

to its work in the area, the Tariff Board also started to study the impact of the proposed legislation on Canadian customs duties.

A Parliamentary sub-committee began examination of a government discussion paper proposing changes to Canadian import legislation with respect to anti-dumping, countervailing duties and other instruments to protect Canadian producers from injurious imports. In addition, the Tariff Board completed Part I of its study on the impact on Canadian production of including additional products under the General Preferential Tariff (GPT) and of providing free entry for certain products from the least developed developing countries. The government announced that it would implement the Tariff Board's recommendations in this area. Hearings were also conducted on Part II of this study.

In June, the government announced a new policy concerning the textile and clothing sector. The aims were to secure a viable and competitive textile and clothing industry for Canada, and to revitalize the economies of the communities most vulnerable to foreign competition in this sector. A special agency, the Canadian Industrial Renewal Board, which involves senior executives from the private sector, was established to ensure the effective development of this program. At the same time, the government entered into negotiations to continue restraint arrangements with low-cost textile and clothing supplier countries for an adjustment period. A number of these negotiations were concluded by the end of 1981; others continue.

In the same area in 1981, Canadian representatives participated in the negotiations to extend the Arrangement regarding international trade in textiles (the multi-fibre arrangement - MFA). The successful conclusion of these negotiations in December resulted in a protocol extending the arrangement for a further four years and seven months. The MFA provides the framework for the orderly marketing of products in these internationally sensitive sectors. Its signatories account for well over four-fifths of world trade in textiles and clothing. Towards the end of the year, following a report by the Anti-Dumping Tribunal, the government also introduced a global quota on imports of non-leather footwear for three years, replacing a previous quota which had expired. Earlier in the year, Canada successfully concluded discussions with the EC regarding the effect of the leather footwear quota on EC exports to Canada, and agreed to a number of temporary tariff concessions on products of export interest to the EC.

Energy

Despite the Iran-Iraq war, relative stability returned to the oil market in 1981 after the massive price increases of 1979-80 and the supply disruptions caused by the Iranian revolution. This improvement was partly the result of a substantial decline in demand induced by higher prices and government policies, and of increased output by various oil producers, including Saudi Arabia. Nonetheless, energy remained a major international and domestic concern. The potential consequences of oil supply disruptions