ensure that the specific limits established for any categories under this Agreement are not exceeded. Calculations will be based on the date of export from the People's Republic of China. Neither Government shall act to restrain the trade in textile products covered by the Agreement except in accordance with the terms of the Agreement.

17. Either Government may terminate the 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 the Agreement.

IN WITNESS WHEREOF, the authorized representatives of the Contracting Parties have signed this Agreement.

DONE at Washington, in duplicate, in the English and Chinese languages, both texts being equally authentic, this seventeenth day of September, 1980.

For the Government  
of the United States of America:  
[Signed — Signé]<sup>1</sup>

For the Government  
of the People's Republic of China:  
[Signed — Signé]<sup>2</sup>

### ANNEX A

Category	Description	Conversion factor	Unit of measure
Yarn			
Cotton			
300	Carded .....	4.6	Lb.
301	Combed .....	4.6	Lb.
Wool			
400	Tops and Yarns .....	2.0	Lb.
Man-made fiber			
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			
Cotton			
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.
Wool			
410	Woolen and worsted .....	1.0	Syd.
411	Tapestries and upholstery .....	1.0	Syd.
425	Knit .....	2.0	Lb.
429	Other fabrics .....	1.0	Syd.
Man-made fiber			
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.

<sup>1</sup> Signed by Jimmy Carter — Signé par Jimmy Carter.

<sup>2</sup> Signed by Bo Yibo — Signé par Bo Yibo.

<i>Category</i>	<i>Description</i>	<i>Conversion factor</i>	<i>Unit of measure</i>
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.
<b>Apparel</b>			
<b>Cotton</b>			
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.
336	Dresses (incl. 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 (incl. 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, incl. bathrobes, and beach house coats, and dusters .....	51.0	Dz.
351	Pajamas and other nightwear .....	52.0	Dz.
352	Underwear (incl. union suits) .....	11.0	Dz.
359	Other apparel .....	4.6	Lbs.
<b>Wool</b>			
431	Gloves .....	2.1	Dpr.
432	Hosiery .....	2.8	Dpr.
433	Suit-type coats, M and B .....	36.0	Dz.
434	Other coats, M and B .....	54.0	Dz.
435	Coats, W, G and I .....	54.0	Dz.
436	Dresses .....	49.2	Dz.
438	Knit shirts and blouses .....	15.0	Dz.
440	Shirts and blouses, n.k. ....	24.0	Dz.
442	Skirts .....	18.0	Dz.
443	Suits, M and B .....	54.0	Dz.
444	Suits, W, G and I .....	54.0	Dz.
445	Sweaters, M and B .....	14.88	Dz.
446	Sweaters, W, G and I .....	14.88	Dz.
447	Trousers, slacks and shorts (outer), M and B .....	18.0	Dz.
448	Trousers, slacks and shorts (outer), W, G and I .....	18.0	Dz.
459	Other wool apparel .....	2.0	Lb.
<b>Man-made fiber</b>			
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.

<i>Category</i>	<i>Description</i>	<i>Conversion factor</i>	<i>Unit of measure</i>
637	Playsuits, sunsuits, washsuits, etc. ....	21.3	Dz.
638	Knit shirts (incl. T-shirts), M and B .....	18.0	Dz.
639	Knit shirts and blouses (incl. 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 .....	54.0	Dz.
644	Suits, W, G and I .....	54.0	Dz.
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.
650	Dressing gowns, incl. 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.			
Cotton			
360	Pillowcases .....	1.1	No.
361	Sheets .....	6.2	No.
362	Bedspreads and quilts .....	6.2	No.
363	Terry and other pile towels .....	0.5	No.
369	Other cotton manufactures .....	4.6	Lb.
Wool			
464	Blankets and auto robes .....	1.3	Lb.
465	Floor covering .....	0.1	Sft.
469	Other wool manufactures .....	2.0	Lb.
Man-made fiber			
665	Floor coverings .....	0.1	Sft.
666	Other furnishings .....	7.8	Lb.
669	Other man-made manufactures .....	7.8	Lb.

M and B = Men's and Boys'; W, G, and I = Women's, Girls', and Infants'; n.k. = not Knit

## ANNEX B

### SPECIFIC LIMITS

<i>Category</i>	<i>Brief description</i>	<i>First Agreement Year</i>	<i>Second Agreement Year</i>	<i>Third Agreement Year</i>
331	Cotton gloves	3,213,600 dozen pair 11,247,600 Sye.	3,310,008 dozen pair 11,585,028 Sye.	3,409,308 dozen pair 11,932,578 Sye.
339	Knit shirts and blouses, W, G and I	720,000 dozen 5,184,000 Sye.	912,000 dozen 6,566,400 Sye.	865,280 dozen 6,230,016 Sye.
340	Shirts, M and B, not knit	540,000 dozen 12,960,000 Sye.	561,600 dozen 13,478,400 Sye.	584,064 dozen 14,017,536 Sye.



<i>Category</i>	<i>Brief description</i>	<i>First Agreement Year</i>	<i>Second Agreement Year</i>	<i>Third Agreement Year</i>
341	Blouses, W, G and I, not knit	381,300 dozen	455,100 dozen	443,456 dozen
		5,528,850 Sye.	6,598,950 Sye.	6,430,112 Sye.
347/ 348	Trousers	1,440,000 dozen	1,824,000 dozen	1,730,560 dozen
		25,632,000 Sye.	32,467,200 Sye.	30,803,968 Sye.
645/ 646	Sweaters	550,000 dozen	566,500 dozen	583,495 dozen
		20,240,000 Sye.	20,847,200 Sye.	21,472,616 Sye.