

No. 18099

**UNITED STATES OF AMERICA
and
THAILAND**

Exchange of notes constituting an agreement relating to trade in textiles and textile products (with annexes). Bangkok, 4 October 1978

Exchange of letters constituting an agreement amending the above-mentioned Agreement. Bangkok, 3 and 13 November 1978

Authentic texts: English.

Registered by the United States of America on 14 November 1979.

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

Échange de notes constituant un accord relatif au commerce des textiles et produits textiles (avec annexes). Bangkok, 4 octobre 1978

Échange de lettres constituant un accord modifiant l'Accord susmentionné. Bangkok, 3 et 13 novembre 1978

Textes authentiques : anglais.

Enregistrés par les États-Unis d'Amérique le 14 novembre 1979.

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

I

The Secretary of State to the Thai Minister of Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA
BANGKOK

October 4, 1978

No. 575

Excellency,

I have the honor to refer to the arrangement regarding international trade in textiles, with annexes, done at Geneva on December 23, 1973,^{*2} and extended by a Protocol adopted on December 14, 1977,³ at Geneva (hereinafter referred to as the Arrangement).

I have also the honor to refer to negotiations between representatives of the Royal Thai Government and the Government of the United States of America in Pattaya from June 1 to June 4, 1978, concerning exports to the United States of America of cotton, wool and man-made fiber textiles and textile products manufactured in Thailand. As a result of those discussions and in conformity with Article 4 of the Arrangement, I proposed on behalf of the Government of the United States of America in diplomatic note No. 460 dated August 17, 1978, an agreement relating to trade in cotton, wool, and man-made fiber textiles and textile products between Thailand and the United States of America.

On behalf of the Royal Thai Government, the Department of Trade of the Ministry of Commerce subsequently requested changes in the proposed text of the agreement. In consideration of the Department of Foreign Trade's request, I now have the honor to offer on behalf of the Government of the United States of America the following revised proposal for an agreement relating to trade in cotton, wool and man-made fiber textiles and textile products between Thailand and the United States of America:

1. The term of this Agreement shall be from January 1, 1978, through December 31, 1982. An "Agreement year" shall be a calendar year, with the first Agreement year commencing on January 1, 1978, and ending on December 31, 1978.

2. (A) The system of categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing this Agreement except that the pairs of categories below are merged and treated as single categories.

* Should read "December 20, 1973".

¹ Came into force on 4 October 1978 by the exchange of the said notes, with retroactive effect from 1 January 1978, in accordance with their provisions.

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

³ *Ibid.*, vol. 1078, No. A-814, LXXX.

<i>Categories Merged</i>	<i>Designation in Agreement</i>
334, 335	334/335
338, 339	338/339
347, 348	347/348
445, 446	445/446
634, 635	634/635
645, 646	645/646
647, 648	647/648

3. Commencing with the first Agreement year, and during each succeeding Agreement year, the Royal Thai Government shall limit annual exports from Thailand to the United States of America of cotton, wool, and man-made fiber textiles and textile products manufactured in Thailand to the apparel limit in category specified limits set out in Annex B, as such limits may be adjusted in accordance with paragraph 5. The limits set out in Annex B do not include any adjustments permitted under paragraph 5, but do include swing.

4. (A) Categories not subject to specific limits are subject to consultation levels and apparel categories are subject to the apparel limit. Except as specified in Annex C, consultation levels for each Agreement year shall be 1,000,000 square yards equivalent for cotton and man-made fiber non-apparel categories, 700,000 square yards equivalent for cotton and man-made fiber apparel categories and 100,000 square yards equivalent for all wool categories.

(B) In the event the Royal Thai Government wishes to permit exports to the United States of America in any category in excess of the applicable consultation level during any Agreement year, the Royal Thai Government shall request consultations with the Government of the United States of America on this question. The Government of the United States will consider each request sympathetically and will deny such requests only when there are problems of market disruption in the category or product concerned. In denying a request, the Government of the United States will supply to the Royal Thai Government the data upon which the decision of the Government of the United States was based.

5. (A) In any Agreement year, exports may exceed by a maximum of 11 percent (6 percent during the first Agreement year) the apparel limit and any category specific limit (as specified in Annex B) by allocating to such limit for that Agreement year an unused portion of the corresponding limit for the previous Agreement year ("carryover") or a portion of the corresponding limit for the succeeding Agreement year ("carry forward") subject to the following conditions:

- (I) Carryover may be utilized as available up to 11 percent of the receiving Agreement year's applicable limits, provided, however, that no carryover shall be available for application during the first Agreement year;
- (II) The combination of carryover and carry forward shall not exceed 11 percent of the receiving Agreement year's applicable limit in any Agreement year;
- (III) Carry forward may be utilized up to 6 percent of the receiving Agreement year's applicable limits and shall be charged against the immediately following Agreement year's corresponding limits;
- (IV) Carryover of shortfall (as defined in subparagraph 5(B)) shall not be applied to any limits until the Royal Thai Government and the Government of the United States of America have agreed upon the amounts involved.

(B) For purposes of this Agreement, a shortfall occurs when exports of textiles and textile products of Thailand to the United States of America during an Agreement year are below the apparel limit on any category specific limit (as specified in Annex B). In the Agreement year following the shortfall, the corresponding exports from Thailand to the United States of America may exceed the apparel limit and category specific limits, subject to the conditions of subparagraph 5(A), by carryover of shortfall in the following manner:

- (I) The carryover shall not exceed the amount of shortfall in either the apparel limit or any applicable specific limit;
 - (II) In the case of shortfall in a category subject to a specific limit, the shortfall shall be used in the category in which the shortfall occurred; and
- (C) The total adjustment permissible under the paragraph for the first Agreement year shall be 6 percent, consisting solely of carry forward.

6. (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 6(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.

7. Mutually satisfactory administrative arrangements or adjustments may be made to resolve problems arising in the implementation of this Agreement, including differences in points of procedure or operation. Adjustments of consultation levels may be accomplished by exchanges of letters in accordance with the internal procedures of each of the parties to this Agreement.

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

(B) The Royal Thai Government 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 Thailand 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.

9. The Royal Thai Government shall use its best efforts to space exports from Thailand to the United States of America within each category evenly throughout each Agreement year, taking into consideration normal seasonal factors. Exports from Thailand in excess of authorized limits for each Agreement year will, if allowed entry into the United States of America pursuant to this Agreement, be charged to the applicable limits or levels for the succeeding Agreement year.

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

11. 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 Thailand to the United States. Each Government reserves its rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

12. The Royal Thai Government shall administer its export control system under this Agreement. The Government of the United States of America may assist the Royal Thai Government in

implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by this Agreement.

13. (A) In conformity with Article 12, paragraph (3), of the Arrangement, this Agreement shall not apply to exports of handloom fabrics of the cottage industry of Thailand, or handmade cottage industry products made of such handloom fabrics in Thailand, or to folklore handicraft textile products traditional to Thailand, provided that such products are properly certified under arrangements established between the two Governments pursuant to paragraph 7 of this Agreement and the August 16, 1976, exchange of letters between the two Governments regarding certification of exempt items.

(B) Exports of cotton, wool and man-made fiber textiles and textile products in shipments individually valued at less than 250 dollars shall not be charged to the limits of this Agreement.

14. During the first Agreement year, each Government shall maintain records on imports or exports, as appropriate, of cotton suits, the component parts of which were charged to two or more of categories 333, 334, 335, 342, 347, and 348. If the Government of the United States of America requests consultation with the Royal Thai Government prior to the end of the first Agreement year with a view to creating a separate specific limit for cotton suits, the Royal Thai Government agrees to consult promptly with the Government of the United States of America.

15. 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, and unless otherwise mutually agreed, such consultations shall be held within 30 days of the requests.

16. The Government of the United States of America and the Royal Thai 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 this Agreement, or taking such other appropriate action as may be mutually agreed upon.

17. 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 conforms with the understanding of the Royal Thai Government, this note and Your Excellency's note of confirmation on behalf of the Royal Thai Government shall constitute an Agreement between our two Governments.

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

For the Secretary of State:
MORTON I. ABRAMOWITZ

His Excellency Upadit Pachariyangkun
Minister of Foreign Affairs
Bangkok

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
	Yarn		
	Cotton		
300	Carded	4.6	Lb.
301	Combed	4.6	Lb.
	Wool		
400	Tops and yarn	2.0	Lb.

<i>Category</i>	<i>Description</i>	<i>Conversion Factor</i>	<i>Unit of Measure</i>
	Man-made fiber		
600	Textured	3.5	Lb.
601	Cont. cellulosic	5.2	Lb.
602	Cont. non-cellulosic	11.6	Lb.
603	Spun cellulosic	3.4	Lb.
604	Spun non-cellulosic	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 fabric, 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.
	Cotton		
330	Handkerchiefs	1.7	Dz.
331	Gloves	3.5	Dpr.
332	Hosiery	4.6	Dpr.
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.
338	Knit shirts (inc. T-shirts, other and sweatshirts) 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.

<i>Category</i>	<i>Description</i>	<i>Conversion Factor</i>	<i>Unit of Measure</i>
	Wool		
431	Gloves	2.1	Dpr.
432	Hosiery	2.8	Dpr.
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	14.88	Dz.
446	Sweaters, W, G and I	14.88	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	Dpr.
632	Hosiery	4.6	Dpr.
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.
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 furnishings	7.8	Lb.
669	Other man-made manufactures	7.8	Lb.

ANNEX B

APPAREL LIMIT AND CATEGORY SPECIFIC LIMITS

	Units	1978	1979	1980	1981	1982
Apparel	Sye.	53,000,000	56,710,000	60,679,700	64,927,279	69,472,188
331 Gloves	Dpr.	314,286	336,286	359,286	385,014	411,965
334/335 Coats, M and B	Doz.	41,162	44,043	47,126	50,426	53,955
338/339 Knit shirts and blouses	Doz.	445,833	477,041	510,434	546,165	584,396
340 Shirts, not knit	Doz.	78,631	84,135	90,025	96,326	103,069
341 Blouses, not knit	Doz.	83,017	88,828	95,046	101,699	108,819
347/348 Trousers	Doz.	140,449	150,280	160,801	172,056	184,100
445/446 Sweaters	Doz.	14,113	14,254	14,397	14,541	14,686
634/635 Coats	Doz.	287,454	307,576	329,196	352,143	376,793
639 Knit shirts and blouses, W, G and I	Doz.	988,680	1,057,888	1,131,940	1,211,176	1,295,958
641 Blouses	Doz.	124,138	132,828	142,126	152,075	162,720
645/646 Sweaters	Doz.	56,592	60,553	64,792	69,327	74,180
647/648 Trousers	Doz.	376,600	402,962	431,169	461,351	493,646

ANNEX C

DESIGNATED CONSULTATION LEVELS

<i>Category</i>	<i>Description</i>	<i>Level</i>
313	Sheeting	5,300,000 sye.
314	Broadcloth	4,500,000 sye.
315	Printcloth	5,800,000 sye.
317	Twills and sateens	5,600,000 sye.
319	Duck	3,000,000 sye.
320	Other fabrics, N.E.S.	8,000,000 sye.
613	Spun non-cell, not knit	5,000,000 sye.

II

The Thai Deputy Minister of Foreign Affairs to the American Ambassador

MINISTRY OF FOREIGN AFFAIRS
SARANROM PALACE
BANGKOK

4th October B.E. 2521 (1978)

No. 0501/48771

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note No. 575 dated 4th October 1978 concerning exports of cotton, wool and man-made fiber textiles and textile products from Thailand to the United States of America which reads as follows:

[See note I]

In reply, I have the honour to inform Your Excellency that the Note quoted above conforms with the understanding of the Royal Thai Government and that Your Excellency's Note and confirmation contained in this Note constitute an Agreement on Trade in Textile[s] between the Government of the United States of America and the Royal Thai Government.

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

[Signed]

WONGSE POLNIKORN
Deputy Minister of Foreign Affairs
Acting Minister of Foreign Affairs

His Excellency Morton I. Abramowitz
Ambassador Extraordinary and Plenipotentiary
of the United States of America
Bangkok

[Annexes as under note I]

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN
THE UNITED STATES OF AMERICA AND THAILAND AMENDING
THE AGREEMENT OF 4 OCTOBER 1978 RELATING TO TRADE IN
TEXTILES AND TEXTILE PRODUCTS²

I

EMBASSY OF THE UNITED STATES OF AMERICA
BANGKOK, THAILAND

November 3, 1978

Dear Khun Danai,

I refer to the Agreement between our two Governments relating to trade in cotton, wool, and man-made fiber textiles done in Bangkok October 4, 1978.²

I also refer to your letter of September 8, 1978 in which you request changes in certain consultation levels. Accordingly, I wish to propose the following consultation levels for 1978:

<i>Category</i>	<i>Level (Sq. Yds. Equivalent)</i>
313 Sheeting	7,050,000
319 Duck	3,450,000
320 Other Fabric NES	8,500,000

If this proposal is acceptable to your Government, this letter and your letter of confirmation will establish the consultation levels for the 1978 Agreement Year as stated above.

Sincerely yours,

[Signed]

DON R. KIENZLE
First Secretary of Embassy

Khun Danai Tulalamba
Deputy Director General
Department of Foreign Trade
Ministry of Commerce
Bangkok, Thailand

¹ Came into force on 13 November 1978 by the exchange of the said letters.

² See p. 280 of this volume.

II

DEPARTMENT OF FOREIGN TRADE
MINISTRY OF COMMERCE
BANGKOK, THAILAND

November 13, 1978

No. 0304/5651

Dear Mr. Kienzle,

Referring to your letter of November 3, 1978, concerning the adjustment of consultation levels for textiles, I would like to confirm my acceptance of the proposed levels for 1978 as follows:

[See letter I]

Your kind cooperation is highly appreciated.

Yours sincerely,

[Signed]
DANAI TULALAMBA
Deputy Director-General

Mr. Don R. Kienzle
First Secretary
Embassy of the United States of America
Bangkok
