

法規名稱：EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE REPUBLIC OF CHINA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AMENDMENT TO CONCERNING AMENDING COTTON TEXTILES AGREEMENT (AD.1967.10.12)

簽訂日期：民國 56 年 10 月 12 日

I Notes from Mr. Solomon for the secretary of State, to H.E. Chow Shu-kai, Chinese Ambassador

October 12, 1967

Excellency:

I have the honor to refer to the decision of the Cotton Textiles Committee of the General Agreement on Tariffs and Trade approving a Protocol to extend through September 30, 1970 the Long-Term Arrangement regarding International Trade in Cotton Textiles, done in Geneva on September 9, 1962 (hereinafter referred to as "the Long-Term Arrangement"). I also refer to recent discussions between representatives of our two Governments and to the agreement between our two Governments concerning exports of cotton textiles from the Republic of China to the United States effected by an exchange of notes dated October 19, 1963, as amended. In confirmation, on behalf of my Government, the understanding that the 1963 agreement is superseded as of January 1, 1967 by the following agreement. This understanding is based on our understanding that the above-mentioned Protocol entered into force for our two Governments on October 1, 1967.

1 This agreement shall extend through December 31, 1970. During the term of the agreement the Government of the Republic of China shall limit annual exports of cotton textiles to the United States to aggregate, group and specific limits at the levels specified in the following paragraphs.

2 For the first agreement year, constituting the 12-month period beginning January 1, 1967, the aggregate limit shall be 64,621,052 square yards equivalent.

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

Group I (Apparel categories- 24,340,278 square



Categories 39-63)

yards

equivalent

Group II (All other categories-Categories 1-38 & 64)

40,280,774 square

yards

equivalent

4 Within the applicable group limit, the following specific limits shall apply for the first agreement year:

A Apparel Categories

Categories 41-42	91,072 dozen
Category 44	17,582 dozen
Category 45	10,549 dozen
Category 46	263,722 dozen
Category 47	29,303 dozen
Category	142,996 dozen
Category 51	229,731 dozen
Category 52	146,512 dozen
Category 53	11,721 dozen
Category 54	24,615 dozen
Category 57	117,210 dozen
Category 59	29,303 dozen
Category 60	22,152 dozen
Category 62	27,535 lbs
Category 63	146,512 lbs

B All Other Categories

Category 5	1,057,288 syds.*
Category 6	669,769 syds.
Category 9	19,925,620 syds.
Category 15	586,048 syds.
Categories 18 & 19	1,098,840 syds.
Categories 22 & 23	2,179,406 syds.
Categories 24 & 25	2,126,250 syds.
Category 26	3,586,612 (of which not more than 2,216, 250 syds. may be in duck)
Category 28	996,281 pcs.
Category 30	1,758,143 pcs.



Category 32 252,060 doz.

Category 34 118,804 pcs.

Category 35 79,043 pcs.

Category 64 138,632 lbs.

* Except that exports in Category 5 may amount to 75% of the total amounts permitted to be exported in Categories 5 & 6 provided the total exports in these two categories do not exceed the total limits provided for these two categories.

5 Within the aggregate limit, the limit for Group II may be exceeded by not more than 10% and the limit for Group I may be exceeded by not more than 5%. Within the applicable Group limit, as it may be adjusted under this provision specific limits may be exceeded by not more than 5%.

6

a. Within the applicable group limit for each group the square yard equivalent of any shortfalls occurring in exports in the categories given specific limits may be used in any category not given a specific limit.

b. In the event the Government of the Republic of China desires to export during any agreement year more than the consultation level specified herein in any category not given a specific limit it shall request consultation with the Government of the United States on this question. For the first agreement year the consultation level shall be 405,169 square yards equivalent. The United States Government shall agree to enter into such consultations and, during the course thereof, shall provide the Government of the Republic of China with information on the condition of the United States market in the category in question. Until agreement is reached the Government of the Republic of China shall limit its exports in the category in question to the consultation level.

7 In the succeeding twelve-month periods for which any limitation is in force under paragraphs 2, 3, 4, 6 and 9 of this agreement, the level of exports permitted under such limitation shall be increased by five percent of the corresponding level

for the preceding twelve-month period, the latter level not to include any adjustments under paragraphs 5 or 15.

- 8 The Government of the Republic of China shall use its best efforts to space exports to the United States as evenly as practicable, taking into account seasonal factors.
- 9 The Government of the Republic of China shall limit its exports of items made of corduroy in Categories 46, 50 and 51 to a total annual limit of not more than 4,630,500 square yards for the first agreement year. In the event concentration in exports from the Republic of China to the United States of America of items of apparel made up of corduroy in Categories other than 46, 50 and 51, or items of apparel made up of other cotton fabrics causes or threatens to cause market disruption in the United States, the Government of the United States of America may call for consultations with the Government of the Republic of China in order to reach a mutually satisfactory solution to the problem. The Government of the Republic of China shall agree to enter into such consultation and during the course thereof, the Government of the Republic of China shall limit its exports of the item in question at an annual level of 105 percent of its exports during the twelve-month period immediately preceding the month in which consultations are requested.
- 10 Each Government agrees to supply promptly any available statistical data requested by the other Government. In particular the Government agree to exchange monthly data on exports and imports of cotton textiles from the Republic of China to the United States. In the implementation of this agreement, the system of categories and factors for conversion into square yard equivalents set forth in the annex to this agreement shall apply. In any situation where the determination of an article to be a cotton textile would be affected by whether the criterion provided for in Article 9 of the Long-Term Arrangement is used or the criterion provided for in paragraph 2 of Annex E of the Long-Term Arrangement is used, the chief value criterion used by the Government of the United States of Ame-

rica in accordance with paragraph 2 of Annex E shall apply.

- 11 During the term of this agreement, the United States Government shall not invoke Article 3 of the Long-Term Arrangement to limit imports of cotton textiles from the Republic of China into the United States. The applicability of the Long-Term Arrangement to trade in cotton textiles between the Republic of China and the United States shall otherwise be unaffected by this agreement.
- 12 The Governments agree to consult on any question arising in the implementation of this agreement. In particular, in the event that, because of a return to normalcy of market conditions in the United States, the Government of the United States of America relaxes measures it has taken under the Long-Term Arrangement for any of the categories, consultation may be requested by the Government of the Republic of China to remove or modify limits established for such categories by agreement.
- 13 If the Government of the Republic of China considers that as a result of limits specified in this agreement the Republic of China is being placed in an inequitable position vis-a-vis a third country, the Government of the Republic of China may request consultation with a view to taking appropriate remedial action such as a reasonable modification of this agreement.
- 14 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.
- 15
 - (a) For any agreement year subsequent to the first agreement year and immediately following a year of a shortfall (i.e., a year in which cotton textile exports from the Republic of China were below the aggregate limit and any group and specific limits applicable to the category concerned) the Government of the Republic of China may permit exports to exc-

eed these limits by carryover in the following amounts and manner:

- (i) The carryover shall not exceed the amount of shortfall in either the aggregate limit or any applicable group or specific limit and shall not exceed either five percent of the aggregate limit or five percent of the applicable group limit in the year of the shortfall, and
 - (ii) in the case of shortfalls in the categories subject to specific limits the carryover shall be used in the same category in which the shortfall occurred, and shall not exceed five percent of the specific limit in the year of the shortfall, and
 - (iii) in the case of shortfalls not attributable to categories subject to specific limits, the carryover shall be used in the same group in which the shortfall occurred and shall not be used to exceed any applicable specific limit except in accordance with the provisions of paragraph 5 and shall be subject to the provisions of paragraph 6 of the agreement.
- (b) The limits referred to in subparagraph (a) of this paragraph are without any adjustments under this paragraph or paragraph 5.
- (c) The carryover shall be in addition to the exports permitted in paragraph 5 of this agreement.

16 Either Government may terminate this agreement effective at the beginning of a new agreement year by written notice to the other Government given at least ninety days prior to the beginning of such new agreement year. Either Government may at any time propose revisions in the terms of agreement.

If this understanding conforms with your Government's understanding, this note and your Excellency's note of confirmation on behalf of the Government of the Republic of China shall constitute an agreement between our two Governments.

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

(Signed)

Solomon

His Excellency

Chow Shu-kai,

Chinese Ambassador.

ANNEX A

Category Number	Description	Unit	Conversion Factor to Syds.
1	Cotton Yarn, carded, singles	Lbs.	4.6
2	Cotton Yarn, carded, plied	Lbs.	4.6
3	Cotton Yarn, combed, singles	Lbs.	4.6
4	Cotton Yarn, combed, plied	Lbs.	4.6
5	Gingham, carded	Syds.	Not required
6	Gingham, combed	Syds.	Not required
7	Velveteen	Syds.	Not required
8	Corduroy	Syds.	Not required
9	Sheeting, carded	Syds.	Not required
10	Sheeting, combed	Syds.	Not required
11	Lawns, carded	Syds.	Not required
12	Lawns, combed	Syds.	Not required
13	Voile, carded	Syds.	Not required
14	Voile, carded	Syds.	Not required
15	Poplin and Broadcloth, carded	Syds.	Not required
16	Poplin and Broadcloth, carded	Syds.	Not required
17	Typewriter ribbon cloth	Syds.	Not required
18	Printcloth, shirting type, 80×80 type, carded	Syds.	Not required
19	Printcloth, shirting type, other than 80×80 type, carded	Syds.	
20	Shirting, Jacquard or dobby, carded	Syds.	Not required
21	Shirting, Jacquard or dobby, carded	Syds.	Not required
22	Twill and sateen, carded	Syds.	Not required
23	Twill and sateen, combed	Syds.	Not required



24	Woven fabrics, n.e.s., yarn dyed, carded	Syds.	Not required
25	Woven fabrics, n.e.s., yarn dyed, carded	Syds.	Not required
26	Woven fabrics, n.e.s., other, carded	Syds.	Not required
27	Woven fabrics, n.e.s., other, combed	Syds.	Not required
28	Pillowcases, not ornamented, carded	Number	1.084
29	Pillowcases, not ornamented, combed	Number	1.084
30	Towels, dish	Number	.348
31	Towels, other	Number	.348
32	Handkerchiefs, whether or not in the piece	Dozen	1.66
33	Table damask and manufactures	Lbs.	3.17
34	Sheets, carded	Number	6.2
35	Sheets, combed	Number	6.2
36	Bedspreads and quilts	Number	6.9
37	Braided and woven elastic	Lbs.	4.6
38	Fishing nets and fish neeti- ng	Lbs.	4.6
39	Gloves and mittens	Dozen	3.527
40	Hose and half hose	Doz.prs	4.6
41	T-shirts, all white, knit me- n's and boys'	Dozen	7.234
42	T-shirts, other knit	Dozen	7.234
43	Shirt, knit, other than T-s- hirts and sweatshirts	Dozen	7.234
44	Sweaters and cardigans	Dozen	36.8
45	Shirts, dress, not knit, me- n's and boys'	Dozen	22.186
46	Shirts, sport, not knit, me- n's and boys'	Dozen	24.457



47	Shirts, sport, not knit, men's and boys'	Dozen	22.186
48	Raincoats, 3/4 length or longer, not knit	Dozen	50.0
49	Coats, other, not knit	Dozen	32.5
50	Trousers, slacks and shorts (outer) not knit, men's and boys'	Dozen	17.797
51	Trousers, slacks and shorts (outer) not knit, women's, girl's and infants'	Dozen	17.797
52	Blouses, not knit	Dozen	14.53
53	Dresses, (including uniforms) not knit	Dozen	45.3
54	Playsuits, sunsuits, washsuits creepers, rompers, etc., nor knit, n.e.s.	Dozen	25.0
55	Dressing gowns, including bathrobes and beachrobes, lounging gowns, housecoats, and dusters, not knit	Dozen	51.0
56	Undershirts, knit, men's and boys'	Dozen	9.2
57	Briefs and undershorts, men's and boys'	Dozen	11.25
58	Drawers, shorts and briefs, knit, n.e.s.	Dozen	5.0
59	All other underwear, not knit	Dozen	16.0
60	Pajamas and other nightwear	Dozen	51.96
61	Brassieres and other body supporting garments	Dozen	4.75
62	Wearing apparel, knit, n.e.s.	Lbs.	4.6
	.		
63	Wearing apparel, not knit, n	Lbs.	4.6

.e.s.

64 All other cotton textiles Lbs. 4.6

II Notes from Mr. Chow-kai, Chinese ambassador to Mr. Dean Rusk,
Secretary of State of America.

Chinese Embassy

Washington

October 12,1967

Excellency:

I have the honor to acknowledge receipt of your note of today's
date, which reads as follows:

“I have the honor to refer to the decision of the Cotton Textiles Committee of the General Agreement on Tariffs and Trade approving a Protocol to extend through September 30,1970 the Long-Term Arrangement regarding International Trade in Cotton Textiles, done in Geneva on September 9,1962 (hereinafter referred to as “the Long Term Arrangement”). I also refer to recent discussions between representatives of our two Governments and to the agreement between our two Governments concerning exports of cotton textiles from the Republic of China to the United States effected by an exchange of notes dated October 19,1963, as amended . I confirm, on behalf of my Government, the understanding that the 1963 agreement is superseded as of January 1,1967 by the following agreement. This understanding is based on our understanding that the abovementioned Protocol entered into force for our two Governments on October 1,1967.

1 This agreement shall extend through December 31,1970. During the term of the agreement of the Republic of China shall limit annual exports of cotton textiles to the United States to aggregate, group and specific limits at the levels specified in the following paragraphs.

2 For the first agreement year, constituting the 12-month period beginning January 1,1967, the aggregate limit shall be 64,621,052 square yards equivalent.

3 Within the aggregate limit, the following group limits shall

apply for the first agreement year:

Group I (Apparel categories- 24,340,278 syd.eq.
Categories39-63)

Group II (All other categori- 40,280,744 syd.eq.
es-Categories 1-38 &
64)

4 Within the applicable group limit, the following specific limits shall apply for the first agreement year:

A Apparel Categories

Categories 41-42	91,072 dozen
Category 44	17,582 dozen
Category 45	10,549 dozen
Category 46	263,722 dozen
Category 47	29,303 dozen
Category 50	142,996 dozen
Category 51	229,731 dozen
Category 52	146,512 dozen
Category 53	11,721 dozen
Category 54	24,615 dozen
Category 57	117,210 dozen
Category 59	29,303 dozen
Category 60	22,152 dozen
Category 62	27,535 dozen
Category 63	146,512 dozen

B All Other Categories

Category 5	1,057,288 syds.*
Category 6	669,769 syds.
Category 9	19,925,620 syds.
Category 15	586,048 syds.
Categories 18 - 19	1,098,840 syds.
Categories 22 - 23	2,179,406 syds.
Categories 24 - 25	2,126,250 syds.
Category 26	3,586,612 (of which not more than 2,216, 250 syds. may be in duck)
Category 28	996,281 pcs.



Category 30	1,758,143 pcs.
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Category 64	138,632 lbs.

- * Except that exports in Category 5 may amount to 75 percent of the total amounts permitted to be exported in Categories 5 and 6 provided the total exports in these two categories do not exceed the total limits provided for these two categories.
- 5 Within the aggregate limit, the limit for Group II may be exceeded by not more than 10% and the limit for Group I may be exceeded by not more than 5%. Within the applicable Group limit, as it may be adjusted under this provision specific limits may be exceeded by not more than 5%.
- 6 a. Within the applicable group limit for each group the square yard equivalent of any shortfalls occurring in exports in the categories given specific limits may be used in any category not given a specific limit.
- b. In the event the Government of the Republic of China desires to export during any agreement year more than the consultation level specified herein in any category not given a specific limit it shall request consultation with the Government of the United States on this question. For the first agreement year the consultation level shall be 405,169 square yards equivalent. The United States Government shall agree to enter into such consultations and, during the course thereof, shall provide the Government of the Republic of China with information on the condition of the United States market in the category in question. Until agreement is Reached the government of the Republic of china shall limit its exports in the category in question to the consultation level.
- 7 In the succeeding twelve-month periods for which any limitation is in force under paragraphs 2, 3, 4, 6 and 9 of this agreement, the level of exports permitted under such limitation s-

shall be increased by five percent of the corresponding level for the preceding twelve-month period, the latter level not to include any adjustments under paragraphs 5 or 15.

- 8 The Government of the Republic of China shall use its best efforts to space exports to the United States as evenly as practicable, taking into account seasonal factors.
- 9 The Government of the Republic of China shall limit its exports of items made of corduroy in Categories 46, 50 and 51 to a total annual limit of not more than 4,630,500 square yards for the first agreement year. In the event concentration in exports from the Republic of China to the United States of America of items of apparel made up of corduroy in Categories other than 46, 50 and 51, or items of apparel made up of other cotton fabrics causes or threatens to cause market disruption in the United States, the Government of the United States of America may claa for consultations with the Government of the Republic of China in order to reach a mutually satisfactory solution to the problem. The Government of the Republic of China shall agree to enter into such consultation and, during the course thereof, the Government of the Republic of China shall limit its exports of the item in question at an annual level of 105 percent of its exports during the twelve-month period immediately preceding the month in which consultations are requested.
- 10 Each Government agrees to supply promptly any available statistical data requested by the other Government. In particular the Governments agree to exchange monthly data on exports and imports of cotton textiles from the Republic of China to the United States. In the implementation of this agreement, the system of categories and factors for conversion into square yard equivalents set forth in the annex to this agreement shall apply. In any situation where the determination of an article to be a cotton textile would be affected by whether the criterion provided for in Article 9 of the Long-Term Arrangement is used or the criterion provided for in paragraph 2 of Annex E of the Long-Term Arrangement is used, the chief value

criterion used by the Government of the United States of America in accordance with paragraph 2 of Annex E shall apply.

- 11 During the term of this agreement, the United States Government shall not invoke Article 3 of the Long-Term Arrangement to limit imports of cotton textiles from the Republic of China into the United States. The applicability of the Long-Term Arrangement to trade in cotton textiles between the Republic of China and the United States shall otherwise be unaffected by this agreement.
- 12 The Governments agree to consult on any question arising in the implementation of this agreement. In particular, in the event that, because of a return to normalcy of market conditions in the United States, the Government of the United States of America relaxes measures it has taken under the Long-Term Arrangement for any of the categories, consultation may be requested by the Government of the Republic of China to remove or modify limits established for such categories by this agreement.
- 13 If the Government of the Republic of China considers that as a result of limits specified in this agreement the Republic of China is being placed in an inequitable position vis-a-vis a third country, the Government of the Republic of China may request consultations with a view to taking appropriate remedial action such as a reasonable modification of this agreement.
- 14 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.
- 15
 - (a) For any agreement year subsequent to the first agreement year and immediately following a year of a shortfall (i.e., a year in which cotton textile exports from the Republic of China were below the aggregate limit and any group and specific limits applicable to the category concerned) the Gov-

ernment of the Republic of China may permit exports to exceed these limits by carryover in the following amounts and manner:

- (i) The carryover shall not exceed the amount of shortfall in either the aggregate limit or any applicable group or specific limit and shall not exceed either five percent of the aggregate limit or five percent of the applicable group limit in the year of the shortfall, and
 - (ii) in the case of shortfalls in the categories subject to specific limits the carryover shall be used in the same category in which the shortfall occurred, and shall not exceed five percent of the specific limit in the year of the shortfall, and
 - (iii) in the case of shortfalls not attributable to categories subject to specific limits, the carryover shall be used in the same group in which the shortfall occurred and shall not be used to exceed any applicable specific limit except in accordance with the provisions of paragraph 5 and shall be subject to the provisions of paragraph 6 of the agreement.
- (b) The limits referred to in subparagraph (a) of this paragraph are without any adjustments under this paragraph or paragraph 5.
 - (c) The carryover shall be in addition to the exports permitted in paragraph 5 of this agreement.

16 Either Government may terminate this agreement effective at the beginning of a new agreement year by written notice to the other Government given at least ninety days prior to the beginning of such new agreement year. Either Government may at any time propose revisions in the terms of the agreement. If this understanding conforms with your Government's understanding, this note and your Excellency's note of confirmation on behalf of the Government of the Republic of China shall constitute an agreement between our two Governments."

In reply, I have the honor to state that the Government of the

Republic of China concurs in the proposals quoted above and agrees that your note and the present reply shall be regarded as constituting an agreement between our two Governments on this matter.

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

(Signed)

Chow Shu-kai

Ambassador of China

The Honorable Dean Rusk

Secretary of State

Department of State

Washington, D.C,

III Notes from Mr. Solomon, For the Secretary of State to H.E. Chow Shu-kai, Chinese Ambassador

October 12, 1967

Excellency:

I have the honor to refer to the Agreement between our two Governments concerning trade in cotton textiles signed today, hereinafter referred to as the 1967 Agreement and specifically to Article 14 of the 1967 Agreement.

In view of the shipments of cotton textiles from the Republic of China since October 1, 1965 in excess of the levels for the 3rd and 4th Agreement years provided by the Agreement of October 19, 1963 as amended, hereinafter referred to as the 1963 Agreement and in view of the transition from an Agreement year beginning on October 1 to an Agreement year beginning on January 1, my Government understands that the following actions will be taken with respect to the limits established in the 1963 and 1967 Agreements:

- (a) Overshipments in the 12-month period beginning October 1, 1965 will be charged by the Government of the Republic of China against all applicable limits for the succeeding period. A detailed list of these overshipments is appended hereto as Annex A.
- (b) The succeeding period referred to in (a) shall constitute t-

he 15 months October 1, 1966-December 31, 1967. The applicable Aggregats, Group and Specific limits for this period shall be the 1st Agreement year limits in the 1967 Agreement plus one quarter of the 4th Agreement year limits under the 1963 Agreement without the reductions specified in paragraph 13a of the 1966 amendment to the 1963 Agreement.

- (c) To facilitate the implementation of this arrangement, Annex B is an agreed list of all the applicable Aggregate, Group and Specific limits for the succeeding period described in paragraph (b) after charging against those limits (i) the overshipment charges provided for in paragraph (a), and (ii) the exports from the Republic of China to the United States from October 1, 1966 through April 30, 1967.
- (d) The Government of the Republic of China will use its best efforts to avoid overshipments for the 15-month period referred to in (b). However, to the extent that these 15-month limits are exceeded, the Government of the Republic of China agrees to charge such excess shipments against the limits applicable for the Agreement year beginning January 1, 1968. The Government of the United States of America agrees to supply, as soon after the 1st of January 1968 as may be practicable, a detailed report showing the status of United States imports of cotton textiles exported from the Republic of China during this period.

I shall appreciate receiving Your Excellency's confirmation of the above understanding.

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

For the Secretary of State:

(Signed)

Anthony M. Solomon

His Excellency

Chow Shu-kai,

Chinese Ambassador.

Enclosures:

1 Annex A-Overshipments

2 Annex B-Starting Totals

COTTON TEXTILES -REPUBLIC OF CHINA

Annex A

Overshipments of bilateral Ceilings in Year Ending September 30,
1966

Overshipments (Oct.-65-Sept.-66)				
	Control		Excess	
	Level1	Imports2	Units	Syd.
Apparel Group Syd.	20,255,250	20,391,276	136,026	136,026
41/42 T-shir- Doz. ts	84,232	61,818		
44 Sweaters Doz.	16,604	14,989		
45 Dress shi- Doz. rts	9,623	8,545		
46 Sport shi- Doz. tts	230,599	253,694	50,095	1,225,173
47 Work shir- Doz. ts	27,563	3,315		
50 Trousers, Doz. men's, etc	115,499	117,472	1,972	35,113
.				
51 Trousers, Doz. women, etc	215,890	200,087		
.				
52 Blouses Doz.	137,813	127,170		
53 Dresses Doz.	11,025	5,848		
54 Playsuits Doz.	21,191	19,632		
57 Briefs & Undersho- Doz.	115,763	147,742	31,979	359,763

rts				
59 Underwear, Doz.	27,563	---		
not knit				
60 Nightwear Doz.	14,442	17,170	2,728	141,747
62 Knit Appa- Lb.	22,772	3,570		
rel				
63 Woven App- Lb.	100,000	84,505		
arel				

1 Control level for overshipped categories include swing, where allowed.

2 Imports include entries allowed under special directive to Customs plus other overshipments.

COTTON TEXTILES-REPUBLIC OF CHINA

Annex B

Proposed October 1966-December 1967 Bilateral Levels as Adjusted by October 1965-September 1966

Overshipments, October 1966-April 1967 Shipments, and May 1,1967 Starting Balances

		Oct. 66-Dec. 67		
		Proposed Levels	Oct. 66-Apr. 67	May 1,1967
		(Adjusted by	Shipments	Starting
		Overshipments)	-----	Level
		-----		-----
Aggregate	Syd.	77,916,170	29,590,960	48,325,210
Non-Apparel	Syd.	48,011,065	20,866,769	27,144,296
Group (1-38				
, 64)				
5 Gingham, Syd.	1,318,347	---		1,318,347
carded				
6 Gingham, Syd.	835,144	28,896		806,248
combed				
9 Sheeting Syd.	23,757,321	13,575,291		10,182,030
, carded				

15 Poplin & Broadcloth, carded	Syd.	730,751	358,750	372,001
18/19 Printcloth	Syd.	1,197,146	339,000	858,146
22/23 Twills & Sateens	Syd.	2,717,531	1,600,001	1,117,530
24/25 Yarn Dyed Fabrics	Syd.	2,651,250	178,639	2,472,611
26 Misc. Fabrics, carded (26 Duck)	Syd.	4,472,195	2,390,324	1,162,871
28 Pillowcases, carded	No.	(2,592,798)	(1,459,978)	(1,132,820)
30 Dish Towels	No.	1,242,276	226,080	1,016,196
32 Handkerchiefs	No.	2,192,253	130,000	2,062,253
34 Sheets, carded	Doz.	326,766	7,800	318,966
35 Sheets, combed	No.	9,295	182,616	-173,321
64 Misc. cotton manufactures	No.	98,560	---	98,560
	Lb.	104,406	110,202	-5,796

IV Notes from Mr. Chow Shu-kai, Chinese Ambassador in American,
to Mr. Dean Rusk, Secretary of State of America.

Chinese Embassy

Washington

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In view of the shipments of cotton textiles from the Republic of China since October 1, 1965 in excess of the levels for the 3rd and 4th Agreement of October 19, 1963 as amended, hereinafter referred to as the 1963 Agreement, and in view of the transition from an Agreement year beginning on October 1 to an Agreement year beginning on January 1, my Government understands that the following actions will be taken with respect to the limits established in the 1963 and 1967 Agreements:

- (a) Overshipments in the 12-month period beginning October 1, 1965 will be charged by the Government of the Republic of China against all applicable limits for the succeeding period. A detailed list of these overshipments is appended hereto as Annex A.
- (b) The succeeding period referred to in (a) shall constitute the 15 months October 1, 1966-December 31, 1967. The applicable Aggregate, Group and Specific limits for this period shall be the 1st Agreement year limits in the 1967 Agreement plus one quarter of the 4th Agreement year limits under the 1963 Agreement without the reductions specified in paragraph 13a of the 1966 amendment to the 1966 Agreement.
- (c) To facilitate the implementation of this arrangement, Annex B is an agreed list of all the applicable Aggregate, Group and Specific limits for the succeeding period described in

paragraph (b) after charging against those limits (i) the overshipment charges provided for in paragraph (a), and (ii) the exports from the Republic of China to the United States from October 1, 1966 through April 30, 1967.

- (d) The Government of Republic of China will use its best efforts to avoid overshipments for the 15-month period referred to in (b). However, to the extent that these 15-month limits are exceeded, the Government of the Republic of China agrees to charge such excess shipments against the limits applicable for the Agreement year beginning January 1, 1968. The Government of the United States of America agrees to supply, as soon after the 1st of January 1968 as may be practicable, a detailed report showing the status of United States imports of cotton textiles exported from the Republic of China during this period.

I shall appreciate receiving Your Excellency's confirmation of the above understanding."

In reply, I have the honor to state that the Government of the Republic of China confirms the understanding set forth in your note and its attachment and to confirm acceptance by the Government of the Republic of China of all provisions therein.

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

(Signed)

Chow Shu-kai

Ambassador of China

The Honorable Dean Rusk
Secretary of State
Department of State
Washington, D.C.