Paragraph 21 of the Record of Understandings (document L/1813) states that the Austrian Government would, in due course, communicate to the Cotton Textiles Committee, for inclusion in Annex A, the percentage increases in its imports of cotton textiles which would be determined through bilateral negotiations.

In the course of negotiations which took place in Vienna last June and July between a Japanese and an Austrian delegation the following quotas for the import of cotton textiles from Japan were established for a period of five years beginning 1 October 1962:

1. **Cotton yarn**

   40 tons for the first year of the Long-Term Arrangement to be increased each succeeding year by 8 tons up to an amount of 72 tons for the last year.

2. **Grey fabrics**

   120 tons for the first year of the Long-Term Arrangement to be increased by 20 tons each succeeding year up to an amount of 200 tons for the last year.

3. **Finished fabrics, in the piece**

   30 tons for the first year of the Long-Term Arrangement to be increased each succeeding year by 5 tons up to an amount of 50 tons for the last year.

4. **Knitted goods**

   $28,000 for the first year of the Long-Term Arrangement to be increased each succeeding year by $5,600 up to an amount of $50,400 for the last year.

5. **Clothing and other made-up articles**

   $40,000 for the first year of the Long-Term Arrangement to be increased each consecutive year by $5,000 up to an amount of $60,000 for the last year.
The quotas mentioned above should be treated as confidential. They will enter into force after the signing of the Agreement which will take place in the middle of September, provided that the Long-Term Arrangement will come into effect and will become applicable to Japan and Austria.

With regard to imports of cotton textiles from India and Pakistan, there is an agreement between the Indian Cotton Mills Federation and the All-Pakistan Textile Mills Association respectively, on the one hand, and the Association of the Austrian Textile Industry on the other, concerning import quotas within the framework of the Short-Term Arrangement. This agreement includes the understanding that negotiations concerning imports under the Long-Term Arrangement would take place well before the end of 1962.

The Austrian Government is willing to enter into bilateral negotiations on a governmental level as soon as discussions at the industrial level between the textile industries concerned have been concluded.