

In late 1967, both countries agreed to a reduction of discriminatory quotas. In return for certain Japanese concessions, France has agreed, by 1969, to reduce by half the number of categories of imports from Japan which are subject to quota restrictions; some wool and man-made textiles will likely be included, but it is not yet known which ones.

ITALY

A. A trade agreement with Japan provides for quotas on 95 categories of goods, including wool and synthetic fiber goods listed below. For the 1966-67 agreement year, quotas on restricted wool and synthetic items totaled \$2.62 million of which \$1.23 million were imports for domestic consumption and \$1.39 million were imports for processing and reexport. The following details are provided.

Item	BTN tariff No.	Import quotas	
		For consumption	For reexport
Synthetics:			
Yarn of continuous fiber, not for retail sale.....	51.01	\$50,000	\$100,000
Monofilament.....	51.02	40,000	-----
Yarn of continuous fiber, for retail sale.....	51.03	5,000	-----
Woven fabrics of continuous fiber.....	51.04	-----	360,000
Discontinuous fibers, not processed.....	56.01	60,000	-----
Filament tow.....	56.02	30,000	-----
Waste.....	56.03	30,000	-----
Fibers, discontinuous, corded, or combed.....	56.04	40,000	200,000
Yarn:			
Discontinuous.....	56.05	50,000	50,000
For retail sale.....	56.06	5,000	-----
Woven fabrics, discontinuous fiber.....	56.07	-----	480,000
Total.....		310,000	1,190,000
Wool:			
Sheep's or lamb's wool.....	53.05	400,000	200,000
Woolen yarn.....	53.06		
Worsted yarn.....	53.07		
Yarn, for retail sale.....	53.10		
Woven fabrics.....	53.11		
Carpets, etc.:			
Woven pile fabrics.....	58.04	80,000	-----
Narrow woven fabrics.....	58.05	-----	-----
Miscellaneous: Elastic fabrics and trimmings combined with rubber thread.....	59.13	40,000	-----
Apparel (excluding cotton):			
Knitted and crocheted:			
Gloves.....	60.02	40,000	-----
Undergarments.....	60.04	40,000	-----
Outer garments.....	60.05	40,000	-----
Other than knitted or crocheted:			
Women's and girls' outer garments.....	61.02	40,000	-----
Men's and boys' undergarments.....	61.03	40,000	-----
Women's and girls' undergarments.....	61.04	40,000	-----
Handkerchiefs.....	61.05	40,000	-----
Shawls, scarves.....	61.06	40,000	-----
Other made-up articles:			
Traveling rugs and blankets.....	62.01	40,000	-----
Bed and table linen.....	62.02	40,000	-----
Total.....		400,000	-----

1966 imports from Japan in these woolen and man-made categories amounted to only \$1.46 million in contrast to the 1966-67 agreement-year quota of \$2.62 million. The quotas, taken as a whole, may therefore not be overly restrictive. They may be restrictive, however, for individual categories.

B. Italy has trade agreements with Formosa, India, and Pakistan. The agreements list items of trade but do not specify quotas. Import licenses for Indian and Pakistani goods are granted without restriction (information on licensing of Formosan goods is not available).