

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Textiles Surveillance Body

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ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notifications under Article 2, Paragraph 1

Attached is a notification received by the TSB from CANADA in accordance with paragraph 1 of Article 2 of the Textiles Arrangement. As required by the provisions of this paragraph the TSB is circulating this notification to participating countries in the Arrangement for their information. A summary tabulation of this notification prepared by the secretariat is also attached.

It is to be noted that the TSB, in the light of paragraph 11 of COM.TEX/2, is continuing to examine the notifications received in order to ensure the completeness and adequacy of the information, and is requesting the supply of additional information wherever necessary. Any additional information thus received will also be circulated.

It is, of course, open to any party to the Arrangement to request the TSB or the secretariat to seek any further information or clarification they may wish to have from the parties concerned, or to supply any additional information of relevance. Such information will also be circulated.

NOTIFICATION BY CANADA TO THE TEXTILES SURVEILLANCE BODY

In accordance with the provisions of Article 2 of the Arrangement Regarding International Trade in Textiles, the Government of Canada hereby notifies the Textiles Surveillance Body of all existing bilateral arrangements, unilateral quantitative restrictions, and other measures in force with respect to textile trade. In the case of the annual bilateral agreements which formally expired at the end of 1973, it has generally been the practice of exporting countries to maintain restraints pending the outcome of consultations for the succeeding year.

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 - Memorandum of Understanding signed by the Canadian Commissioner and the Director of Commerce and Industry, Hong Kong, on 4 July 1973, which constituted an agreement on Hong Kong's exports of cotton woven terry towels, double knit and warp knit fabrics of all fibres, and certain apparel to Canada.
 - Exchange of letters on 29 August 1972 and 14 September 1972 respectively between the Commission for Canada and the Department of Commerce and Industry which constituted an agreement on Hong Kong's exports of certain tailored shirts to Canada.
 - Exchange of letters on 22 March 1973 and 9 April 1973 respectively between the Commission for Canada and the Department of Commerce and Industry modifying the agreement on tailored shirts.
 - Exchange of notes on 8 March 1974 and 13 March 1974 respectively between the Commission for Canada and the Department of Commerce and Industry renewing the agreement, with modifications, for a further year commencing 1 November 1973.
3. Notification Made by Japan of the Unilateral Export Restraints

1. Existing Bilateral Arrangements, Unilateral Quantitative Restrictions and Other Measures in Force

(i) A. Bilateral Agreements

<u>EXPORTING COUNTRY</u>	<u>PRODUCT</u>	<u>B.T.N.</u>	<u>LEVEL</u>	<u>PERIOD</u>
People's Republic of China	Bed sheets, all fibres except silk	ex. 62.02	270,000 units	Calendar Year 1973
	Pillowcases, all fibres except silk	ex. 62.02	275,000 doz.	Calendar Year 1973
	Man-made fabrics	51.04 56.07 58.04	468,125 lbs	Calendar Year 1973
	Worsted fabrics	ex. 53.11	242,550 lbs	Calendar Year 1973
	Cotton fabrics other than gauze and greige corduroy	55.08 A&B 55.09 A&B 53.04 A	8,400,000 lbs	Calendar Year 1973
	Terry towels, including face towels, and bath mats	ex. 62.02	700,000 doz.	Calendar Year 1973
	Trousers, slacks and shorts, all fibres	ex. 61.01 ex. 61.02	300,000 doz.	Calendar Year 1973

<u>EXPORTING COUNTRY</u>	<u>PRODUCT</u>	<u>B.T.N.</u>	<u>LEVEL</u>	<u>PERIOD</u>
Hong Kong ^{1/}	Cotton woven terry towels	ex. 62.02	856,321 lbs	Oct. 1/73 Sept. 30/74
	Blouses, woven of cotton, polyester and polyester/- cotton	ex. 61.02	145,174 doz	Oct. 1/73- Sept. 30/74
	Trousers, slacks and shorts, woven, of cotton, polyester and polyester/ cotton	ex. 61.01 ex. 61.02	381,901 doz	Oct. 1/73- Sept. 30/74
Hungary	Oed sheets, all fibres	ex. 62.02	350,000 pieces	Calendar Year 1973
	Pillowcases, all fibres	ex. 62.02	40,000 doz	Calendar Year 1973
	Filament warp rayon fabrics	ex. 51.04 B	1,425,000 sq.yds	Calendar Year 1973
India	Filament rayon lining fabrics	ex. 51.04 B	2,754,000 sq.yds	Calendar Year 1973
Japan ^{2/}	The Japanese authorities have advised that the restraints exercised with respect to certain textile products exported to Canada will be notified by the Government of Japan.			
Republic of Korea	Cotton fabrics	55.07-55.09 58.04 A	3,783,087 sq.yds	Calendar Year 1973
	Sheets	ex. 62.02	56,155 units	Calendar Year 1973
	Pillowcases	ex. 62.02	43,373 doz	Calendar Year 1973

^{1/} Notification has also been made by Hong Kong covering the above three products as well as some additional textile products. See pages 9 to 28 for the schedule and the Memorandum of Understanding.

^{2/} See page 29 for notification made by Japan.

<u>EXPORTING COUNTRY</u>	<u>PRODUCT</u>	<u>B.T.N.</u>	<u>LEVEL</u>	<u>PERIOD</u>
Republic of Korea	Trousers, slacks and shorts of cotton and/or man-made fibres, not knit	ex. 61.01 ex. 61.02	97,262 doz	Calendar Year 1973
	Nylon fabrics	ex. 51.04 ex. 58.04 ex. 56.07 A	338,994 sq.yds	Calendar Year 1973
	Filament polyester fabric, excluding tie fabric	ex. 51.04 A ex. 58.04 D	1,401,750 sq.yds	Calendar Year 1973
	Worsted fabric	ex. 53.11	610,050 sq.yds	June 1/73- Dec. 31/73
	Double-knit and warp-knit fabrics	ex. 60.01	525,000 lbs	Calendar Year 1973
Malaysia	Cotton and poly- ester/cotton trousers, slacks, shorts & jeans	ex. 61.01 ex. 61.02	33,756 doz	Sept. 1/73- Aug. 31/74
Poland	Bed sheets, all fibres	ex. 62.02	874,182 pieces	Calendar Year 1974
	Pillowcases, all fibres	ex. 62.02	53,581 doz	Calendar Year 1974
	Filament rayon fabrics	ex. 51.04 B	2,864,430 sq.yds	Calendar Year 1974
Romania	Bed sheets, all fibres	ex. 62.02	85,000 pieces	Calendar Year 1973
	Pillowcases, all fibres	ex. 62.02	95,000 doz	Calendar Year 1973
Singapore	Cotton, polyester and polyester/- cotton trousers, slacks, shorts and jeans	ex. 61.01 ex. 61.02	67,188 doz	Calendar Year 1973

B. Restraint undertaking

<u>EXPORTING COUNTRY</u>	<u>PRODUCT</u>	<u>B.T.N.</u>	<u>LEVEL</u>	<u>PERIOD</u>
Taiwan	Cotton fabrics, excluding cheese- cloth, gingham & greige corduroy	55.08 A&B 55.09 A&B 58.04 A	802,000 sq.yds	Calendar Year 1974
	Bed sheets, all fibres	ex. 62.02	762,000 pieces	Calendar Year 1974
	Pillowcases, all fibres	ex. 62.02	74,000 doz	Calendar Year 1974
	Blouses, includ- ing tops, shells, and other similar garments, all fibres, woven or knitted	ex. 61.02 ex. 60.05	1,396,000 doz	Calendar Year 1974
	Trousers, slacks and shorts, men's, boys', women's, girls' & infants', all fibres, woven or knitted	ex. 61.01 ex. 61.02 ex. 60.05	958,000 doz	Calendar Year 1974

(ii) Mixed restraint/Quota measure - Cotton Yarn^{1/}

Following the notification to the Cotton Textiles Committee of June 22, 1971, the Canadian Government notified the Cotton Textiles Committee on September 29, 1971 (Cot/195/add 1) that it had concluded certain restraint arrangements concerning the levels of exports of cotton yarn to Canada.

Following is a summary of the arrangements currently in effect:

<u>COUNTRY</u>	<u>PERIOD</u>	<u>LEVEL (pounds)</u>
Arab Republic of Egypt	Sept. 1/73 to Aug. 31/74	901,765
Brazil	Sept. 1/73 to Aug. 31/74	1,500,000
People's Republic of China	Jan. 1/73 to Dec. 31/73	525,000
Colombia	Sept. 1/73 to Aug. 31/74	1,697,440
Greece	Sept. 1/73 to Aug. 31/74	1,485,260
Hong Kong	Oct. 1/73 to Sept. 30/74	60,567
India	Sept. 1/73 to Aug. 31/74	53,045
Mexico	Sept. 1/73 to Aug. 31/74	2,500,000
Portugal	Sept. 1/73 to Aug. 31/74	1,856,575
Spain	Sept. 1/73 to Aug. 31/74	1,220,035
Taiwan	Jan. 1/74 to Dec. 31/74	49,862

The notification to the Cotton Textiles Committee also referred to the establishment of a quota to limit imports of the restricted cotton yarn from all countries not covered by the General Import Permit. The level of the quota for the period of October 1, 1973 to September 30, 1974 is 430,720 pounds.

On January 4, 1974, the Canadian Government announced that although the structure of the restraint arrangements should be maintained for the balance of the restraint year, all limitations on cotton yarn are suspended, pending a further review in mid-1974 by the Textile and Clothing Board. The General Import Permit List No. 4 was therefore amended to cover imports of cotton yarn from all sources, thereby suspending the limitations of the restraint arrangements and the quota.

^{1/}
B.T.N. ex. 55.05 A & B

(iii) 1974 restraint measures

During 1974, the Canadian Government will be considering proposing restraint action with respect to the suppliers of the textile products set out in Sections I. A and B. The future of the arrangements applicable to cotton yarn described in Section II will be studied by the Canadian Textile and Clothing Board later this year. Any restraint measures concluded will be notified to the Textiles Surveillance Body in accordance with the provisions of Article 3.4 of the Arrangement.

In requesting specific restraint levels with the suppliers noted above, Canadian authorities will be guided by the provisions of paragraph 1(b) of Annex 8 to the Arrangement dealing with appropriate base periods.

(iv) Unilateral quantitative restrictions - shirts^{1/}

On October 22, 1971, on the recommendation of the Canadian Textile and Clothing Board, the Canadian Government announced that a global quota of 1.215 million dozen annually would be placed on the importation of woven and knitted shirts with export prices below \$33 a dozen, knitted, and \$30 a dozen, woven. The quota measure took effect from November 30, 1971.

The GATT Contracting Parties were informed of this emergency action taken under the provisions of Article XIX which was based on the Textile and Clothing Board's findings that imports of shirts had caused serious injury to domestic producers and that a threat of further serious injury existed. (See GATT Doc. L/3613 + Add. 1) The Board noted that earlier efforts to deal with the situation, first via negotiated restraints, and later with an emergency surtax, had been ineffective and recommended a three-year global quota in order to give Canadian shirt manufacturers a chance to restructure and achieve competitiveness with offshore suppliers while providing a significant measure of stability in the Canadian shirt market.

Under the quota measure, some eleven countries which had been historical suppliers to Canada of low-priced shirts, and which had cooperated in earlier negotiated restraint efforts, were allocated specific amounts -- called country reserves -- to approximately 75% of the total quota; the remaining 25% -- some 300,000 dozen annually -- was made available on a competitive basis, to all countries, by means of permits issued to Canadian importers within this "unreserved" or "open" portion of the quota.

The Textile and Clothing Board, which annually reviews the shirt quota measure, recommended in its first review in 1972 that an administrative adjustment be made whereby a boy's shirt (below size 18) would be considered three-quarter's of a shirt for the purpose of calculating quota amounts; this adjustment went into effect in June 1973. In its second annual review, the Board recommended increases in the quota of 5% in the March-April-May 1974 period, and 10% in each of the two succeeding quarters, the increases in all cases to be added to the "open" segment of the measure; these recommendations are now in the process of being implemented.

The initial three-year period proposed by the Board, and accepted by the Canadian Government expires on November 29, 1974; in its 1973 review, the Board intimated that on the basis of information then available, it would not be recommending an extension beyond this date. A final decision will be made by Canadian authorities on receipt of the Textile and Clothing Board's 1974 report.

2. Canada/Hong Kong Bilateral Agreement on Certain Made-ups and Apparel Items

- (A) Type of Restriction: (i) Bilateral agreement with export control by Hong Kong except (ii) Shirts which are subject to dual export/import controls. (Note 1)
- (B) Date of entry into force and expiry: (i) For shirts - 1 November 1973 to 31 October 1974; (ii) For double knit & warp knit fabric - 1 June 1973 to 30 September 1974; (iii) For other items - 1 October 1973 to 30 September 1974.
- (C) Products affected in BTN numbers with volume of exports in quantity and value in the textile year ending 30 September 1973.

B.T.N. Number	Canada/H.K. Agreement Category No. and Description	1973/1974 Restraint Limit	Volume of Exports to Canada in the "textile year" ending 30th September 1973	
			Quantity	Value (HK\$'000)
60.04) 61.03)	301 Shirts, woven or knitted, with tailored collar, front opening, and having an export price, ex factory, of less than Canadian \$30 per doz. for woven fabric shirts and Canadian \$33 per doz. for knitted fabric shirts	205,125 Dzs. Note (2)	193,318 Dzs.	25,189
61.01) 61.02)	302 Blouses, woven, cotton, polyester and polyester/cotton	145,174 Dzs.	35,896 Dzs.	3,677
	303 Trousers, slacks and shorts, cotton, polyester and polyester/cotton, woven	381,901 doz.	241,441 Dzs.	26,328
62.02	401 Cotton terry towels, Jacquard and non-Jacquard	856,321 Lb.	291,770 Lb.	4,448
60.01	- Double knit and warp knit fabric, of all fibres	See Note (3)	546,043 Lb.	4,018

* Exchange rate as at 29th March 1974: US\$1 = HK\$5.08

Note (1) During the period 1 October 1970 to 30 September 1971, the arrangement on Hong Kong's exports of certain tailored shirts to Canada formed part of a bilateral agreement on exports of shirts, blouses, trousers and nightwear to Canada, with export control by Hong Kong. Thereafter, as a result of GATT Article XIX action by Canada which established a global limit on imports of shirts into Canada, the shirt arrangement was divorced from the main agreement and placed under a dual control system whereby 77% of Hong Kong's former export restraint limit remained under export control, with the balance incorporated into a global quota to which Hong Kong had access, but which is subject to import control by Canada.

Note (2) Restraint limit for the year ending 31st October 1974.

Note (3) Consultation level of 500,000 lbs for the sixteen-month period ending 30th September 1974.

The texts of agreements are enclosed.

MEMORANDUM OF UNDERSTANDING

This Memorandum sets out the arrangements which have been agreed between the Governments of Canada and Hong Kong regarding the limits to be applied by the Government of Hong Kong to exports of cotton woven terry towels, and certain apparel to Canada.

2. In respect of cotton woven terry towels, the Governments of Canada and Hong Kong agree that:

- (a) these arrangements are made under Article 3 of the Arrangement Regarding International Trade in Cotton Textiles;
- (b) these arrangements relate to the period 1st October 1973 to 30th September 1974;
- (c) these arrangements relate to the products listed in Annex "A" which shall form an integral part of this Memorandum of Understanding.

3. In respect of apparel, the Governments of Canada and Hong Kong agree that:

- (a) these arrangements are made having regard to the provisions of the Arrangement Regarding International Trade in Cotton Textiles, in particular to Article 3 of that Arrangement, and Article XXII(1) of the General Agreement on Tariffs and Trade;
- (b) these arrangements relate to the period 1st October 1973 to 30th September 1974;
- (c) these arrangements relate to the products listed in Annex "B" which shall form an integral part of this Memorandum of Understanding;
- (d) any of the limits on the categories listed in Annex "B" may be increased by not more than ten percent, with equivalent reductions in other limits using the following conversion factors:

<u>Category No.</u>	<u>Description</u>	<u>Conversion Factor</u>
1	Woven Blouses	14.53 sq.yd./doz.
2	Woven Trousers, Slacks and Shorts	17.797 sq.yd./doz.

4. During the twelve-month period the group and specific category limits in Annexes "A" and "B" may be increased by not more than five percent, with equivalent reductions in the corresponding limits for the succeeding twelve-month period if the agreement should continue after 30th September 1974.
5. During the twelve-month period, the group and specific category limits prescribed by this Memorandum may be exceeded by an amount equal to the quantity by which shipments in the twelve-month period ending 30th September 1973 have fallen short of the relevant group and specific category limits set out in Annexes "B" and "C" to the Memorandum of Understanding signed between the Governments of Canada and Hong Kong on 27th July 1972 or by five percent of that group or specific category limit, whichever is the less.
6. The Government of Canada may refuse entry to imports of the items of Hong Kong origin listed in Annexes "A" and "B" unless such imports are covered by a Hong Kong export licence endorsed by the Commerce and Industry Department, Hong Kong, that the consignments concerned have been debited to the agreed limits.
7. The Government of Hong Kong will provide the Government of Canada with monthly statistics of exports of the categories listed in Annexes "A" and "B" that have been licensed for export to Canada debited to the limits set out in the Annexes.
8. The Government of Canada will provide the Government of Hong Kong, on request, with any available statistical data relevant to these arrangements.
9. The Governments of Canada and Hong Kong will enter into consultations on request about any matter arising from or relating to these arrangements.
10. If the Government of Hong Kong consider that, as a result of the restraint imposed by these arrangements, Hong Kong is being placed in an inequitable position vis-a-vis any third country, the Government of Hong Kong may request the Government of Canada to consult with a view to appropriate remedial action such as a reasonable modification of these arrangements.

11. The arrangements in Annex "C" in regard to sheets, pillowcases and double knit and warp knit fabrics of all fibres form an integral part of this Memorandum of Understanding.^{1/}

12. The Canadian and Hong Kong Governments agree to enter into consultations to review the arrangements regarding terry towels and double knit and warp knit fabrics in the light of recommendations of the Canadian Textiles and Clothing Board and the Canadian Government's decisions arising therefrom on these items.

13. In the event that any multilateral international arrangement affecting world trade in textiles is agreed within the term of this Memorandum of Understanding, and provided that both the Canadian and Hong Kong Governments accept such an arrangement, both Governments agree to consult promptly to review this Memorandum in the light of the rights and obligations of both Governments arising from any such international arrangement.

For the Government of
Hong Kong

For the Government of
Canada

E.P. Ho
Director of Commerce
and Industry

R.L. Wales
Commissioner

Hong Kong.
4th July, 1973.

^{1/} The Export Authorisation arrangements described here do not constitute restraints, and therefore do not constitute part of this notification; i.e. sheets and pillowcases, which are subject only to Export Authorisation arrangements, are not to be regarded as covered by this notification. The information about these arrangements however is provided in view of the obligation to supply full information to the Textiles Surveillance Body.

ANNEX "A"

Cotton woven terry towels subject to export restraint during the period 1st October, 1973 to 30th September 1974. This Annex is to be read in conjunction with the Memorandum of Understanding dated 4th July 1973 of which it forms an integral part.

<u>Description</u>	<u>Restraint Limit in Pound Weight</u>
Cotton woven terry towels	856,321

ANNEX B

Apparel subject to export restraint during the period 1st October, 1973 to 30th September, 1974. This Annex is to be read in conjunction with the Memorandum of Understanding dated 4th July 1973 of which it forms an integral part.

Category No.	Hong Kong Export Classification No.	Description	Limit
1	841 - 137 841 - 140 ex 841 - 739 ex 841 - 742	Blouses, woven, of cotton, polyester and polyester/cotton	145,174 doz.
2	841 - 117 841 - 146 ex 841 - 719 ex 841 - 748	Trousers, slacks and shorts, woven, of cotton, polyester and polyester/cotton	381,901 doz.

For the purposes of this Annex:

- (a) apparel items shall be classified as if each item consists wholly of that fibre which predominates by weight;
- .. (b) where two or more fibres are of equal highest weight the fibre of equal highest weight which is subject to these arrangements shall be deemed to predominate and to determine the classification of the item provided that -
 - (i) cotton means more than 50% by weight of total fibre content being cotton;
 - (ii) polyester means 100% polyester;
 - (iii) polyester/cotton means any blend of polyester and cotton.

ANNEX "C"

During the Canada-Hong Kong discussions held in Hong Kong from 30th May 1973 Canadian and Hong Kong officials discussed inter alia arrangements regarding Hong Kong's exports to Canada of sheets and pillowcases of all fibres and double knit and warp knit fabrics.

2. As a result of these discussions, it was agreed that Hong Kong will apply to these items its export authorization system as set out in Commerce and Industry Department Note I (attached), during the periods specified below:-

Note I

Sheets and pillowcases - 1st October 1973 to
30th September 1974

Double knit and warp - 1st June 1973 to
knit fabrics 30th September 1974.

3. In respect of double knit and warp knit fabrics, it was agreed that Hong Kong will additionally apply the conditions set out in Commerce and Industry Department Note II (attached).

Note II

4. It was further agreed and understood that

- (a) Authorizations will be valid for periods not to exceed three months in respect of bed sheets and pillowcases and not to exceed six months in respect of double knit and warp knit fabrics.
- (b) The export authorization system will apply to all double knit and warp knit fabrics of Hong Kong origin and to all sheets and pillowcases made up in Hong Kong.
- (c) Hong Kong authorities will exercise discretion in the issuance of authorizations in respect of bed sheets and pillowcases and will consult with Canadian authorities prior to issuance of any authorization should they consider that the quantities involved are exceptional, having regard to normal trade volumes with Canada.
- (d) The Government of Canada may refuse entry to imports of the items subject to the export authorization system unless such imports are covered by a Hong Kong export licence endorsed by the Commerce and Industry Department, Hong Kong, that the consignments concerned have been licensed against export authorization.

- (e) The rights and obligations of Canada and Hong Kong under the provisions of the Arrangement Regarding International Trade in Cotton Textiles remain unimpaired.

HONG KONG EXPORT AUTHORIZATION SYSTEM

Att.A

All exports of textiles from Hong Kong are subject to export licensing. These licences are issued freely on application where no restraint or export authorization agreement with the importing country exists. They are valid for shipments within twenty-eight days of the date of issue.

Att.B

2. An export authorization is, in effect, a form of export licence. It guarantees the issue of an ordinary export licence or licences for the quantity authorised within a prescribed period, usually three or six months. (A period of three months has been suggested in the present instance.) Per contra, when an export authorization system is operating for a particular sector of trade, no ordinary export licences are issued unless an authorization has first been obtained; and export authorizations are issued only against evidence produced by the applicant of a firm contract concluded.
3. The object of the system is to provide an accurate forward picture of export trends in circumstances where both Hong Kong and the importing country have cause to keep the trade under surveillance. The inducement to an exporter to apply in advance for an export authorization is that it gives him an assurance that he will be able to obtain an export licence for contracted shipments. This assurance is, of course, of only limited value unless the shipments can also gain entry to the importing country; and an essential feature of an export authorization scheme is that it is operated only on the understanding that the importing country will, all normal conditions of entry being satisfied, accept the exports authorised in Hong Kong. In return for such an understanding, the importing country is provided fortnightly with returns showing quantities for which export authorizations have been issued.
4. At any time during the currency of an export authorization system, the importing country has the absolute right to insist on the suspension of issue of export authorizations pending consultations. The Hong Kong Government, for its part, undertakes promptly to suspend

the issue of export authorizations and to consult at the earliest convenient date. Export authorizations already issued but not yet fully utilised before such suspension would, of course, be unaffected; that is to say, the Hong Kong Government would continue to issue export licences against these authorizations until the quantities were exhausted or the validity period expired. The importing country would still be bound by its original agreement to accept such imports.

5. The advantage of this arrangement is that consultations can be held without, for instance, a speculative surge of exports developing or contracted trade being dislocated by precipitate imposition of restrictions. This is obviously of benefit to manufacturers and exporters in Hong Kong and to importers and distributors in the importing country.

Commerce and Industry Department,
Hong Kong.

Note No. II

CONDITIONS TO BE APPLIED TO THE EXPORT AUTHORIZATION SYSTEM
IN RESPECT OF DOUBLE-KNIT AND WARP-KNIT FABRICS

The Hong Kong Government will promptly inform the Canadian Government:

- (i) when the Hong Kong Government receives an application for an export authorization to export double-knit and warp-knit fabrics which, if granted, would bring the potential level of exports of such products above the applicable consultation level set out in paragraph 2 below;
 - (ii) when it receives all subsequent applications in that agreement period for export authorizations to export such products.
2. The consultation level in respect of the product concerned for the period 1st June 1973 to 30th September 1974 shall be 500,000 lbs.
3. If the Canadian Government has not requested consultations within twenty-one days following the receipt of a notification under paragraph 1 above, the Hong Kong Government may issue the export authorization in question.
4. If consultations are requested within the time period specified in paragraph 3 above, the following procedures shall apply:-
- (a) The consultations shall continue until the forty-ninth day following the Canadian Government's receipt of the notification under paragraph 1 above, unless:
 - (i) an appropriate course of action has been determined to be mutually satisfactory to the two Governments at an earlier date, or
 - (ii) the consultations are extended by mutual consent.
 - (b) If no other appropriate course of action has been determined to be mutually satisfactory by the end of the consultations, the Hong Kong Government will limit further issuance of export authorizations to export the products concerned for that agreement period to the level the Canadian Government indicates is acceptable.

Commerce and Industry Department,
Hong Kong.

Note No. 1

August 29, 1972

Dear Mr. Dorward:

I refer to your letter of May 23 and the discussions which took place between Canadian and Hong Kong officials on the matter of the system of allocating permits within the reserve established for Hong Kong under the Import Control Measure.

The method of allocation which was agreed to during our discussions provides for the continued issuance of export licences by Hong Kong authorities following expiry of the present arrangement September 30. Licences will be issued within the limits of the reserve established for Hong Kong for the second quota year of 205,125 dozen. Furthermore, in view of the transit time required for exports of goods from Hong Kong to reach Canadian ports, it was agreed that Hong Kong authorities would issue licences for export with effect from October 31, 1971 for the second quota year.

The Canadian side wishes to confirm its acceptance of a system which will permit Hong Kong authorities to issue licences for export to Canada during the month of October for a quantity of shirts up to, but not exceeding, 17,094 dozen, equivalent to one-twelfth of the annual reserve established for Hong Kong. The Canadian side has taken note of the request made by Hong Kong to be permitted to participate in the unreserved portion of the quota for the month of October.

However, as Hong Kong officials are aware, the quantity available within the unreserved portion of the quota for the initial quota year was entirely allocated to Canadian importers prior to March 1. It is, therefore, too late to modify the system to permit additional permits to be issued within the unreserved quota.

Mr. W. Dorward,
Assistant Director,
Commerce and Industry Dept.,
Fire Brigade Bldg.,
Hong Kong

The matter of the quarterly allocation of permits is an integral part of the system and, subject to any change arising out of the report of the Textile and Clothing Board in its annual review, will be maintained for the second quota year. The views of Hong Kong authorities on this matter as well as the other views presented have been brought to the attention of the Textile and Clothing Board for consideration in its annual review which is expected to take place about mid-September.

The Canadian Government will, of course, consult with Hong Kong officials with respect to any change in the measure arising out of the Board's review and will give careful consideration to the request of Hong Kong authorities to consult, if possible, prior to a final decision on the implementation of any change.

I have attached a list of procedures which were outlined to you during our recent discussions on the issuance of export licences for the second quota year and the month of October 1972. I would appreciate receiving your confirmation of these procedures.

Yours sincerely,

D.P. McLennan
Second Secretary (Commercial)

PROCEDURES FOR THE ISSUANCE OF LICENCES
UNDER THE RESERVE FOR HONG KONG FOR THE
SECOND QUOTA YEAR AND THE MONTH OF OCTOBER

- (A) For purposes of administration, exports from Hong Kong to Canada during the period from November 1, 1972 to October 31, 1973 will be deemed to be equivalent to imports into Canada from Hong Kong during the second quota year;
- (B) The Government of Hong Kong will allocate to its exporters of shirts from the second quota year an amount not to exceed the annual reserve of 205,125 dozen established for Hong Kong under the Import Control Measure;
- (C) From the second quota year, Hong Kong will licence for export to Canada an amount not to exceed one quarter of the reserve in each three month period;
- (D) For the month of October, Hong Kong will licence for export to Canada an amount not to exceed one-twelfth of the annual reserve, i.e. 17,094 dozen;
- (E) The licence will specify that the shipment concerned has been authorized for export to Canada and debited against the reserve quantity. The licence should contain a stamp of approval by Hong Kong Government officials and should specify the quarterly period in which the shipment has been authorized for export to Canada. In the case of shipments made in the month of October, the licence should specify the month of shipment. The licence should clearly specify the name and address of the importer in Canada;
- (F) A copy of the licence referred to above bearing an original certification by the Hong Kong authorities should be made available to the exporter to forward to the importer in Canada. The importer will submit the licence with his application for permit to the Export and Import Permits Division and, provided the total of such licences does not exceed the reserve for the quarter in question, will receive an import permit;
- (G) The unreserved portion of the quota will continue to be allocated by Canada on the basis of past performance of imports submitted by Canadian importers. Hong Kong exporters will continue to have the opportunity to attract business from those Canadian importers who possess permits allocated under the unreserved portion of the quota. However, if Hong Kong wishes to continue to authorize for export those shipments which are made on the basis of business contracted for under the unreserved portion of the quota, the export licence must specify that the shipment concerned has not been debited against the reserve quantity.

Note No.2

14th September, 1972.

Dear Mr. McLennan,

In the absence of Mr. W. Dorward who has been seconded to the Colonial Secretariat, I am replying to your letter of 29 August, 1972 regarding Hong Kong's exports of restrained shirts to Canada.

I confirm that the procedures set out in the attachment to your letter under reference are in accordance with those agreed between officials of our two Governments in respect of Hong Kong exports of this item to Canada during the period 1 November 1972 to 31 October 1973.

In respect of the arrangement for the bridging month of October, 1972, however, while I appreciate that additional permits under the unreserved global quota cannot be issued for the first Canadian quota year, all such permits having been issued prior to 1st March, 1972, I fail to understand why the condition of issue, whereby Hong Kong is excluded from the arrangement, cannot be modified to the extent of removing this exclusion. I am therefore unable to accept your Government's statement that it is too late to modify the system; and would request that steps be taken to reinstate Hong Kong's participation in the unreserved quota arrangement for the month of October.

However, if there are other overriding reasons why this request cannot be met, then I would suggest that it would only be logical to consider the arrangement for October 1972 as an extension of the 1971/72 Hong Kong/Canada Agreement, and as such the quota for that month should be 22,083 square yards, being one twelfth of the 1971/72 restraint limit.

I look forward to receiving an early reply.

Yours sincerely,

(P.K.C. Wong)
Assistant Director
Commerce and Industry Department

Mr. D.P. McLennan,
Second Secretary (Commercial)
Commission for Canada,
P. & O. Building,
11th floor,
Hong Kong.

Note No. 3

March 22, 1973.

Mr. E. P. Ho,
Deputy Director,
Commercial Relations, R. Division,
Commerce and Industry Dept.,
Fire Brigade Building,
46 Connaught Road, Ctl.,
Hong Kong.

Dear Mr. Ho,

It will be recalled that on September 8, 1972, the Textile and Clothing Board announced that it was undertaking a review of the situation in Canada regarding men's and boys' shirts in order to determine whether or not it should recommend any modification to the special measures of protection in effect on imports of shirts.

The report of the Board on its first annual review was submitted to the Government on December 20, 1972. In its report, the Board recommended:

- 1) That the limitations which since November 30, 1971 have applied to imports of men's and boys' dress, work and sport shirts made from woven or knitted fabric be maintained in effect for the three-year period originally recommended by the Board;
- 2) " That for the period of twelve months commencing November 30, 1972 the global quota applicable to imports of such shirts be the same as it was in the twelve months ending November 29, 1972, except as provided in recommendation 3 hereunder;
- 3) That on and after June 1, 1973, a boy's shirt (not over size 18) be deemed for quota purposes to be three-quarters of a shirt, with the effect that on and after June 1, 1973 any importer who uses his quota in whole or in part for the importation of boys' shirts (not over size 18) be permitted to import 4 boys' shirts for each 3 shirts of quota so used.

3. The Government has accepted the recommendations of the Textile and Clothing Board and with effect from June 1, 1973 will make an amendment to the quota measure to permit importers to use their permits in whole or in part to import additional quantities of boys' shirts in accordance with the Board's recommendations. For purposes of the quota measure, boys' shirts shall be deemed to include shirts in the size

Mr. E.P. Ho

March 22, 1973

range up to and including size 18 (i.e. boys' shirts with neck sizes up to and including 14 inches) and boys' shirts designated "small", "medium", and "large". Should Hong Kong authorities allocate for export to Canada additional quantities of boys' shirts in accordance with the Board's recommendations, it will be necessary for the Canadian side to be able to determine from Hong Kong Export License documents the precise quantity of boys' shirts exported to Canada. All permits issued to importers to import with effect from June 1, 1973, including those issued for import from countries whose reserve allocation is made in the country of export, will contain authorization, in the case of boys' shirts, permitting the importation of an additional one-third of the quantity specified on the import permit. In accordance with established procedure, exports from Hong Kong after May 1, 1973 are deemed to be equivalent to imports into Canada after June 1, 1973.

4. Appropriate adjustment will be made by Canadian officials to the quantity specified on export licenses to ensure that no duplication of the provision to import additional boys' shirts takes place. For example, upon receipt of an application accompanied by a Hong Kong export license for 1,000 dozen boys' shirts, a permit would be issued for 750 dozen with provision to allow an additional one-third of the quantity specified to be imported in respect of boys' shirts. While the export license will specify 1,000 dozen boys' shirts, it is understood that a quantity of 750 dozen will be debited by Hong Kong against its reserve.

5. Careful consideration has been given to recent requests by Hong Kong authorities to be permitted to allocate in individual quarterly periods a quantity of shirts either in excess or less than the quantity available for allocation providing corresponding deductions or increases are made in the immediate subsequent quarterly period; and to export additional quantities of shirts by establishing a "swing" provision between shirts and other garments under restraint. In this regard, the Canadian side is prepared to accept a provision permitting Hong Kong to allocate a quantity either in excess or less than the quantity available providing the quantity does not exceed five percent of the established quarterly reserve and the adjustment takes place in the immediate subsequent quarter. However, the additional quantity of exports of shirts from Hong Kong to Canada which may arise out of a "swing" provision between shirts and other restrained garments, presents a problem in terms of the overall permissible level of imports into Canada as well as the precedent it establishes opposite other restraining countries. The Canadian side unfortunately is not, therefore, in a position to agree to such a provision.

The Report of the Textile and Clothing Board will be tabled today in the House of Commons. A copy of that report is attached.

Yours sincerely,

John A. Langley
Trade Commissioner

Note No. 4

9th April, 1973.

Dear Mr. Langley,

Thank you for your letter of 22nd March, 1973 addressed to Mr. Ho about the Textile and Clothing Board's report on the shirts situation and proposed modifications to the control arrangements for shipments of shirts to Canada.

I note from the TCB report which you enclosed that there were very significant improvements in the situation for Canadian shirt producers in the year 1972, during which both employment and domestic production registered substantial increases. Canadian imports of shirts, on the other hand, had been decreasing since 1971; the cut-back in imports during the first six months of 1972 was of the order of 28% as compared with the same period of 1971. Canadian shirts also gained rapidly in competitiveness because of the escalating prices of imported shirts. It appears, therefore, that there is no real justification for a continuation of the special import measures.

During the discussions with Mr. Campbell Stuart on 5th March, 1973, we pointed out that as a result of changing over to the dual - control system, Hong Kong's trade had been made to suffer. Our exports of shirts to Canada during the first quarter of the current quota year ran at a level 20% below the quarterly share of the maximum annual export level under the previous export restraint arrangement which had worked well in the circumstances of an artificial restraint on the free flow of trade. The Hong Kong Government has still not been given any satisfactory evidence why the arrangements obtaining in the period to 30th September 1972 should not be restored, and must continue to press your authorities on this matter.

In regard to the proposed modifications to the 1972/73 control arrangements, I am disappointed that the Canadian Government has not even agreed to the restitution of a "swing" provision between shirts and other restrained garments; however, we are prepared to implement those limited modifications in the expectation that they are but the first step in the restoration of Hong Kong's previously negotiated access rights in this trade. Accordingly, I confirm the Hong Kong Government's acceptance of the proposed modifications to the control arrangements as set out in paragraphs 3 to 5 of your letter under reference. Such measures will be implemented in respect of restrained shirts exported from Hong Kong on and after 1st May, 1973.

Yours sincerely,

(P.K.C. Hong)

Mr. J.A. Langley,
Commission for Canada,
Asian House, 14/15 Flooded;
1, Hennessy Road,
Hong Kong.

Note No. 5

The Commission for Canada presents its compliments to the Commerce & Industry Department and has the honour to propose, on behalf of the Government of Canada, that the Canada/Hong Kong bilateral agreement on exports of tailored shirts be renewed for a further year, the agreement to take retroactive effect from 1st November, 1973.

The Government of Canada is also pleased to increase the permissible Hong Kong quarterly carry-over of unused shirt reserve to a maximum of ten per cent, subject to the same condition as the five per cent agreed to earlier. Furthermore, this new maximum carry-over will apply to the Hong Kong quarter just concluded as well as the three remaining export quarters.

The Commission for Canada avails itself of this opportunity to renew to the Commerce & Industry Department the assurances of its highest consideration.

HONG KONG, March 8, 1974.

Note No.6

The Department of Commerce and Industry presents its compliments to the Commission for Canada and has the honour to refer to the latter's note of 8th March, 1974.

The Department confirms the agreement of the Hong Kong Government to accept the Canadian Government's proposal to renew the arrangement on Hong Kong's exports of tailored shirts to Canada for a further year commencing 1st November, 1973 on the same terms as last year's, with an improvement in flexibility in the form of an increased carryover between quarters from 5% to 10%; all provisions to have retroactive effect.

The Department wishes to point out that in accepting the Canadian Government's proposal, the Government of Hong Kong has taken into consideration the expectation of the Canadian Textile and Clothing Board that the present protective measures accorded the Canadian shirt industry could be removed completely at the end of the current quota year.

The Department of Commerce and Industry avails itself of this opportunity to renew to the Commission for Canada the assurances of its highest consideration.

Commerce and Industry Department,
Hong Kong.
13th March, 1974.

N.O.O. c.c. : SES
 ACC(L)
 British High Commission, Ottawa

3. Notification Made by Japan of the Unilateral Export Restraints

Countries	Type of restraint	Items subject to restraint	Restraint period	Remarks
Canada	Unilateral Export Restraints	Woven trousers and outer shorts, of cotton and/or man-made fibre	Calendar year 1973	
		Nylon fabrics, excluding woven tire cord fabrics, fabrics for belt manufacturing, fabrics for umbrella covering and ribbon cloth	Calendar year 1973	
		Sheets, of cotton and polyester/cotton	Calendar year 1973	
		Pillowcases, of cotton and polyester/cotton	Calendar year 1973	
		Elastic braid and elastic webbing, all fibres	Calendar year 1973	
		Knitted fabrics, all fibres (applies only to double-knit and warp-knit fabrics)	Calendar year 1973	
		Polyester filament fabrics (Excludes tie fabrics, and woven tire cord fabrics)	Calendar year 1973	

Notification to the Textiles Surveillance Body Under Article 2(1) by CANADA

Date of notification	BTN number	Product description	Type of measure applied	Country affected	Levels of imports affected		Effective date of entry	Expiry date	Remarks
					Quantity	Value			
3.5.1974	ex 62.02	Bedsheets, all fibres, except silk	Bilateral agreement	People's Republic of China	270,000 units		1.1.73	31.12.73 ^{1/}	
	ex 62.02	Pillow cases, all fibres, except silk			275,000 doz.		"	"	
	51.04) 56.07) 58.04)	Man-made fabrics			468,125 lbs.		"	"	
	ex 53.11	Worsted fabrics			242,550 lbs.		"	"	
	55.08 A & B) 55.09 A & B) 58.04 A)	Cotton fabrics, other than gauze and greige corduroy			8,400,000 lbs.		"	"	
	ex 62.02	Terry towels, including face towels and bath mats			700,000 doz.		"	"	
	ex 61.01) ex 61.02)	Trousers, slacks and shorts, all fibres			300,000 doz.		"	"	
	ex 62.02	Cotton woven terry towels		Hong Kong* ^{2/}	856,321 lbs.		1.10.73	30.9.74	
	ex 61.02	Blouses, woven of cotton, polyester and polyester/cotton			145,174 doz.		"	"	
	ex 61.01) ex 61.02)	Trousers, slacks and shorts, woven of cotton, polyester and polyester/cotton			381,901 doz.		"	"	
"	ex 62.02	Bed sheets, all fibres	Bilateral agreement	Hungary*	350,000 pieces		1.1.73	31.12.73 ^{1/}	
	ex 62.02	Pillowcases, all fibres			40,000 doz.		"	"	
	ex 51.04 B	Filament warp rayon fabrics			1,425,000 sq. yds.		"	"	
"	ex 51.04 B	Filament rayon lining fabrics	Bilateral agreement	India*	2,754,000 sq. yds.		"	"	
"	-	Certain textile products		Japan* ^{3/}	-		-	-	

*Participating country in the Arrangement

^{1/} In the case of annual bilateral agreements which formally expired at the end of 1973, it has generally been the practice of exporting countries to maintain restraints pending the outcome of consultations for succeeding years.

^{2/} Notification has also been made by Hong Kong covering the above-mentioned products as well as some additional textile products. A separate tabulation based on this notification is attached herewith for more details.

^{3/} See page 36 for detailed tabulations of Canada/Japan notification.

Notification to the Textiles Surveillance Body Under Article 2(1) by CANADA (cont'd)

Date of notification	BTN number	Product description	Type of measure applied	Country affected	Levels of imports affected		Effective date of entry	Expiry date	Remarks
					Quantity	Value			
3.5.1974	55.07-55.09) 58.04A)	Cotton fabrics	Bilateral agreement	Republic of Korea*	3,783,087 sq. yds.		1.1.73	31.12.73 ^{1/}	
	ex 62.02	Sheets			56,155 units		1.1.73	31.12.73 ^{1/}	
	ex 62.02	Pillow cases			43,373 doz.		1.1.73	31.12.73 ^{1/}	
	ex 61.01) ex 61.02)	Trousers, slacks and shorts of cotton and/or man-made fibres, not knit			97,262 doz.		1.1.73	31.12.73 ^{1/}	
	ex 51.04) ex 58.04) ex 56.07A)	Nylon fabrics			333,994 sq. yds.		1.1.73	31.12.73 ^{1/}	
	ex 51.04A) ex 58.04D)	Filament polyester fabric, excluding tie fabric			1,401,750 sq. yds.		1.1.73	31.12.73 ^{1/}	
	ex 53.11	Worsted fabric			610,050 sq. yds.		1.6.73	31.12.73 ^{1/}	
	ex 60.01	Double-knit and warp-knit fabrics			525,000 lbs.		1.1.73	31.12.73 ^{1/}	
3.5.1974	ex 61.01) ex 61.02)	Trousers, slacks and shorts and jeans of cotton and polyester/cotton	Bilateral agreement	Malaysia*	33,796 doz.		1.9.73	31.8.74	
3.5.1974	ex 62.02	Bed sheets, all fibres	Bilateral agreement	Poland*	874,182 pieces		1.1.74	31.12.74	
	ex 62.02	Pillowcases, all fibres			53,581 doz.		1.1.74	31.12.74	
	ex 51.04B	Filament rayon fabrics			2,864,430 sq. yds.		1.1.74	31.12.74	
	ex 62.02	Bedsheets, all fibres	Bilateral agreement	Romania*	85,000 pieces		1.1.73	31.12.73 ^{1/}	
	ex 62.02	Pillowcases, all fibres			95,000 doz.		1.1.73	31.12.73 ^{1/}	

*Participating country in the Arrangement

^{1/}See Note 1 on page 30/31

Notification to the Textiles Surveillance Body Under Article 2(1) by CANADA (cont'd)

Date of notification	BTN number	Product description	Type of measure applied	Country affected	Levels of imports affected		Effective date of entry	Expiry date	Remarks
					Quantity	Value			
3.5.1974	ex 61.01) ex 61.02)	Trousers, slacks, shorts and jeans of cotton, polyester and polyester/cotton	Bilateral agreement	Singapore*	67,188 doz.		1.1.73	31.12.73 ^{1/}	
	55.08A&B) 55.09A&B) 58.04A)	Cotton fabrics, excluding cheese cloth, gingham and greige corduroy	Bilateral agreement	Taiwan	302,000 sq. yds.		1.1.74	31.12.74	
	ex 62.02	Bedsheets, all fibres			762,000 pieces		"	"	
	ex 62.02	Pillowcases, all fibres			74,000 doz.		"	"	
	ex 61.02) ex 60.05)	Blouses, including tops, shells and other similar garments, all fibres, woven or knitted			1,396,000 doz.		"	"	
	ex 61.01) ex 61.02) ex 60.05)	Trousers, slacks, and shorts, men's, boys', women's, girls' and infants', all fibres, woven or knitted			958,000 doz.		"	"	
3.5.1974	ex 55.05A&B	Cotton yarn (a) General Import Permit	Mixed Restraint/ Quota	Arab Republic of Egypt*	901,765 lbs.		1.9.73	31.8.74	As of 1.1.1974, while the structure of restraints is maintained for the balance of the restraint year, all limitations on cotton yarns are suspended until further notice.
				Brazil*	1,500,000 lbs.		"	"	
				People's Republic of China	525,000 lbs.		1.1.73	31.12.73	
				Colombia*	1,697,440 lbs.		1.9.73	31.8.74	
				Greece	1,405,260 lbs.		"	"	
				Hong Kong*	60,367 lbs.		1.10.73	30.9.74	
				India*	53,045 lbs.		1.9.73	31.8.74	
				Mexico*	2,500,000 lbs.		"	"	
				Portugal	1,856,575 lbs.		"	"	
				Spain*	1,220,035 lbs.		"	"	
				Taiwan	49,862 lbs.		1.1.74	31.12.74	
		(b) Others, i.e. not covered by (a)	Quota	All sources	430,720 lbs.		1.10.73	30.9.74	

* Participating country in the Arrangement

^{1/} See Note 1 on page 30/31

Notification to the Textiles Surveillance Body Under Article 2(1) by CANADA (cont'd)

Date of noti- fication	BTN number	Product description	Type of measure applied	Country affected	Levels of imports affected		Effective date of entry	Expiry date	Remarks
					Quantity	Value			
3.5.1974	ex 60.04 } ex 61.05 }	Shirts - woven and knitted (with export prices below \$33 a dozen for knitted and \$30 a dozen for woven)	Article XIX Restrictions	All shirt exporting countries	Global quota 1,215 million dozen (annual) 75% of the total quota to be shared by 11 countries; 25% (or 300,000 dozen) to be available for all countries on a competitive basis		30.11.71	29.11.74	(See GATT Doc. L/3613 and Add.1) The Textile and Clothing Board, which annually reviews the shirt quota measure, recommended in its first review in 1972 that an administrative adjustment be made whereby a boy's shirt (below size 18) would be considered three-quarter's of a shirt for the purpose of calculating quota amounts; this adjustment went into effect in June 1973. In its second annual review, the Board recommended increases in the quota of 5% in the March-April-May 1974 period, and 10% in each of the two succeeding quarters, the increases in all cases to be added to the "open" segment of the measure; these recommendations are now in the process of being implemented. The initial three-year period proposed by the Board, and accepted by the Canadian Government expires on 29 November 1974; in its 1973 review, the Board intimated that on the basis of information then available, it would not be recommending an extension beyond this date. A final decision will be made by Canadian authorities on receipt of the Textile and Clothing Board's 1974 report.

Notification to the Textiles Surveillance Body Under Article 2(1) by CANADA/HONG KONG^{1/}

Date of notification	BTN number	Product description	Type of measure applied	Country affected	Levels of imports affected		Effective date of entry	Expiry date	Remarks
					Quantity	Value			
9.4.1974	60.04 61.03	301 Shirts, woven or knitted, with tailored collar, front opening and with export price, ex factory, of less than Canadian \$30 per dozen for woven fabric shirts and Canadian \$33 per dozen for knitted fabric shirts ^{2/}	Article 3 of LTA to be implemented by issuance of export licences by Hong Kong	Hong Kong*	193,318 doz. (up to 30.9.73) 205,125 ^{3/} (1973-74)	25,189 H.K.\$ (1000)	1.10.73	31.9.74	The texts of agreements have been supplied
	61.01 61.02	302 Blouses, woven, cotton, polyester and polyester/cotton	Article 3 of LTA and Art. XXII(1) of GATT	"	35,896 doz. (up to 30.9.73) 145,174 (1973-74)	3,677 H.K.\$ (1000)	1.10.73	30.9.74	
		303 Trousers, slacks and shorts, cotton, polyester and polyester/cotton, woven	"	"	241,441 doz. (up to 30.9.73) 381,901 doz. (1973-74)	26,328 H.K.\$ (1000)	1.10.73	30.9.74	
	62.02	401 Cotton terry towels, jacquard and non-jacquard	Article 3 of LTA	"	291,770 lbs. (up to 30.9.73) 856,321 (1973-74)	4,448 H.K.\$ (1000)	1.10.73	30.9.74	
	60.01	- Double knit and warp knit fabric, of all fibres	"	"	546,043 lbs. (up to 30.9.73) 500,000 ^{4/} (1973-74)	4,018 H.K.\$ (1000)	1.6.73	30.9.74	

^{1/} Notification was received from Hong Kong as Canada/Hong Kong Bilateral Agreement on Certain Made-ups and Apparel Items.

^{2/} Export control by Hong Kong except in the case of shirts which are subject to dual export/import control. During the period 1 October 1970 to 30 September 1971, the arrangement on Hong Kong's exports of certain tailored shirts to Canada formed part of a bilateral agreement on exports of shirts, blouses, trousers and nightwear to Canada, with export control by Hong Kong.

Thereafter, as a result of GATT Article XIX action by Canada which established a global limit on imports of shirts into Canada, the shirt arrangement was divorced from the main agreement and placed under a dual control system whereby 77 per cent of Hong Kong's former export restraint limit remained under export control, with the balance incorporated into a global quota to which Hong Kong had access, but which is subject to import control by Canada.

^{3/} Restraint limit for the year ending 31 October 1974

^{4/} Consultation level of 500,000 lbs. for the sixteen-month period ending 30 September 1974

* Participating country in the Arrangement

Notification to the Textiles Surveillance Body Under Article 2(1) by CANADA/JAPAN^{1/}

Date of notification	BTN number	Product description	Type of measure applied	Country affected	Levels of imports affected		Effective date of entry	Expiry date	Remarks
					Quantity	Value			
10.5.74		Woven trousers and outer shorts, of cotton and/or man-made fibre	Unilateral Export Restraints	Japan			1.1.1973	31.12.73	It is generally assumed that when the restraint period has expired, the exporting country continues to restrain at the same old level pending the conclusion of negotiations for future years.
		Nylon fabrics, excluding woven tyre cord fabrics, fabrics for belt manufacturing, fabrics for umbrella covering and ribbon cloth	"	"			"	"	
		Sheets, of cotton and polyester/cotton	"	"			"	"	
		Pillowcases, of cotton and polyester/cotton	"	"			"	"	
		Elastic braid and elastic webbing, all fibres	"	"			"	"	
		Knitted fabrics, all fibres (applies only to double-knit and warp-knit fabrics)	"	"			"	"	
		Polyester filament fabrics (excludes tie fabrics, and woven tyre cord fabrics)	"	"			"	"	

^{1/}Participating country in the Arrangement

^{1/} Notification was received from Japan as Japan/Canada bilateral agreement