

- to restrict the importation into Canada of arms, ammunition, implements or munitions of war, army, naval or air stores, or any articles deemed capable of being converted thereto or made useful in the production thereof;
- to implement any action taken under the *Farm Income Protection Act*, the *Fisheries Prices Support Act*, the *Agricultural Products Cooperative Marketing Act*, the *Agricultural Products Board Act* or the *Canadian Dairy Commission Act*, with the object or effect of supporting the price of the article;
- to implement an inter-governmental arrangement or commitment;
- to limit, pursuant to an enquiry by the Canadian International Trade Tribunal, the importation of goods causing or threatening to cause serious injury to domestic producers;
- to place certain steel products on the Import Control List for the purpose of collecting information on imports of such products; and;
- to facilitate implementation of action taken under the Customs Tariff to enforce Canada's rights under a trade agreement or respond to acts of another country that would adversely affect trade in Canadian goods or services.

(a) Textiles and Clothing

(i) World Trade Organization and Agreement on Textiles and Clothing:

The Agreement on Textiles and Clothing (ATC) of the **World Trade Organization** is an interim arrangement that took effect on January 1, 1995 and expires on December 31, 2004. Its purpose is to establish a framework for the phased elimination of quotas on textiles and clothing. Quotas are being eliminated in four discreet stages over the ten-year implementation period. Trade in products on which quotas have been eliminated are thereafter governed by normal WTO rules - i.e., they are "integrated" into the provisions of the General Agreement on Tariff and Trade (GATT) under the WTO.

(1) ATC on the right track

The ATC sets out the rules for use and elimination of quotas and the use of textile and clothing specific safeguards that WTO members may apply to each other. Moreover, the ATC prescribes the level of coefficients to be applied to the annual growth rates of quotas that are not yet integrated.

(2) Effective January 1, 2003, the Government of Canada extended duty free and quota free access to imports from 48 of the world's least developed countries (LDCs), with the exception of supply-managed agricultural products (dairy, poultry and eggs). This meant that for all eligible textiles and clothing imports from these countries quotas were eliminated two years earlier than that required by the ATC.

As scheduled in December 2001, following China's accession to the WTO, its bilateral restraint agreement was subsumed within the ATC. On January 1, 2002, upon Chinese Taipei's accession to the WTO, its bilateral agreement was also subsumed within the ATC.

(3) Safeguard rules

The ATC allows for safeguard quotas on products not yet integrated if these imports harm or threaten to harm Canadian production, but no such measures have ever been implemented by Canada.