

(b) Textiles and Clothing

Canadian trade policy for the textile and clothing sectors reflects Canada's participation in the Multi-Fibre Arrangement (MFA). The MFA is negotiated under the General Agreement on Tariffs and Trade (GATT) and provides the international legal framework for the negotiation of bilateral textile and clothing restraint arrangements. On July 12, 1982 Canada formally ratified the Protocol extending the MFA to July 31, 1986.

Consistent with the MFA and in order to allow for a period during which the domestic textile and clothing industry can adjust to international competition, special measures of protection are provided to these sectors through the negotiation of restraint arrangements to limit the exports of specified textile and clothing products from certain developing countries to Canada. Industry restructuring has also been assisted through a 5-year adjustment program administered through the Canadian Industrial Renewal Board (CIRB) with allocated funding of over \$400 million. Under this program, adjustment assistance is provided in order to modernize the industry so as to establish more viable and competitive Canadian textile and clothing firms, to retrain and provide support for workers affected by the adjustment process, and to revitalize the economies of those communities most vulnerable to foreign competition in these sectors.

With regard to special measures of border protection, a broad range of textile and clothing products have been maintained on the ICL for the purpose of implementing the intergovernmental arrangements or commitments negotiated in these sectors. In terms of the domestic legal framework for administration of bilateral restraint arrangements, textile and clothing items are placed on the ICL under the authority of Section 5(c) of the Act.