

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

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LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE
IN COTTON TEXTILES

Bilateral Arrangement between Japan and the United States

Addendum

Attached are exchanged notes modifying the bilateral arrangement concluded between the Governments of Japan and the United States concerning trade in cotton textiles.

This information has been transmitted to the secretariat by the Governments concerned for notification to the Cotton Textiles Committee.

Note No. 1EMBASSY OF JAPAN
WASHINGTON

19 May 1965

Excellency,

I have the honour to refer to the recent discussions held in Washington between the representatives of our two Governments for the modification of the arrangement between the Government of Japan and the Government of the United States of America concerning trade in cotton textiles, effected by the exchange of notes on 27 August 1963, and to propose, on behalf of my Government, in accordance with paragraph 10 and other relevant provisions of the said arrangement, that the following modifications be made with respect to the said arrangement:

1. In numbered paragraph 2 of the arrangement the sentence commencing with "Within the annual aggregate limit" shall be deleted and replaced by the following:

"Within the annual aggregate limit, the limits for Groups I, II, III and IV may be exceeded by not more than 5 per cent, provided that this provision for 'flexibility' shall permit an increase only in accordance with paragraph 5 in Annex A or in the 'Other' categories referred to in each group in Annex A."

2. The last sentence in numbered paragraph 5(b) of the arrangement shall be deleted and replaced by the following:

"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 per cent of the exports of such products during the twelve most recent months for which relevant export data are available to both Governments."

3. Paragraph 1(c) in Annex A shall be deleted and replaced by the following:

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

	<u>Thousand Square Yards</u>
(1) Duck (part of Categories 26 and 27)	1,750
(2) Handkerchief Cloth, yarn-dyed fabrics, n.e.s. (part of Category 32)	2,250"

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

4. Paragraph 1(f) in Annex A shall be deleted.

5. Item (4) of paragraph 2(a) in Annex A shall be deleted. Accordingly, items (5) and (6) of paragraph 2(a) shall be renumbered as (4) and (5) respectively. The new item (5) shall be modified to read as follows:

"(5) All Other Made-Up Goods (Categories 31, 33, 36 and part of Category 64 as specified in paragraph 6, below) 1,000 sq.yd. 12,321 equiv. "

6. Paragraph 2(b) in Annex A shall be deleted and replaced by the following:

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

7. Item (1) of paragraph 3(a) in Annex A shall be deleted. All the remaining items in paragraph 3(a) shall be renumbered accordingly. The new item (12) shall be modified to read as follows:

"(12) All Other Apparel (Categories 39, 40, 44, 47, 55 through 59, 61, 62 and part of Category 63 as specified in paragraph 6, below) 1,000 sq.yd. 3,095 equiv. "

8. Paragraph 3(b) in Annex A shall be deleted and replaced by the following:

"(b) Any shortfall below the limits specified in (1) through (11) of paragraph 3(a) may be transferred to (12) -- 'All Other Apparel'."

9. The list of items in paragraph 3(d) in Annex A shall be deleted and replaced by the following:

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

10. The first sentence of paragraph 4(a) in Annex A shall be modified by inserting the following immediately after "Miscellaneous Cotton Textiles":

"provided that the limit for zipper tapes, n.e.s., for 1965 may be exceeded by 16,155 lbs."

11. The following new paragraph shall be inserted as paragraph 5 immediately after paragraph 4 in Annex A. Accordingly, present paragraph 5 in Annex A shall be renumbered as paragraph 6 and the phrase "paragraph 5" in item (2) of paragraph 4(a) shall be deleted and replaced by the phrase "paragraph 6":

"(5) Within the annual aggregate limit and the limitation for each group provided for in paragraph 2 of the arrangement, the limits and ceilings set for specific products, except those for Categories 5, 6, 7, duck, 45, 46, 50, 51, 52, 53, 54 and 60, may be exceeded by not more than 5 per cent."

If the foregoing proposals are acceptable to your Government, I have the honour to propose that the present note and your reply concurring therein shall constitute an agreement between our two Governments to modify the aforementioned arrangement, which shall enter into force on the date of your reply.

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

(Signed) Ryuji Takeuchi

Note No. 2

Excellency,

I have the honour to acknowledge the receipt of your note of today's date, which reads as follows:

(See Note No. 1)

I have the honour to inform you that the proposals set forth in your note are acceptable to my Government. Accordingly, your note and this reply shall constitute an agreement between the two Governments, which shall enter into force on this date.

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

For the Secretary of State:

His Excellency,
Ryuji Takeuchi,
Ambassador of Japan