

People's Republic of China, Romania, Singapore, Sri Lanka, Taiwan Textile Federation, Thailand, Turkey, Uruguay), with a view to concluding restraint arrangements for the period 1987-1991.

With the exception of Bulgaria and the Taiwan Textile Federation--which are not MFA signatories--the arrangements were negotiated in keeping with Article 4 of the Arrangement Regarding International Trade in Textiles (commonly known as the Multi-Fibre Arrangement [MFA]). The MFA provides the international legal framework for the negotiation of bilateral textile restraint arrangements. Canada formally ratified the Protocol extending it to July 31, 1991, on November 11, 1986. The texts of the MFA and the Protocol of extension are provided in Annex III.

In addition, Canada had earlier negotiated bilateral arrangements for the period January 1, 1986 to December 31, 1990, with the Maldives and Mauritius, and for the period July 22, 1986 to December 31, 1991, with Vietnam. A unilateral quota has also been placed on imports of clothing from North Korea to Canada for the period January 1, 1987 to December 31, 1991.

The domestic legal framework for the administration of the bilateral restraint arrangements is Paragraph 5(1)(c) of the Export and Import Permits Act. An import permit is required for products included in the Import Control List. For each shipment of textile and clothing products covered by a bilateral restraint arrangement, an export licence provided by the appropriate authorities in the originating country is necessary before an import permit is issued. The texts of the Act, the Import Control List, and General Import Permits are included in Annex IV.

The purpose of the bilateral restraint arrangements is to limit the exports to Canada of certain textile and clothing products from various sources to agreed annual levels for the years 1987-1991. Annex II gives the definitions of these products. Annex I sets out the agreed annual levels for each source and product category and the provisions for growth, swing and carry-over/carry-forward. "Growth" means that the agreed levels are increased on an annual basis by specified growth rates. "Swing" means that a restraint level may be exceeded by a certain percentage provided that an equivalent amount is deducted from any other restraint level subject to limitations indicated in Annex I. For the purpose of implementing the swing provision, the appropriate conversion factor is specified. "Carry-over" means that portions of any restraint level which are not used during the year may be added to the restraint level for the same product for the following year within a set percentage limit. "Carry-forward" means that any restraint level may be increased