

No. 7105

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**UNITED STATES OF AMERICA  
and  
JAPAN**

**Exchange of notes (with Arrangement and exchange of letters) constituting an agreement relating to trade in cotton textiles. Washington, 27 August 1963**

*Official text: English.*

*Registered by the United States of America on 5 February 1964.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
JAPON**

**Échange de notes (avec Arrangement et échange de lettres) constituant un accord relatif au commerce des textiles de coton. Washington, 27 août 1963**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 5 février 1964.*

No. 7105. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND JAPAN RELATING TO TRADE IN COTTON TEXTILES. WASHINGTON, 27 AUGUST 1963

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I

*The Ambassador of Japan to the Secretary of State*

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<sup>2</sup> (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

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<sup>1</sup> Came into force on 27 August 1963 by the exchange of the said notes, with retroactive effect from 1 January 1963, in accordance with their terms.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 471, p. 296. As registered by the Executive Secretary of the Contracting Parties to the General Agreement on Tariffs and Trade, the Arrangements are identified in the United Nations *Treaty Series* by the date of their entry into force, i.e., 1 October 1962.

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 :

	<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 . . . . .	41
III—Apparel . . . . .	111
IV—Miscellaneous cotton textiles . . . . .	10
	TOTAL 287.5

Within these major groups, annual limits or ceilings for specific products are set forth in Annex A.<sup>1</sup> 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.<sup>2</sup>

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.

<sup>1</sup> See p. 204 of this volume.

<sup>2</sup> See p. 214 of this volume.

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 equivalents, the conversion into equivalent square yards shall be at the rates specified in Annex C.<sup>1</sup>

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

<sup>1</sup> See p. 216 of this volume.

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 in being placed in an inequitable position *vis-à-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":

	<i>Thousand square yards</i>
(1) Gingham (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:

	<i>Thousand square yards</i>
(1) Sheeting (Categories 9 and 10) . . . . .	30,000
(2) Poplin and broadcloth (Categories 15 and 16) . . . . .	30,000

	<i>Thousand square yards</i>
(3) Print cloth, shirting type, 80 × 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*”:

	<i>Unit</i>	<i>No.</i>
(1) Pillowcases, plain (Categories 28 and 29)	1,000 nos.	5,400
(2) Dish towels (Category 30)	1,000 nos.	7,200
(3) Handkerchiefs, except for dedicated handkerchief cloth (Part of Category 32)	1,000 doz.	1,260
(4) Table damask and manufactures (Category 33)	1,000 lbs.	3,100
(5) Sheets (Categories 34 and 35)	1,000 nos.	2,940
(6) All Other Made-Up Goods (Categories 31, 36 and part of Category 64 as specified in paragraph 5, below)	1,000 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*”:

	<i>Unit</i>	<i>No.</i>
(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

	<i>Unit</i>	<i>No.</i>
(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, $\frac{3}{4}$ 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 para- graph 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 :

	<i>Unit</i>	<i>No.</i>
(1) Men's and boys' (Category 50) . . . . .	1,000 doz.	500
(2) Women's and 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.

<i>Category No.</i>	<i>Description</i>
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”:

	<i>Unit</i>	<i>No.</i>
(1) Zipper tapes, n.e.s. (U.S. "Schedule A" No. 3230 273) . . .	1,000 lbs.	810
(2) Other (Categories 1 through 4, 37, 38, and parts of Categories 63 and 64 as specified in paragraph 5, below) . . . . .	1,000 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 or parts thereof shall be included :

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

3113	000*	3114	165
3113	362	3114	175
3113	365	3114	180
3113	958*	3114	225
3113	962*	3114	235
3113	965	3114	240
3113	969	3114	245
3113	970	3114	255
3113	971	3114	715*
3113	972	3114	720*
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>1</sup>
3113	998 <sup>1</sup>
3114	260 <sup>1</sup>
3114	960 <sup>1</sup>
3114	965 <sup>1</sup>

\* These items or products shall be included in Group IV.

<sup>1</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.



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 boy's 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 <sup>2</sup>	3163	600 <sup>2</sup>	3220	207 <sup>2</sup>	3903	300
3083	700 <sup>2</sup>	3163	690 <sup>2</sup>	3220	212 <sup>2</sup>	3969	010
3083	900 <sup>2</sup>	3166	000	3220	862	3230	232
3084	112 <sup>2</sup>	3166	200	3220	865	3230	235
3084	400 <sup>2</sup>	3166	300	3220	868	3230	278
3086	600 <sup>2</sup>	3166	692	3224	000	9439	950 (excluding in sets)
3086	730	3166	695				

<sup>1</sup> These items or products shall be included in Group IV.<sup>2</sup> These items shall be included in Group II.

## ANNEX B

## Definition of Cotton Textile Categories

<i>List of Categories</i>	<i>Unit</i>	<i>List of Categories</i>	<i>Unit</i>
1. Cotton yarn, singles, carded, not ornamented, etc. . . . .	lbs.	31. Towels, other than dish towels	numbers
2. Cotton yarn, plied, carded, not ornamented, etc. . . . .	lbs.	32. Handkerchiefs . . . . .	doz.
3. Cotton yarn, singles, combed, not ornamented, etc. . . . .	lbs.	33. Table damasks and manufactures . . . . .	lbs.
4. Cotton yarn, plied, combed, not ornamented, etc. . . . .	lbs.	34. Sheets, carded yarn . . . . .	numbers
5. Gingham, carded yarn . . . .	sq. yds.	35. Sheets, combed yarn . . . . .	numbers
6. Gingham, combed yarn . . . .	sq. yds.	36. Bedspreads, including quilts . .	numbers
7. Velveteens . . . . .	sq. yds.	37. Braided and woven elastics . .	lbs.
8. Corduroy . . . . .	sq. yds.	38. Fishing nets . . . . .	lbs.
9. Sheeting, carded yarn . . . . .	sq. yds.	39. Gloves and mittens . . . . .	doz.
10. Sheeting, combed yarn . . . .	sq. yds.	40. Hose and half hose . . . . .	doz. prs.
11. Lawns, carded yarn . . . . .	sq. yds.	41. Men's and boys' all white T shirts, knit or crocheted . . . .	doz.
12. Lawns, combed yarn . . . . .	sq. yds.	42. Other T shirts . . . . .	doz.
13. Voiles, carded yarn . . . . .	sq. yds.	43. Knitshirts, other than T shirts and Sweatshirts (including infants) . . . . .	doz.
14. Voiles, combed yarn . . . . .	sq. yds.	44. Sweaters and cardigans . . . .	doz.
15. Poplin and broadcloth, carded yarn . . . . .	sq. yds.	45. Men's and boys' shirts, dress, not knit or crocheted . . . . .	doz.
16. Poplin and broadcloth, combed yarn . . . . .	sq. yds.	46. Men's and boys' shirts, sport, not knit or crocheted . . . . .	doz.
17. Typewriter ribbon cloth . . . .	sq. yds.	47. Men's and boys' shirts, work, not knit or crocheted . . . . .	doz.
18. Print cloth, shirting type, 80×80 type, carded yarn . . .	sq. yds.	48. Raincoats, $\frac{3}{4}$ length or over . .	doz.
19. Print cloth, shirting type, other than 80×80 type, carded yarn . .	sq. yds.	49. All other coats . . . . .	doz.
20. Shirting, carded yarn . . . . .	sq. yds.	50. Men's and boys' trousers, slacks and shorts, outer, whether or not in sets, not knit or crocheted . . . . .	doz.
21. Shirting, combed yarn . . . . .	sq. yds.	51. Women's, misses' and children's trousers, slacks and shorts, outer, whether or not in sets, not knit or crocheted . . . . .	doz.
22. Twill and sateen, carded yarn .	sq. yds.	52. Blouses, whether or not in sets	doz.
23. Twill and sateen, combed yarn .	sq. yds.		
24. Yarn-dyed fabrics, n. e. s., carded yarn . . . . .	sq. yds.		
25. Yarn-dyed fabrics, n. e. s., combed yarn . . . . .	sq. yds.		
26. Fabrics, n. e. s., carded yarn .	sq. yds.		
27. Fabrics, n. e. s., combed yarn .	sq. yds.		
28. Pillowcases, plain, carded yarn	numbers		
29. Pillowcases, plain, combed yarn	numbers		
30. Dish towels . . . . .	numbers		

<i>List of Categories</i>	<i>Unit</i>	<i>List of Categories</i>	<i>Unit</i>
53. Women's misses', children's, and infants' dresses (including nurses' and other uniform dresses), not knit or crocheted	doz.	58. Drawers, shorts and briefs (except men's and boys' briefs), knit or crocheted . . . . .	doz.
54. Playsuits, sunsuits, washsuits, creepers, rompers, etc. (except blouses and shorts; blouses and trousers; or blouses, shorts and skirt sets) . . . . .	doz.	59. All other underwear, not knit or crocheted . . . . .	doz.
55. Dressing gowns, including bathrobes and beachrobes, lounging gowns, dusters and housecoats, not knit or crocheted . . . . .	doz.	60. Nightwear and pajamas . . . . .	doz.
56. Men's and boys' undershirts (not T shirts) . . . . .	doz.	61. Brassieres and other body supporting garments . . . . .	doz.
57. Men's and boys' briefs and undershorts . . . . .	doz.	62. Other knitted or crocheted clothing . . . . .	units or lbs.
		63. Other clothing, not knit or crocheted . . . . .	units or lbs.
		64. All other cotton textile items	units or lbs.

## ANNEX C

*Conversion Factors*

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

<sup>1</sup> Floor coverings shall be measured by actual square yardages.

## II

*The Secretary of State to the Ambassador of Japan*

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 note I]

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 : <sup>1</sup>

Arrangement.

His Excellency Ryuji Takeuchi  
Ambassador of Japan

## EXCHANGE OF LETTERS

## I

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,<sup>2</sup> I wish to state the understandings of my Government that if any

<sup>1</sup> See p. 200 of this volume.

<sup>2</sup> See p. 198 of this volume.

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

II

Washington, August 27, 1963

Dear Mr. Johnson :

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

[See letter I]

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

\* Nomenclature for the Classification of Goods in Customs Tariffs of the Customs Co-Operation Council (Brussels). See United Nations, *Treaty Series*, Vol. 347, p. 149.

\*\* United Nations Standard International Tariff Classification.

## III

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,<sup>1</sup> concerning the items or products enumerated in the attached list.

<sup>1</sup> See footnote 2, p. 198 of this volume.

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

Attachment.

His Excellency Ryuji Takeuchi  
Ambassador of Japan  
Embassy of Japan

ATTACHMENT

(1)	2061	400	(11)	3230	712	(21)	3114	960*
(2)	3224	800	(12)	3970	010	(22)	3114	965*
(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*	(28)	3230	670
(9)	3230	352	(19)	3113	998*	(29)	9439	950 (in sets only)
(10)	3230	451	(20)	3114	260*			

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

IV

Washington, August 27, 1963

Dear Mr. Johnson :

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

[See letter III]

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 inter-

pretation or application of the Long-Term Arrangements to the GATT<sup>1</sup> 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

V

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

<sup>1</sup> General Agreement on Tariffs and Trade.



## 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 colors).
Juban . . . . .	Underwear for Kimono, fundamentally same style as Kimono.
Haori . . . . .	Overcoat for Kimono, usually less than $\frac{3}{4}$ length.
Wafukukoto . . . . .	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 $\frac{3}{4}$ length.
Happi . . . . .	Workers' overcoat, similar style with Haori but not dressy.
Judogi . . . . .	Kimono-style sports wear for Judo, usually accompanied by slim and $\frac{3}{4}$ 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 color. 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.

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.

## VI

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 V]

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

## VII

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

VIII

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 VII*]

Sincerely yours,

Ryuji TAKEUCHI

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