

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

COT/11/Add.2

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LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE
IN COTTON TEXTILES

Bilateral Arrangement between Japan and the United States

Addendum

Attached is the text of the notes exchanged between the Governments of the United States and Japan, amending and extending the United States-Japanese Bilateral Arrangement concerning trade in cotton textiles.

The text of the notes exchanged has been transmitted to the secretariat by both Governments concerned for the information of the Cotton Textiles Committee.

Note No. 1

Embassy of Japan
Washington
January 14, 1966

Excellency,

I have the honor to refer to the recent discussions held in Geneva and in Washington between representatives of our two Governments regarding trade in cotton textiles between Japan and the United States and to 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 on August 27, 1963, as modified by the Exchange of Notes on May 19, 1965 (hereinafter referred to as "the 1963 Arrangement").

I have the honor to confirm, on behalf of the Government of Japan, the understandings reached between our two Governments that the 1963 Arrangement shall be extended with the following modifications during the interim period beginning January 1, 1966, until December 31, 1967 or the date of entry into force of a new arrangement which will supersede the 1963 Arrangement, whichever date is the earlier.

1. The following shall be applicable retroactively as from January 1, 1966:
 - a. The phrase "for the period of three years beginning January 1, 1963" in the preamble and numbered paragraph 1 b of the 1963 Arrangement shall be deleted and replaced by the phrase "for the period beginning January 1, 1963, until December 31, 1967, or the date of entry into force of a new arrangement which will supersede this Arrangement, whichever date is the earlier".
 - b. In numbered paragraph 3 of the 1963 Arrangement the second and third sentences shall be deleted and replaced by the following:

"The annual aggregate limits for 1965 and each subsequent year shall be increased by 5 per cent over the limit for the preceding year. These annual increases shall be applied to each limit for the groups and to each limit or ceiling within the groups. The quantity of 16,155 pounds by which the limit for zipper tapes, n.e.s., could be exceeded during 1965 shall not be included in calculating the limits and ceilings applicable after 1965."

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

- c. Numbered paragraph 10a of the 1963 Arrangement shall be deleted and replaced by the following:

"This Arrangement shall continue in force through December 31, 1967, or until the date of the entry into force of a new arrangement which will supersede this Arrangement, whichever date is the earlier, 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."

2. If the said new arrangement has not entered into force by March 31, 1966, the following shall be applicable retroactively as from January 1, 1966:

- a. In numbered paragraph 2 of the 1963 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 and IV may be exceeded by not more than 10 per cent, and the limit for Group III may be exceeded by not more than 5 per cent."

- b. Numbered paragraph 1b and e in Annex A of the 1963 Arrangement shall be deleted and the following new paragraph 1b shall be inserted:

"In the event that (1) exports from Japan of "ginghams, combed" should exceed substantially 75 per cent of the limit for "ginghams" or exports from Japan of fabrics made from combed warp and filling should exceed substantially the volume equivalent to the limitation that applied to such exports in 1965, respectively, as adjusted in accordance with the provisions of paragraph 3 of the Arrangement, and (2) as a result of this excess, such exports should cause or threaten to cause disruption of the United States domestic market, the Government of the United States may request, in the manner set forth in paragraph 5 of the Arrangement, consultations with the Japanese Government to determine an appropriate course of action. During the course of such consultations, the Japanese Government will maintain exports in the products in question at the same levels as those mentioned in paragraph 5b of the Arrangement."

- c. Numbered paragraph 5 in Annex A of the 1963 Arrangement shall be deleted and replaced by the following:

"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 may be exceeded by not more than 5 per cent."

I have further the honor to request Your Excellency 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.

(Signed)

Susumu Nakagawa
Charge d'Affaires ad interim

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Note No. 2

Department of State
Washington, D.C.
January 14, 1966

Sir,

I acknowledge receipt of your note of today's date which reads as follows:

(See Note No. 1)

I confirm the foregoing understandings on behalf of the Government of the United States of America.

Accept, Sir, the renewed assurances of my high consideration.

For the Secretary of State:

(Signed) Anthony M. Solomon
Assistant Secretary

The Honourable
Susumu Nakagawa,
Charge d'Affaires ad interim of Japan.