

rangement Regarding International Trade in Cotton Textiles," all EEC countries and Austria, Denmark, Norway, and Sweden impose quotas on imports from Japan of cotton yarns, piece goods, made-up articles, garments, and other cotton-textile manufactured products.²³ In turn, under bilateral arrangements concluded under this agreement with the United Kingdom, the United States, and Canada, Japan limits exports of cotton textiles to these countries.²⁴

Under the cotton textiles agreement, import and export restrictions have been applied to the trade of a number of less developed countries as well as to that of Japan. However, between 1961, the year before the agreement entered into force, and 1964, exports of the cotton textiles covered by this agreement of the thirteen participating less developed countries increased from \$485 to \$675 million or by 39 per cent. Exports of the fifteen participating developed countries (excluding Japan) increased by 9 per cent from \$1,360 to \$1,480 million. Japanese exports, however, declined by 2 per cent from \$465 to \$455 million.²⁵ It would appear, therefore, that this agreement has had its most significant impact on Japan. However, under the agreement's bilaterally negotiated quotas, Japanese exports may now be larger than if they competed with the exports of the less developed countries under a global quota.

Japan, on its part, maintains quantitative restrictions on imports, both to protect certain domestic industries and to bargain for the removal of other countries' restrictions against Japan. Japanese restrictions apply to products that constituted

²³ See GATT, *Long-Term Arrangement Regarding International Trade in Cotton Textiles* (Geneva, 1963). Twenty-nine countries, including all industrial countries except Switzerland, are signatories of this agreement, which entered into force on October 1, 1962. For the products subject to quotas and the size of these quotas, see GATT document COT/W/51, December 6, 1965, pp. 20-24.

²⁴ See GATT documents COT/53, September 23, 1965, p. 7 (United Kingdom); COT/11, November 21, 1963, Add. 1, August 30, 1965, and Add. 2, May 18, 1966 (United States); and COT/51, July 28, 1965 (Canada). The only other restrictions among industrial countries applied to cotton textiles under the long-term agreement are limitations by Italy on exports of cotton velveteens to the United States (see GATT document COT/39, November 18, 1964) and quotas by Italy on imports of grey and bleached cotton fabrics from the United States (see GATT document COT/46, February 10, 1965, and Add. 1, April 28, 1965).

²⁵ GATT, *A Study on Cotton Textiles* (Geneva: July, 1966), p. 21.