The Textiles Surveillance Body has received notification of a bilateral agreement under Article 4 of the Arrangement between Canada and Japan concerning trade in textiles.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4, has examined the relevant documentation and is circulating the text of this agreement to participating countries for their information.

1See COM.TEX/SB/35, Annex B.
Ottawa, 28 July 1976

Excellency,

I have the honour to refer to recent discussions held in Ottawa between representatives of the Government of Japan and of the Government of Canada on trade in textiles between our two countries.

I have further the honour to confirm, on behalf of the Government of Japan, the following understanding reached as a result of the above-mentioned discussions in accordance with the provisions of the Agreement regarding International Trade in Textiles done in Geneva on 20 December 1973:

1. All the existing quantitative restrictions which have been notified to the Textiles Surveillance Body under paragraph 1 of Article 2 of the said Agreement shall be terminated by 28 July 1976 with the exception referred to in paragraph 2.

2. The Government of Japan will limit its exports, during the twelve-month period ending 31 December 1976, to Canada of the textiles listed in the Annex as provided for therein.

3. The two Governments will consult with each other at the request of either Government in respect of any problem concerning the implementation of paragraph 2.

4. The foregoing provisions will be implemented by the two Governments in accordance with the laws and regulations applicable in their respective countries.

I have further the honour to propose that this Note, together with the Annex hereto, and Your Excellency's Note in reply confirming on behalf of the Government of Canada the foregoing understanding shall constitute an agreement between our two Governments, which shall enter into force on the date of Your Excellency's reply.

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

Yasuhiko Nara
Ambassador Extraordinary, and Plenipotentiary of Japan,
Ottawa

H.E. Allan J. MacEachen
Secretary of State for External Affairs
## ANNEX

<table>
<thead>
<tr>
<th>Description</th>
<th>Control unit</th>
<th>Quantitative limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polyester filament fabrics, excluding tie fabrics and woven tire cord fabrics</td>
<td>square yards</td>
<td>18,961,000&lt;sup&gt;1/&lt;/sup&gt;</td>
</tr>
<tr>
<td>Nylon fabrics, excluding woven tire cord fabrics, fabrics for belt manufacturing, fabrics for umbrella covering and ribbon cloth</td>
<td>square yards</td>
<td>5,940,000</td>
</tr>
</tbody>
</table>
| Elastic braid and elastic webbing (all textile fibres)                       | pounds       | 1,500,000<sup>2/</sup>

<sup>1/</sup> Shipment under this quantitative limit may be increased by an amount not to exceed 7 per cent of the quantitative limit of nylon fabrics, provided that there is a corresponding square yard shortfall in exports of nylon fabrics.

<sup>2/</sup> Within this total either of the two items will not exceed the level of 803,000 pounds.
(Canadian Note)

Ottawa 28 July 1976

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date which reads as follows:

"(Japanese Note)"

I have further the honour to confirm on behalf of the Government of Canada the foregoing understanding and to agree that Your Excellency's Note, together with its Annex, and this reply, which is equally authentic in English and French, shall constitute an agreement between our two Governments, which shall enter into force on the date of this reply.

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

Allan J. MacEachen
Secretary of State for External Affairs

H.E. Yasuhiko Nara
Ambassador Extraordinary and Plenipotentiary of Japan