

The average growth rate for low-cost imports, on a unit volume basis, has been 11% a year since 1981. This compares with an estimated annual market growth of only 2.3%.

The import pattern has also been highly erratic, with dramatic surges in low-cost imports of 26% in 1983 and 15% in 1984. Although the growth rate in 1985 moderated to less than 2%, this was added to the large import volumes which had been built up in the two preceding years.

### **Government Support for the Industries**

The industries' problems have occurred in spite of considerable government support, including financial assistance, high tariffs and the quota regime.

Under the Canadian Industrial Renewal Board (CIRB), some \$250 million has been committed in direct **industry modernization assistance**. This will help to support more than \$1 billion in industry investment. About \$300 million has also been devoted since 1981 to various **labour and community adjustment programs** in these sectors.

The CIRB completed its five-year mandate at the end of March, 1986 after reaching almost all viable firms in the sectors. Industry assistance continues to be available under the Industrial and Regional Development (IRDP) program. The \$4 billion Canadian Jobs Strategy Program also provides a new thrust to labour and community adjustment in these and other sectors.

Textile and clothing **tariff rates** in Canada are nearly triple those for the entire manufacturing sector. Average rates are about 13% on yarns, 21.5% on fabrics and 24% on clothing, compared with 8.5% for manufactured goods as a whole.

**Quota protection** for these sectors has been in place in various forms for more than two decades. Under the international Multi-Fibre Arrangement (MFA), Canada currently has restraint arrangements with 25 countries covering 82% of all clothing imports. Unrestrained low-cost imports (8% of the total), are also closely monitored through an import permit system, and new restraints are negotiated when such imports cause disruption in the market. Developed countries, which are not restrained, account for only 10% of total imports.