

GENERAL AGREEMENT ON

RESTRICTED

COM.TEX/SB/1273*

22 June 1987

TARIFFS AND TRADE

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral Agreement between the United States and Japan

The Textiles Surveillance Body received a notification from the United States of a bilateral agreement concluded with Japan for the period 1 January 1986 to 31 December 1989.¹

The TSB, pursuant to² its procedures regarding bilateral agreements notified under Article 4,² has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.³

¹The previous bilateral agreement, modification and an extension are contained in COM.TEX/SB/398, 794, 795, 1001, 1016 and 1082.

²See COM.TEX/SB/35, Annex B

³For the TSB's observations on this agreement see COM.TEX/SB/1276.

*English only/Anglais seulement/Inglés solamente

UNITED STATES AND JAPAN
SIGN NEW BILATERAL AGREEMENT

The United States and Japan exchanged notes on February 6, 1987, to effect a new bilateral agreement on trade in cotton, wool, and man-made fiber textiles between the two countries. Texts of the notes follow:

UNITED STATES NOTE

February 6, 1987

Excellency,

I have the honor to acknowledge receipt of Your Excellency's Note of today's date enclosing the arrangement attached thereto concerning trade in cotton, wool and man-made fiber textiles between Japan and the United States of America which reads as follows:

"I have the honor to refer to the Arrangement Regarding International Trade in Textiles done in Geneva on December 20, 1973, as extended by the Protocols dated December 14, 1977, December 22, 1981 and July 31, 1986 (hereinafter referred to as "the Arrangement Regarding International Trade in Textiles").

I have further the honor to refer to the recent discussions held between the representatives of the Government of Japan and the Government of the United States of America

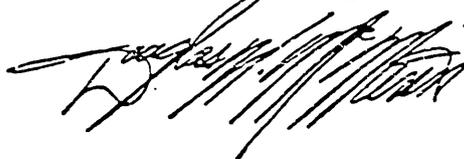
concerning trade in cotton, wool and man-made fiber textiles between Japan and the United States of America and to confirm, on behalf of the Government of Japan, the understanding reached between the two Governments that, pursuant to the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles and with a view to providing for orderly development of trade in cotton, wool and man-made fiber textiles between Japan and the United States of America, the arrangement attached hereto will be applied by the two Governments.

I have further the honor to request Your Excellency to be good enough to confirm the foregoing understanding on behalf of the Government of the United States of America."

I have further the honor to confirm the foregoing understanding 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:

A handwritten signature in black ink, appearing to be that of a high-ranking official, likely the Secretary of State mentioned in the text above. The signature is fluid and somewhat stylized, with a prominent initial 'H'.

JAPAN NOTE

February 6, 1987

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done in Geneva on December 20, 1973, as extended by the Protocols dated December 14, 1977, December 22, 1981 and July 31, 1986 (hereinafter referred to as "the Arrangement Regarding International Trade in Textiles").

I have further the honor to refer to the recent discussions held between the representatives of the Government of Japan and the Government of the United States of America concerning trade in cotton, wool and man-made fiber textiles between Japan and the United States of America and to confirm, on behalf of the

The Honorable George P. Shultz
Secretary of State of
the United States of America

Government of Japan, the understanding reached between the two Governments that, pursuant to the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles and with a view to providing for orderly development of trade in cotton, wool and man-made fiber textiles between Japan and the United States of America, the arrangement attached hereto will be applied by the two Governments.

I have further the honor to request Your Excellency to be good enough to confirm the foregoing understanding on behalf of the Government of the United States of America.

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

A handwritten signature in dark ink, appearing to read 'N. Matsunaga', with a long horizontal flourish extending to the right.

Nobuo Matsunaga
Ambassador Extraordinary and
Plenipotentiary of Japan to
the United States of America

Arrangement between
the Government of Japan and
the Government of the United States of America
concerning Trade in Cotton, Wool and Man-made
Fiber Textiles between Japan and the
United States of America

Pursuant to the provisions of Article 4 of the Arrangement Regarding International Trade in Textiles permitting bilateral agreements consistent with the basic objectives and principles thereof "on mutually acceptable terms in order, on the one hand, to eliminate real risks of market disruption in importing countries and disruption to the textile trade of exporting countries, and on the other hand, to ensure the expansion and orderly development of trade in textiles...", the following provisions will be applied by the two Governments.

1. The provisions of this Arrangement will be implemented by the two Governments in accordance with the laws and regulations applicable in their respective countries.
2. The two Governments recognize that their rights and obligations under the General Agreement on Tariffs and Trade are not affected by this Arrangement.
3. The Government of Japan will apply the restraints in the manner as provided for in this Arrangement to exports of existing cotton categories 300 through 354, 359 through 369, existing wool categories 400 through 448, 459 through 469 and existing man-made fiber categories 600 through 654, 659 through 670 as specified in the U.S. Correlation of 1986 (Textile and Apparel Categories with Tariff Schedules of the United States Annotated) and any subsequent technical modifications thereof, for the period of four years beginning January 1, 1986 and extending through December 31, 1989 (hereinafter referred to as "the Arrangement Period"), and the Government of the United States of America will give consideration in implementing this Arrangement to assuring the full utilization by Japan of levels provided for in this Arrangement.
4. (A) Textile products referred to in paragraph 3 will be divided into three groups as follows.

The respective Annual Group Limits for the Arrangement Period are set forth in Annex A (1).

(I) Apparel Group	categories 330 through 359, 431 through 459, 630 through 659
(II) Non-Apparel Group	categories 300, 301, 310 through 320, 360 through 369, 400, 410 through 429, 464 through 469, 600 pt (TSUSA 310.5015), categories 603 through 605, 610 through 627, 665 through 670
(III) Man-made fiber Yarn Group	categories 600 (excluding TSUSA 310.5015) through 602

(B) If the exports of any group of textile products during the period of twelve months beginning January 1, 1986 and extending through December 31, 1986 (hereinafter referred to as "the First Arrangement Period") have exceeded the relevant Annual Group Limits for the First Arrangement Period, the excess shall be subtracted from the relevant Annual Group Limits for the period of twelve months beginning January 1, 1987 and extending through December 31, 1987 (hereinafter referred to as "the Second Arrangement Period").

5. (A) Within the applicable group limits set forth in Annex A (1), limits for specific categories and sub-limits for specific products for the First Arrangement Period are set forth in Annex A (2).

(B) For the Second Arrangement Period and thereafter, respective limits for specific categories and sub-limits for specific products set forth in Annex A (2), will be increased over the applicable limits and sub-limits for the preceding calendar year by three percent in the case of cotton and man-made fiber products and one percent in the case of wool products.

(C) Notwithstanding the provisions of sub-paragraph (B) above, growth rates for categories set forth in Annex B are stated in the same Annex.

(D) Notwithstanding the provisions of sub-paragraph (B) above,

(i) for combination categories of 300/301 and 342/642 and category 611, respective limits for the Second Arrangement Period are set forth in Annex A (3).

(ii) for the period of twelve months beginning January 1, 1988 and extending through December 31, 1988 and thereafter, growth rates for combination categories of 300/301 and 342/642 and for category 611 will be the rate referred to in sub-paragraph (B) above and the rate referred to in sub-paragraph (C) above respectively.

(E) If the exports of textiles of specific categories or specific textile products for the First Arrangement Period have exceeded the limits of the relevant categories or the sub-limits of the relevant products for the First Arrangement Period, the excess shall be subtracted from the limits of the relevant categories or the sub-limits of the relevant products for the Second Arrangement Period.

6. (A) In any calendar year during the Arrangement Period (hereinafter referred to as "the Specific Arrangement Period"), the group limits for Apparel or Non-Apparel set forth in Annex A (1), in addition to adjustments under paragraph 7, may be exceeded by not more than 1 percent (2 percent for the First Arrangement Period) provided that there is an equivalent square yard decrease in the other group in the same Specific Arrangement Period.

(B) Within the applicable group limit, as it may be adjusted under paragraphs 6 (A) and 7, the specific limits and sub-limits set forth in Annex A (2) may be exceeded by not more than 5 percent, except for the categories set forth in Annex C.

(C) Unused square yard equivalents in the categories subject to specific limits may be used for exports in categories not subject to specific limits in the applicable group.

7.(A)(i) In any Specific Arrangement Period, exports may exceed the group limits, specific limits and sub-limits by allocating to the group limits, specific limits and sub-limits for that Specific Arrangement Period an unused portion (shortfall) of the applicable group limits, specific limits and sub-limits for the preceding Specific Arrangement Period (carryover) or a portion of the applicable group limits, specific limits or sub-limits for the succeeding Specific Arrangement Period (carryforward).

(ii) For the purposes of the Arrangement, a shortfall in a group occurs when exports of textiles or textile products from Japan to the United States of America during the Specific Arrangement Period are below the applicable group limit as set out in Annex A (1), or in the case of any group limit decreased pursuant to paragraph 6 and this paragraph, when such exports are below the group limit as decreased.

(iii) For the purposes of the Arrangement, a shortfall in a specific limit or sub-limit occurs when exports of textiles or textile products from Japan to the United States of America during the Specific Arrangement Period are below the applicable group limit and any specific limit or sub-limit as set out in Annex A (1) and (2) or, in the case of any limit decreased pursuant to paragraph 6 and this paragraph, when such exports are below the specific limit or sub-limit as decreased.

(B) For any group limit, the total of carryforward and carryover will be, at maximum, three percent of which carryover shall not represent more than one percent.

(C) In the case of specific limits and sub-limits for specific products, total of carryforward and carryover will be, at maximum, two percent of which carryover shall not represent more than one percent.

(D) Adjustments made under this paragraph are in addition to those permitted under paragraph 6. No carryover shall be available for application in the First Arrangement Period. No carryforward shall be available for application during the period of twelve months beginning January 1, 1989 and extending through December 31, 1989.

8. (A) If, during any Specific Arrangement Period, the Government of the United States of America considers that imports from Japan in any category or specific product not set out in Annex A (2) are increasing so as to cause a real risk of market disruption in the United States market, the Government of the United States of America may request consultations with the Government of Japan.

(B) When the Government of the United States of America requests such consultations, both Governments will consult within 30 days of receipt of the request to work out a mutually satisfactory solution to such problems as may exist with the category or specific product on which the request for such consultations was made.

Both Governments agree to make every effort to reach agreement on a mutually satisfactory solution of the problem within 90-days of the receipt of such request unless otherwise agreed.

(C) During that 90-day period, the Government of Japan agrees to hold its exports to the United States of America in the category or product concerned to a level no greater than 35 percent of the amount entered, as reported in the U.S. General Import Statistics, during that latest twelve month period for which data are available at the time of the request for consultations.

(D) If no mutually satisfactory solution is reached during the 90-day consultation period, the Government of the United States of America may request the Government of Japan to limit the exports of the category or specific product on which the request for such consultations was made, for the duration of the Arrangement, in accordance with paragraph 8 (E).

(E) The Government of Japan will limit the exports of such category or specific product as referred to in sub-paragraph (D) above. The limit, for the period of twelve months, will not be less than 106 percent of the amount imported into the United States of America in that category or specific product, as reported in the U.S. General Import Statistics, during the first twelve months of the most recent fourteen months preceding the month in which the request for consultations was made. The first term of the limit will begin on the first day following the conclusion of the 90-day consultation period and end on the last day of the Specific Arrangement Period in which the limit is established. If the limit is established during the Specific Arrangement Period, that limit will be prorated to correspond to the period of time remaining in that Specific Arrangement Period.

Swing or carryforward for the limit established under this sub-paragraph will be available as set out in paragraphs 6 and 7. If the limits are prorated as mentioned above, swing or carryforward will be prorated in the same way. Carryover will not be available in the Specific Arrangement Period in which the limit is established under this sub-paragraph. For each remaining Specific Arrangement Period, the limit will be increased by three percent for cotton and man-made fiber categories and by one percent for wool categories.

(F) Categories or specific products which have become subject to restraint will be deemed to have been added to Annex A (2).

(G) Consultations provided for in this paragraph will not be requested when imports from Japan in a category or a specific product are at annual levels not

more than 1,000,000 square yards equivalent for each man-made fiber or cotton textile category other than apparel, 700,000 square yards equivalent for each man-made fiber or cotton apparel category, and 100,000 square yards equivalent for each wool textile category.

(H) The Government of the United States of America will provide a detailed factual statement of the reasons and justification for its request for consultations provided for in this paragraph including data similar to those contemplated in paragraphs I and II of Annex A of the Arrangement Regarding International Trade in Textiles as well as relevant data on imports from third countries.

(I) This paragraph will be implemented in such a manner as to achieve the principles and objectives set out in the Arrangement Regarding International Trade in Textiles, and will only be resorted to sparingly.

9. If the Government of Japan feels that as a result of the application of this Arrangement, Japan is, or is threatened to be, placed in an inequitable position vis-a-vis a third country whose exports to the United States of America of cotton, wool and man-made fiber textiles are subject to restraint, or that Japan is, or is threatened to be, put in a substantially disadvantageous position compared with any other exporting country because of such factors as a remarkable increase in exports by such country to the United States of America, the Government of Japan may request consultations with the Government of the United States of America. Such consultations will be held and concluded promptly with a view to taking appropriate remedial action such as a reasonable modification of this Arrangement. The Government of the United States of America will take such appropriate remedial measures as may be deemed satisfactory by the two Governments in the consultations.

10. The two Governments will exchange current data monthly on exports and imports between Japan and the United States of America of the textiles covered by this Arrangement as promptly as possible.

11. Representatives of the two Governments will meet at the request of either Government and at least once a year for a general overall review of this Arrangement and its implementation. Such review will include consideration of changing conditions in the industries, markets and trade of the two countries in the textile field, as well as any particular proposals which may be made under paragraph 18 (B).

12. The Government of Japan will endeavor to space exports as evenly as practicable on a quarterly basis throughout each Specific Arrangement Period, taking seasonal factors into account.

13. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Arrangement including differences in points of procedure or operation.

14. (A) For the purposes of this Arrangement, textile products covered by this Arrangement are limited to tops, yarns, piece-goods, made-up articles, garments and other textile manufactured products (being products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibers, or blends thereof, in which any or all of those fibers in combination 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.

(B) In the implementation of this Arrangement, the system of textile categories and the rates of conversion are set forth in Annex D. The assignments of products to categories listed in Annex D will be determined in accordance with the United States Customs classifications and definitions, subject to further clarification where necessary.

(C) Any question arising out of the implementation of the provisions of this paragraph will be subject to consultations between the two Governments which will be promptly held with a view to finding a mutually satisfactory solution.

(D) Should consultations be necessary pursuant to paragraph 18 of the Protocol done in Geneva on July 31, 1986 extending the Arrangement Regarding International Trade in Textiles, both Governments agree to consult at the request of either Government at the soonest possible date, with a view to reaching a mutually satisfactory solution within 30 days of the request.

(E) Certain textiles and textile articles designated as "Japan Items" will be exempt from the levels of restraint set out in this Arrangement in accordance with the conditions set forth in the Visa Arrangement to be concluded between the two Governments.

(F) Representatives of the two Governments will meet as necessary to discuss the application of the above definitions for cotton, wool and man-made fiber textiles to certain articles which the Government of Japan considers to be products of industries other than the textile and apparel industries, and not to be textile or apparel products.

15. Matters concerning trade in textiles between Japan and the United States of America which are not governed by this Arrangement will be governed by the provisions of the Arrangement Regarding International Trade in Textiles. The Government of the United States of America agrees that insofar as the exports from Japan of the products falling within the scope of this Arrangement are conducted within the framework thereof the Government of the United States of America will not invoke Article 3 of the Arrangement Regarding International Trade in Textiles with respect to such products.

16. If the two Governments are unable to reach a mutually satisfactory solution within a reasonable period of time on problems which have been the subject of consultations under this Arrangement, either Government may, after notification to the other Government, refer such problems to the Textiles Surveillance Body in accordance with Article 11 of the Arrangement Regarding International Trade in Textiles.

17. Both Governments confirm the principles and their rights and obligations set forth in the provisions of the Protocol, done in Geneva on July 31, 1986, extending the Arrangement Regarding International Trade in Textiles.

18. (A) Either Government may terminate this Arrangement on or before the thirty-first day of October in any year by giving written notice through diplomatic channel to the other Government and in such event, this Arrangement will cease to be effective on the thirty first day of December of the year in which the notice of termination is given.

(B) Each Government may at any time propose modifications of this Arrangement. The other Government will give sympathetic consideration to such proposal.

Annex A (1)

<u>Group Limit</u>	<u>Square Yards Equivalent</u>
(A) Apparel Group	
1986	131,571,360
1987	132,926,540
1988	134,295,680
1989	135,678,920
(B) Non-Apparel Group	
1986	493,912,830
1987	499,000,130
1988	504,139,830
1989	509,332,470
(C) Man-Made Fiber Yarn Group	
Categories 600 (excluding TSUSA 310.5015) through 602	
1986	146,681,500
1987	146,681,500
1988	146,681,500
1989	146,681,500

Annex A (2)

<u>Category</u>	<u>Description</u>	<u>Limit</u>
300/301	Cotton, carded combed yarn	4,293,973 lbs.
310 through 320	Cotton Fabrics (yarn-dyed fabrics)	112,000,000 syd. 25,500,000 syd.
	(313/320pt) Cotton Sheeting	9,093,931 syd.
	(314/320pt) Poplin & Broad cloth	25,180,282 syd.
	(315/320pt) Print cloth	16,846,253 syd.
	(317/320pt) Twill-Sateen	15,880,458 syd.
	(317 pt.) Sateen	9,500,000 syd.
331/631	Cotton & Man-Made Fiber Gloves	2,159,917 dpr.
333	Cotton Suit-Type Coats M.B.	15,000 doz.
334	Cotton Coats, other, M.B.	25,250 doz.
335	Cotton Coats, W.G.I.	170,000 doz.
337	Cotton Playsuits	85,850 doz.
338	Cotton Knit Shirts, M.B.	672,264 doz.
339	Cotton Knit Shirts Blouses, W.G.I.	1,300,000 doz.
340	Cotton Non-Knit Shirts M.B.	99,990 doz.

341/641	Cotton/Man-made Fiber Non-knit Blouses, W.G.I.	500,000 doz.
	(blousés made of yarn dyed fabrics)	(subject to call)
342/642	Cotton/Man-made fiber Skirts	402,000 doz.
350	Cotton Dressing Gowns	20,200 doz.
347/348	Cotton Trousers, M.B.W.G.I.	1,500,000 doz.
410	Woolen & worsted Fabrics	10,500,000 syd.
435	Wool Coats	26,558 doz.
442	Wool Skirts	19,560 doz.
444	Wool Suits, W.G.I.	17,515 doz.
448	Wool Trousers, W.G.I.	36,733 doz.
600pt/604pt	Acrylic Plied Yarn	3,550,000 lbs.
611	Woven Fabrics of Spun Cellulosic Yarn	18,721,066 syd.
612pt	Woven Fabrics of Continous Non- Cellulosic Yarn (ex. Light weight Polyester Filament Fabrics)	55,000,000 syd.
612pt	Light weight Polyester Filament Fabrics	151,000,000 syd.
613	Woven Fabrics of Spun Yarns	18,000,000 syd.
614-w	Man-made Fiber Wool Blend Fabrics	8,500,000 syd.

614 pt	Spun Filament combinations	18,000,000 syd.
634	Man-made Fiber Coats, other, M.B.	95,950 doz.
644	Man-made Fiber Suits, W.G.I.	22,725 doz.
645/646	Man-made Fiber Sweaters M.B. W.G.I.	177,830 doz.
648	Man-made Fiber Trousers, W.G.I.	479,750 doz.
659 pt	Coveralls, Overalls	95,000 lbs.
659 pt	Infant Sets	617,000 lbs.

Annex A (3)

<u>Category</u>	<u>Description</u>	<u>Limit for 1987</u>
300/301	Cotton, Carded, combed yarn	2,700,000 lbs.
342/642	Cotton/Man-made fiber skirts	335,000 doz.
611	Woven Fabrics of Spun Cellulosic Yarn	18,082,742 syd.

Annex B

<u>Category</u>	<u>Description</u>	<u>Growth Rate %</u>
(Cotton yarn-dyed fabrics)		2.0
339	Cotton Knit Shirts and Blouses, W.G.I.	2.0
341/641	Cotton/Man-Made Fiber Non-Knit Blouses, W.G.I.	2.0
600pt/604pt	Acrylic Plied Yarn	1.5
611	Woven Fabrics of Spun Cellulosic Yarn (from 1987)	1.5
612 pt	Woven Fabrics of Continuous Non-Cellulosic Yarn (ex. Light weight Polyester Filament Fabrics)	1.0

612 pt	Light-Weight Polyester Filament Fabrics	0.0
614 W	Man-Made Fiber Wool Blend Fabrics	1.0

Annex C
(No Swing Categories)

<u>Category</u>	<u>Description</u>
410	Woolen and Worsted Fabrics.
600 pt/604 pt	Acrylic Plied yarn.
612 pt	Light-weight Polyester Filament Fabrics.
612 pt	Woven Fabrics of Continuous Non-Cellulosic Yarn (ex. Light-weight Polyester Filament Fabrics).

Annex D

<u>Category</u>	<u>Description</u>	<u>Conversion Factor</u>	<u>Unit of Measure</u>
Yarn			
--Cotton			
300	Cotton Carded Yarn	4.6	Lb.
301	Cotton Combed Yarn	4.6	Lb.
Wool			
400	Tops and Yarns	2.0	Lb.
--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	Gingham	1.0	SYD.
311	Velveteen	1.0	SYD.
312	Corduroy	1.0	SYD.
313	Sheeting	1.0	SYD.
314	Poplin and Broadcloth	1.0	SYD.
315	Printcloth	1.0	SYD.
316	Shirtings	1.0	SYD.
317	Twills and Sateens	1.0	SYD.
318	Yarn-Dyed, N.E.S.	1.0	SYD.
319	Duck	1.0	SYD.
320	Other Fabrics, 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. Non-Cellulosic, N.K	1.0	SYD.
613	Spun Non-Cellulosic, 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.

Apparel

--Cotton

330	Handkerchiefs	1.7	Doz.
331	Gloves	3.5	Dpr.
332	Hosiery	4.6	Dpr.
333	Suit-Type Coats, M and B	36.2	Doz.
334	Other Coats, M and B	41.3	Doz.
335	Coats, W, G, and I	41.3	Doz.
336	Dresses (incl. Uniforms)	45.3	Doz.

337	Playsuits, Sun suits, Washesuits, Creepers, Rompers, etc.	25.0	Doz.
338	Knit Shirts (incl. T- Shirts, other and Sweatshirts), M and B	7.2	Doz.
339	Knit Shirts and Blouses (incl. T-Shirts, other and Sweatshirts), W, G, and I	7.2	Doz.
340	Shirts, N.K., M.B.	24.0	Doz.
341	Blouses, N.K., W, G, and I	14.5	Doz.
342	Skirts	17.8	Doz.
345	Sweaters	36.8	Doz.
347	Trousers, Slacks, and shorts (outer) M and B	17.8	Doz.
348	Trousers, Slacks, and shorts (outer) W, G, and I	17.8	Doz.
349	Brassiers, etc.	4.8	Doz.
350	Dressing Gowns, incl. Bathrobes, Beach Housecoats and Dusters	51.0	Doz.
351	Pajamas and other nightwear	52.0	Doz.
352	Underwear (incl. Union Suits)	11.0	Doz.
353	Down and Featherfilled Coats, Jackets, Vests, Men and Boys	41.3	Doz.
354	Down and Featherfilled Coats, Jackets, Vest W, G, and I	41.3	Doz.
359	Other Apparel	4.6	Lbs.
--wool			
431	Gloves	2.1	Dpr.
432	Hosiery	2.8	Dpr.
433	Suit-Type Coats, M and B	36.0	Doz.
434	Other Coats, M and B	54.0	Doz.
435	Coats, W, G, and I	54.0	Doz.
436	Dresses	49.2	Doz.
438	Knit Shirts and Blouses	15.0	Doz.
440	Shirts and Blouses N. K.	24.0	Doz.
442	Skirts	18.0	Doz.
443	Suits, M and B	54.0	Doz.
444	Suits, W, G, and I	54.0	Doz.

445	Sweaters, M and B	14.88	Doz.
446	Sweaters, W, G, and I	14.88	Doz.
447	Trousers, Slacks and Shorts (Outer), M and B	18.0	Doz.
448	Trousers, Slacks and Shorts (outers), W, G, and I	18.0	Doz.
459	Other Wool Apparel	2.0	Lb.

--Man-Made Fiber

630	Handkerchiefs	1.7	Doz.
631	Gloves	3.5	Dpr.
632	Hosiery	4.6	Dpr.
633	Suit-Type Coats, M and B	36.2	Doz.
634	other Coats, M and B	41.3	Doz.
635	Coats, W, G and I	41.3	Doz.
636	Dresses	45.3	Doz.
637	Playsuits, Sun suits, Washesuits, etc.	21.3	Doz.
638	Knit Shirts (incl. T-Shirts) M and B	18.0	Doz.
639	Knit Shirts and Blouses (incl. T-Shirts), W, G, and I	15.0	Doz.
640	Shirts, M.B., N.K.	24.0	Doz.
641	Blouses, W, G, and I, N.K.	14.5	Doz.
642	Skirts	17.8	Doz.
643	Suits, M and B	54.0	Doz.
644	Suits, W, G, and I	54.0	Doz.
645	Sweaters, M and B	36.8	Doz.
646	Sweaters, W, G, and I	36.8	Doz.
647	Trousers, Slacks, and Shorts (outer), M and B	17.8	Doz.
648	Trousers, Slacks, and Shorts (outer), W, G, and I	17.8	Doz.
649	Brassieres, etc.	4.8	Doz.
650	Dressing Gowns, Incl. Bath and Beach Robes	51.0	Doz.
651	Pajamas and other Nightwear	52.0	Doz.
652	Underwear	16.0	Doz.
653	Down and Featherfilled Coats, Jackets, Vests M and B	41.3	Doz.
654	Down and Featherfilled Coats, Jackets, Vests W, G, and I	41.3	Doz.
659	Other Apparel	7.8	Lb.

Made-Ups and Miscellaneous

--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.
670	Luggage, Flatgoods Handbags	2.0	Lb.

M and B -- Men's and Boys'

W, G, AND I -- Women's, Girls' and Infants'

N.K. -- Not Knit

UNITED STATES NOTE

Excellency,

This is to acknowledge receipt of Your Excellency's letter of today's date and the Record of Understanding attached thereto relating to the discussions leading to the conclusion of the Arrangement between the Government of Japan and the Government of the United States of America concerning Trade in Cotton, Wool and Man-Made Fiber Textiles between Japan and the United States of America effected by Exchange of Notes today.

I wish to confirm the Record of Understanding referred to above.

For the Secretary of State:



JAPAN NOTE

February 6, 1987

Excellency,

With reference to the Arrangement between the Government of Japan and the Government of the United States of America concerning Trade in Cotton, Wool and Man-made Fiber Textiles between Japan and the United States of America effected by the Exchange of Notes today

(hereinafter referred to as the Arrangement), I wish to confirm the Record of Understanding attached hereto which contains the views and intentions expressed by the representatives of the two Governments in the discussions leading to the conclusion of the Arrangement.

I further wish to request Your Excellency to be good enough to confirm the Record of Understanding referred to above.

A handwritten signature in black ink, appearing to read 'N. Matsunaga', with a long horizontal flourish extending to the right.

Nobuo Matsunaga
Ambassador Extraordinary and
Plenipotentiary of Japan to
the United States of America

RECORD OF UNDERSTANDING

With respect to paragraph 8 of the Arrangement:

1. The Government of the United States of America, when invoking the provisions of paragraph 8, will give full and sympathetic consideration to the views presented by the Government of Japan.
2. As paragraph 8 is implemented in the form of export restraint, the Government of the United States of America will honor, in principle, the export licenses already issued, while the Government of Japan will endeavor to avoid exceptionally large issuance of export licenses, particularly extraordinary concentration in one category. The contracts which have been entered into by the time of the request for consultations will be duly taken into account in such consultations.
3. Whenever the development and marketing of new products based on technical innovation by Japanese industry requires adjustment in the Arrangement to provide additional flexibility, the Government of the United States of America will give particularly sympathetic consideration to any request by the Government of Japan for such additional flexibility, provided only that such new products are not at the same time displacing existing products falling under the made-up goods or apparel categories.
4. Recognizing difficulties involved in the administration of export restraints on basket categories, the Government of the United States of America will take full account of such difficulties in the event consultations under paragraph 8 of the Arrangement are requested on basket categories.
5. The Government of the United States of America wishes to assure the Government of Japan that its policy is to maintain a uniform system of classification for cotton, wool and man-made fiber textiles at all ports of entry.

Should any difficulties arise in the implementation of the Arrangement relating to the classification of any cotton, wool or man-made fiber textiles, at any of the several ports of entry into the United States of America, the Government of the United States of America and the Government of Japan will investigate and will take whatever steps may be necessary to address such difficulties.