

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF CANADA AND
THE GOVERNMENT OF JAPAN CONSTITUTING AN AGREEMENT
CONCERNING TEXTILES RESTRAINTS**

Ottawa, July 15, 1980

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 Arrangement regarding International Trade in Textiles done in Geneva on December 20, 1973 and extended by the protocol done in Geneva on December 14, 1977:

1. For the period beginning January 1, 1980 and extending through December 31, 1980,
 - (1) exports from Japan to Canada of the textiles listed in Annex A shall not exceed the quantitative limits set forth in this Annex, and
 - (2) exports from Japan to Canada of the textiles listed in Annex B shall not be subject to numerical limitation other than those which may arise out of paragraph 3.
2. The two Governments will consult with each other at the request of either Government in respect of any problem concerning the implementation of paragraph 1(1).
 3. (1) If at any time during the period referred to in paragraph 1 the Government of Canada considers that imports from Japan of one or more of the textiles listed in Annex B are increasing so as to cause a real risk of market disruption in Canada, the Government of Canada may request consultations with the Government of Japan regarding the textile or textiles affected.
 - (2) Consultations under sub-paragraph (1) above shall not be requested, unless, in the opinion of the Government of Canada, exports of the textile or textiles listed in Annex B from Japan to Canada are likely to exceed the levels set forth in Annex B.
 - (3) The Government of Japan will meet promptly with the Government of Canada when requested under sub-paragraph (1) above to work out a mutually satisfactory solution to such problems as may exist with the textile or textiles affected. The consultations shall be concluded within thirty days from the date of the request for such consultations, unless the two Governments agree otherwise.