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UNITED STATES OF AMERICA
and
INDIA

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

Authentic text: English.

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

ÉTATS-UNIS D'AMÉRIQUE
et
INDE

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

Texte authentique : anglais.

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

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

I

DEPARTMENT OF STATE
WASHINGTON

August 31, 1967

Excellency :

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

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

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

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

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

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

⁵ *Ibid.*, vol. 688, No. A-7614.

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

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

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

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

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

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

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

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

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

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

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

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

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

10. In the implementation of this agreement, the system of categories and the rates of conversion into square yard equivalents listed in the Annex hereto shall apply. In any situation where the determination of an article