

No. 9916

UNITED STATES OF AMERICA
and
INDIA

**Exchange of notes constituting an agreement concerning
trade in cotton textiles (with annex). Washington,
31 August 1967**

Authentic text: English.

Registered by the United States of America on 1 October 1969.

ÉTATS-UNIS D'AMÉRIQUE
et
INDE

**Échange de notes constituant un accord relatif au
commerce des textiles de coton (avec annexe).
Washington, 31 août 1967**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 1^{er} octobre 1969.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
INDIA CONCERNING TRADE IN COTTON TEXTILES

I

DEPARTMENT OF STATE
WASHINGTON

August 31, 1967

Excellency :

I have the honor to refer to the decision of the Cotton Textiles Committee of the Central Agreement on Tariffs and Trade approving a Protocol² to extend through September 30, 1970 the Long-Term Arrangement regarding International Trade in Cotton Textiles done in Geneva on February 9, 1962³ (hereinafter referred to as "the Long-Term Arrangement"). I also refer to recent discussions between representatives of our two Governments and to the agreements between our two Governments concerning exports of cotton textiles from India to the United States effected by exchanges of notes dated October 21, and December 30, 1966⁴ and March 30, 1967.⁵ I confirm, on behalf of my Government, the understanding that these agreements are replaced by a new agreement as provided in the following numbered paragraphs. This new agreement is based on our understanding that the above-mentioned Protocol will enter into force for our two Governments on October 1, 1967.

1. The term of this agreement shall be from October 1, 1966 through September 30, 1970. During the term of this agreement, the Government of India shall limit annual exports of cotton textiles from India to the United States to aggregate, group, and specific limits at the levels specified in the following paragraphs. It is noted that these levels reflect a special adjustment for the first agreement year. The levels set forth in paragraph 2, 3 and 4 for the second agreement year are 5 % higher than the limits for the preceding year without this special adjustment; thus the growth factor provided for in

¹ Came into force on 31 August 1967 with retroactive effect from 1 October 1966, in accordance with the provisions of the said notes.

² United Nations, *Treaty Series*, vol. 620, p. 276.

³ *Ibid.*, vol. 471, p. 296. As registered by the Executive Secretary of the Contracting Parties to the General Agreement on Tariffs and Trade, this Arrangement is identified in the United Nations *Treaty Series* by the date of its entry into force, i.e., 1 October 1962.

⁴ United Nations, *Treaty Series*, vol. 680, No. A-7614.

⁵ *Ibid.*, vol. 688, No. A-7614.

paragraph 6 has already been applied in arriving at these levels for the second agreement year.

2. For the first agreement year, constituting the 12-month period beginning October 1, 1966, the aggregate limit shall be 79 million square yards equivalent. For the second agreement year the aggregate limit shall be 88.2 million square yards equivalent.

3. Within this aggregate limit, the following group limits shall apply for the first and second agreement years, respectively :

Group	In Square Yards Equivalent	
	First Agreement Year	Second Agreement Year
I. (Categories 1-27)	64 million	71.4 million
II. (Categories 28-64)	15 million	16.8 million

4. Within the aggregate limit and the applicable group limits, the following specific limits shall apply for the first and second agreement years, respectively :

A. Group I	First Agreement Year	Second Agreement Year
	Categories 9/10.	20,150,000 syds.
Categories 18/19	3,925,000 syds.	4,383,750 syds.
Category 22	8,850,000 syds.	10,867,500 syds.
Category 26 (duck only)	6,000,000 syds.	6,300,000 syds.
Category 26 (other than duck)	20,150,000 syds.	22,470,000 syds.

B. Group II	First Agreement Year		Second Agreement Year	
	Units (Pcs.)	Sq. Yds. Eq.	Units (Pcs.)	Sq. Yds. Eq.
Categories 28/29 ¹	2,508,764	2,719,500	2,905,904	3,150,000
Category 31	3,905,172	1,359,000	4,525,861	1,575,000
Categories 34/35 ¹	662,903	4,109,999	762,097	4,725,001

5. Within the aggregate limit, the limit for Group I may be exceeded by not more than 10 percent and the limit for Group II may be exceeded by not more than 5 percent. Within the applicable group limit, as it may be adjusted under this provision, specific limits may be exceeded by not more than 5 percent.¹

¹ In view of the special circumstances described by the representatives of the Government of India during the negotiations, India, for the first agreement year only and within the aggregate and the Group II limit, may export up to 2,250,000 pieces in excess of the level for Categories 28/29 and up to 600,000 pieces in excess of the level for Categories 34/35. With respect to these categories the 5 percent flexibility provision in paragraph 5 shall not apply for the first agreement year. [Footnote in the original.]

6. In the succeeding 12-month periods for which any limitation is in force under this agreement, the level of exports permitted under such limitation shall be increased by 5 percent of the corresponding level for the preceding 12-month period, the latter level not to include any adjustments under paragraphs 5 or 15.

7. Within group limits for each group and the following concentration provision, 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. In the event of undue concentration in exports to the United States of cotton textiles from India in (a) any category not given a specific limit or (b) any combed category of any part of merged combed and carded categories under paragraph 4, the Government of the United States of America may request consultation with the Government of India to determine an appropriate course of action. Until a mutually satisfactory solution is reached, the Government of India shall limit exports in the category in question to the United States starting with the 12-month period beginning on the date of the request for consultation. This limit shall be 105 percent of the exports of such products to the United States during the most recent 12-month period preceding the request for consultation for which statistics are available to our two Governments.

8. The Government of India shall use its best efforts to space exports of cotton textiles from India to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.

9. The two Governments recognize that the successful implementation of the agreement depends in large part upon mutual cooperation on statistical questions. The Government of the United States of America shall promptly supply the Government of India with data on monthly imports of cotton textiles from India in accordance with the categories listed in the appendix. The Government of India shall promptly supply the Government of the United States of America with data on monthly exports of cotton textiles to the United States, in accordance with the categories listed in the appendix. Each Government agrees to supply promptly any other available relevant statistical data requested by the other Government.

10. In the implementation of this agreement, the system of categories and the rates of conversion into square yard equivalents listed in the Annex hereto 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. The Government of the United States of America and the Government of India agree to consult on any question arising in the implementation of this agreement.

12. 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.

13. If the Government of India considers that as a result of limitations specified in this agreement, India is being placed in an inequitable position vis-à-vis a third country, the Government of India may request consultation with the Government of the United States of America with the view to taking appropriate remedial action such as a reasonable modification of this agreement.

14. During the term of this agreement, the Government of the United States of America will not request restraint on the export of cotton textiles from India to the United States, under the procedures of Article 3 of the Long-Term Arrangement. The applicability of the Long-Term Arrangement to trade in cotton textiles between India and the United States shall otherwise be unaffected by this agreement.

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 India to the United States were below the aggregate limit and any group and specific limits applicable to the category concerned) the Government of India may permit exports to exceed these limits by carry-over in the following amounts and manner :

- (i) The carryover shall not exceed the amount of the shortfall in either the aggregate limit or any applicable group or specific limit and shall not exceed either 5 % of the aggregate limit or 5 % 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 5 % 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, shall not be used to exceed any applicable specific limit except in accordance with the provisions in paragraph 5 and shall be subject to the provisions of paragraph 7 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.

16. Either Government may terminate this agreement effective at the end of an 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 above conforms with the understanding of your Government, this note and your Excellency's note of confirmation on behalf of the Government of India shall constitute an Agreement between our Governments.

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

For the Secretary of State :

Anthony M. SOLOMON

Attachment :

Annex A

His Excellency Braj Kumar Nehru
Ambassador of India

ANNEX A

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
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

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
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, combed	Syds.	Not required
15	Poplin and Broadcloth, carded	Syds.	Not required
16	Poplin and Broadcloth, combed	Syds.	Not required
17	Typewriter ribbon cloth	Syds.	Not required
18	Print cloth, shirting type, 80 × 80 type, carded	Syds.	Not required
19	Print cloth, shirting type, other than 80 × 80 type, carded	Syds.	Not required
20	Shirting, Jacquard or dobby, carded . . .	Syds.	Not required
21	Shirting, Jacquard or dobby, combed . . .	Syds.	Not required
22	Twill and sateen, carded	Syds.	Not required
23	Twill and sateen, combed	Syds.	Not required
24	Woven fabric, n.e.s., yarn dyed, carded . .	Syds.	Not required
25	Woven fabric, n.e.s., yarn dyed, combed .	Syds.	Not required
26	Woven fabric, n.e.s., other, carded	Syds.	Not required
27	Woven fabric, n.e.s., other, combed	Syds.	Not required
28	Pillowcases, not ornamented, carded . . .	Numbers	1.084
29	Pillowcases, not ornamented, combed . . .	Numbers	1.084
30	Towels, dish	Numbers	.348
31	Towels, other.	Numbers	.348
32	Handkerchiefs, whether or not in the piece .	Dozen	1.66
33	Table damask and manufactures	Ibs.	3.17
34	Sheets, carded	Numbers	6.2
35	Sheets, combed	Numbers	6.2
36	Bedspreads and quilts	Numbers	6.9
37	Braided and woven elastic	lbs.	4.6
38	Fishing nets and fish netting	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, men's and boys' .	Dozen	7.234

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
42	T-shirts, other knit	Dozen	7.234
43	Shirts, knit, other than T-shirts and sweat- shirts	Dozen	7.234
44	Sweaters and cardigans	Dozen	36.8
45	Shirts, dress, not knit, men's and boys' . .	Dozen	22.186
46	Shirts, sport, not knit, men's and boys' . .	Dozen	24.457
47	Shirts, work, 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 girls' 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., not 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 gar- ments	Dozen	4.75
62	Wearing apparel, knit, n.e.s.	lbs.	4.6
63	Wearing apparel, not knit, n.e.s.	lbs.	4.6
64	All other cotton textiles	lbs.	4.6

II

EMBASSY OF INDIA
WASHINGTON, D.C.

August 31, 1967

Excellency,

I have the honour to acknowledge receipt of your note of today's date concerning trade in cotton textiles between India and the United States which reads as follows :

[*See note I*]

I have the honour to confirm the foregoing understandings on behalf of the Government of India.

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

For the Ambassador :

M. G. KAUL

His Excellency Dean Rusk
Secretary of State of the United States of America
