

No. 11977

**UNITED STATES OF AMERICA
and
THAILAND**

**Exchange of notes constituting an arrangement concerning trade in
cotton textiles (with annex). Bangkok, 16 March 1972**

Authentic text : English.

Registered by the United States of America on 26 September 1972.

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

**Échange de notes constituant un arrangement relatif au commerce
des textiles de coton (avec annexe). Bangkok, 16 mars 1972**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 26 septembre 1972.

EXCHANGE OF NOTES CONSTITUTING AN ARRANGEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THAILAND CONCERNING TRADE IN COTTON TEXTILES

I

*The American Ambassador to the Thai Under-Secretary of State,
Ministry of Foreign Affairs*

Bangkok, March 16, 1972

No. 397

Excellency :

I have the honor to refer to recent discussions between representatives of our two Governments concerning the export of cotton textiles from Thailand to the United States. As a result of these discussions, I have the honor to propose the following agreement :

1. The term of this Agreement shall be from April 1, 1972 through March 31, 1977. During that term the Royal Thai Government shall limit annual exports of cotton textiles from Thailand 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 April 1, 1972, the aggregate limit shall be 15,000,000 square yards equivalent.

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

	<i>In Square Yards Equivalent</i>
<i>Group I.</i> Yarn, fabric, made-ups, and miscellaneous (Categories 1-38 and 64)	7,500,000
<i>Group II.</i> Apparel (Categories 39-63)	7,500,000

4. (a) Within the limit for Group I, the following specific limits shall apply for the first agreement year :

¹ Came into force on 16 March 1972 by the exchange of the said notes, in accordance with their provisions.

<i>Category</i>	<i>Limit</i>	
	<i>In Units</i>	<i>Equivalent square yards</i>
9/10	1,875,000 syds.	1,875,000
15/16	750,000 syds.	750,000
18/19	1,875,000 syds.	1,875,000
22/23	1,125,000 syds.	1,125,000
26/27 (of which, not more than 1,000,000 syds. shall be in duck)	1,500,000 syds.	1,500,000
64	81,522 pounds	375,000

(b) Within the limit for Group II, the following specific limits shall apply for the first agreement year :

<i>Category</i>	<i>Limit</i>	
	<i>In Units</i>	<i>Equivalent square yards</i>
43	48,000 doz.	347,000
45	20,000 doz.	444,000
46	18,000 doz.	440,000
47	15,800 doz.	350,000
48	9,000 doz.	450,000
49	14,000 doz.	455,000
50	25,000 doz.	445,000
51	25,000 doz.	445,000
52	27,000 doz.	392,000
53	7,700 doz.	348,000
54	14,000 doz.	350,000
55	6,800 doz.	347,000
60	38,000 doz.	1,975,000
62	76,087 lbs.	350,000
63	76,087 lbs.	350,000

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, specified limits may be exceeded by 5 percent.

6. Categories not given specific limits are subject to consultation levels and to the group and aggregate limits. In the event the Royal Thai Government desires to export to the United States in any category during any agreement year in excess of the consultation level, it shall request consultations with the Government of the United States of America on this question. The Government of the United States of America shall agree to enter into such consultations and, during the course thereof, shall provide the Royal Thai Government with information on the condition of the United

States market in the category in question. Until agreement on a different level of exports is reached, the Royal Thai Government shall limit its exports in the category in question to the consultation level. The consultation levels, in square yards equivalent, for the first agreement year, are as follows :

Group I (Categories 1–38 and 64).	500,000
Group II (Categories 39–63)	350,000

7. The Royal Thai Government shall use its best efforts to space exports from Thailand to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.

8. In the second and succeeding agreement years for which this Agreement is in force, the level of exports permitted under each limitation shall be increased by 5 percent of the corresponding levels for the preceding agreement year, the latter levels not to include any adjustments under paragraph 5 and paragraph 9.

9. (a) For any agreement year immediately following a year of shortfall (i.e., a year in which cotton textile exports from Thailand to the United States were below the aggregate limit and any group and specific limits applicable to the category concerned) the Royal Thai Government 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 5 percent of the aggregate limit or 5 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 not exceed 5 percent of the specific limit in the year of the shortfall, and shall be used in the same category in which the shortfall occurred; and
 - (iii) In the case of shortfalls not attributable to categories subject to specific limits, the carryover shall be used in the 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 not be used to exceed the limits in paragraph 6 of this 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.

10. Each Government shall take appropriate measures of export or import control, as applicable, to implement the limitation provisions of this Agreement.

11. The two Governments recognize that the successful implementation of this Agreement depends in large part upon mutual cooperation on statistical questions. The Government of the United States of America shall promptly supply the Royal Thai Government with monthly data on imports of cotton textiles from Thailand. The Royal Thai Government shall promptly supply the Government of the United States of America with data on monthly exports of cotton textiles from Thailand to the United States. Each Government agrees to supply promptly any other relevant and readily available statistical data requested by the other Government.

12. In the implementation of this Agreement, the system of categories and the rates of conversion into square yard 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 regarding international trade in cotton textiles, done at Geneva on February 9, 1962, as extended,¹ 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.

13. The Government of the United States of America and the Royal Thai Government agree to consult on any question arising in the implementation 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 procedures or operation.

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

16. 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 Thailand to the United States under the provisions of articles 3 and 6 (c) of the Long-term Arrangement. The applicability of the Long-term Arrangement to trade in cotton textiles between Thailand and the United States shall otherwise be unaffected by this Agreement.

17. Either Government may at any time propose revisions in the terms of this Agreement. Each Government agrees to consult promptly with the other Government about such proposals with a view to making such revisions to the present Agreement, or taking such other appropriate action, as may be mutually agreed upon.

¹ United Nations, *Treaty Series*, vol. 471, p. 296, and annex A in volumes 620 and 753. 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.

18. 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.

If these proposals are acceptable to your Government, this note and your note of acceptance on behalf of the Royal Thai Government shall constitute an agreement between our two Governments.

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

LEONARD UNGER

His Excellency Charunphan Isarangkun Na Ayuthaya
Under-Secretary of State
Ministry of Foreign Affairs
Bangkok

ANNEX A

<i>Category Number</i>	<i>Description</i>	<i>Conversion Factor</i>	<i>Unit of measure</i>
SECTION I			
1	Cotton yarn, carded, singles	4.6	Lb.
2	Cotton yarn, carded, plied	4.6	Lb.
3	Cotton yarn, combed, singles	4.6	Lb.
4	Cotton yarn, combed, plied	4.6	Lb.
5	Gingham, carded	1.0	Syd.
6	Gingham, combed	1.0	Syd.
7	Velveteen	1.0	Syd.
8	Corduroy	1.0	Syd.
9	Sheeting, carded	1.0	Syd.
10	Sheeting, combed	1.0	Syd.
11	Lawn, carded	1.0	Syd.
12	Lawn, combed	1.0	Syd.
13	Voile, carded	1.0	Syd.
14	Voile, combed	1.0	Syd.
15	Poplin and Broadcloth, carded	1.0	Syd.
16	Poplin and Broadcloth, combed	1.0	Syd.
17	Typewriter ribbon cloth	1.0	Syd.
18	Print cloth, shirting type, 80 × 80 type, carded	1.0	Syd.
19	Print cloth, shirting type, other than 80 × 80 type, carded	1.0	Syd.
20	Shirting, Jacquard or dobby, carded	1.0	Syd.
21	Shirting, Jacquard or dobby, combed	1.0	Syd.
22	Twill and sateen, carded	1.0	Syd.
23	Twill and sateen, combed	1.0	Syd.
24	Woven fabric, n.e.s., yarn-dyed, carded	1.0	Syd.
25	Woven fabric, n.e.s., yarn-dyed, combed	1.0	Syd.

<i>Category Number</i>	<i>Description</i>	<i>Conversion Factor</i>	<i>Unit of measure</i>
26	Woven fabric, n.e.s., other, carded	1.0	Syd.
27	Woven fabric, n.e.s., other, combed	1.0	Syd.
28	Pillowcases, carded	1.084	No.
29	Pillowcases, combed	1.084	No.
30	Towels, dish348	No.
31	Towels, other348	No.
32	Handkerchiefs, whether or not in the piece	1.66	Doz.
33	Table damask and manufactures	3.17	Lb.
34	Sheets, carded	6.2	No.
35	Sheets, combed	6.2	No.
36	Bedspreads and quilts	6.9	No.
37	Braided and woven elastic	4.6	Lb.
38	Fishing nets and fish netting	4.6	Lb.
39	Gloves and mittens	3.527	Dpr.
40	Hose and half hose	4.6	Dpr.
41	T-shirts, all white, knit, men's and boys'	7.234	Doz.
42	T-shirts, other knit	7.234	Doz.
43	Shirts, knit, other than T-shirts and sweatshirts	7.234	Doz.
44	Sweaters and cardigans	36.8	Doz.
45	Shirts, dress, not knit, men's and boys'	22.186	Doz.
46	Shirts, sport, not knit, men's and boys'	24.457	Doz.
47	Shirts, work, not knit, men's and boys'	22.186	Doz.
48	Raincoats, $\frac{3}{4}$ length or longer not knit	50.0	Doz.
49	Coats, other, not knit	32.5	Doz.
50	Trousers, slacks, and shorts (outer), not knit, men's and boys'	17.797	Doz.
51	Trousers, slacks and shorts (outer), not knit, women's, girls' and infants'	17.797	Doz.
52	Blouses, not knit	14.53	Doz.
53	Dresses (including uniforms), not knit	45.3	Doz.
54	Playsuits, sunsuits, washsuits, creepers, rompers, etc., not knit, n.e.s.	25.0	Doz.
55	Dressing gowns, including bathrobes and beachrobes, lounging gowns, housecoats, and dusters, not knit	51.0	Doz.
56	Undershirts, knit, men's and boys'	9.2	Doz.

Category Number	Description	Conversion Factor	Unit of measure
57	Briefs and undershorts, men's and boys'	11.25	Doz.
58	Drawers, shorts, and briefs knit, n.e.s.	5.0	Doz.
59	All other underwear, not knit	16.0	Doz.
60	Pajamas and other nightwear	51.96	Doz.
61	Brassieres and other body-supporting garments . . .	4.75	Doz.
62	Wearing apparel, knit, n.e.s.	4.6	Lb.
63	Wearing apparel, not knit, n.e.s.	4.6	Lb.
64	All other cotton textiles	4.6	Lb.

II

*The Thai Under-Secretary of State for Foreign Affairs in Charge of the Ministry
of Foreign Affairs to the American Ambassador*

MINISTRY OF FOREIGN AFFAIRS
SARANROM PALACE

No. 0501/8930
Excellency,

16th March, B.E. 2515 [1972]

I have the honor to acknowledge the receipt of your note of March 16, 1972 relating to the export of cotton textiles from Thailand to the United States of America, which reads as follows :

[See note I]

I have the honor to confirm that the Royal Thai Government agrees to the proposals set forth in your note and that Your Excellency's note and this reply constitute an agreement between our Governments.

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

[Signed]

CHARUN P. ISARANGKUN NA AYUTHAYA
Under-Secretary of State for Foreign Affairs
in charge of the Ministry of Foreign Affairs

His Excellency Leonard Unger
Ambassador Extraordinary and Plenipotentiary
of the United States of America
Bangkok

[Annex as under note I]