ARRANGEMENT REGARDING INTERNATIONAL TRADE
IN COTTON TEXTILES

Control of Cotton Yarn Imports by Canada

Addendum

The following communication has been transmitted by the Canadian Mission for notification to the Cotton Textiles Committee.

The Canadian Government wishes to advise members of the Cotton Textile Committee that the special measures of protection announced in 1971 on imports into Canada of disruptively priced cotton yarns, classified upon importation under Canadian Customs Tariff Items 52101-1 and 52107-1\(^1\) will be extended for an additional twelve-month period commencing 1 September 1972. The Canadian Government's decision has been made pursuant to a report by the Textile and Clothing Board on its first annual review of the cotton yarn situation in Canada which was undertaken to determine whether special measures of protection now in effect should be modified or removed.

In its report, the Textiles and Clothing Board found that Canadian cotton yarn producers are making satisfactory progress in their plans to increase efficiency and ability to meet international competition in the Canadian market. It concluded, however, that a threat of serious injury from imports continues to exist and that special measures of protection introduced in 1971 should continue throughout the twelve-month period, commencing 1 September 1972.

The Textiles and Clothing Board recommended that an increase of up to 3 per cent be permitted for the twelve-month period commencing 1 September 1972 in level of each of the restraints which have applied to imports of cotton yarn since 1 September 1971. The growth in the Canadian market since 1969 has been 5.2 per cent averaging 2.5 per cent annually.

\(^1\)See COT/195 and Add.1 and Corr.1.
The Canadian Government concurs with the findings of the Textiles and Clothing Board and pursuant to its recommendations has commenced consultations with those countries which entered into arrangements on their exports of cotton yarn to Canada during the 1971/72 restraint period.

The second annual review will be conducted by the Board not later than 31 August 1973 with a view to recommending modifications or removal of special measures of protection as changing circumstances require or permit.