

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/891  
14 December 1983

Special Distribution

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Textiles Surveillance Body

Original: English

## ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

### Notification under Article 4:4

#### Bilateral Agreement between Canada and Korea

The Textiles Surveillance Body has received from Canada a notification of a new bilateral agreement with Korea, concluded under Article 4 of the MFA, valid for the period 1 January 1982 to 31 December 1986.<sup>1</sup>

The TSB, pursuant to its procedures regarding bilateral agreements notified under Article 4<sup>2</sup>, has examined the relevant documentation and is forwarding the text of the notification to participating countries for their information.<sup>3</sup>

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<sup>1</sup>The previous bilateral agreement and subsequent modifications are contained in COM.TEX/SB/418

<sup>2</sup>See COM.TEX/SB/35, Annex B.

<sup>3</sup>For the TSB's observations on this notification, see COM.TEX/SB/901

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF CANADA  
AND THE GOVERNMENT OF THE REPUBLIC OF KOREA RELATING TO THE  
EXPORT FROM KOREA OF CERTAIN TEXTILES AND TEXTILE PRODUCTS  
FOR IMPORT INTO CANADA

Introduction

1. This Memorandum of Understanding (MOU) sets out the arrangements that have been agreed between the Governments of Canada and the Republic of Korea regarding the export of certain textiles and textile products from Korea for import into Canada.

2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as "the MFA") and in particular to Article 4 thereof, and to the Protocol extending the said Arrangement.

Restraint Periods

3. These arrangements will apply for five years commencing on 1 January 1982 and ending on 31 December 1986.

Restraint Levels

4. Except as provided for in paragraphs 15 to 21, the Government of the Republic of Korea will restrain its exports to Canada of the textiles and textile products described in Annex I for the calendar year commencing 1 January 1982 to the limits specified therein.

5. For the four calendar year periods commencing, 1 January 1983 and ending on 31 December 1986, the Government of Korea will restrain its exports to Canada of the textile products described in Annex I to the limits specified therein advanced on an annual basis by the growth rate specified in column (D).

Coverage

6. For the purpose of these arrangements, the expression "textiles" will have the meaning ascribed to the expression in Article 12.1 of the MFA.

7. For the purpose of classifying textiles and textile products in the appropriate category, the definitions and notes set out in Annex II will apply.

Administration

8. These arrangements will be implemented on the basis of the export control system operated by the Government of the Republic of Korea.

9. For the purpose of implementing these arrangements, date of export from Korea will be used to determine within which restraint period any textile or textile products subject to these arrangements will be counted.

10. The Government of Canada will admit imports of the textiles and textile products described in Annex II and subject to a specific quantitative limit in Annex I, provided such imports are covered by a copy of a Korean "Export Licence" as per specimen in Annex III endorsed and issued by the proper Korean authorities to the effect that the imports covered by the licence have been debited to the applicable quantitative limit as set out in Annex I.

11. The export licences issued by the Government of the Republic of Korea in respect of products subject to restraint levels as specified in Annex I of this arrangement will contain the following information:

1. Country of destination
2. Country of origin
3. Licence number
4. Importer's name and address
5. Exporter's name and address
6. Category number and description of product as set out in Annex I of the MOU
7. Quantity expressed in the units as designated in Annex I of the MOU. If more than one set of measure is established, all should be indicated; where the quantity is expressed other than as designated in the MOU, the equivalent weight, units or m<sup>2</sup> should be calculated in accordance with the conversion factors set out in Annex I
8. F.O.B. or C.I.F. value except for non-commercial consignments
9. Certification by the Korean Authority that the quantity has been debited against the agreed restraint level for exports to Canada.

12. In the event any quantity covered by an export licence is not shipped, the Government of the Republic of Korea will notify the Government of Canada of such quantity which may be credited by the Government of the Republic of Korea to the appropriate restraint level.

13. The Government of the Republic of Korea will endeavour to ensure that exports of all textiles and textile products which are listed in Annex II and are subject to restraint levels as per Annex I are spaced out as evenly as possible during each restraint period, due account being taken of seasonal factors and of normal channels of trade.

14. If, on the basis of export data provided by the Government of the Republic of Korea, the Government of Canada ascertains that there is a sharp and substantial increase in the concentration of exports of textiles or textile products, other than that attributable to normal seasonal factors, it may request consultations in accordance with the provisions of paragraphs 29 and 30 with a view to remedying this situation.

#### Swing

15. Subject to the specific limitations set out in Annex I, and following notification to the Canadian authorities, any restraint level may be exceeded by the percentage shown in column (E) provided that an equivalent amount is deducted from any other restraint level. When any restraint level is exceeded by the application of swing, the Government of Korea will so indicate in subsequent monthly returns.

16. For the purpose of implementing the swing provisions in paragraph 15, the conversion factors shown in Annex I will apply.

#### Carry-Over/Carry-Forward

17. Portions of any restraint limit which remain unused from the restraint period commencing 1 January 1981 (as covered by the preceding bilateral arrangement) may, after consultation, be carried over and added to the appropriate restraint level for the restraint period commencing 1 January 1982. Such carry-over will be within the higher percentage limit set out in column (F) of Annex I of this MCU.

18. Following notification to the Government of Canada of the quantities involved, portions of any quantitative limit set out in Annex I which are not used during the restraint period may be carried over and added to the corresponding quantitative limit for the following restraint period. The restraint level for any such restraint period will be increased within the higher percentage limit set out in column (F) of Annex I.

19. Any restraint level may be increased within the lower percentage limit set out in column (F) of Annex I by an amount advanced from the corresponding restraint level for the following restraint period. The restraint level for any such following restraint period will be reduced by an amount equal to the amount so advanced.

20. Notwithstanding the foregoing, the carry-over/carry-forward provisions may be used in combination only up to the higher percentage limit set out in column (F) of Annex I.

21. Further to paragraphs 15 to 20 above, where applicable, the restraint levels in column (C) of Annex I may not be increased by the combined use of swing, carry-over and carry-forward by more than the percentage indicated in column (G) of Annex I.

#### Exchange of Statistics

22. Both Governments will exchange such other statistical data relating to exports of textiles and textile products not subject to these arrangements as may reasonably be required.

23. The Government of the Republic of Korea will provide the Government of Canada with monthly statistics relating to exports of the textiles and textile products listed in Annex II which are licensed for export to Canada and debited against restraint levels for each restraint period.

24. When submitting the monthly statistics mentioned in paragraph 23, the Government of the Republic of Korea undertakes to include the following information:

- a. Category and description of goods as set out in Annex I.
- b. Original and adjusted restraint level for the restraint period.
- c. Total quantity issued for the restraint period to date in the units designated in Annex I.
- d. Notification of any utilization of swing, carry-over or carry-forward provisions and the quantities involved as provided for in paragraphs 15, and 17-21 above.

This information should be provided as soon as possible following the end of each month.

25. The Government of Canada will provide the Government of the Republic of Korea with monthly statistics relating to import permits issued for imports originating in Korea of the textiles and textile products listed in Annex II along lines similar to the statistics to be provided by the Government of the Republic of Korea pursuant to paragraph 23 above. In addition, the Government of Canada will provide the Government of the Republic of Korea with

monthly statistics of total imports and imports from other significant suppliers in respect of textiles and textile products categorized as in Annex I.

26. Both Governments reserve the option of requesting, should it be necessary, more specific and detailed information.

#### Equity

27. Should either Government consider, as a result of these arrangements, that it is placed in an inequitable position compared with any third party, that Government may request the other to consult as provided in paragraphs 29 and 30 with a view to implementing appropriate remedial measures.

#### Re-Exports

28. The Government of Canada will, so far as possible, inform the Government of the Republic of Korea when imports into Canada of textiles and textile products subject to these arrangements are subsequently re-exported from Canada. Where such re-exports have been debited by the Korean Government to quantitative limits the Government of the Republic of Korea may then credit the amount involved to the appropriate quantitative limits.

#### Consultations

29. Either Government has the right to request consultations with the other Government on any matter arising from the implementation or operation of these arrangements or on any matter germane thereto. Such consultations will be governed by the following:

- Any request for consultations will be notified in writing to the other Government;
- The request for consultations will be accompanied by or followed within a reasonable period (and in any case not later than twenty-one days following the request) by a statement setting out the reasons and circumstances which, in the opinion of the requesting Government, justify the submission of such a request;
- The other Government will accept such a request and such consultations will be held within thirty days of the date of notification of the request;

- Both Governments will enter into consultations with a view to reaching a mutually acceptable conclusion within thirty days of the date on which actual consultations commence.

30. Any consultations held under these provisions will be approached by both Governments in a spirit of cooperation and with a desire to reconcile the differences between them.

#### MFA Rights

31. Each Government reserves its rights under the MFA with respect to textiles and textile products not subject to these arrangements. For textiles and textile products covered by these arrangements, it is understood that either Government may have recourse to any or all of the provisions of the MFA, save that the Government of Canada waives its rights under Article 3 of the MFA with respect to products covered by these arrangements as long as this MOU remains in effect.

#### Revisions and Termination

32. Either Government may at any time propose revisions to the terms of these arrangements having regard to the MFA and to the Protocol extending it.

33. Either Government may terminate these arrangements effective at the end of any restraint period by written notice to the other Government, to be given at least ninety days prior to the end of any restraint period.

#### Annexes

34. The annexes to this Memorandum of Understanding will be considered an integral part of it.

#### Transitional Arrangements

35. Any difficulties which may arise as a consequence of the transition from the 1981 arrangement to the 1982 arrangement will be brought immediately to the attention of the one Government by the other Government and efforts will be made by both Governments, through consultations or other means, to resolve such difficulties to their mutual satisfaction.

Final Provisions

36. This Memorandum of Understanding will become effective on 1 January 1982 subsequent to an exchange of notes between the two Governments confirming their acceptance of these arrangements.

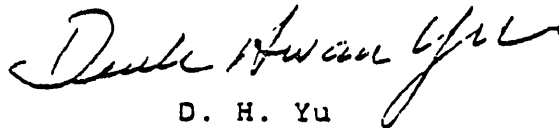
Ottawa, Canada  
September 18, 1981

For the Government of Canada

For the Government of the  
Republic of Korea



C. D. Arthur



D. H. Yu



(A) ITEM NUMBER	(B) PRODUCT DESCRIPTION	ANNEX 1					(H) CONVERSION FACTOR (M <sup>2</sup> )
		(C) RESTRAINT LEVEL	(D) GROWTH	(E) SWING	(F) CARRYOVER/ BORROW FORWARD	(G) COMBINED FLEXIBILITY	
1.	Winter Outerwear Garments	2,070,258 Un.	1.2%	2%	2(1)%	3.5%	3.50
2.	Trousers, Shorts, Overalls and Coveralls	2,250,000 Un.	4%	5%	10(5)%	11%	1.90
3.	Shirts, Tailored Collar MB	4,739,385 Un.	1.2%	2%	2(1)%	3.5%	2.10
4.	Shirts, Blouses, T-shirts Sweatshirts	8,900,000 Un.	3%	5%	10(5)%	11%	1.70
	A. of which blouses and shirts WG and shirts, other MB	4,627,500 Un.	3%	5%	10(5)%	11%	1.70
5.	Sweaters, Pullovers and Cardigans	8,500,000 Un.	1.2%	2%	2(1)%	3.5%	1.40
	A. of which sweaters, pullovers and cardigans MB	2,158,000 Un.	1.2%	2%	2(1)%	3.5%	1.40
6.	Sleepwear and Bathrobes	179,545 Un.	6%	5%	10(5)%	11%	3.40
7.	Dresses and Skirts, Suits Coordinates and Outerwear Sets	800,000 Un.	6%	5%	10(5)%	11%	3.80
	A. of which dresses and skirts WG	200,000 Un.	6%	5%	10(5)%	11%	3.80
8.	Underwear	146,068 Un.	6%	7%	11(6)%	12%	1.00
9.	Swimwear and Foundation Garments	56,180 Un.	6%	7%	11(6)%	12%	1.00

(A) ITEM NUMBER	(B) PRODUCT DESCRIPTION	(C) RESTRAINT LEVEL	(D) GROWTH	(E) SWING	(F) CARRYOVER/ BOPROW FORWARD	(G) COMBINED FLEXIBILITY	(H) CONVERSION FACTOR (M <sup>2</sup> )
10.	Coats, Jackets and Rainwear	3,000,000 Un.	6%	7%	11(6)%	12%	4.00
	a. of which, Overcoats, Top-coats and Rainwear	415,000 Un.	6%	7%	11(6)%	12%	4.00
11.	Fine Suits	206,060 Un.	1.2%	2%	2(1)%	3.5%	1.50
12.	Yarns	1,660,000 Kg.	10%	7%	11(6)%	-	1.0 Kg/Un.
	a. of which, Acrylic Yarns	1,075,000 Kg.	4%	5%	10(5)%	-	1.0 Kg/Un.
13.	Woven Fabrics	2,200,000 Kg.	10%	7%	11(6)%	-	1.0 Kg/Un.
	a. of which, Worsted Fabrics	332,000 Kg.	4%	5%	10(5)%	-	1.0 Kg/Un.
	b. of which, Nylon Broadwoven Fabrics	56,000 Kg.	6%	5%	10(5)%	-	1.0 Kg/Un.
	c. of which, Polyester Broadwoven Fabrics	430,000 Kg.	7%	5%	10(5)%	-	1.0 Kg/Un.
14.	Household Textiles	290,000 Kg.	10%	7%	11(6)%	-	1.0 Kg/Un.
15.	Hosiery	650,000 Doz. Pr.	4%	5%	10(5)%	-	1.1 Kg/doz. prs.
16.	Work Gloves	1,024,723 Pr.	6%	5%	10(5)%	-	.22 Kg/pr.
17.	Handbags	3,370,800 Un.	6%	5%	10(5)%	-	.80 Kg/Un.
18.	Miscellaneous Textiles	1,800,000 Kg.	10%	7%	11(6)%	-	1.0 Kg/Un.
	a. of which, Cordage, Rope and Twine	1,400,000 Kg.	6%	5%	10(5)%	-	1.0 Kg/Un.

Note: Swing is not permitted from items 12 to 19 to items 1 to 11.

Annex II - Definitions and Descriptions of Terms  
used in Annex I

- General Notes
1. Gender - Unless otherwise indicated, all definitions of garments apply to garments for men, boys, women, girls, children and infants. Children's and infants' garments include all garments sized 0-6X.
  2. Unless otherwise indicated, swing is permitted from adult garments to children's and infants' garments at a 3 to 5 ratio.
  3. All garment items include partially manufactured garments, i.e., garments which have been cut and sewn, or otherwise assembled, but which require further manufacture or processing.
  4. Garments of indeterminate gender, including unisex garments, are to be counted as of male gender.
  5. "Wholly or mainly" is 50 percent or more in all items unless otherwise indicated.

Description of Production Categories

1. Winter Outerwear Garments

Winter Outerwear Garments (commonly referred to as snowsuits, snow-mobile suits, ski-suits, ski pants and snow-pants, and jackets, and similar jacket-type garments) that have an outer shell manufactured substantially by surface area with woven fabrics and that are lined and designed to protect the wearer against cold, e.g., quilted linings, down or fibre filling, etc. but not plain acetate or viscose lining, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Excluded are unlined outerwear; all coats three-quarter length or longer, that is, to the knee; garments commonly known as squall jackets, windbreakers or similar jacket-type garments where there is no thermal insulation; and ski-pants and cross-country ski-suits which do not meet the above description (e.g. constructed entirely from knitted fabric).

Note: A unit comprises garments which have been designed to be sold as a set, e.g. matching or co-ordinated ski-jackets and ski-pants comprising a ski-suit will be counted as one unit if packed and shipped as a set. Vests are counted separately.

2. Trousers, Shorts, Overalls and Coveralls

Trousers, pants, slacks and jeans wholly or mainly by weight of cotton, man-made fibres, or wool or blends thereof, being garments which do not extend above the waist but extend to the knee or below. Included are jodhpurs, knickers, footless tights, gauchos.

Note: Men's and boys' garments in this item manufactured of fabric containing 5 percent or more by weight of wool or hair are considered to be woollen garments.

Overalls and coveralls wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Overalls and coveralls are one-piece garments, as either pants or shorts but extending above the waist in the form of a bib (or permanently affixed straps) or other structure which partially or fully covers the upper part of the body. One-piece jumpsuits are included.

Outershorts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Shorts are garments similar to pants but not extending to the knees.

3. Shirts, Tailored Collar

Shirts with tailored collars, men's and boys' wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, knitted or woven, being garments covering the upper part of the body normally worn next to the skin or directly over underwear and with a full or a partial front opening which may include a zipper and may be designed to be worn either inside or outside of pants. Included are all men's and boys' shirts meeting this description whether exported separately or as part of a set.

Note: Included are children's sizes 4-6X.

Note: A "tailored collar" consists of one or more pieces of material which are cut and sewn or cut and fused and designed with two pointed or rounded ends: The following may be used, when needed, in the construction: stays, lining, stiffening by any means.

4. Shirts, Blouses, T-shirts, Sweatshirts

Blouses and shirts, women's and girls', children's and infants' wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, knitted or woven, being garments which may have a complete or partial front or back opening covering the upper part of the body, excluding underwear, jackets, T-shirts, sweat-shirts and sweaters.

Shirts, men's and boys', children's and infants', other than with tailored collars, including full-fashioned collars, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. A full-fashioned collar consists of one piece knitted to shape collar. For a full description of "shirts" see description for Item 3 above.

T-shirts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. T-shirts are knitted garments which may have collarless front opening or no front opening covering the upper part of the body of construction 19 cut or finer, i.e., 19 or more vertical stitches per inch.

Sweatshirts, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments at least one side of which is brushed or fleeced, covering the upper part of the body. Sweaters are not included.

Note: The definitions of T-shirts and sweatshirts for men and boys are subject to the over-riding definitions of men's and boys' shirts with tailored or full-fashioned collars.

5. Sweaters, Pullovers and Cardigans

Sweaters, pullovers, cardigans (including knitted ponchos), wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being knitted or crocheted garments covering the upper part of the body and which may be of any length of construction coarser than 19 cut, i.e. less than 19 vertical stitches per inch. Included are such items with co-ordinating or matching accessories, e.g. hats, scarves, gloves, mittens, booties, etc. A garment in this item when shipped with such co-ordinating or matching accessories will be considered a set and counted as one unit.

6. Sleepwear and Bathrobes

Pyjamas and sleepwear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for sleeping.

Bathrobes, dressing gowns and housecoats, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments other than sleepwear normally worn in privacy, including bed jackets and negligees.

7. Dresses and Skirts, Suits, Coordinates and Outerwear Sets

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.

Coordinates or matching sets and blazers, men's and boys', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool or blends thereof packed, shipped and sold as a set and not covered by definition in item 12 of this annex.

Suits, coordinates or matching sets, and blazers, women's and girls, children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Suits are garments comprising two or more matched or coordinated pieces, covering both the upper and lower parts of the body, packed and shipped and sold as a set. Coordinates include: coat or jacket and dress sets, blouse and pant or skirt sets, shirt and skirt or pant sets, jacket and pant or skirt sets.

Miscellaneous Garments, Children's and infants' garments not meeting any of the description relating to children's and infants' wear contained elsewhere in this list, including sunsuits, christening sets, pram sets, creepers, rompers, crawlers, diaper sets, sleepers, blanket sleepers where the legs of the garments extend to completely encase the feet, diapers and plastic pants.

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 in this list including leotards covering the trunk of the body, judo sets, track suits, jogging suits, cross country ski-suits (subject to the description in Item 1).

Leisure wear, coordinates or sets not defined by any definitions in this annex. These may include shortssets, beachwear, beach pyjamas, lounging pyjamas, cabana sets, caftans and loungewear, nes.

8. Underwear

Underwear, wholly, or mainly by weight of cotton, man-made fibres or wool or blends thereof. Included are slips and bloomers.

Note: In the case of underwear sets, each piece is to be counted separately.

9. Swimwear and Foundation Garments

Swimwear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof, being garments normally worn for swimming and bathing. Included are bathing trunks and bathing suits.

Note: Garments fitting this description which consist of two (or more) pieces must be matched or co-ordinated, and packed and shipped as a unit, otherwise they are classified under the appropriate item elsewhere in this list as individual garments. Co-ordinated or matched sets comprising garments in addition to those described as meeting the criteria of this item, e.g. beachwear sets, are classified as sets and co-ordinates in Item 8.

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.

10. Coats, Jackets and Rainwear

Jackets, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof. Jackets are outerwear garments covering the upper part of the body not

extending to the knee, including woven ponchos, vests, boleros, but excluding garments covered elsewhere in this Annex.

Overcoats and topcoats, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof being outerwear garments extending to the knee or below excluding rainwear.

Professional and shop coats, wholly or mainly by weight of cotton, man-made fibres, or wool, or blends thereof; Professional and shop coats are one-piece garments including barber coats, clinical coats, medical coats, laboratory coats, and surgical gowns.

Rainwear, wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof. Rainwear are garments of coated, impregnated or treated fabrics, normally worn to protect against rain (including rainsuits, sets, capes and ponchos).

#### 11. Fine Suits

Fine Suits, sportscoats & blazers, men's and boys', children's and infants', wholly or mainly by weight of cotton, man-made fibres or wool, or blends thereof.

Note: The suit-jacket, sportscoat or blazer may include lapels, lining, shoulder padding, and front stiffening and would normally be worn over another outer-garment.

Note: A unit, is either a jacket, sportscoat or a suit. A suit is a two-or-three piece garment consisting of matching or co-ordinated jacket/pants or jacket/vest/pants packed and shipped and sold as a set.

#### 12. Yarns

Yarns which include rayon yarn, nylon yarn, and polyester yarn as well as acrylic yarn.

A. Acrylic yarns include all types of machine and hand knitting yarns containing 50% or more by weight of acrylic fibre except those yarns composed entirely of fibres not exceeding 2½ inches in length.

#### 13. Woven Fabrics

Woven fabrics covered above include woolen and wool blend fabrics, cotton sheeting, denim and corduroy fabrics, terry cloth, cotton pile fabrics, rayon,



rayon/polyester and rayon blend fabrics, polyester/cotton fabrics as well as worsted fabrics, nylon fabrics and polyester fabrics.

A. Worsted fabrics covered above are woven fabrics having 17% or more by weight of wool and in which at least the warp is made from worsted spun yarn.

B. Nylon broadwoven fabrics covered above are woven fabrics in which nylon fibre accounts for 50% or more by weight or thread count, or where nylon fibres, in combination with other fibres, represent the chief value.

C. Polyester broadwoven fabrics covered are woven fabrics in which the warp is composed of filament flat or textured polyester yarn.

#### 14. Household Textiles

Bedsheets, woven, wholly or mainly by weight of cotton, man-made fibres or blends thereof including flanelette sheets.

Cotton terry towels, washcloths and sets containing 50% or more by weight of cotton. Cotton terry towels, washcloths and sets are of fabrics woven on a terry loom using single or piled cotton (or blends thereof) yarns with loop pile on one or both sides covering the entire surface on either plain or patterned weave, whether greige, bleached, dyed or printed, including tea, hand, beach and bath towels and bath sheets, barmops and towel blanks.

Pillowcases, woven, wholly or mainly by weight of cotton, man-made fibres or blends thereof.

Towels, other than cotton terry towels, wholly or mainly by weight of cotton, man-made fabrics or blends thereof.

#### 15. Hosiery

Hosiery is limited footwear classified by Statistic Canada in import classes 785-24, 785-25 785-39 and 785-49. Excluded are men's and boys' woollen hosiery (over 50% of wool by weight) and ladies seamless or full fashioned full length hosiery and knee highs produced on machines of 400 needles or above and made from yarn of 30 denier or finer, and panty-hose.

16. Work Gloves

Work Gloves, both finished and partially manufactured, that are wholly or mainly of textile fabrics, wholly or mainly by weight of cotton, man-made fibres or blends thereof whether or not impregnated or coated including such gloves manufactured partly of leather.

Note: The above includes liners.

17. Handbags

Handbags, made of fabrics whether uncoated, coated or bonded or man-made fibres or blends of fibres, with a body area, excluding handles, between 258 to 1226 square centimetres, in the manufacture of which leather and plastic materials may be used as trim and finish but not a major component of the shell.

18. Miscellaneous Textiles

Miscellaneous textiles covered include vinyl and polyurethane coated fabrics, as well as all cordage, rope and twine but excluding Manila rope, baler and binder twine.

ANNEX III

CERTIFICATE OF EXPORT LICENCE OF TEXTILE PRODUCTS  
TO CANADA FOR 19

ISSUE DATE: \_\_\_\_\_ 19 \_\_\_\_\_

SERIAL NO: \_\_\_\_\_

DESTINATION: \_\_\_\_\_

IMPORTER'S NAME AND ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

EXPORTER'S NAME AND ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

GROUP NO: \_\_\_\_\_ ITEM NO: \_\_\_\_\_

DESCRIPTION OF PRODUCTS: \_\_\_\_\_  
(Product Name and gender)

QUANTITY: \_\_\_\_\_ (ADULTS) \_\_\_\_\_ (CHILDREN)

VALUE: \_\_\_\_\_

This is to certify that the above export has been debited to the applicable quantitative limit for exports to Canada as set out in Annex I of the Agreement between the Republic of Korea and Canada.

NOTE NO. 108

The Embassy of Canada presents its compliments to the Ministry of Foreign Affairs of the Republic of Korea and has the honour to refer to discussions between the delegations of the Government of Canada and the Government of the Republic of Korea held in Seoul June 19-27, 1961 and Ottawa September 16-18, 1981 concerning trade in textiles and textile products between the Republic of Korea and Canada.

The Embassy has further the honour to refer to the Memorandum of Understanding which was initialled ad referendum in Ottawa on September 18, 1981 as a result of these discussions.

Accordingly, the Embassy has the honour to propose to the Ministry of Foreign Affairs that this Note and the reply thereto confirming the Memorandum of Understanding will constitute an arrangement between our two Governments which will enter into force on January 1, 1982 and remain in force for five calendar-year periods until December 31, 1986, subject to the right of either Government to terminate it at the end of any calendar-year period by written notice to the other given not less than ninety days prior to the end of any such restraint period.

The Embassy of Canada avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

SEOUL, November 30, 1981

c.c. Ministry of Commerce and Industry

MINISTRY OF FOREIGN AFFAIRS  
REPUBLIC OF KOREA

OET- 2

The Ministry of Foreign Affairs of the Republic of Korea presents its compliments to the Embassy of Canada and has the honour to acknowledge the receipt of the latter's Note No. 108 of November 30, 1981, proposing confirmation of the Memorandum of Understanding relating to trade in textiles and textile products between the Republic of Korea and Canada.

The Ministry has further the honour to inform that the proposal set forth in the aforementioned Note is acceptable and to confirm that the latter's Note and this Note in reply thereto constitute an arrangement between our two Governments which will enter into force on January 1, 1982 and remain in force for five calendar year periods until December 31, 1986, subject to the right of either Government to terminate it at the end of any calendar year period by written notice to the other given not less than ninety days prior to the end of any such restraint period.

The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Embassy of Canada the assurances of its highest consideration.

Seoul, December 31, 1981