

wool fabrics); Pakistan (bedsheets and pillow cases); and Brazil (bedsheets, pillow cases and cotton terry towels). In addition, a unilateral restraint was imposed on imports of winter outerwear from the United Arab Emirates and cotton terry towels were added to the arrangement with Thailand.

As a result of these actions, by the end of the fiscal year 1989/90, bilateral agreements had been concluded with 28 exporting sources. With unilateral quotas being imposed on North Korea and the United Arab Emirates, the total number of restrained sources rose to 30.

Between 1987 and 1989, a number of Canadian importers conspired with foreign exporters to circumvent the Canada/Korea textile restraint

agreement by trans-shipping polyester filament fabric through Japan. Eight Canadian importers have been charged under provisions of the Export and Import Permits Act. Negotiations have been initiated with Korea to seek compensation for the trans-shipment.

The Multi-Fibre Arrangement, which has governed trade in textiles for the past 30 years, is due to expire on July 31, 1991. Canada has tabled its views in Geneva on ways to phase out the MFA, and to reintegrate trade in textiles and clothing into a strengthened GATT.

Whereas the annual rate of low-cost clothing imports had increased by 11 per cent a year from 1981 to 1986, the average annual growth rate since 1987 has slowed to only 0.8 per cent.

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### **Acronyms in Chapter 2**

**EAITC:** External Affairs and International Trade Canada  
**EC:** European Community  
**FTA:** Free Trade Agreement  
**G-7:** Group of Seven Finance Ministers and Central Bank Governors  
**GATT:** General Agreement on Tariffs and Trade  
**IPCC:** Intergovernmental Panel on Climate Change  
**ITAC:** International Trade Advisory Committee  
**ITC:** International Tin Council

**MFA:** Multi-Fibre Arrangement  
**MTN:** Multilateral Trade Negotiations  
**NAFO:** Northwest Atlantic Fisheries Organization  
**OECD:** Organization for Economic Cooperation and Development  
**OMTN:** Office for Multilateral Trade Negotiations  
**SAGIT:** Sectoral Advisory Group on International Trade Canada  
**UNGA:** United Nations General Assembly  
**U.S.:** United States  
**U.S.S.R.:** Union of Soviet Socialist Republics