

No. 20995

**UNITED STATES OF AMERICA
and
BRAZIL**

Interim Agreement on salted cattlehides, manufactured leather products, and other trade matters (with record of discussion). Signed at Brasília on 14 March 1980

Authentic text: English.

Registered by the United States of America on 15 April 1982.

**ÉTATS-UNIS D'AMÉRIQUE
et
BRÉSIL**

Accord intérimaire relatif aux cuirs tannés au sel, aux articles en cuir manufacturés et à d'autres questions relatives au commerce (avec procès-verbal des entretiens). Signé à Brasília le 14 mars 1980

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 15 avril 1982.

INTERIM AGREEMENT¹ BETWEEN THE GOVERNMENTS OF
BRAZIL AND THE UNITED STATES OF AMERICA ON
SALTED CATTLEHIDES, MANUFACTURED LEATHER
PRODUCTS, AND OTHER TRADE MATTERS

1. In the interest of promoting the stability of the world market in cattle hides, leather, and manufactured leather products and other areas the delegations of Brazil and the United States agree on the interim agreement described below:

“This arrangement which is a result of discussions conducted by representatives of both Governments in Brasilia on March 13-14, 1980, is subject to formal approval by the respective Governments. Approval will be through the exchange of letters advising one another of their acceptance of the agreement.

2. This interim arrangement will enter into force no later than May 2, 1980, and will expire, unless extended by both Governments, on October 1, 1980. Both Governments will continue to work toward the establishment of a permanent agreement that will further advance the stability in the cattlehide and leather sector. The basis for such an agreement may be contained in the record of discussion accompanying the present agreement. Both Governments will be prepared to resume negotiations on this permanent agreement by the end of April.

3. Both Governments recognize the need to continue to resolve mutual trade problems. It is within this spirit of cooperation and mutual accommodation that this interim arrangement is agreed and a permanent agreement cited in paragraph two above will be sought.

4. During the duration of the interim arrangement Brazil will maintain a 36 per cent F.O.B. Brazilian ports export tax on salted cattlehides. Brazil's current embargo on these hides will be lifted and substituted with a 36 per cent export tax no later than May 2, 1980.

5. The United States Government recognizes the importance of Brazil's step towards liberalizing its export embargo on salted cattlehides and the need for Brazil to improve its exports of manufactured leather products.

6. Considering the intention of both Governments to improve bilateral trade relations, and, at the same time, taking into account the United States objective of avoiding surges in leather footwear imports, the United States Government reaffirms its long-standing position of maintaining trade with Brazil in manufactured leather products free from additional trade restrictions.

7. The Government of Brazil stresses that, for this interim agreement to remain in effect, United States Government must avoid, within existing legal authority, the imposition of any restrictions on manufactured leather imports from Brazil as a result of potential petitions filed under section 301 of the Trade Act of 1974, as amended. The United States Government recognizes the negative effect that the imposition of restrictions mentioned above will have on the implementation of this agreement.

¹ Came into force on 17 April 1980, the date of the exchange of letters by which the Governments advised each other that it had been approved, in accordance with its provisions.

8. Either Government will give prompt consideration to a request for consultations concerning the operation or effect of this agreement and such consultations will be held as soon as possible but no later than 15 days after such a request has been made.

9. This agreement is subject to termination, in whole or in part, upon notice”.

DONE at Brasília, Brazil this day March 14, 1980.

[Signed]

H. JON ROSENBAUM
for the delegation of the Government of the United States

[Signed]

JOSÉ ARTUR DENOT MEDEIROS
for the delegation of the Government of Brazil

RECORD OF DISCUSSION BETWEEN REPRESENTATIVES OF THE
GOVERNMENTS OF BRAZIL AND THE UNITED STATES OF AMERICA
IN BRASÍLIA, BRAZIL, ON MARCH 14, 1980, CONCERNING
SALTED CATTLEHIDE EXPORTS, MANUFACTURED LEATHER
PRODUCTS AND OTHER TRADE MATTERS

1. During the negotiation of the interim Agreement between the Governments of the Federative Republic of Brazil and the United States of America on salted cattlehides, leather and manufactured leather products and other trade matters negotiated on March 13-14, 1980, the representatives of both Governments discussed methods for the gradual liberalization of the Brazilian export embargo on salted cattlehides. The U.S. Delegation proposed the adoption by Government of Brazil of the necessary administrative procedures to allow the export of certain proportions of Brazil's salted cattlehide production free from any export restrictions. The proportions and timing of actions by the Government of Brazil would be as follows:

October 1, 1980	five percent of 1979 Brazilian salted cattlehide production would be made available for export,
April 1, 1981	ten percent of 1980 Brazilian salted cattlehide production would be made available for export,
October 1, 1981	twenty percent of 1980 Brazilian salted cattlehide production would be made available for export,
October 1, 1982	thirty percent of 1981 Brazilian salted cattlehide production would be made available for export,
For duration of Agreement	thirty percent of Brazilian salted cattlehide production during the previous year would be made available for export.

2. The Brazilian delegation, while affirming its decision to replace its export embargo on salted cattlehides with a 36% export tax from May 2, 1980, indicated

that further consultation with the Government and with the private sectors involved will be needed in order to examine the content of the above U.S. proposal.

3. In addition, the Brazilian delegation requested firm commitments on the side of the U.S. Government which will assure Brazil a stable and developing access to the U.S. market for leather products. Furthermore, the Brazilian delegation sought tariff concessions on certain products.

4. The U.S. delegation agreed to bring the Brazilian proposals to the attention of its Government and pertinent private sectors involved for serious consideration.

5. Both delegations look forward to the soonest possible resumption of negotiations to replace the interim arrangement negotiated on March 13-14, 1980. These negotiations will resume in any event no later than the end of April 1980.

DONE at Brasília, Brazil, this day of March 14, 1980

[Signed]

H. JON ROSENBAUM
for the Government
of the United States

[Signed]

JOSÉ ARTUR DENOT MEDEIROS
for the Government
of Brazil