

No. 6250

**UNITED STATES OF AMERICA
and
JAPAN**

**Exchange of letters constituting an arrangement relating
to Japanese cotton textiles. Tokyo, 16 October 1961**

Official texts: English and Japanese.

Registered by the United States of America on 16 July 1962.

**ÉTATS-UNIS D'AMÉRIQUE
et
JAPON**

**Échange de lettres constituant un arrangement relatif aux
textiles de coton japonais. Tokyo, 16 octobre 1961**

Textes officiels anglais et japonais.

Enregistré par les États-Unis d'Amérique le 16 juillet 1962.

No. 6250. EXCHANGE OF LETTERS CONSTITUTING AN ARRANGEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND JAPAN RELATING TO JAPANESE COTTON TEXTILES. TOKYO, 16 OCTOBER 1961

及び関係産業に対する輸入の影響の程度を考慮に入れるものと
する。その後の措置について合意するまでの間、日本国政府は、
当該品目の輸出を協議に先だつ十二箇月間における同品目の輸
出の百パーセントにとどめるものとする。

¹ Came into force on 1 January 1962, in accordance with the provisions of the said letters.

[TRANSLATION — TRADUCTION]

Tokyo, 16 October 1961

Sir,

[See letter II]

I avail, etc.

Morisaburo SEKI
Director of Economic Affairs Bureau
Ministry of Foreign Affairs
Tokyo

Mr. Roswell H. Whitman
Counselor for Economic Affairs
American Embassy

II

The Counselor for Economic Affairs, American Embassy, to the Director of Economic Affairs Bureau, Japanese Ministry of Foreign Affairs

Tokyo, October 16, 1961

Dear Mr. Seki :

I have the honor to refer to your letter of October 16, 1961 and the bilateral arrangement attached thereto concerning the export of cotton textiles from Japan to the United States which read as follows :

“I have the honour to refer to the discussions held by the representatives of the Government of Japan and the Government of the United States of America in Tokyo between August 22, 1961 and October 6, 1961 with a view to effecting orderly marketing of Japanese cotton textiles in the United States for 1962, and to confirm, on behalf of the Government of Japan, the understanding reached between the two Governments that, in accordance with the provision of Section I of the “Arrangements Regarding International Trade in Cotton Textiles” done at Geneva and dated July 21, 1961¹ (hereinafter referred to as “Geneva Arrangements”), permitting “mutually acceptable bilateral arrangement on other terms,” the bilateral arrangement attached hereto will be applied by the two Governments for the period of twelve months beginning January 1, 1962, provided that the short-term arrangement of the Geneva Arrangements will

¹ United States of America : *Treaties and Other International Acts Series* 4884.

come into effect and will become applicable between our two countries by that time.

I shall be grateful if you would be good enough to confirm the foregoing understanding on behalf of your Government.

ARRANGEMENT FOR 1962 BETWEEN THE GOVERNMENT OF JAPAN AND
THE UNITED STATES CONCERNING THE EXPORT OF COTTON TEXTILES
FROM JAPAN TO THE UNITED STATES

In accordance with the provision of Section I of the Geneva Arrangements, permitting "mutually acceptable bilateral arrangement on other terms", the following bilateral arrangement will be applied by the two Governments for the period of twelve months beginning January 1, 1962, provided that the short-term arrangement of the Geneva Arrangements will come into effect and will become applicable between Japan and the United States by that time.

1. The purpose of this arrangement is to maintain orderly marketing of Japanese cotton textiles in the United States by avoiding excessive concentration in any particular period or on any particular item and by continued efforts to achieve broader diversification of exports of cotton textiles from Japan to the United States.

2. To achieve this purpose, the Japanese Government will maintain, for the period of twelve months beginning January 1, 1962, an aggregate limit on exports of cotton textiles to the United States, and limits on major groups and on certain categories within those groups.

3. (1) If the Japanese Government considers that, as a result of limits and ceilings established under this arrangement, a third country is being afforded an inequitable opportunity to increase its export of cotton textiles to the United States, the Japanese Government may call for consultation with the United States Government, and the United States Government will take appropriate remedial action such as (a) reasonable modifications of this arrangement, (b) a request, pursuant to Section I.A. of the Geneva Arrangements, to the third country to restrain its exports to the United States, or (c) action against the third country to prevent circumvention or frustration of the Geneva Arrangements or of this arrangement.

(2) The Japanese Government will take appropriate action to prevent the circumvention or frustration of this arrangement by transshipments of goods to the United States through third countries, by substitution of directly competitive textiles for cotton textiles, or by other means.

4. Wherever a specific limit or ceiling has been established, the basis for control will be the number of units (e.g. square yards, dozens, pieces, pounds, etc.) established as a limit or ceiling. The conversion into equivalent square yards is for the purpose of providing a common statistical basis for measurement of the over-all program. Wherever pounds are mentioned, the conversion shall be at the rate of 4.6 square yards per pound. The parties will consult with each other to establish a basis for the conversion of other units to square yards, if necessary.

5. Exports from Japan to the United States of particular items shall be distributed equally by quarters as far as practicable and as necessary to meet seasonal demands.

6. The aggregate limit on Japanese exports of cotton textiles to the United States shall be 275 million square yards for the period of twelve months beginning January 1, 1962.

7. The aggregate limit shall be subdivided into 5 major groups as follows :

	<i>Million Square Yards</i>
Group I. Cotton Cloth	125.5
II Made-up Goods, usually included in U.S. Cotton Broad Woven Goods Production	35
III Woven Apparel	90.5
IV Knit Goods	14
V Miscellaneous Cotton Textiles	10
TOTAL	275

8. Within the over-all annual total, the limit for Groups I, II, III, IV, and V may be exceeded by not more than five percent, provided that this provision for "flexibility" shall permit an increase only in "Other" categories of Groups I, II, III, and IV as respectively referred to in paragraphs 9, 11, 13 and 15, and in Group V.

9. The following specific limits shall apply within the total for Group I — "Cotton Cloth" :

	<i>Million Square Yards</i>
1. Gingham (including Gingham Stripes)	46.2
2. Velveteens	2.75
3. All Other Fabrics	76.55

Within the category of "All Other Fabrics", the total of which shall not exceed 76.55 million square yards, the following specific ceilings shall not be exceeded :

	<i>Million Square Yards</i>
a. Sheeting	30.0
b. Shirting (80×80 type)	20.0
c. Other Shirting	32.0
d. Twill and Sateen	39.0
e. Poplin	30.0
f. Yarn Dyed Fabrics (except Gingham)	29.0

10. The following additional provisions are applicable to the cloth distribution in paragraph 9.

(1) Within the over-all limit for Group I, any shortfall in categories 1 and 2 may be transferred to category 3 — "All Other Fabrics".

- (2) Within the limit of 76.55 million square yards, for fabrics other than gingham or velveteens, the total exports of fabrics made from combed warp and filling shall not exceed 33 million square yards.

11. The following specific limits shall apply within the total for Group II — "Made-up Goods, usually included in U.S. Cotton Broad Woven Goods Production" :

	<i>Unit</i>	<i>No.</i>
1. Pillowcases (plain)	1,000 doz.	450
2. Dish Towels	1,000 doz.	840
3. All Other Made-up Goods	1,000 lbs.	5,573

Within the category of "All Other Made-up Goods", the total of which shall not exceed 5.573 million pounds, the following specific ceilings shall not be exceeded :

	<i>Unit</i>	<i>No.</i>
a. Handkerchiefs	1,000 doz.	1,260
b. Table Damask	1,000 s.y.	11,375

12. Within the over-all limit for Group II, any shortfall in categories 1 and 2 may be transferred to category 3 — "All Other Made-up Goods".

13. The following specific limits shall apply within the total for Group III — "Woven Apparel" :

	<i>Unit</i>	<i>No.</i>
1. Blouses	1,000 doz.	1,575
2. Sport Shirts	1,000 doz.	787.5
3. Shorts and Trousers	1,000 doz.	1,000
4. All Other Woven Apparel	1,000 lbs.	6,642

Within the category of "All Other Woven Apparel", the total of which shall not exceed 6.642 million pounds, the following specific ceilings shall not be exceeded :

	<i>Unit</i>	<i>No.</i>
a. Raincoats	1,000 doz.	60
b. Dress and Work Shirts	1,000 doz.	315
c. Brassieres and Other Body Supporting Garments	1,000 doz.	800
d. Dressing Gowns and Robes	1,000 doz.	70

14. Within the over-all limit for Group III, any shortfall in categories 1 through 3 may be transferred to category 4 — "All Other Woven Apparel".

15. The following specific limits shall apply within the total for Group IV — "Knit Goods" :

	<i>Unit</i>	<i>No.</i>
1. All Men's and Boys' T-Shirts	1,000 doz.	643
2. Knit Shirts-Other than T-Shirts	1,000 doz.	809
3. Gloves and Mittens	1,000 doz.	472.5
4. All Other Knit Goods	1,000 lbs.	397.4

16. Within the over-all limit for Group IV, any shortfall in categories 1 through 3 may be transferred to category 4 — "All Other Knit Goods".

17. Within the over-all limit for Group V are included, among others, such categories as cotton floor coverings, fish nets and netting, cotton thread, etc.

18. To avoid excessive concentration, it is understood that whenever there is excessive concentration of Japanese exports in any particular cotton textile items, except those for which specific limits and ceilings are established, and such excessive concentration is causing or threatening disruption of the United States domestic market (or if there are other problems, e.g. possible problems resulting from an excessive concentration of exports of end items made from a particular type of fabric, such as the use of gingham in the manufacture of an excessively large portion of exported blouses, sport shirts, etc.), the United States Government may call for consultation with the Japanese Government to determine an appropriate course of action. In determining such appropriate course of action, imports from third countries and the degree of impact of imports on the industries concerned at the time of consultation shall be taken into account. Pending agreement on further action, the Japanese Government shall hold the exports of the items in question at 110 percent of the exports of such items during the twelve months prior to consultation."

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

Sincerely yours,

Roswell H. WHITMAN

Morisaburo Seki, Esquire
 Director of Economic Affairs Bureau
 Ministry of Foreign Affairs
 Tokyo