

No. 17502

**UNITED STATES OF AMERICA
and
INDIA**

Exchange of notes constituting an agreement relating to trade in textiles and textile products (with annexes). Washington, 30 December 1977

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Washington, 18 April 1978

Exchange of notes constituting an agreement amending the above-mentioned Agreement of 30 December 1977, as amended. Washington, 19 June 1978

Exchange of notes constituting an agreement amending the above-mentioned Agreement of 30 December 1977, as amended. Washington, 9 May and 18 July 1978

Exchange of notes constituting an agreement amending the above-mentioned Agreement of 30 December 1977, as amended. Washington, 19 and 25 July 1978

Authentic texts: English.

Registered by the United States of America on 22 January 1979.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND INDIA
RELATING TO TRADE IN TEXTILES AND TEXTILE
PRODUCTS

I

DEPARTMENT OF STATE
WASHINGTON

December 30, 1977

Excellency:

I have the honor to refer to the Arrangement regarding international trade in textiles (hereinafter referred to as the Arrangement), done at Geneva on December 20, 1973.² I have also the honor to refer to recent discussions between representatives of the Government of the United States of America and the Government of India concerning exports to the United States of cotton, wool, and man-made fiber textiles and textile products manufactured in India. As a result of these discussions and in conformity with article 4 of the Arrangement, I have the honor to propose on behalf of the Government of the United States of America, the following Agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between the United States and India:

1. The term of the Agreement shall be from January 1, 1978 through December 31, 1982.
2. Textiles and textile products covered by this Agreement will be classified in two groups, as follows:

<i>Group</i>	<i>Definition</i>
I	Yarns and fabrics of cotton, wool, and man-made fibers (categories 300-320, 400-429, 600-627)
II	Apparel, made-up goods and miscellaneous textile products of cotton, wool, and man-made fibers (categories 330-369, 431-469, 630-669)

3. Each "agreement year" shall be a calendar year, with the first agreement year commencing on January 1, 1978, and ending on December 31, 1978.

4. The system of categories and the rates of conversion into square yards equivalent (SYE) listed in annex A will apply in implementing this Agreement.

5. Commencing with the first agreement year, and during the subsequent term of this Agreement, the Government of India shall limit annual exports from India to the United States of cotton, wool, and man-made fiber textiles and textile products manufactured in India to the aggregate and group limits set out in annex B, as such limits may be adjusted in accordance with paragraphs 7 and 8. The limits set out in annex B do not include any adjustments permitted under paragraphs 7 and 8. The limits set out in annex B include 7 percent growth from the first year.

¹ Came into force on 30 December 1977 by the exchange of the said notes, with effect from 1 January 1978, in accordance with the provisions of the said notes.

² United Nations, *Treaty Series*, vol. 930, p. 166.

6. All categories are subject to consultation levels and to the aggregate and applicable group limits. Designated consultation levels will be:

Group I—Yarn and fabric

<i>Category</i>	<i>Consultation level</i>
313 Sheeting	50,000,000 SYE
315 Printcloth	12,500,000 SYE
317 Twills and sateen	24,000,000 SYE
319 Duck	17,500,000 SYE
320 Other fabric	45,000,000 SYE
Man-made fiber fabric	
610 Continuous cellulosic, woven	7,000,000 SYE

Group II—Apparel, made-up goods and miscellaneous textile products

<i>Category</i>	<i>Consultation level</i>	
	<i>Units</i>	<i>Square yards equivalent</i>
Cotton		
360 Pillowcases	8,181,818 pieces	9,000,000 SYE
361 Sheets	1,612,903 pieces	10,000,000 SYE
362 Bedspreads	333,333 pieces	2,300,000 SYE
363 Terry and other pile towels	20,000,000 pieces	10,000,000 SYE
369 Other manufacturer	2,608,696 pounds	12,000,000 SYE
Man-made fibers		
666 Other furnishings	256,410 pounds	2,000,000 SYE

All other categories will be subject to consultation levels as follows: 1,000,000 SYE for non-apparel categories of cotton and man-made fibers; 700,000 SYE for apparel categories of cotton and man-made fiber; 100,000 SYE for all categories of wool.

In the event the Government of India wishes to export to the United States textile products in excess of the applicable consultation levels, the Government of India shall request the higher levels and the Government of the United States shall consider the request sympathetically and shall respond promptly. If, because of problems related to market disruption in the category subject to such request the United States is unable to comply fully, the United States will so inform the Government of India and will provide the Government of India with the data which form the basis of the position taken by the United States of America. If requested by the Government of India, the Government of the United States of America will consult promptly. Until a mutually satisfactory change in the consultation level of the category in question is established, shipments shall not exceed the existing consultation level.

7. During any agreement year, and within the aggregate limit for such agreement year, the group limits set out in annex B applicable to such agreement year may be exceeded by not more than 15 percent, in the case of group I, and by not more than 10 percent, in the case of group II. Adjustments made pursuant to this paragraph are calculated on the limits set forth in annex B and are in addition to those pursuant to paragraph 8.

8. (A) In any agreement year, exports may exceed by a maximum of 11 percent the aggregate and group limits by allocating to the limits for that year an unused portion of the applicable limit for the previous agreement year (carryover) or a portion of the applicable limit for the succeeding agreement year (carry forward):

- (I) Carryover may be utilized as available up to 11 percent of the receiving year's applicable limits;
- (II) Carry forward may be utilized up to 6 percent of the receiving year's applicable limits and charged against the next year's applicable limits;
- (III) The combination of carryover and carry forward may not exceed 11 percent of the receiving year's applicable limits in any agreement year.

(B) For purposes of this Agreement a shortfall occurs when exports from India to the United States of America during an agreement year are below the aggregate limit. Carryover in group limits may be used only to the extent of shortfall in each limit.

(C) Carryover and carry forward shall not be used to exceed any category consultation level.

(D) The limits referred to in subparagraph (A) and (B) of this paragraph are without any adjustments. Carryover and carry forward shall be in addition to the adjustments permitted by paragraph 7 and shall be calculated on the limits in annex B.

9. (A) Tops, yarns, piece goods, made-up articles, garments and other textile manufactured products, all being products which derive their chief characteristics from their textile components, of cotton, wool, or man-made fibers, or blends thereof, in which any or all of those fibers represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent or more by weight of wool) of the product, are subject to this Agreement.

(B) For the purposes of this Agreement, textile products shall be classified as cotton, wool, or man-made fiber textiles if wholly or in chief value of any of these fibers. Any products covered by sub-paragraph 9 (A) but not in chief value of cotton, wool or man-made fiber shall be classified as:

- (I) Cotton textiles if containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fiber component;
- (II) Wool textiles if not cotton, and wool equals or exceeds 17 percent by weight of all component fibers; and
- (III) Man-made fiber textiles if neither of the foregoing applies.

10. 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.

11. (A) The Government of the United States of America shall promptly supply the Government of India with data on monthly imports of cotton, man-made fiber and wool textiles and textile products into the United States of America from India.

(B) The Government of India shall promptly supply the Government of the United States of America with data on monthly exports of cotton, man-made fiber and wool textiles and textile products from India to the United States of America.

(C) Each Government agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement requested by the other Government.

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

13. For the duration of this Agreement, the Government of the United States of America shall not invoke the procedures of article 3 of the Arrangement to request restraint on the export of cotton, wool and man-made fiber textiles and textile products from India to the United States. Each Government reserves its rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

14. The Government of India shall administer its export control system under this Agreement. The Government of the United States of America may assist the Government of India in implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by this Agreement.

15. The present administrative arrangement for a visa and certification system will be continued.

16. With reference to the provisions of article 12, paragraph 3, of the Arrangement, handloom fabrics, hand-made handloom made-up articles and "India items" are not subject to the limits of this Agreement. "India items" are an agreed list of items that are uniquely and historically traditional Indian products and/or are cut, sewn or otherwise fabricated by hand in cottages, which are units of the cottage industry. The list of "India items", with definitions in annex C, will serve as a basis for implementing this provision. Additional items may subsequently be added to this list by mutual agreement.

17. Exports of handloom apparel products shall not be subject to the limitations of this Agreement. The Government of India shall continue to visa these products according to the Visa Agreement of February 19, 1976. Either Government may request consultations in respect to the trade in such products whenever it considers such consultations necessary. Consultations will begin within 30 days of the request of such consultations. The Government of the United States may request the Government of India to restrain exports of such handloom apparel products. Upon receiving such a request, the Government of India will restrain exports of such products to the requested level which shall not be lower than the highest level of such imports in any agreement year prior to the date of this Agreement.

18. With regard to total exports of certain types of apparel, the Government of India agrees it will not depart substantially in any agreement year from the pattern of exports in the 1975-76 agreement year. If the Government of India wishes to depart from the previous trade patterns for any individual apparel product, it may request consultations with the Government of the United States, but will not depart from the pattern of trade pending a mutually satisfactory conclusion of these consultations.

19. The Government of the United States of America and the Government of India agree to consult, upon the request of either Government, on any question arising in the implementation of this Agreement.

20. The two Governments agree to undertake a major review of this Agreement between the second and third agreement years.

21. Either the Government of the United States of America or the Government of India 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 this Agreement, or taking such other appropriate action as may be mutually agreed upon.

22. 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 the foregoing proposal is acceptable to the Government of India, this note and Your Excellency's note of confirmation on behalf of the Government of India shall constitute an agreement between our two Governments.

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

For the Acting Secretary of State:

WILLIAM BARRACLOUGH

His Excellency N. A. Palkhivala
Ambassador of India

ANNEX A

<i>Category</i>	<i>Description</i>	<i>Conversion factor</i>	<i>Unit of measure</i>
Yarn			
Cotton			
300	Carded	4.6	Lb.
301	Combed	4.6	Lb.
Wool			
400	Tops and yarn	2.0	Lb.
Man-made fiber			
600	Textured	3.5	Lb.
601	Cont. cellulosic	5.2	Lb.
602	Cont. noncellulosic	11.6	Lb.
603	Spun cellulosic	3.4	Lb.
604	Spun noncellulosic	4.1	Lb.
605	Other yarns	3.5	Lb.
Fabric			
Cotton			
310	Ginghams	1.0	Syd
311	Velveteens	1.0	Syd
312	Corduroy	1.0	Syd
313	Sheeting	1.0	Syd
314	Broadcloth	1.0	Syd
315	Printcloths	1.0	Syd
316	Shirtings	1.0	Syd
317	Twills and Sateens	1.0	Syd
318	Yarn-dyed	1.0	Syd
319	Duck	1.0	Syd
320	Other fabrics, n.k.	1.0	Syd
Wool			
410	Woolens and worsted	1.0	Syd
411	Tapestries and upholstery	1.0	Syd
425	Knit	2.0	Lb.
429	Other fabrics	1.0	Syd
Man-made fiber			
610	Cont. cellulosic, n.k.	1.0	Syd
611	Spun cellulosic, n.k.	1.0	Syd
612	Cont. noncellulosic, n.k.	1.0	Syd
613	Spun noncellulosic, n.k.	1.0	Syd
614	Other fabrics, n.k.	1.0	Syd
625	Knit	7.8	Lb.
626	Pile and tufted	1.0	Syd
627	Specialty	7.8	Lb.
Apparel			
Cotton			
330	Handkerchiefs	1.7	Dz.
331	Gloves	3.5	Dz. pr.
332	Hosiery	4.6	Dz. pr.
333	Suit-type coats, M and B	36.2	Dz.
334	Other coats, M and B	41.3	Dz.
335	Coats, W, G and I	41.3	Dz.
336	Dresses (inc. uniforms)	45.3	Dz.
337	Playsuits, sunsuits, washsuits, creepers	25.0	Dz.

Category	Description	Conversion factor	Unit of measure
338	Knit shirts (inc. T-shirts, other and sweat-shirts) M and B	7.2	Dz.
339	Knit shirts and blouses (inc. T-shirts, other and sweatshirts) W, G and I	7.2	Dz.
340	Shirts, n.k.	24.0	Dz.
341	Blouses, n.k.	14.5	Dz.
342	Skirts	17.8	Dz.
345	Sweaters	36.8	Dz.
347	Trousers, slacks, and shorts (outer) M and B	17.8	Dz.
348	Trousers, slacks and shorts (outer) W, G and I	17.8	Dz.
349	Brassieres, etc.	4.8	Dz.
350	Dressing gowns, inc. bathrobes, and beach robes, lounging gowns house coats, and dusters	51.0	Dz.
351	Pajamas and other nightwear	52.0	Dz.
352	Underwear (inc. union suits)	11.0	Dz.
359	Other apparel	4.6	Lb.
Wool			
431	Gloves	2.1	Dz. pr.
432	Hosiery	2.8	Dz. pr.
433	Suit-type coats, M and B	3.0	No.
434	Other coats, M and B	4.5	No.
435	Coats, W, G and I	4.5	No.
436	Dresses	4.1	No.
438	Knit shirts and blouses	15.0	Dz.
440	Shirts and blouses, n.k.	24.0	Dz.
442	Skirts	1.5	No.
443	Suits, M and B	4.5	No.
444	Suits, W, G and I	4.5	No.
445	Sweaters, M and B	36.8	Dz.
446	Sweaters, W, G and I	36.8	Dz.
447	Trousers, slacks, and shorts (outer) M and B	1.5	No.
448	Trousers, slacks and shorts (outer) W, G and I	1.5	No.
459	Other wool apparel	2.0	Lb.
Man-made fiber			
630	Handkerchiefs	1.7	Dz.
631	Gloves	3.5	Dz. pr.
632	Hosiery	4.6	Dz. pr.
633	Suit-type coats, M and B	36.2	Dz.
634	Other coats, M and B	41.3	Dz.
635	Coats, W, G and I	41.3	Dz.
636	Dresses	45.3	Dz.
637	Playsuits, sunsuits, washsuits, etc.	21.3	Dz.
638	Knit shirts, (inc. T-shirts), M and B	18.0	Dz.
639	Knit shirts and blouses (inc. T-shirts), W G and I	15.0	Dz.
640	Shirts, n.k.	24.0	Dz.
641	Blouses, n.k.	14.5	Dz.
642	Skirts	17.8	Dz.
643	Suits, M and B	4.5	No.
644	Suits, W, G and I	4.5	No.
645	Sweaters, M and B	36.8	Dz.

Category	Description	Conversion factor	Unit of measure
646	Sweaters W, G and I	36.8	Dz.
647	Trousers, slacks, and shorts (outer), M and B	17.8	Dz.
648	Trousers, slacks and shorts (outer), W, G and I	17.8	Dz.
649	Brassieres, etc.	4.8	Dz.
650	Dressing gowns, inc. bath and beach robes	51.0	Dz.
651	Pajamas and other nightwear	52.0	Dz.
652	Underwear	16.0	Dz.
659	Other apparel	7.8	Lb.
Made-ups and misc.			
Cotton			
360	Pillowcases	1.1	No.
361	Sheets	6.2	No.
362	Bedspreads and quilts	6.9	No.
363	Terry and other pile towels	0.5	No.
369	Other cotton manufactures	4.6	Lb.
Wool			
464	Blankets and auto robes	1.3	Lb.
465	Floor covering	0.1	Sft
469	Other wool manufactures	2.0	Lb.
Man-made fiber			
665	Floor coverings	0.1	Sft
666	Other turnishings	7.8	Lb.
669	Other man-made manufactures	7.8	Lb.

ANNEX B

LIMITS
(in square yards equivalent)

	Aggregate	Group I	Group II
First Agreement Year	186,206,000	150,803,000	35,403,000
Second Agreement Year	199,240,420	161,359,210	37,881,210
Third Agreement Year	213,187,249	172,654,355	40,532,895
Fourth Agreement Year	228,110,357	184,740,160	43,370,197
Fifth Agreement Year	244,078,082	197,671,971	46,406,111

ANNEX C

INDIA ITEMS

1. *Kurtha*. A loose fitting tunic, almost straight, in short, medium and long sizes. Some typical examples of Kurtha are: Kathiawar-mirrored Kurtha, wooden-beaded Delhi Kurtha, Delhi-embroidered Kurtha, Bandini Kurtha, Lucknow-chikan Kurtha, Madras-short Kurtha, Sanganer-printed Kurtha, Phulkari Kurtha, etc.

2. *Churidar Pyjama* or *Churidar Set*. A pair of trousers, loose at waist, with either draw string or hooks and tapering to a tight fit at ankle. It is traditionally a Moghul costume worn by Indian women since the 16th century along with a Kurtha and Dupatta (an oblong scarf).

3. *Jawahar Jacket*. A loose fitting waistcoat, with or without buttons, traditionally worn over Kurthas or Kameez by men and women.

4. *Pherron*. A full-length dress loose and longer than the Kurtha with long, loose sleeves worn originally by Kashmiris. Intricate embroidery depicting floral designs is done around the neck of this costume.

5. *Angharkha*. A traditional dress of Moghul times, open down the front with decorative string or ribbon used to tie at the sides or center. (This also includes Angharkha or ribbed cotton worn in Rajasthan.)

6. *Bagal Bendini*. A garment similar to Angharkha, short or long, with a wrap-around effect and tied at the sides.

7. *Ghagras/Lahngas*. Long, wide skirt with draw strings or hooks. A garment usually reaching to or below ankles.

8. *Pavadai*. A long, wide shirt similar to Ghagras, often in two-piece ensemble, as an accessory worn with Saree or Dupatta.

9. *Choli*. A short blouse worn on festive occasions by the tribal people of Kuch and Rajasthan.

10. *Lungi* or *Lungi Set*. A long garment worn as a wrap around the lower half of the body, with or without a Kurtha, or a loose fit blouse or a Choli.

11. *Salwar/Gararra*. Loose fit trousers, legs may be straight or baggy at the thighs. This also includes Gararra which is a straight trouser up to the knee, and below the knee shaped like a Ghagra, with frills, etc.

12. *Dupatta*. A scarf usually about 4 ft. long, wrapped by women along with Kurtha and Churidar. This also includes other types of scarves worn in varied sizes, the characteristics being the same as above.

13. *Ohdhani*. An oblong cloth about 6 to 7 ft. long and 3 to 4 ft. wide with overall embroidery or a woven jacquard weave with traditional designs like himroo shawl or made-up of a fabric decorated with cotton/silk/zari or any other fibre yarn used to cover the body.

14. *Chola*. An ankle length, loose fit, long Kurtha traditionally worn by religious priests.

15. *Safa*. Headwear made up of printed or embroidered fabrics.

16. *Aba*. An over garment close fit at the upper part with a Ghagra type skirt touching the ankles.

17. *Burka*. Over garment worn by Muslim women which covers the head and extends to the ankles.

18. *Jama*. A long Kurtha traditionally worn by a special class of people.

19. *Patka*. A long traditional stole with Indian designs ornamented with art work of various types.

20. *Tamba/Tambi*. Loose fit trousers usually worn in North India.

21. *Thailis*. Totobags, purses, pouch bags and similar accessories to traditionally Indian dresses.

22. *Toran*. A long, embroidered strip of cloth elegantly embroidered with plain or applique work embroidery, used for decorating the entrance doors of Indian residences. This represents a wide variety of fine embroidered pieces connected with folk art, particularly from Kathiawar in Gujarat (West Coast of India).

23. *Phulkari*. Decorative, embroidered, roughspun cotton fabric with close darning stitch employed with strands of untwisted silk to make the flower-like embroidery.

24. *Thombai*. Cylindrical hanging with hand-made applique work of hand-printed/hand-painted/hand-embroidered fabrics. These are traditionally used in South Indian temples as decorative hangings from ceilings or in doorways for gala affairs.

25. *Puri Chatta*. Flat, highly decorative umbrella with applique work.

26. *Gabba*. Embroidered floor covering using waste rags. Usually embroidered or made in applique work on old woolen blanket or jute base with cotton backing peculiar to Kashmir region.

27. *Shamiana*. Canopy or awning used as ceiling decoration.

28. *Kalamkari*. Hand painted/printed with wax resist wall pieces depicting mythological characters.

29. *Chakla*. Wall hangings with folk embroidery, with or without mirror work, framed and unframed. The stitches are interspersed and interlaced.

30. *Batik wall pieces*. Wall hangings made of cotton fabrics hand painted with batik technique. The designs are usually mythological narrations.

31. *Chahdani Posh*. A protective covering used normally in rural areas to keep tea or coffee pots warm.

32. *Takia Gilaf*. A cushion cover in oblong, square, round or other shape using indigenous materials and motifs.

33. *Ghandni/Gaddiposh*. A decorative floor covering, also used sometimes as cover on wooden Takhat (sort of Divan).

34. *Temple Hangings*. Made of hand woven, hand-painted/printed traditional textiles with Indian motifs.

35. *Gulubahdk*. Traditionally decorative piece of cloth worn around the neck, with Indian traditional art work.

36. *Kamarbandh*. Traditional decorative item worn round the waist.

37. *Mathapatti*. A decorative piece used to decorate the forehead in varying lengths and widths.

38. *Bazuband*. A decorative piece worn round the arm.

II

The Indian Ambassador to the Secretary of State

EMBASSY OF INDIA
WASHINGTON, D.C.

December 30, 1977

No. COM./105/6/77

Excellency:

I have the honour to refer to your note dated December 30, 1977, regarding the Arrangements relating to international trade in textiles done at Geneva on December 20, 1973, and the Agreement relating to trade in cotton, wool, and

man-made fiber textiles and textile products between the United States of America and India for the period January 1, 1978, through December 31, 1982.

I am to confirm on behalf of the Government of India that the note mentioned above and the text of the annexures which are appended to this note correctly set out the terms of the Indo-U.S. Bilateral Textile Agreement for the period January 1, 1978, through December 31, 1982.

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

For the Ambassador of India:

[Signed]

J. N. DIXIT

Minister of the Embassy

His Excellency Honourable Mr. Cyrus R. Vance
Secretary of State
Washington, D.C.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND INDIA
AMENDING THE AGREEMENT OF 30 DECEMBER 1977
RELATING TO TRADE IN TEXTILES AND TEXTILE PRO-
DUCTS²

I

April 18, 1978

Excellency:

I have the honor to refer to the Agreement between the United States of America and India done at Washington December 30, 1977, regarding trade in cotton, wool, and man-made fiber textiles and textile products,² with annexes (hereinafter referred to as the Agreement), and to the notes of April 14, 1978, from the Embassy of India to the Department of State.

I have the honor to propose, on behalf of my Government, the following new consultation levels for the current agreement year:

- Category 342, 1,500,000 square yards equivalent;
- Category 465, 800,000 square yards equivalent,

If the foregoing proposal is acceptable to the Government of India, this note and Your Excellency's note of confirmation on behalf of the Government of India shall constitute an agreement amending the Agreement.

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

For the Acting Secretary of State:
WILLIAM BARRACLOUGH

His Excellency N. A. Palkhivala
Ambassador of India

II

EMBASSY OF INDIA
WASHINGTON, D.C.

April 18, 1978

No. COM./105/2/78

Excellency:

I have the honour to refer to your letter dated April 18, 1978, responding to the notes of the Embassy of India of April 14, 1978, concerning the Agreement between the United States of America and India on trade in cotton, wool and man-made fiber textiles and textile products. I note that as against the Government of India's request for a higher consultation level of 1.2 million SYE for Indian exports covered by category 465, you have suggested the consultation level of 800,000 SYE. I also note that, as against the Government of India's interim request for a higher consultation level of 1,750,000 SYE for exports

¹ Came into force on 18 April 1978 by the exchange of the said notes.

² See p. 156 of this volume.

covered under category 342, you have suggested a consultation level of 1.5 million SYE.

This is to confirm that the proposals made by you are acceptable to the Government of India as an interim solution to the problems affecting trade flows from India to the United States of America in textiles, which were discussed between the officials of the Embassy of India and the officials of the United States Government on April 14, 1978, and that your proposals constitute an agreement to amend the Bilateral Textile Agreement signed between the United States of America and India on December 30, 1977.

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

For the Ambassador of India:

[Signed]

J. N. DIXIT

Minister of the Embassy

His Excellency Honourable Mr. Cyrus R. Vance
Secretary of State
Washington, D.C.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND INDIA AMENDING THE AGREEMENT OF 30 DECEMBER 1977 RELATING TO TRADE IN TEXTILES AND TEXTILE PRODUCTS, AS AMENDED²

I

EMBASSY OF INDIA
(COMMERCE AND SUPPLY WING)
WASHINGTON, D.C.

No. COM./105/5/78

June 19, 1978

Dear Mr. St. John,

I am writing with reference to the Bilateral Textile Agreement effected by exchange of notes of December 30, 1977² (the Textile Agreement), and to the Administrative Arrangement set out in the letter of February 18, 1976, from Mrs. Susan Fouts of the Department of State to me (the Administrative Arrangement).

2. Under the Textile Agreement, imports of hand-tufted or -knotted wool rugs of pile or tuft construction are presently charged against the consultation level for category 465. I propose that such products, being traditional handicraft products, be hereby added to the list of India items and not be subject to the limits set out in the Textile Agreement.

3. The Government of India shall certify exports of such floor coverings in accordance with paragraph 2 of the Administrative Arrangement.

4. If you agree with the above Arrangement, this letter and your reply confirming its contents shall constitute an amendment to the Bilateral Textile Agreement between India and USA, effected by exchange of letters in December 1977.

Yours sincerely,

[Signed]

J. N. DIXIT
Minister

Mr. John St. John
Chief, Fiber and Textiles Division
Washington, D.C.

¹ Came into force on 19 June 1978 by the exchange of the said notes.

² See pp. 156 and 166 of this volume.

II

DEPARTMENT OF STATE
WASHINGTON, D.C.

June 19, 1978

Dear Mr. Dixit,

Thank you for your letter of June 19, 1978, concerning the treatment of hand-knotted or hand-tufted wool rugs as India items. On behalf of the Government of the United States of America, I confirm that the Arrangement set out in paragraphs 2 and 3 of your letter is acceptable and, hence, your letter and this letter shall constitute an amendment of the Agreement.

Sincerely

[Signed]

JOHN J. ST. JOHN
Chief, Textiles Division

J. N. Dixit, Esq.
Minister, Commerce and Supply
Embassy of India
Washington, D.C.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND INDIA
AMENDING THE AGREEMENT OF 30 DECEMBER 1977
RELATING TO TRADE IN TEXTILES AND TEXTILE PRO-
DUCTS, AS AMENDED²

I

The Indian Ambassador to the Secretary of State

EMBASSY OF INDIA
WASHINGTON, D.C.

May 9, 1978

No. COM./105/2/78

Excellency:

I have the honour to refer to the Agreement between India and the United States of America effected through an exchange of letters between our two Governments on December 30, 1977, regarding trade in cotton, wool, and man-made fiber textiles and textile products,² with annexures (hereinafter referred to as the Agreement).

2. Exports of other apparel covered under category 359 of the Agreement are likely to exceed the consultation level of 700,000 SYE specified for this category under paragraph 6 of the Agreement. Accordingly, I have the honour to propose on behalf of the Government of India that the consultation level in respect of this category be raised to 1.5 million SYE for the first agreement year.

3. If the foregoing proposal is acceptable to the Government of the United States of America, this note and Your Excellency's note of confirmation on behalf of the two Governments shall constitute an agreement amending the Agreement.

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

For the Ambassador of India
to the United State of America:

[Signed]

J. N. DIXIT
Minister of the Embassy

His Excellency Honourable Mr. Cyrus R. Vance
Secretary of State
Washington, D.C.

¹ Came into force on 18 July 1978, the date of the note in reply, in accordance with the provisions of the said notes.

² See pp. 156, 166 and 168 of this volume.

II

The Acting Secretary of State to the Indian Ambassador

July 18, 1978

Excellency:

I have the honor to refer to the Agreement between the United States and India done at Washington by exchange of notes on December 30, 1977, regarding trade in cotton, wool and man-made fiber textiles and textile products, with annexes, as amended (hereinafter referred to as the Agreement) and to Your Excellency's note of May 9, 1978, to the Department of State, proposing on behalf of the Government of India that the consultation level for category 359 be changed to 1.5 million square yards equivalent for the first agreement year.

This is to confirm that the proposal made on behalf of the Government of India in Your Excellency's note of May 9, 1978 is acceptable to the Government of the United States of America and that this note and Your Excellency's note constitute an agreement amending the Agreement.

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

For the Acting Secretary of State:

WILLIAM BARRACLOUGH

His Excellency N. A. Palkhivala
Ambassador of India

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND INDIA
AMENDING THE AGREEMENT OF 30 DECEMBER 1977
RELATING TO TRADE IN TEXTILES AND TEXTILE PRO-
DUCTS, AS AMENDED²

I

*The Indian Minister (Economic) to the Chief of the Textiles Division, Department
of State*

EMBASSY OF INDIA
WASHINGTON, D.C.

July 19, 1978

No. COM./105/2/78

Dear Mr. St. John,

I am writing with reference to the Bilateral Textile Agreement effected by exchange of notes of December 30, 1977² (the Textile Agreement), and to the Administrative Arrangement set out in the letter of February 18, 1976, from Mrs. Susan Fouts of the Department of State to Minister J. N. Dixit (the Administrative Arrangement), and to the June 19, 1978, exchange of letters regarding rugs between Minister J. N. Dixit and Mr. John J. St. John.

2. In addition to the hand-tufted or hand-knotted wool rugs of pile or tuft construction recently added to the Textile Agreement's list of India items, and the "Gabba" and "Ghandni/Gaddiposh" items contained in the list as it appears in annexure C of the Textile Agreement, there are other hand-crafted Indian rugs which, being traditional handicraft products, should also be added to the list of India items and not be subject to the limits set out in the Agreement. Such rugs include:

- 1) Rugs with pile hand-inserted or hand-knotted during weaving having pile containing over 50 percent by weight of hair (TSUSA 360.0500);
- 2) Woven cotton, wool or man-made fiber rugs, not made on a power-driven loom (TSUSA 361.4200, 4400, 5422, 5425);
- 3) The Government of India shall certify exports of such rugs in accordance with paragraph 2 of the Administrative Arrangement.

¹ Came into force on 25 July 1978, the date of the note in reply, in accordance with the provisions of the said notes.

² See pp. 156, 166, 168 and 170 of this volume.

If the foregoing is acceptable to the Government of the United States of America, this letter and your reply confirming its contents will constitute an amendment to the Textile Agreement.

Yours sincerely,

[Signed]

J. S. BAIJAL

Mr. John J. St. John
Chief, Textiles Division
U.S. Department of State
Washington, D.C.

II

July 25, 1978

Dear Mr. Baijal,

I refer to your letter of July 19, 1978, to Mr. John J. St. John proposing that certain Indian rugs which are traditional handicraft products not be subject to the limits set out in our December 30, 1977, bilateral Textile Agreement.

My Government agrees to your proposal as set out in paragraph 2 of your letter and, therefore, your letter and this letter shall constitute an agreement amending our Textile Agreement.

Sincerely,

[Signed]

WILLIAM BARRACLOUGH
Deputy Assistant Secretary
for International Trade Policy

Mr. J. S. Baijal
Minister (Economic)
Embassy of India
Washington, D.C.
