

No. 11051

**UNITED STATES OF AMERICA
and
INDIA**

**Exchange of notes constituting an agreement concerning
trade in cotton textiles (with annex and related exchanges
of notes). Washington, 28 September 1970**

Authentic text: English.

Registered by the United States of America on 4 May 1971.

**ÉTATS-UNIS D'AMÉRIQUE
et
INDE**

**Échange de notes constituant un accord relatif au commerce
des textiles de coton (avec annexe et échanges de notes
connexes). Washington, 28 septembre 1970**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 4 mai 1971.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT ¹
 BETWEEN THE UNITED STATES OF AMERICA AND
 INDIA CONCERNING TRADE IN COTTON TEXTILES

I

DEPARTMENT OF STATE
 WASHINGTON

September 28, 1970

Excellency :

I have the honor to refer to the Long-Term Arrangement Regarding International Trade in Cotton Textiles (hereinafter referred to as the Long-Term Arrangement), done in Geneva on February 9, 1962² as extended by Protocol³ until September 30, 1973.

I also refer to recent discussions between our two Governments concerning the export of cotton textiles from India to the United States. As a result of these discussions, I have the honor to propose the following agreement relating to trade in cotton textiles between India and the United States :

1. The term of this agreement shall be from October 1, 1970 through September 30, 1974. During the term of this agreement, the Government of India will 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.
2. For the first agreement year, constituting the 12-month period beginning October 1, 1970, the aggregate limit shall be 110 million square yards equivalent.
3. Within this aggregate limit, the following group limits shall apply. For the first agreement year the levels shall be as follows :

<i>Group</i>	<i>In Square Yards Equivalent</i>
I. (Categories 1-27)	84.7 million
II. (Categories 28-64)	25.3 million

¹ Came into force on 28 September 1970 by the exchange of the said notes, with effect from 1 October 1970, in accordance with their provisions.

² United Nations, *Treaty Series*, vol. 471, p. 296. As registered by the Executive Secretary to 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.

³ *Ibid.*, vol. 620, p. 276, and annex A in volume 753.

4. Within the aggregate limit and the applicable group limits, the following specific limits shall apply. For the first agreement year the levels shall be as follows :

<i>Group I</i>		<i>In Square Yards</i>
Categories 9/10		28,500,000
Categories 18/19		6,000,000
Category 22		13,600,000
Category 26 (duck only)		7,300,000
Category 26 (other than duck)		28,300,000
<i>Group II</i>		<i>Square Yard Equivalents</i>
Categories 28/29	5,800,000	
Category 31	6,000,000	(of which not more than 3,000,000 shall be in terry towels)
Categories 34/35	6,500,000	

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.

6. 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 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.

7. (a) For any agreement year 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, under this agreement or the agreement effected by exchange of notes

dated August 31, 1967)¹ the Government of India may permit exports to exceed these limits by carryover 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 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 applicable to the category 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 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.

8. In the second and any succeeding 12-month period for which any limitation is in force under paragraphs 1-7 of this agreement, the level of exports permitted under such limitation shall be increased by 5 % of the corresponding level for the preceding 12-month period, the latter level not to include any adjustments under paragraph 5 or 7.

9. 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.

10. 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 Annex A. 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 Annex A. Each Government agrees to supply promptly any other available relevant statistical data requested by the other Government.

¹United Nations, *Treaty Series*, vol. 693, p. 59.

11. In the implementation of this agreement, the system of categories and the rates of conversion into square yards equivalents listed in Annex A 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.

12. 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.

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 India considers that as a result of limitations specified in this agreement, India is being placed in an inequitable position vis-a-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.

15. 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.

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.

17. Special treatment for hand-loomed fabric products of the cottage industry under this agreement is provided for in a separate exchange of notes of this date between the two Governments.

If the foregoing proposal is acceptable to 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 :
PHILIP H. TREZISE

Enclosure :
Annex A.

His Excellency Lakshmi Kant Jha
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
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	lbs.	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

ANNEX A (continued)

<i>Category Number</i>	<i>Description</i>	<i>Unit</i>	<i>Conversion Factor to Syds.</i>
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
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, $\frac{3}{4}$ length or longer, not knit. . .	Dozen	50.
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. 95
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.e.s.	lbs.	4. 6
64	All other cotton textiles	lbs.	4. 6

II

AMBASSADOR OF INDIA
WASHINGTON, D.C.

September 28, 1970

Excellency :

I have the honor to refer to your note of September 28, 1970, proposing an agreement relating to trade in cotton textiles between India and the United States.

I confirm, on behalf of the Government of India, that the proposal set forth in your note is acceptable to my Government and that your note and this note in reply shall constitute an agreement between our two Governments.

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

L. K. JHA
Ambassador of India

The Honourable William P. Rogers
Secretary of State of the United States of America
Washington, D.C.

RELATED EXCHANGES OF NOTES

I, *a*

DEPARTMENT OF STATE
WASHINGTON

September 28, 1970

Excellency :

I have the honor to refer to the exchange of notes of today's date constituting a new bilateral agreement between our two Governments concerning trade in cotton textiles between India and the United States. It is the understanding of my Government that during the term of the aforementioned agreement, the following provisions will apply to exports from India to the United States of hand-loomed textile products, as defined herein.

1. The provisions of paragraphs 2—8 of the aforementioned agreement shall not apply to exports from India to the United States of hand-loomed textile products

which are certified as such by the Government of India, except as provided in subparagraph (a) of this paragraph.

(a) For the 12-month period beginning October 1, 1970, the special hand-loomed textile product limit shall be 5,000,000 square yards equivalent, of which not more than 1,000,000 square yards equivalent may be in apparel. For each succeeding 12-month period these levels shall be increased by 5 percent over the levels for the previous 12-month period. Exports of hand-loomed products in excess of these levels shall be subject to the provisions of paragraphs 2-8.

(b) (i) For an agreement year immediately following a year in which exports of hand-loomed textile products were below the special hand-loomed textile product limit, exports of such products under this paragraph may exceed the special hand-loomed textile product limit by 5 percent of the limit for the preceding agreement year of the amount by which such exports were below that limit, whichever is less.

(ii) Within the carryover permitted by subparagraph (b) (i), exports of hand-loomed textile apparel products may exceed the sub-limit on apparel by 5 percent of the apparel sub-limit for the preceding agreement year or the amount by which such exports were below that limit, whichever is less.

(c) In the event the Government of India wishes to permit exports in excess of the limits provided for in this paragraph (and not subject to the provisions of paragraphs 2-8) of any hand-loomed textile product items which it considers to be non-disruptive of the United States market, the Government of India shall request consultations with the Government of the United States of America on this question and the Government of the United States of America shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of India shall limit its exports of hand-loomed textile products concerned to the amounts permitted under the provisions of sub-paragraph (a) of this paragraph.

(d) "Hand-loomed textile products" means textile products cut, sewn and otherwise fabricated by hand from hand-loom fabrics in cottages, units of the cottage industry.

2. The arrangements contained in this note shall not affect the applicability of the aforementioned agreement to hand-loomed textile products, except as stated in paragraph 1, above.

If the foregoing conforms with the understanding of your Government, this note and your Excellency's note in reply shall constitute an agreement between our two Governments.

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

For the Secretary of State :

PHILIP H. TREZISE

His Excellency Lakshmi Kant Jha
Ambassador of India

II, *a*

AMBASSADOR OF INDIA
WASHINGTON, D.C.

September 28th, 1970

Excellency :

I have the honour to refer to your note of today's date concerning special provisions that will apply to exports from India to the United States of hand-loomed textile products, as defined therein, during the term of the agreement relating to trade in cotton textiles between India and the United States effected by exchange of notes dated September 18, 1970.

I confirm, on behalf of my Government, that the provisions set forth in your note conform with the understanding of the Government of India and that your note and this note in reply shall constitute an agreement between our two Governments.

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

L. K. JHA
Ambassador of India

The Honourable William P. Rogers
Secretary of State of the United States of America
Washington, D.C.

I, *b*

DEPARTMENT OF STATE
WASHINGTON

September 28, 1970

Excellency :

I have the honor to refer to the exchange of notes of today's date constituting a new bilateral agreement between the Governments of the United States and India concerning exports of cotton textiles from India to the United States.

It is the understanding of the Government of the United States of America that "India items," certified as such by the Government of India, shall be excluded from the purview of the aforementioned agreement. A definition of the term "India items" and a list of these items and their definitions are annexed to this note. Additional items may be added to the list of "India items" by mutual agreement. In the event that the Government of the United States of America finds that any particular products imported from India as "India items" should not properly be classified as such, the Government of the United States of America may request consultations with the Government of India with a view to finding the appropriate classification of the products in question within Annex A of the aforementioned agreement, taking into consideration the special treatment for hand-loomed textile products referred to in paragraph 17 of that agreement.

The Government of India agrees that it will promptly supply to the Government of the United States monthly data on actual shipments and quarterly estimates of prospective shipments of "India items." If the Government of the United States of America considers that shipments of any India item or items may raise problems relating to the disruption of the United States market for cotton textiles, it may request consultation with the Government of India to determine an appropriate course of action. Until a mutually satisfactory solution is reached, exports from India to the United States of the India item or items in question shall be limited for the 12-month period beginning on the date of the request for consultation. The limit shall be 105 percent of the exports of such items from India to the United States during the most recent 12-month period preceding the request for consultations for which statistics are available to the two Governments.

If the foregoing proposal is acceptable to your Government, this note and your note of confirmation shall constitute an agreement between our two Governments.

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

For the Secretary of State :

PHILIP H. TREZISE

Enclosure :
Annex A

His Excellency Lakshmi Kant Jha
Ambassador of India

ANNEX A

"India items" are those items that are uniquely and historically traditional Indian products cut, sewn or otherwise fabricated by hand in cottages, units of the cottage industry. They are limited to the products enumerated below and such other items as may be agreed upon from time to time.

LIST OF INDIA ITEMS

1. *Kathiawar Mirrored Kurta :*

A kurta is a loose fitting almost straight line tunic. This kurta is intricately embroidered with tiny mirrors and in a myriad of colors.

2. *Embroidered Churidar Set :*

A Churidar is a pair of trousers loose at waist with either draw string or hooks and tapering to a tight fit at ankle. The set is traditionally a Moghul costume, worn by Indian women since the 16th century consisting of a kurta, a churidar and a dupatta, an oblong long scarf of self material.

3. *Wooden Beaded Delhi Kurta :*

A kurta, delicately embroidered with wooden beads, well known in Delhi and adjoining districts.

4. *Mirrored Jawahar Jacket :*

A traditional vest worn loosely, without buttons, over the kurta, by men and women.

5. *Delhi Embroidered Kurta :*

A kurta peculiar to the Delhi region, heavily laden with embroidery.

6. *Madras Striped Embroidered Kashmir Pherron :*

A full length dress looser and longer than the kurta, worn originally by the Kashmiris of Northern India. The flora and fauna for which this region is well known is depicted in the intricate embroidery done around the neck of this costume. Sleeves are three quarter length or shorter.

7. *Short and Long Anghorkha :*

A traditional region Moghul dress, open down the front, with decorative string or ribbon used as the closure at the side and center. Can be either short, medium or long. This is a unisex dress and comes in short and long sizes. The print is by hand under the bandini method.

8. *Bandini Kurta :*

A kurta with the pattern woven into the cloth rather than printed.

9. *Bagal Bandini :*

A cross between an anghorkha and kurta with a wrap around effect and tied at the side.

10. *Kalamakari Kurta :*

A kurta made out of cloth utilizing the traditional art of printing in which the print is carefully wrought by hand and vegetable dyes are used for color. The tradition of weaving chain buttons has been handed down by royal dynasties who wore buttons made of gold and studded with precious stones.

11. *Kutch Ghagra :*

Long wide skirt with drawstring, with heavy embroidery and mirror work

12. *Kutch Embroidered Choli :*

Intricately embroidered tight fitting blouse with tiny mirrors. Worn on festive occasions by Kutch women.

13. *Lucknavi Chikan Kurta :*

Hand embroidered kurta of sheerest cotton, traditionally worn by men of Northern India, now become a unisex dress.

14. *Lungi* :

A wrap around, cylindrical long skirt of hand woven material usually worn with matching kurta or choli.

15. *Madras Short Kurta* :

A version of the kurta in a heavier hand woven cotton.

16. *Printed Salwar* :

Usually loose fitting trousers in printed cloth. Legs may be straight or baggy at the thighs.

17. *Sanganeer Printed Kurta* :

A special version of the kurta in Sanganeer printed cotton specially worn in Rajasthan.

18. *Phulkari Kurta and Ghagra* :

A kurta and/or ghagra made out of phulkari—a cloth woven with multi-colored threads which form the essential part of the bridal trousseau in the Punjab.

19. *Embroidered Ribbed Cotton Anghorkha* :

The anghorkha (as in # 7) in ribbed cotton worn in Rajasthan.

20. *Himroo Shawl* :

A jacquard weave with overall design, traditionally worn in Hyderabad, used to cover the body, especially in winter.

21. *Choli* :

Traditional tight fitting upper piece of a costume and an essential accessory to be worn with saris or ghagras or ghararas.

22. *Ghagra or Payadai* :

Long, wide skirt with drawstring or hooks, often in two-piece ensemble and often as an accessory worn with the sari.

23. *Dupatta* :

The oblong scarf usually about 4 feet long worn by the women along with the kurta and churidar. Can be plain or printed but will match part of the ensemble.

24. *Thailis* :

(Totebags, purses and pouch bags) accessories to traditional Indian native dresses. Known as chakla thailis, phulkari thailis, kalamkari thailis, kashmir crewel work thailis, beaded and mirror work thailis.

25. *Toran* :

A long embroidered strip having a door's width with embroidered flaps or bits of patterned cloth used to decorate the area above a door or window. Fine embroidered pieces characterized by spontaneity and rhythm connected with folk art. Originated, Kathiawar Gujarat state (West Coast of India).

26. *Phulkari* :

A decorative cloth used as wall hanging. The base of the embroidery is rough-spun cotton fabric. Close darning stitch employed with strands of untwisted silk to make the flower-like embroidery.

27. *Thombai* :

Cylindrical hanging with hand-made applique work. Traditional from South Indian Temples. Used as decoration hanging from ceilings or in doorways for gala affairs.

28. *Puri Shatta* :

Flat, highly decorative applique umbrella with wooden centerpost. Used along with thombai.

29. *Gabbas* :

Embroidered floor covering, using waste rags. Usually embroidered on a jute base with cotton backing. Peculiar to Kashmir region.

30. *Shamiana* :

Applique canopy or awning used as ceiling decoration.

35. *Kalamkari* :

Hand-painted wall piece depicting religious characters. These cloths, done on hand-loomed fabrics, are purchased more specially at the time of religious festivals which take place periodically at Kalahast.

32. *Chakla* :

Wall hanging—framed and unframed (Kutch embroidery), also known as kanby embroidery. Interspersed mirrors and interlaced stitches.

33. *Hand-Painted Batik Wall Piece* :

Wall hanging painted completely by hand using specially made vegetable dyes. The designs are usually mythological narrations and have special demand during religious festivals. Painted on cotton fabric.

34. *Tea Cosy* :

Embroidered protective covering used normally in rural areas to keep tea or coffee pots warm.

II, b

AMBASSADOR OF INDIA
WASHINGTON, D.C.

September 28, 1970

Excellency :

I have the honor to refer to your note of today's date concerning exclusion of "India items", as defined therein, from the purview of the agreement relating to trade in cotton textiles between India and the United States effected by exchange of notes dated September 28, 1970.

I confirm, on behalf of my Government, that the understanding set forth in your note conforms with the understanding of the Government of India and that your note and this note in reply shall constitute an agreement between our two Governments.

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

L. K. JHA

Ambassador of India

The Honourable William P. Rogers
Secretary of State of the United States of America
Washington, D.C.

I, c

DEPARTMENT OF STATE
WASHINGTON

September 28, 1970

Excellency :

I have the honor to refer to the exchange of notes of today's date constituting a new bilateral agreement between the Governments of the United States of America and India concerning exports of cotton textiles from India to the United States. During the term of the aforementioned agreement, the procedures set forth below will be followed by the Government of the United States of America to assist the Government of India in implementing the limitation provisions of that agreement.

It is agreed that prompt exchange of data will permit consultations to help avoid shipments in excess of agreement limitations. If on the basis of its import data and the data provided by the Government of India the Government of the United States of America considers there is a possibility that exports of cotton textile products from India to the United States will exceed the limitations provided for in the aforementioned agreement, the United States will enter into consultations with the Government of India. On the basis of the consultations, the United States may request the Government of India to take appropriate steps to avoid shipments in excess of the agreement limitations. If the Government of the United States of America is satisfied that actions taken by the Government of India will prevent shipments in excess of limitations, it will not impose import controls. If the Government of the United States of America considers there is a need for import controls to assist the Government of India to prevent shipments in excess of limitations, it will request consultations with the Government of India. Should the Government of the United States of America find it necessary to control imports, it will take into account the effect on shipments already exported from India. Under normal circumstances, the Government of the United States of America will permit entry of goods already exported if agreement is reached with the Government of India on the treatment to be accorded exports in excess of limitations provided for in the aforementioned agreement.

If the Government of the United States of America has reason to believe the foregoing exchange of information and procedures does not provide adequate safe-

guards against shipments substantially in excess of limitations, it may take such appropriate action as it deems necessary to protect its interests.

If the Government of the United States of America considers that shipments from India have already exceeded the limitations provided for in the agreement, it will request, and the Government of India will promptly enter into, consultations. Should the United States consider that failure to impose import controls promptly would cause damage difficult to repair, the Government of the United States of America may impose import controls after notifying the Government of India. The Government of the United States of America will give the Government of India as much advance notification as it considers possible.

If the Governments agree that the use of import controls results in any limitations not being filled by the Government of India, the agreed shortfall may be used as additional carryover in the subsequent year of the agreement.

If the foregoing conforms with the understanding of your Government, this note and your Excellency's note in reply shall constitute an agreement between our two Governments.

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

For the Secretary of State :

PHILIP H. TREZISE

His Excellency Lakshmi Kant Jha
Ambassador of India

II, c

AMBASSADOR OF INDIA
WASHINGTON, D.C.

September 28, 1970

Excellency :

I have the honor to refer to your note of today's date setting forth procedures that will be followed by the Government of the United States of America to assist the Government of India in implementing the limitation provisions of the agreement relating to trade in cotton textiles between India and the United States effected by exchange of notes dated September 28, 1970.

I confirm on behalf of my Government that the procedures set forth in your note conform with the understanding of the Government of India and that your note and this note in reply shall constitute an agreement between our two Governments.

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

L. K. JHA

Ambassador of India

The Honourable William P. Rogers
Secretary of State of the United States of America
Washington, D.C.

I, *d*DEPARTMENT OF STATE
WASHINGTON

September 28, 1970

Excellency :

I have the honor to refer to the agreement concerning trade in cotton textiles between India and the United States effected by exchange of notes dated August 31, 1967,¹ and to the successor to that agreement, effected by exchange of notes of today's date.

I also refer to discussions between representatives of our two Governments concerning the question of exports of cotton textiles from India to the United States that were in excess of limitations provided for in the agreement of August 31, 1967. I confirm, on behalf of my Government, that the following agreement has been reached to resolve this question :

1. The Government of India will deduct 4.63 million square yards equivalent from the level of the aggregate limit for the present agreement year, constituting the 12-month period beginning October 1, 1969. In applying this deduction, the level of each limit for the present agreement year will be the same as the level applicable to the agreement year beginning October 1, 1968.

2. The Government of India will make every effort to avoid exceeding the export limitations applicable to the present agreement year, as adjusted in accordance with paragraph 1 above. The Government of India agrees to continue for the remainder of the present agreement year its selective limitation on exports to the United States of cotton textiles in Group II, exclusive of hand-loomed textile products of the cottage industry. However, should cotton textile exports from India to the United States during the present agreement year exceed these limitations, such exports will be permitted entry and will be counted against the applicable limits for the agreement year beginning October 1, 1970. United States import data will be used for purposes of this paragraph in determining the level of cotton textile exports from India to the United States during the present agreement year. The Government of the United States of America will take into account any data which the Government of India is able to supply.

If the foregoing conforms with your understanding, this note and your note in reply on behalf of the Governments of India will constitute an agreement between our two Governments.

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

For the Secretary of State :

PHILIP H. TREZISE

His Excellency Lakshmi Kant Jha
Ambassador of India

¹ United Nations, *Treaty Series*, vol. 693, p. 59.

II, *d*

AMBASSADOR OF INDIA
WASHINGTON, D.C.

September 28, 1970

Excellency :

I have the honour to refer to your note of today's date concerning arrangements for resolving the question of exports of cotton textiles from India to the United States that were in excess of limitations provided for in the agreement regarding trade in cotton textiles between India and the United States effected by exchange of notes dated August 31, 1967.

I confirm that the arrangements set forth in your note conform with the understanding of the Government of India and that your note and this note in reply shall constitute an agreement between our two Governments.

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

L. K. JHA
Ambassador of India

The Honourable William P. Rogers
Secretary of State of the United States of America
Washington, D.C.
