

GENERAL AGREEMENT ON TARIFFS AND TRADE

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LONG-TERM ARRANGEMENT REGARDING INTERNATIONAL TRADE IN COTTON TEXTILES

Request made by Canada in accordance with Articles 3 and 6(c)

The following communication has been received by the Executive Secretary from the Canadian mission for notification to the Cotton Textiles Committee.

"I have the honour to advise you that, acting in accordance with Articles 3 and 6(c) of the Long-Term Arrangement Regarding International Trade in Cotton Textiles, the Canadian Government has requested the Government of Portugal to restrain exports of cotton sleepwear from Macao to Canada during the year ending 31 January 1966.

"In support of this request, the Canadian Government has drawn the following facts to the attention of the Portuguese authorities.

"Imports of cotton sleepwear from Macao to Canada first began during 1963. There was a sharp and substantial increase in volume during the second half of 1964, when shipments were estimated to have been imported at the rate of about 50,000 dozen per annum. Moreover, these imports were being landed in Canada at prices substantially below those of Canadian sleepwear of comparable quality.

"Macao is at present the fourth largest foreign supplier of cotton sleepwear to Canada, accounting for about 14 per cent of total imports. The three larger suppliers, Hong Kong, Taiwan and Japan, have been applying restraints on their exports of cotton sleepwear to Canada for some time to prevent disruption of the Canadian market. Imports already total around 15 per cent of the Canadian market. Further, a substantial increase in total imports during 1964 is estimated, for which Macao was in large part responsible; accordingly, the Canadian authorities are concerned that there may be further disruption to the Canadian market.

"The Canadian Government is, of course, aware that when Portugal acceded to the Long-Term Arrangement, Portugal's overseas provinces were specifically exempted from all obligations undertaken by Portugal. However, Article 6(c) of the Long-Term Arrangement provides that participating exporting countries shall not be restrained more severely than non-participants such as Macao. Since it is clear that Macao has expanded its exports under the protective umbrella of restraints applied by other countries, the Canadian Government has been obliged to request a restraint."