

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

COT/11

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LONG-TERM ARRANGEMENT REGARDING TRADE IN  
COTTON TEXTILES

Bilateral Arrangement between Japan and the United States

Attached are letters and annexes comprising the text of the arrangement concluded recently between the Government of Japan and the Government of the United States concerning Japanese cotton textile exports to the United States - and documents related thereto.

This information - with the exception of letters Nos. 5 and 6 - has been transmitted to the secretariat by both Governments concerned in accordance with Article 4 of the Long-Term Arrangement Regarding Trade in Cotton Textiles.

In connexion with letters Nos. 5 and 6, which have been submitted by the United States for circulation to the Cotton Textiles Committee, the following communication has been received from the Japanese delegation with a request to have it circulated together with the documents:

"With reference to the two letters, namely 'letters on items outside the arrangement' of which the United States Government informed the Cotton Textiles Committee in connexion with the cotton textiles arrangements between Japan and the United States, the Japanese Government wishes hereby to put the following points on record:

"These letters form an arrangement concerning procedures to deal with miscellaneous items most of which the Japanese Government does not consider cotton textiles. Therefore, the Japanese Government does not find it appropriate to inform the Cotton Textiles Committee of these letters as constituting a cotton textile arrangement pursuant to Article 4 of the Long-Term Arrangement.

"In any event the position of the Japanese Government with regard to the scope of cotton textiles is not in any way prejudiced by the action taken by the United States Government."

Letter No. 1

Washington, August 27, 1963.

Excellency:

I have the honor to refer to the recent discussions held in Washington by the representatives of the Government of Japan and the Government of the United States of America concerning trade in cotton textiles between Japan and the United States, and to confirm, on behalf of the Government of Japan, the understandings reached between the two Governments that, pursuant to the provisions of Article 4 of the Long-Term Arrangements Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962 (hereinafter referred to as "the Long-Term Arrangements"), permitting "mutually acceptable arrangements on other terms not inconsistent with the basic objectives of this Arrangement", and with a view to providing for orderly development of trade in cotton textiles between Japan and the United States, the bilateral arrangement attached hereto will be applied by the two Governments for the period of three years beginning January 1, 1963 subject to the provisions thereof.

I have further the honor to request you to be good enough to confirm the foregoing understandings on behalf of the Government of the United States.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Ryuji Takeuchi

His Excellency  
Dean Rusk,  
Secretary of State  
of the United States of America.

Arrangement between the Government of Japan and  
the Government of the United States of America  
Concerning Trade in Cotton Textiles  
Between Japan and the United States

Pursuant to the provisions of Article 4 of the Long-Term Arrangements, permitting "mutually acceptable arrangements on other terms not inconsistent with the basic objectives of this Arrangement", the following Arrangement will be applied by the two Governments for the period of three years beginning January 1, 1963, subject to the provisions herein.

1. The purpose of this Arrangement is to provide for orderly development of trade in cotton textiles between Japan and the United States. To achieve this purpose:

- (a) The United States Government shall cooperate with the Japanese Government in promoting orderly development of trade in cotton textiles between Japan and the United States, and
- (b) The Japanese Government will maintain, for the period of three years beginning January 1, 1963, an annual aggregate limit for exports of cotton textiles to the United States, and annual limits for major groups and annual limits or ceilings for certain products within those groups, subject to the provisions of this Arrangement.

2. The annual aggregate limit for 1963 shall be 287.5 million square yards. This limit shall be sub-divided into four major groups as follows:

	Million square yards
Group I - Cotton cloth	125.5
II - Made up goods, usually included in U.S. cotton broad woven goods production	41
III - Apparel	111
IV - Miscellaneous cotton textiles	<u>10</u>
Total	287.5

Within these major groups, annual limits or ceilings for specific products are set forth in Annex A. Within the annual aggregate limit, the limits for Groups I, II, III and IV may be exceeded by not more than 5 percent, provided that this provision for "flexibility" shall permit an increase only in the "Other" categories referred to in each group in Annex A.

Each group set forth above shall be deemed to contain the following Categories which are defined in Annex B:

Group I, Categories 5 through 27.

Group II, Categories 28 through 36, and part of Category 64.

Group III, Categories 39 through 62, and part of Category 63.

Group IV, Categories 1 through 4, 37, 38, and part of Categories 63 and 64.

3. The aggregate limit for 1964 shall be increased by 3 percent over the limit for 1963. The aggregate limit for 1965 shall be increased by 5 percent over the limit for 1964. These increases for 1964 and 1965 shall be applied to each limit for the groups and to each limit or ceiling within the groups.

4. Wherever it is necessary for the purposes of this Arrangement to convert units other than square yards (e.g. dozens, pieces, pounds, etc.) into square yard equivalent, the conversion into equivalent square yards shall be at the rates specified in Annex C.

5. (a) The two Governments undertake to consult whenever there is any question arising from the implementation of this Arrangement.

(b) If instances of excessive concentration of Japanese exports in any products within the scope of this Arrangement, except those included in categories for which limits or ceilings are specified in Annex A, or if instances of excessive concentration of Japanese exports of end products made from a particular type of fabric should cause or threaten to cause disruption of the United States domestic market, the United States Government may request in writing consultations with the Japanese Government to determine an appropriate course of action. Such a request shall be accompanied by a detailed, factual statement of the reasons and justification for the request, including relevant data on imports from third countries. During the course of such consultations, the Japanese Government will maintain exports in the products in question on a quarterly basis at annual levels not in excess of 105 percent of the exports of such products during the first 12 months of the 15 month period prior to the month in which consultations are requested or at annual levels not in excess of 90 percent of the exports of such products during the 12 months prior to the month in which consultations are requested, whichever is higher.

(c) The provisions in sub-paragraph (b) above should only be resorted to sparingly. In the event that the Japanese Government considers that the substance of Annex A would be seriously affected due to the consultations in sub-paragraph (b), the Japanese Government may request that the consultations include a discussion of possible modifications of Annex A.

6. The two Governments recognize that the successful implementation of this Arrangement depends in large part upon mutual cooperation on statistical questions. Accordingly, each Government agrees to supply promptly any available statistical data requested by the other Government. In particular, the United States Government shall supply the Japanese Government with data on monthly imports of cotton textiles from Japan as well as from third countries, and the Japanese Government shall supply the United States Government with data on monthly exports of cotton textiles to the United States.

7. As regards products in any category under specific limits or ceilings specified in this Arrangement, the United States Government shall keep under review the effect of this Arrangement with a view to orderly development of trade in cotton textiles between Japan and the United States, and shall furnish the Japanese Government once a year with available statistics and other relevant data on imports, production and consumption of such products such as would clarify the impact of imports on the industry concerned.

8. If the Japanese Government considers that as a result of limits and ceilings specified in this Arrangement, Japan is being placed in an inequitable position vis-a-vis a third country, the Japanese Government may request consultations with the United States Government with a view to taking appropriate remedial action such as a reasonable modification of this Arrangement.

9. The two Governments understand that the terms and conditions of the Long-Term Arrangements shall be applicable to trade in cotton textiles between Japan and the United States except as provided in this Arrangement. The United States Government agrees that insofar as the exports from Japan of the products falling within the scope of Annex A of this Arrangement are conducted within the framework thereof the United States Government shall not invoke Article 3 of the Long-Term Arrangements with respect to such products.

10. (a) This Arrangement shall continue in force through December 31, 1965, provided that either Government may terminate this Arrangement prior thereto effective at the beginning of a calendar year by giving sixty days' written notice to the other Government.

(b) Each Government may at any time propose modification of this Arrangement. The other Government shall give sympathetic consideration to such proposal.

ANNEX A

1. a. The following specific limits shall apply within the total annual limit of 125.5 million square yards for Group I - "Cotton cloth":

	<u>Thousand Square Yards</u>
(1) Ginghams (Categories 5 and 6)	46,200
(2) Velveteens (Category 7)	2,750
(3) Typewriter ribbon cloth (Category 17)	987
(4) All Other Fabrics (Categories 8 through 16 and 18 through 27)	75,563

b. Within the specific limit for "Ginghams", the export of "Ginghams, combed" (Category 6) shall not exceed 75 percent of the above specific limit.

c. Within "All Other Fabrics", the following specific ceilings shall not be exceeded:

	<u>Thousand Square Yards</u>
(1) Sheeting (Categories 9 and 10)	30,000
(2) Poplin and broadcloth (Categories 15 and 16)	30,000
(3) Print cloth, shirting type, 80 x 80 type, carded yarn (Category 18)	20,000
(4) Other shirting (Categories 19, 20 and 21)	32,000
(5) Twill and sateen (Categories 22 and 23)	39,000
(6) Yarn-dyed fabrics, n.e.s. (Categories 24 and 25 and part of Category 32)	29,000
(7) Duck (Part of Categories 26 and 27)	1,750

d. Any shortfall below the limits specified in (1), (2) and (3) of paragraph 1 a may be transferred to (4) - "All Other Fabrics".

e. Within "All Other Fabrics" total exports of fabrics made from combed warp and filling shall not exceed 34.65 million square yards.

f. Within "Yarn-dyed fabrics", total exports of handkerchief cloth shall not exceed 2.25 million square yards.

2. a. The following specific limits shall apply within the total annual limit of 41 million square yards for Group II - "Made-up goods, usually included in U.S. cotton broad woven goods production":

	<u>Unit</u>	<u>No.</u>
(1) Pillowcases, plain (Categories 28 and 29)	1000 nos.	5,400
(2) Dish towels (Category 30)	1000 nos.	7,200
(3) Handkerchiefs, except for dedicated handkerchief cloth (Part of Category 32)	1000 doz.	1,260
(4) Table damask and manufactures (Category 33)	1000 lbs.	3,100
(5) Sheets (Categories 34 and 35)	1000 nos.	2,940
(6) All Other Made-Up Goods (Categories 31, 36 and part of Category 64 as specified in paragraph 5, below)	1000 syd. equiv.	2,494

b. Any shortfall below the limits specified in (1), (2), (3), (4) and (5) of paragraph 2 a may be transferred to (6) - "All Other Made-Up Goods".

3. a. The following specific limits shall apply within the total annual limit of 111 million square yards for Group III - "Apparel":

	<u>Unit</u>	<u>No.</u>
(1) Gloves and mittens (Category 39)	1,000 doz.	472.5
(2) T-Shirts, knit (Categories 41 and 42)	1,000 doz.	535
(3) Knit shirts, except in T and Sweatshirts (Category 43)	1,000 doz.	809
(4) Men's and boys' dress shirts, not knit (Category 45)	1,000 doz.	382
(5) Sportshirts, whether or not in sets, not knit (Category 46)	1,000 doz.	717.5
(6) Raincoats, 3/4 length or over (Category 48)	1,000 doz.	60
(7) All other coats (Category 49)	1,000 doz.	120
(8) Trousers, slacks and shorts, outer, whether or not in sets, not knit (Categories 50 and 51)	1,000 doz.	1,500
(9) Blouses, whether or not in sets (Category 52)	1,000 doz.	1,775
(10) Dresses, not knit (Category 53)	1,000 doz.	45
(11) Playsuits, sunsuits, washsuits, rompers, creepers, etc. (Category 54)	1,000 doz.	180
(12) Nightwear and pajamas (Category 60)	1,000 doz.	120
(13) All other Apparel (Categories 40, 44, 47, 55 through 59, and 61, 62 and part of Category 63 as specified in paragraph 5, below)	1,000 syd. equiv.	1,428

b. Any shortfall below the limits specified in (1) through (12) of paragraph 3 a may be transferred to (13) - "All Other Apparel".

c. Within the specific limit of 1.5 million dozen for "Trousers, slacks and shorts, outer, whether or not in sets, not knit", the following specific ceilings shall not be exceeded:

	<u>Unit</u>	<u>No.</u>
(1) Men's and boys' (Category 50)	1,000 doz.	500
(2) Women's, misses' and children's (Category 51)	1,000 doz.	1,162.5

d. The aggregate volume of exports of the following apparel items manufactured of corduroy, where the chief weight of the item is corduroy, shall be limited to 21.35 million square yards equivalent based upon the conversion factors for the items in question which appear in Annex C.

<u>Category No.</u>	<u>Description</u>
46	Sport shirts
48	Raincoats
49	All other coats
50-51	Trousers
54	Playsuits

4. a. The following specific limits shall apply within the total annual limit of 10 million square yards for Group IV - "Miscellaneous cotton textiles":

	<u>Unit</u>	<u>No.</u>
(1) Zipper tapes, n.e.s. (U.S. "Schedule A" No. 3230 273	1000 lbs.	810
(2) Other (Categories 1 through 4, 37, 38, and parts of Categories 63 and 64 as specified in paragraph 5, below)	1000 syd. equiv.	6,274

b. Any shortfall below the limit specified in (1) in paragraph 4 a may be transferred to (2) - "Other".

5. With regard to Categories 63 and 64 referred to in paragraphs 2, 3 and 4 above, the following items or products as identified by present U.S. "Schedule A" numbers of parts thereof shall be included:

CATEGORY 63 (To be included in Group III except as noted otherwise)

3113	000 <sup>1/</sup>	3114	165
3113	362	3114	175
3113	365	3114	180
3113	958 <sup>1/</sup>	3114	225
3113	962 <sup>1/</sup>	3114	235
3113	965	3114	240
3113	969	3114	245
3113	970	3114	255 <sup>1/</sup>
3113	971	3114	715 <sup>1/</sup>
3113	972	3114	720 <sup>1/</sup>
3113	973	3114	895
3113	974	3114	900
3113	975	3114	905
3113	995	3114	925
3114	001	3114	950
3114	155	3114	955

PART OF:

3113	997 <sup>3/</sup>
3113	998 <sup>3/</sup>
3114	260 <sup>3/</sup>
3114	960 <sup>3/</sup>
3114	965 <sup>3/</sup>



I.E. Pullovers	Diaper sets
Aprons	Scarves
Altar cassocks	Dress shields <sup>1/</sup>
Beach wear sets	Sash belts <sup>1/</sup>
Swim wear	Apparel with bib
Baseball uniforms	Bibs <sup>1/</sup>
Sleeping bags for infants	Belts for apparel <sup>1/</sup> , and
Halters	Shoulder straps for brassieres <sup>1/</sup>
Men's and boys' coveralls and overalls	

CATEGORY 64 (To be included in Group IV except as noted otherwise)

3030	000	3118	200 <sup>2/</sup>	3168	001	3224	050	
3030	100	3124	200 <sup>2/</sup>	3168	002	3224	100	
3081	510	3134	200 <sup>2/</sup>	3168	003	3224	150	
3081	530	3144	200 <sup>2/</sup>	3168	004	3224	200	
3081	600	3154	200 <sup>2/</sup>	3168	005	3224	300	
3081	710 <sup>2/</sup>	3158	020 <sup>2/</sup>	3168	006	3224	500	
3081	730 <sup>2/</sup>	3158	120 <sup>2/</sup>	3168	007	3230	240	
3081	812 <sup>2/</sup>	3159	020 <sup>2/</sup>	3168	008	3230	273	
3081	815 <sup>2/</sup>	3159	120 <sup>2/</sup>	3168	009	3230	350	
3081	818	3163	001	3168	010	3230	401	
3081	852 <sup>2/</sup>	3163	002	3200	012 <sup>2/</sup>	3230	410	
3081	855 <sup>2/</sup>	3163	003	3200	015 <sup>2/</sup>	3230	431	
3081	858	3163	004	3200	400 <sup>2/</sup>	3230	500 <sup>2/</sup>	
3081	912 <sup>2/</sup>	3163	005	3220	130 <sup>2/</sup>	3230	682 <sup>2/</sup>	
3081	915 <sup>2/</sup>	3163	006	3220	202 <sup>2/</sup>	3230	685 <sup>2/</sup>	
3081	918 <sup>2/</sup>	3163	580 <sup>2/</sup>	3220	205 <sup>2/</sup>	3230	688 <sup>2/</sup>	
3083	500	3163	000 <sup>2/</sup>	3220	207 <sup>2/</sup>	3903	300	
3083	700	3163	690 <sup>2/</sup>	3220	212 <sup>2/</sup>	3969	010	
3083	900	3166	000	3220	862	3230	232	
3084	112 <sup>2/</sup>	3166	200	3220	865	3230	235	
3084	400	3166	300	3220	863	3230	278	
3086	600 <sup>2/</sup>	3166	692	3224	000	9439	950	(excluding in sets)
3086	730	3166	695					

Footnotes:

<sup>1/</sup> These items or products shall be included in Group IV.

<sup>2/</sup> These items shall be included in Group II.

<sup>3/</sup> The two Governments shall consult as to whether or not any product other than the seventeen products enumerated below the footnoted items may be classified as an addition to these items. Such consultations shall not cover shoe uppers, Japan items, belts (other than sash belts and belts for apparel), suspenders and braces.

ANNEX B

Definition of Cotton Textile Categories

<u>List of Categories</u>	<u>Unit</u>
1. Cotton yarn, singles, carded, not ornamented, etc.	lbs.
2. Cotton yarn, plied, carded, not ornamented, etc.	"
3. Cotton yarn, singles, combed, not ornamented, etc.	"
4. Cotton yarn, plied, combed, not ornamented, etc.	"
5. Gingham, carded yarn	sq. yds.
6. Gingham, combed yarn	" "
7. Velvetens	" "
8. Corduroy	" "
9. Sheeting, carded yarn	" "
10. Sheeting, combed yarn	" "
11. Lawns, carded yarn	" "
12. Lawns, combed yarn	" "
13. Voiles, carded yarn	" "
14. Voiles, combed yarn	" "
15. Poplin and broadcloth, carded yarn	" "
16. Poplin and broadcloth, combed yarn	" "
17. Typewriter ribbon cloth	" "
18. Print cloth, shirting type, 80 x 80 type, carded yarn	" "
19. Print cloth, shirting type, other than 80 x 80 type, carded yarn	" "
20. Shirting, carded yarn	" "
21. Shirting, combed yarn	" "
22. Twill and sateen, carded yarn	" "
23. Twill and sateen, combed yarn	" "
24. Yarn-dyed fabrics, n.e.s., carded yarn	" "
25. Yarn-dyed fabrics, n.e.s., combed yarn	" "
26. Fabrics, n.e.s., carded yarn	" "
27. Fabrics, n.e.s., combed yarn	" "
28. Pillowcases, plain, carded yarn	numbers
29. Pillowcases, plain, combed yarn	"
30. Dish towels	"
31. Towels, other than dish towels	"
32. Handkerchiefs	doz.
33. Table damasks and manufactures	lbs.
34. Sheets, carded yarn	numbers
35. Sheets, combed yarn	"
36. Bedspreads, including quilts	"
37. Braided and woven elastics	lbs.
38. Fishing nets	"
39. Gloves and mittens	doz.

<u>List of Categories</u>	<u>Unit</u>
40. Hose and half hose	doz. prs.
41. Men's and boys' all white T. shirts, knit or crocheted	doz.
42. Other T. shirts	"
43. Knitshirts, other than T. shirts and Sweatshirts (including infants)	"
44. Sweaters and cardigans	"
45. Men's and boys' shirts, dress, not knit or crocheted	"
46. Men's and boys' shirts, sport, not knit or crocheted	"
47. Men's and boys' shirts, work, not knit or crocheted	"
48. Raincoats, 3/4 length or over	"
49. All other coats	"
50. Men's and boys' trousers, slacks and shorts, outer, whether or not in sets, not knit or crocheted	"
51. Women's, misses' and children's trousers, slacks and shorts, outer, whether or not in sets, not knit or crocheted	"
52. Blouses, whether or not in sets	"
53. Women's, misses', children's and infants' dresses (including nurses' and other uniform dresses), not knit or crocheted	"
54. Playsuits, sunsuits, washsuits, creepers, rompers, etc. (except blouses and shorts; blouses and trousers; or blouses, shorts and skirt sets)	"
55. Dressing gowns, including bathrobes and beachrobes, lounging gowns, dusters and housecoats, not knit or crocheted	"
56. Men's and boys' undershirts, (not T. shirts)	"
57. Men's and boys' briefs and undershorts	"
58. Drawers, shorts and briefs (except men's and boys' briefs), knit or crocheted	"
59. All other underwear, not knit or crocheted	"
60. Nightwear and pajamas	"
61. Brassieres and other body supporting garments	"
62. Other knitted or crocheted clothing	units or lbs.
63. Other clothing, not knit or crocheted	"
64. All other cotton textile items	"

ANNEX C

Conversion Factors

<u>Category Number</u>	<u>Unit</u>	<u>Conversion Factor</u>
1	lb.	4.6
2	"	4.6
3	"	4.6
4	"	4.6
28	no.	1.084
29	"	1.084
30	"	.348
31	"	.348
32	doz.	1.66
33	lb.	3.17
34	no.	6.2
35	"	6.2
36	"	6.9
37	lb.	4.6
38	"	4.6
39	doz.	3.527
40	"	4.6
41	"	7.234
42	doz.	7.234
43	"	7.234
44	"	36.8
45	"	22.186
46	"	24.457
47	"	22.186
48	"	50.0
49	"	32.5
50	"	17.797
51	"	17.797
52	"	14.53
53	"	45.3
54	"	25.0
55	"	51.0
56	"	9.2
57	"	11.25
58	"	5.0
59	"	16.0
60	"	51.96
61	"	4.75
62	lb.	4.6
63	lb.	4.6
64 <sup>1/</sup>	"	4.6

1/ Floor coverings shall be measures by actual square yardages.

Letter no. 2

DEPARTMENT OF STATE  
WASHINGTON

August 27, 1963

Excellency:

I have the honor to acknowledge receipt of your note of today's date and the bilateral arrangement attached thereto concerning trade in cotton textiles between Japan and the United States which reads as follows:

(see letter no. 1)

I have further the honor to confirm the foregoing understandings on behalf of the Government of the United States of America.

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

For the Secretary of State:

G. Griffith Johnson

Enclosure:

Arrangement.

His Excellency  
Ryuji Takeuchi,  
Ambassador of Japan.

There followed, as an attachment to the United States Government's note, the complete text of the Arrangement and Annexes A, B and C, identical to the Japanese Embassy's attachments to its note to the Department.

Letter no. 3

DEPARTMENT OF STATE,  
WASHINGTON.

August 27, 1963

Dear Mr. Ambassador:

With reference to Annex A of the Arrangement between the Government of Japan and the Government of the United States of America concerning trade in cotton textiles between Japan and the United States effected by the Exchange of Notes today, I wish to state the understandings of my Government that if any problem arises regarding the classification in the implementation of the Arrangement, the two Governments shall consult each other with a view to finding an appropriate solution. Particularly, when questions arise whether certain products fall within the scope of Annex A, the two Governments shall study such questions taking into account, inter alia, such international standards as B.T.N. and S.I.T.C.

In view of the fact that Category definitions may be affected as a result of possible future changes in the United States "Schedule A", I hereby wish to state further our understandings that such changes shall be promptly notified to the Japanese Government, and that consultations shall be held to make such adjustments in the Arrangement as may become necessary as a result of the changes.

I should be grateful if you would confirm these understandings if they are acceptable to your Government.

Sincerely yours,

For the Secretary of State:

G. Griffith Johnson

His Excellency  
Ryuji Takeuchi,  
Ambassador of Japan,  
Embassy of Japan.

Letter no. 4

Washington, August 27, 1963.

Dear Mr. Johnson:

I acknowledge receipt of your letter of August 27, 1963 which reads as follows:

(see letter no. 3)

I wish to confirm on behalf of my Government the understandings set forth in your letter.

Sincerely yours,

Ryuji Takeuchi

The Honorable  
G. Griffith Johnson,  
Assistant Secretary of State  
for Economic Affairs,  
Department of State.



Letter no. 5

DEPARTMENT OF STATE  
WASHINGTON

August 27, 1963

Dear Mr. Ambassador:

On the occasion of the Exchange of Notes with the Arrangement between the Government of the United States of America and the Government of Japan concerning trade in cotton textiles between Japan and the United States effected thereby, I wish to state that there are certain items not included in Annex A of the Arrangement but which are classified as "cotton textiles" by the United States Government. A list of these items, identified by the United States "Schedule A" numbers, is attached to this letter. It is the understanding of the United States Government that the Japanese Government does not consider some of the products within the first 22 items to be cotton textiles and does not consider any of the last 7 items to be cotton textiles.

Nevertheless, in the event imports from Japan in any of the items or products enumerated in the attached list should cause or threaten to cause disruption of the United States domestic market, the United States Government may request consultations with the Japanese Government for the purpose of finding an appropriate course of action.

The consultations shall be conducted in the manner provided in paragraph 5 of the Arrangement if the item or product in question is considered a cotton textile by the Japanese Government, or in any other manner agreeable to both Governments if the item or product in question is not considered a cotton textile by the Japanese Government. The Japanese Government shall promptly notify the United States Government whether or not it considers the item or product in question to be a cotton textile.

While the United States Government agrees and prefers to seek a mutually satisfactory solution through the means mentioned above, it reserves its right, if such a settlement cannot be reached expeditiously, to invoke Article 3 of the Long-Term Arrangements Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, concerning the items or products enumerated in the attached list.

I should be grateful if you would conform these understandings if they are acceptable to your Government.

Sincerely yours,

For the Secretary of State:

G. Griffith Johnson

Attachment.

His Excellency  
Ryuji Takeuchi,  
Ambassador of Japan,  
Embassy of Japan.

ATTACHMENT

(1)	2061	400	(11)	3230	712	(21)	3114	960	<u>1/</u>
(2)	3224	800	(12)	3970	010	(22)	3114	965	<u>1/</u>
(3)	3224	900	(13)	3971	010	(23)	2061	000	
(4)	3226	110	(14)	3971	020	(24)	2067	610	
(5)	3226	300	(15)	3971	110	(25)	2067	710	
(6)	3230	238	(16)	3971	210	(26)	3224	700	
(7)	3230	275	(17)	3971	430	(27)	3230	461	
(8)	3230	277	(18)	3113	997	<u>1/</u>	(28)	3230	670
(9)	3230	352	(19)	3113	998	<u>1/</u>	(29)	9439	950 (in sets only)
(10)	3230	451	(20)	3114	260	<u>1/</u>			

Footnote:

1/ Part of these items included, i.e. shoe uppers, belts (other than sash belts and belts for apparel), suspenders and braces.

Letter no. 6

Washington, August 27, 1963.

Dear Mr. Johnson:

I acknowledge receipt of your letter of August 27, 1963 which reads as follows:

(See letter no. 5)

With regard to the above stated understandings of the United States Government, I wish to confirm, on behalf of my Government, that these are also the understandings of the Government of Japan with the following reservation.

In the event the United States Government exercises its right to invoke Article 3 of the Long-Term Arrangements, the Japanese Government may exercise its rights as an exporting country in accordance with the various relevant provisions of the Long-Term Arrangements, including the right to bring questions of interpretation of application of the Long-Term Arrangements to the GATT Cotton Textiles Committee in accordance with Article 8 of the Long-Term Arrangements.

Sincerely yours,

Ryuji Takeuchi

The Honorable  
G. Griffith Johnson,  
Assistant Secretary of State  
for Economic Affairs,  
Department of State.

Letter no. 7

Washington, August 27, 1963.

Dear Mr. Johnson:

With reference to Annex A of the Arrangement between the Government of Japan and the Government of the United States of America concerning trade in cotton textiles between Japan and the United States effected by the Exchange of Notes today, I wish to state our understanding that the exports of uniquely Japanese products called "Japan Items" shall not be included in Annex A of the Arrangement. The attachment to this letter provides for the definition of "Japan Items" and enumerates those products which have been and are likely to be exported to the United States as "Japan Items". Additional items may be added to the above attachment through agreement after consultations as may become necessary in the future.

It is further understood that the exports of "Japan Items" shall be made with certification by the Japanese Government. In the event that the United States Government finds that any particular products imported from Japan as "Japan Items" should not be properly classified as such, the United States Government may request consultations with the Japanese Government with a view to finding the appropriate classification of the products in question within Annex A of the Arrangement.

I should be grateful if you would confirm these understandings if they are acceptable to your Government.

Sincerely yours,

Ryuji Takeuchi

Attachment.

The Honorable G. Griffith Johnson,  
Assistant Secretary of State,  
for Economic Affairs,  
Department of State.

ATTACHMENT

1. Definition of "Japan Items"

"Japan Items" to be kept outside Annex A of the said Arrangement are the items which are uniquely Japanese products. Whether a particular product should be considered as "Japan Items" or not will be determined on the basis of the following criterion.

Designed for the use in the traditional Japanese way of life, wearing "Kimono", living in "Tatami" rooms, decorating for traditional Japanese ceremonies or festivals, playing Japanese sports etc. In other words, not in use in the regular western way of life except for hobbies or special likings.

2. List of "Japan Items"

The names of the items which have been and are likely to be exported as "Japan Items" are as follows:

(a) Cloth

Kimono	Traditional Japanese style dress.
Yukata	A type of Kimono, summer-wear made of Yukata-Ji (Plain-woven light fabrics printed in simple colours).
Juban	Underwear for Kimono, fundamentally same style as Kimono.
Haori	Overcoat for Kimono, usually less than $3/4$ length.
Wafuku-koto	Raincoat or duster coat to be worn over Kimono, basically same style as Kimono, different from Haori in not being open in front and longer than $3/4$ length.
Happi	Workers' overcoat, similar style with Haori but not dressy.
Judogi	Kimono-style sports wear for Judo, usually accompanied by slim and $3/4$ length trousers and by belts.
Kendogi	Kimono-style sports wear for Kendo, usually accompanied by Hakama (men's skirts, full length). Different from Judogi in being lighter, tighter and half-sleeves.
Kappogi	Apron to be worn over Kimono with broad sleeves, chest and shoulders covered.
Momohiki	Carpenters' or Rikishamen's trousers, often cover-alls to be worn in combination with Happi. Different from western style trousers in being extremely light and small in lower ends, usually black in colour. Combination sets of Happi and Momohiki are often traded as "Carpenter Apparel".
Sashiko	Quilted coat which is almost like Happi, typically used by firemen.

(b) Clothing accessories

Obi	(1) Wide thick belts for Kimono, usually a few inches wide or more. (2) Wide, thin belts for mens' Kimono or Yukata, both longer than western style belts by a few times. (3) Judo belts, narrow but approximately twice as wide and longer than western style belts, no buckles.
Obishime	Woven decorative belt to be used on top of the Obi (1) above.
Tabi	Socks to be worn when one wears "kimono" made of woven fabrics, tightly in the form of foot, having a separate division for the big toe. Reaches just above the ankle and is fastened at the back by means of an overlap having metal hook tabs.
Koshihimo	Narrow, soft belt to be used between Obi and Kimono, or Kimono and Juban.
Eri-sugata	A length of stiff cotton cloth to be sewn inside "Eri" collar to give a form or shape.
Sode-guchi	Extra broad sleeves which are based on the short sleeves of Juban.
Homae-kake	Men's working apron, thick and heavy. Big in size, usually simple in color.

(c) Household goods

Futon	Japanese style bedding, mattress and thick, large blankets. Mattress different from western style in the stuffing much softer and the covering cloth lighter. Blankets are as thick as an inch or more, also with soft stuffing.
Futon-Cover	Cover for "Futon". Different from sheets as it covers the stuffing directly, also different in sizes as it is made to contain voluminous stuffing, usually printed or dyed.
Zabuton	Cushion to sit on in Japanese "Tatami" rooms. Approximately a yard square, a few inches thick with soft stuffing.

Household goods (cont'd)

Furoshiki	Wrapping cloth of about one and a half yard square. Different from scarf in the thickness of the fabric.
Koinobori	Artificial carp to fly on top of a long pole on the occasion of "Boys' Festival" in the Japanese custom.
Noren	Shop curtain to hang at the entrance of shops, short, with vertical cuts in several parts.
Tenugui	Oblong towel, woven, usually with Japanese decorative design.

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Letter No. 8

DEPARTMENT OF STATE  
WASHINGTON

August 27, 1963.

Dear Mr. Ambassador:

I acknowledge receipt of your letter of August 27, 1963, which reads as follows:

(See letter No. 7)

I wish to confirm on behalf of my Government the understandings set forth in your letter.

Sincerely yours,

For the Secretary of State

G. Griffith Johnson

His Excellency  
Ryuji Takeuchi,  
Ambassador of Japan,  
Embassy of Japan.



Letter No. 9

DEPARTMENT OF STATE  
WASHINGTON

August 27, 1963

Dear Mr. Ambassador:

With reference to paragraph 5 B of the Arrangement between the Government of Japan and the Government of the United States of America concerning trade in cotton textiles between Japan and the United States effected by the Exchange of Notes today, I wish to inform you of the views and intentions of the United States Government:

The United States Government recognizes that exports of the end products containing fabrics potentially falling under the so-called concentration clause are themselves subject to limits established in Annex A of the Arrangement. It further recognizes that changing demands in the United States market may, from time to time, lead to changes in the types of fabric appearing in imports into the United States. Considering these and other circumstances, the United States Government does not intend to invoke paragraph 5 B on any type of fabric except in the case of a sharp and substantial increase from present levels in imports from Japan of that fabric in the form of end items. It is to be understood that a sharp and substantial increase would be considered to apply only in those cases where present levels of imports from Japan of the fabric concerned in the form of end items already are in substantial volume in relation to total consumption in the United States.

In any event, the United States Government would give the Japanese Government advance notice prior to any invocation of the clause under discussion.

I should be grateful if you would acknowledge on behalf of your Government the receipt of this letter.

Sincerely yours,

For the Secretary of State:

G. Griffith Johnson

His Excellency  
Ryuji Takeuchi,  
Ambassador of Japan,  
Embassy of Japan.

Letter No. 10

Washington, August 27, 1963.

Dear Mr. Johnson:

I acknowledge, on behalf of my Government, receipt of your letter of August 27, 1963 which reads as follows:

(See letter No. 9)

Sincerely yours,

Ryuji Takeuchi

The Honorable  
G. Griffith Johnson,  
Assistant Secretary of State  
for Economic Affairs,  
Department of State.