

been concluded (Bulgaria, Czechoslovakia, Hong Kong, Hungary, India, the Republic of Korea, Macau, Malaysia, Pakistan, the Philippines, Poland, the People's Republic of China, Romania, Singapore, Taiwan Textile Federation, and Thailand). The Government is continuing negotiations with Sri Lanka. In negotiating the new arrangements, the Government has recognized the need to provide for the export interests of less developed countries and new entrants while, at the same time, being sensitive to the interests of workers and firms in the Canadian industry.

With the exception of the People's Republic of China, Bulgaria, and the Taiwan Textile Federation--which are not MFA signatories--the arrangements were negotiated under the auspices of 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, 1986 on July 12, 1982. The texts of the MFA and the Protocol of extension are provided in Annex III.

In addition, in keeping with the Government's commitment to take prompt action when there is evidence of new sources of market disruption as a result of imports from low-cost sources, bilateral restraint arrangements were negotiated under Article 4 of the MFA with Uruguay and Brazil covering imports of worsted fabrics from the former and acrylic yarns from the latter.

The domestic legal framework for the administration of the bilateral restraint arrangements is Section 5 (1) (c) of the Export and Import Permits Act. An import permit is required for the products included in the Import Control List. For each shipment of textiles 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 and of the relevant Import Control List items 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 textiles and clothing products from various sources to the agreed annual levels for the years 1982-1986. Annex II gives the product definitions. Annex I gives the agreed annual levels for each source and product category and the provisions for growth, swing and carry-over/borrow-forward. "Growth" means that the agreed levels given in Column C of Annex I are advanced on an annual basis by the growth rates