

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

Ottawa, May 15, 1979

FLA-1359

Excellency,

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

"Excellency,

I have the honour to refer to recent discussions held in Tokyo 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, 1978 and extending through December 31, 1979,

- (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.