The TSB has received from the Government of Canada a notification under Article 3:8 of the extension for the year 1975 of a previously existing agreement under Article 3:4 concerning imports into Canada of certain textile fabrics from Korea. (Certain products covered by the earlier agreement have been excluded from the renewed agreement.)

The TSB has examined the relevant documentation, and has found that this agreement is in conformity with the provisions of the Article under which it is notified, as well as with the other provisions of the Arrangement.

The TSB is circulating this notification to participating countries in the Arrangement for their information.

\[1\] For the TSB's decision on the procedures to be adopted for Article 3:8 notifications, see paragraph 8 of COM.TEX/SB/144 - report of the meeting of 15-19 December 1975.
Letter No. 1

Seoul, 20 June 1975

Excellency,

I have the honour to refer to the Memorandum of Understanding regarding the restraint arrangement on certain textiles which was initialled between the representatives of our two Governments on 23 March 1975 in Seoul.

This Memorandum of Understanding is enclosed herewith.

If the Memorandum of Understanding is acceptable to your Government, I have the honour to propose that this Note and Your Excellency’s Note in reply thereto shall constitute an arrangement between our two Governments.

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

(signed) J.A. Stiles,
Ambassador

His Excellency Kin Dong-Jo,
Minister of Foreign Affairs,
Seoul.
Letter No. 2

Seoul, 20 June 1975

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date proposing a bilateral arrangement concerning trade in certain textiles between our two Governments.

I have the honour to confirm that the Memorandum of Understanding is acceptable to my Government and that Your Excellency's Note and this Note in reply shall constitute an arrangement between our two Governments.

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

(signed) Dong-Jo Kin,
Minister of Foreign Affairs

His Excellency John A. Stiles,
Ambassador of Canada,
Seoul.
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding sets out the Agreement reached between the delegations of the Republic of Korea and Canada during their consultations which took place in Seoul between 24-28 March 1975 regarding restraint arrangements for the year 1975.

1. The Republic of Korea will restrain its exports to Canada during twelve-month period beginning 1 January 1975 as stated in Annex I.

2. Explanatory Note was agreed and is attached as Annex II.

3. Agreed minutes regarding export authorization procedure is attached as Annex III.

4. Agreed minutes regarding broad-woven fabrics substantially of nylon and review of this Agreement is attached as Annex IV.

5. The Governments of the Republic of Korea and Canada agree to consult each other at the request of the other on any matter arising from the implementation of this Agreement.

28 March 1975
ANNEX I

Voluntary Quotas to be Applied by the Republic of Korea on Exports to Canada During the Twelve-Month Period Beginning 1 January 1975

<table>
<thead>
<tr>
<th>Products</th>
<th>Units</th>
<th>Quotas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Worsted fabrics</td>
<td>sq. yds.</td>
<td>1,197,800</td>
</tr>
<tr>
<td>2. Double-knit and warp-knit fabrics</td>
<td>lbs.</td>
<td>593,600</td>
</tr>
<tr>
<td>3. Filament polyester fabric</td>
<td>sq. yds.</td>
<td>1,579,400</td>
</tr>
</tbody>
</table>

Note to Annex I

- With respect to swing, carry forward and carry over for all the items set out in this Arrangement, paragraph 5 of Annex B of the Arrangement Regarding International Trade in Textiles shall apply.

- With respect to item 3:
  (a) fabrics for ties are excluded from the quota restrictions;
  (b) the question of the unit of restraint will be discussed if necessary.

28 March 1975
**ANNEX II**

**Explanatory Note**

For the purposes of this Agreement the following definitions of wool and man-made fibre textile products will apply to products of mixed and blended fibres in categories 1 to 3.

<table>
<thead>
<tr>
<th>Defined as</th>
<th>Fibre composition</th>
<th>Percentage of fibre content (by weight)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Man-made</td>
<td>Man-made fibre and cotton</td>
<td>45% and over man-made fibre</td>
</tr>
<tr>
<td></td>
<td>Man-made fibre and silk</td>
<td>75% and over man-made fibre</td>
</tr>
<tr>
<td></td>
<td>Man-made fibre and wool</td>
<td>Over 60% man-made fibre</td>
</tr>
<tr>
<td>Wool</td>
<td>Wool and silk</td>
<td>67% and over wool</td>
</tr>
<tr>
<td></td>
<td>Wool and cotton</td>
<td>33% and over wool</td>
</tr>
<tr>
<td></td>
<td>Wool and man-made fibre</td>
<td>40% and over wool</td>
</tr>
</tbody>
</table>

28 March 1975
ANNEX III

Agreed Minutes

1. These Agreed Minutes set out the Agreement which has been reached between the Governments of the Republic of Korea and Canada regarding the implementation of an export authorization procedure.

2. Recognizing the desirability of ensuring the effective control of exports to Canada of the products listed in Annex I.

(a) the Government of the Republic of Korea will continue to issue certificates covering shipments to Canada of the subject goods attesting that the goods have been authorized for export to Canada;

(b) the Government of Canada will place on the Import Control List those goods manufactured in the Republic of Korea that are listed in Annex I and issue a General Import Licence which will enable any person to import such goods on the condition that each shipment be accompanied by a certificate of export authorization issued by the Government of the Republic of Korea;

(c) the date of issuance of bill of lading is considered to be the date of shipment;

(d) shipments of the goods listed in Annex I, not accompanied by the agreed certificate of export authorization shall not be permitted entry into Canada;

(e) inasmuch as the Government of the Republic of Korea has implemented the export authorization scheme, the procedure outlined above will apply to all importations into Canada of the goods in question on and after the date of the enabling Order-in-Council, which will take into account the period necessary to notify the importing public; and

(f) the Government of Canada will provide the Government of the Republic of Korea with a copy of the enabling Order-in-Council.

28 March 1975
ANNEX IV

Agreed Minutes

1. Regarding broad woven fabrics substantially of nylon, the Canadian side took note of the Korean proposal to exclude nylon base cloth from the restraint coverage. Both sides agreed to have further consultations for determining the coverage as well as the 1975 restraint level for the item.

2. The Canadian side agreed to have further discussions with the Korean side on 1975 growth rates for all fabrics under restraint in approximately six months time with the intention of reviewing whether conditions at that time would make it possible to increase said rates.

28 March 1975