

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

CONFIDENTIAL

TEX.SB/994\*  
10 July 1984

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Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Modification to the Bilateral Agreement  
between Canada and China

Note by the Chairman

Attached is a notification received from Canada concerning an amendment to the bilateral agreement with China. The amendment provides for the inclusion of dresses and skirts; athletic sets or suits, and foundation garments in the agreement.

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<sup>1</sup> The original bilateral agreement notified under Articles 7 and 8 is contained in COM.TEX/SB/881.

\* English only/Anglais seulement/Inglés solamente.

TS/140-4

The Permanent Mission of Canada  
to the United Nations



La Mission Permanente du Canada  
auprès des Nations Unies

629

10A, avenue de Budé  
1202 Geneva

June 26, 1984

Ambassador M. Raffaelli  
Chairman  
Textiles Surveillance Body  
General Agreement on Tariffs  
and Trade  
Centre William Rappard  
154, rue de Lausanne  
1211 Geneva 21

ANSWERED	DATE ISSUED	FOLIO
	TEX 58/1994	
JUN 27 JUN 1984		
For	Section	Comment
OP. DEPT. A		
Non-Tar M Div.		
Development Div.		
Tech. Coop. Div.		
Trade Pol. Div.		
Spec. Proj. Div.		
OP. DEPT. B		
Econ. R/Anal. Unit		
Agriculture Div.		
Tariff Div.		
Tech. Bar. T. Div.		
Ext. Rel. Div.		
DEPT. Sec. Affairs		
Adm. / Fin. Div.		
Trans. / Doc. Div.		
Training Div.		
Personnel Off.		
Conf. Serv. Off.		

Dear Ambassador Raffaelli,

--- I have the honour to forward to you the  
attached notification to the Textiles Surveillance  
Body of a modification of the provisions of the  
Memorandum of Understanding between the Government  
of Canada and the Government of the People's Republic  
of China relating to export from China of certain  
textiles and textile products for import into Canada.

Yours sincerely,

For	Section
OP. DEPT. A	
Non-Tar M Div.	
Development Div.	
Tech. Coop. Div.	
Trade Pol. Div.	
Spec. Proj. Div.	
OP. DEPT. B	
Econ. R/Anal. Unit	
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Adm. / Fin. Div.	
Trans. / Doc. Div.	
Training Div.	
Personnel Off.	
Conf. Serv. Off.	

J.L. MacNeil  
Minister

Short Reasoned Statement to accompany the notification to the Textile Surveillance Body of a modification of the provisions of the Memorandum of Understanding between the Government of Canada and the Government of People's Republic of China relating to export from China of certain textiles and textile products for import into Canada.

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With reference to paragraph 4 of Article 4 of the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the MFA), done at Geneva on December 2, 1973, and to the Protocol extending the MFA, done at Geneva, December 22, 1981, I have the honour to notify the Textile Surveillance Body of an amendment to the provisions of the current restraint arrangement concluded between the Government of Canada and the People's Republic of China. The amendments provided for the inclusions of dresses and skirts; athletic sets or suits, leisure wear, miscellaneous garments; and foundation garments under the coverage of the current arrangement.

These modifications agreed upon by the two Governments in April 1984, take into consideration the circumstances currently affecting the Canadian textile market and the position of China as an established supplier of that market. The textile products subject to the modifications fall within the scope of the MFA. The 1984 base levels were established taking into consideration historical trading patterns and other provisions contained in Article 4 of the MFA and its Protocol of Extension.

In line with the MFA guidelines, the amendments contain provisions for an annual growth rate established at 6 percent. The flexibility provisions allow for a 7 percent swing between categories in the current arrangement, and a carry-over/ borrow-forward of 11 percent.

The Government of Canada believes these modifications in conformity with the provisions of the MFA and its Protocol of Extension and, as such, in keeping with the gradual liberalization of the Canadian import programme on clothing and textiles.

Accept, Sir, the renewed assurance of my highest consideration.

Canada/China Textile Consultations  
Agreed Record of Discussions

1. Delegations representing the Government of the People's Republic of China and the Government of Canada met on April 16 and 17, 1984, in Beijing to discuss the export of dresses and skirts, athletic sets or suits and foundation garments from China to Canada.
2. During these discussions, it was agreed that Chinese authorities will restrain, effective January 1, 1984, exports of dresses and skirts, athletic sets or suits and foundation garments from China to Canada through the issuance of export licences endorsed and issued by the appropriate authorities of the Government of the People's Republic of China.
3. It was also agreed that exports of dresses and skirts, as described in the attached Annex, shall be specified as Item 20 of the Clothing Restraint Levels as shown in Annex I of the Memorandum of Understanding Relating to the Trade in Certain Textile and Clothing Products Between Canada and the People's Republic of China and shall be restrained during the period January 1, 1984, to December 31, 1984, to the level of 875,000 units. The provision for swing will be 7 percent and the provision for borrowforward will be 11 percent with the combined flexibility to be 12 percent. The conversion factor will be 3.0 square metres per unit. It was further agreed that the 1985 restraint level governing the export of these products will be 875,000 units plus 6 percent and that the restraint level for 1986 will be accorded further growth of 6 percent. The provision for swing will be 7 percent with carryover/borrowforward to be 11 percent and combined flexibility to be 12 percent.
4. It was also agreed that exports of athletic sets or suits, as described in the attached Annex, shall be specified as Item 21 of the Clothing Restraint Levels as shown in Annex I of the Memorandum of Understanding Relating to the Trade in Certain Textile and Clothing Products Between Canada and the People's Republic of China and shall be restrained during the period January 1, 1984, to December 31, 1984, to the level of 2,600,000 units. The provision for swing will be 7 percent and the provision for borrowforward will be 11 percent with the combined flexibility to be 12 percent. The conversion factor will be 3.5 square metres per unit. In addition, in 1984 only, Canadian authorities will permit entry into Canada of a further

250,000 units of athletic sets or suits exported from China. It was further agreed that the 1985 restraint level governing the export of these products will be 2,600,000 units plus 6 percent and that the restraint level for 1986 will be accorded further growth of 6 percent. The provision for swing will be 7 percent with carryover/borrowforward to be 11 percent and combined flexibility to be 12 percent.

5. It was also agreed that exports of foundation garments, as described in the attached Annex, shall be specified as Item 22 of the Clothing Restraint Levels as shown in Annex I of the Memorandum of Understanding Relating to the Trade in Certain Textile and Clothing Products Between Canada and the People's Republic of China and shall be restrained during the period January 1, 1984, to December 31, 1984, to the level of 800,000 units. The provision for swing will be 7 percent and the provision for borrowforward will be 11 percent with the combined flexibility to be 12 percent. The conversion factor will be .3 square metres per unit. It was further agreed that the 1985 restraint level governing the export of these products will be 800,000 units plus 6 percent and that the restraint level for 1986 will be accorded further growth of 6 percent. The provision for swing will be 7 percent with carryover/borrowforward to be 11 percent and combined flexibility to be 12 percent.
6. The Canadian side withdrew its request for consultation on swimwear, noting that the provisions of the Memorandum of Understanding Relating to the Trade in Certain Textile and Clothing Products Between Canada and the People's Republic of China regarding this item would remain unchanged. The Chinese side agreed.
7. It was agreed that overshipments of certain restrained items from China to Canada in 1983 will be allowed entry into Canada and will be deducted from the corresponding restraint levels in 1984. The exact amounts of such overshipments will be mutually agreed following reconciliation of statistics and the application of the relevant flexibility provisions in the Memorandum of Understanding Relating to the Trade in Certain Textile and Clothing Products Between Canada and the People's Republic of China.

8. It was agreed that Canada would send experts to China at a time to be agreed in late 1984 or early 1985 to conduct seminars on the Canadian system of classification of the textile and clothing items subject to restraint. It was envisaged that these seminars would take place in various Chinese cities over a period of about ten days. The Chinese authorities will propose a specific itinerary and the Canadian authorities will propose the agenda for the seminars.

HEAD OF CANADIAN DELEGATION



CAMPBELL STUART

Beijing  
April 18, 1984

HEAD OF CHINESE DELEGATION



SHEN JUEREN

Beijing  
April 18, 1984

Item  
No.

Product Description

20

Dresses and Skirts

Dresses, women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Dresses are one-piece garments extending above the waist, including jumpers, evening gowns, dusters and house dresses (other than sleepwear).

Skirts, women's and girls', children's and infants', wholly or mainly by weight of cotton, man-made fibres, or wool or blends thereof. Skirts are one-piece garments not extending above the waist including golf skirts, kilts (including men's and boys') and culottes.

21

Athletic sets or suits, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof and are garments normally comprising two or more matched or coordinated pieces covering both the lower and upper parts of the body, packed and shipped and sold as a set, normally worn for participation in athletic activities and not covered by any other definition including leotards covering the trunk of the body, judo sets, track suits, jogging suits, cross country ski-suits (subject to the description of outerwear).

22

Foundation Garments, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Included are: brassieres, girdles, corselettes, corsets and panty girdles.