

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/1526*

2 April 1990

Special Distribution

Textiles Surveillance Body

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4

Bilateral Agreement as Amended between Canada and Romania

The Textiles Surveillance Body received from Canada notifications of a bilateral agreement concluded with Romania for the period 1 January 1987 to 31 December 1991, together with an amendment of the agreement effective from 1 January 1988 to 31 December 1991.¹

The TSB, pursuant to its procedures regarding notifications of bilateral agreements concluded under Article 4,² has examined the relevant documentation and is forwarding the texts of the notifications to participating countries for their information.³

¹The previous bilateral agreement and amendment are contained in COM.TEX/SB/823 and 1039.

²See COM.TEX/SB/35, Annex B

³For the TSB's observations on these notifications see COM.TEX/SB/1530.

* English only/Anglais seulement/Inglés solamente

Memorandum of Understanding between the Government of the Socialist Republic of Romania and the Government of Canada Relating to the Export from the Socialist Republic of Romania 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 the Socialist Republic of Romania and of Canada regarding the export of certain textile products from Romania for import into Canada.

2. These arrangements have been made having regard to the Arrangement Regarding International Trade in Textiles and to the Protocol extending the said Arrangement (hereinafter referred to as "the MFA") and in particular to Article 4 and Article 6 thereof.

Restraint periods

3. These arrangements will apply for the periods commencing on 1 January 1987 and ending on 31 December 1991; of which the first restraint period will commence on 1 January 1987 and end on 31 December 1987 and the four (4) subsequent restraint periods will be for the calendar years 1988, 1989, 1990 and 1991.

Restraint Levels

4. Except as provided for in paragraphs 14 to 19 below and in Annex III, the Government of the Socialist Republic of Romania will restrain its exports to Canada of the textile products described in Annex I for the first period as defined in paragraph 3 to the limits specified in column (c) therein.

5. Except as provided for in paragraphs 14 to 19 below and in Annex III, for the four calendar-year periods commencing 1 January 1988 and ending on 31 December 1991, the Government of the Socialist Republic of Romania will restrain its exports to Canada of the textile products described in Annex I to the limits specified in column (c) therein advanced on an annual basis by the growth rate specified in column (d).

Coverage

6. 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

7. These arrangements will be implemented on the basis of the export control system operated by the Government of the Socialist Republic of Romania and an import control system operated by the Government of Canada.

8. The Government of Canada will admit imports of the textiles and textile products which are described in Annex II and are subject to a specific quantitative limit in Annex I, provided such imports are covered by an original copy of a Romanian "Export Licence" certified and issued by the proper authority, including a statement to the effect that the imports covered by the licence have been debited to the applicable quantitative limit as set out in Annex I.

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

10. The export licences issued by the Government of the Socialist Republic of Romania in respect of products covered by Annex I will contain the following information:

- a. Country of destination;
- b. Country of origin;
- c. Licence number;
- d. Importer's name and address;
- e. Exporter's name and address;
- f. Category number and description of product as set out in Annex I of the MOU;
- g. Quantity expressed in the units as designated in Annex I of the MOU;
- h. Certification by the proper authority (paragraph 8);
- i. Restraint period (year).

11. In the event any quantity covered by an export licence is not shipped, or any part of it is returned, regardless of the reason, the Government of the Socialist Republic of Romania will notify the Government of Canada of such quantities which may be credited by the Government of the Socialist Republic of Romania to the appropriate restraint level.

12. The Government of the Socialist Republic of Romania will endeavour to ensure that exports of all textiles and textile products which are listed in Annex II and are subject to restraint levels in 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.

13. If, on the basis of Canadian import data reconciled with Romanian export data, 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 and normal channels of trade, it may request consultations in accordance with the provisions of paragraph 27 with a view to reaching a mutually acceptable conclusion.

Swing

14. 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, through application of the conversion factors shown in column (h), is deducted from any other restraint level in the same group. When any restraint level is exceeded by the application of swing, the Government of the Socialist Republic of Romania will so indicate in subsequent quarterly statistical reports.

Carryover/carry forward

15. Portions of any restraint limit which remain unused from the restraint period commencing 1 January 1986 (as covered by the preceding arrangement) may, after notification, be carried over and added to the appropriate restraint level for the restraint period commencing 1 January 1987. Such carryover will be within the higher percentage limit set out in column (f) of Annex I of this MOU.

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

17. Following notification to the Canadian authorities of the quantities involved, 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.

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

19. Further to paragraphs 14 to 18 above, where applicable, the restraint levels in column (c) of Annex I may not be increased by the combined use of swing, carryover and carry forward by more than the percentage indicated in column (g) of Annex I.

Exchange of statistics

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

21. The Government of the Socialist Republic of Romania will provide the Government of Canada with quarterly statistics relating to exports of the textile products listed in Annex II which are licensed for export to Canada and debited against restraint levels for each restraint period as per Annex I.

22. When submitting the quarterly statistics mentioned in paragraph 21, the Government of the Socialist Republic of Romania 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) indication of any utilization of swing, carryover or carry forward provisions and the quantities involved as provided for in paragraphs 14 to 19 above.

This information will be provided as soon as possible following the end of each quarter.

23. The Government of Canada will provide the Government of the Socialist Republic of Romania with monthly statistics relating to import permits issued for imports originating in Romania of the textiles and textile products listed in Annex I.

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

Equity

25. 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 paragraph 27 with a view to implementing appropriate remedial measures.

Re-exports

26. The Government of Canada will, so far as possible, inform the Government of the Socialist Republic of Romania when imports into Canada of textiles and textile products subject to restraint under Annex I are subsequently re-exported from Canada. Where such re-exports have been debited by the Government of the Socialist Republic of Romania to quantitative limits, the Government of the Socialist Republic of Romania may then credit the amount involved in the appropriate quantitative limits.

Consultations

27. 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 concerning their trade in textiles and textile products. 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.

28. Any consultations held under these provisions will be approached by both Governments in a spirit of co-operation and with a desire to reach a mutually acceptable agreement.

29. Consistent with the orderly development of trade, Canada may request consultations in accordance with paragraph 27 when it anticipates that, during any particular restraint period of these arrangements, difficulties may arise in Canada from a sharp and substantial increase, by comparison to the preceding restraint period, in imports of a given category subject to the quantitative limits set out in Annex I.

30. In the event the Government of the Socialist Republic of Romania wishes to export to Canada clothing and textile products in excess of the agreed levels, the Government of the Socialist Republic of Romania may request higher levels and the Government of Canada will consider the request sympathetically and respond promptly.

31. (a) In the event that the Government of Canada believes that imports from the Socialist Republic of Romania of products not covered by specific limits are, due to market disruption or the threat thereof, threatening to impede the orderly development of trade between the two countries, the Government of Canada may request consultations with the Government of the Socialist Republic of Romania with a view to easing or avoiding such market disruption. The Government of Canada will provide the Government of the Socialist Republic of Romania at the time of the request with available data which are indicative of the market situation and in the opinion of the Government of Canada show:

- the existence of market disruption, or the threat thereof;
and
- the rôle of exports from Romania in that disruption.

(b) The Government of the Socialist Republic of Romania agrees to consult with the Government of Canada within thirty days of receipt of the request for consultations. Both Governments agree

to make every effort to reach agreement on a mutually satisfactory resolution of the issue within ninety days of the receipt of such request, unless this period is extended by mutual agreement.

- (c) During the ninety-day period, the Government of the Socialist Republic of Romania agrees to hold its exports to Canada of the products concerned to a level no greater than 35 per cent of the amount entered into Canada, as recorded by Canadian import permit statistics, where available, during the latest twelve months prior to the month in which the request for consultations was made. However, when there have been no imports during the latest twelve months prior to the month in which the request for consultations was made, the level shall be no greater than 50 per cent of the imports upon which the request was based.
- (d) If no mutually satisfactory solution is reached during these consultations, the Government of Canada may establish a quantitative limit for the duration of these arrangements for shipments of the product concerned exported on and after the conclusion of the ninety-day period referred to above. This limit will not be less than the amount of imports which are entered into Canada during the first twelve of the most recent fourteen months preceding the month in which the request for consultations was made, plus 15 per cent.
- (e) If a quantitative limit is established under paragraph 31(d) in the course of a calendar year, it will be prorated to correspond to the time period between the conclusion of the ninety-day period referred to in paragraph 31(d) and the end of that calendar year. Flexibility (swing, carryover and carry forward) and growth will be provided taking into account the provisions of the MFA.

MFA Rights

32. Each Government reserves its rights under the MFA with respect to textiles and textile products not subject to specific quantitative limits in 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 restrained products covered by these arrangements as long as this Memorandum of Understanding remains in effect.

Revisions and termination

33. 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.

34. 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

35. The Annexes to this Memorandum of Understanding will be considered an integral part of it.

Transitional arrangements

36. Any difficulties which may arise as a consequence of the transition to these arrangements 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

37. This Memorandum of Understanding will become effective on 1 January 1987 subsequent to an exchange of letters between the two Governments confirming their acceptance of these arrangements.

Ottawa, Canada 1 April 1987

For the Government of Canada

For the Government of
the Socialist Republic
of Romania

Annex I - Restraint Levels

(a) Item No.	(b) Product description	(c) Restraint level	(d) Growth	(e) Swing	(f) Carryover/ carry forward	(g) Combined flexibility (e) & (f)	(h) Conversion factor (M ² /Units)	
<u>Group A</u>								
1	Winter outerwear MBWGCI, fine suits, sports-coats, blazers MB; of which:	116,500	4%	6%	10% (5%)	12%	3.2	
1 a	Fine suits, sports-coats, blazers, MB.	81,500	4%	6%	10% (5%)	12%		
2	Shirts with tailored collars, MB.	300,000	4%	6%	10% (5%)	12%	1.7	
3	Sweaters, MBWGCI	1,401,000	3%	6%	10% (5%)	12%	1.1	
4 (a-i)	Blouses, shirts, WGCI, shirts other, MBCI T-shirts, sweatshirts MBWGCI, overcoats, topcoats, jackets, rainwear MBWGCI, sleepwear and bathrobes MBWGCI, shorts, coveralls and overalls, MBWGCI.	2,370,200	6%	5%	10% (5%)	12%	3.2	
			(See Annex I page 3 for sub-limits)					
5	Trousers, pants, slacks jeans, MBWGCI of which:	486,000	6%	6%	10% (5%)	12%	1.6	
5 a	Wool pants, MB	106,000	6%	6%	10% (5%)	12%	1.6	
<u>Group B</u>								
6	Worsted fabrics (M ²)	140,000	3%	-	10% (5%)	-	-	

NOTE: No swing between products in Group A and products in Group B.

Annex I - Restraint Levels

Item 4^{*}

4	(a)	Blouses and shirts, WCCI	10.2%
4	(b)	Shirts other, MCCI	21.0%
4	(c)	T-shirts, sweatshirts, MBWCCI	20.5%
4	(d)	Jackets other than wool MBWCCI	15.0%
4	(e)	Rainwear MBWCCI	5.3%
4	(f)	Sleepwear and bathrobes MBWCCI	5.3%
4	(g)	Shorts, overalls, coveralls MBWCCI	5.3%
4	(h)	Jackets, wool (17% or more by weight) MBWCCI ^{**}	10.0%
4	(i)	Overcoats and topcoats MBWCCI ^{**}	10.0%

* Exports in each of the above sub-categories of Item 4 may not exceed, in any restraint period, the percentage shown above of the restraint level applicable to Item 4.

** Combined flexibility in each of the sub-categories 4(h) and 4(i) (overcoats and topcoats and jackets, wool) is limited to 11 per cent.

Annex II

Definitions and Description of Terms

General notes

1. Gender - unless otherwise indicated, all definitions of garments apply to garments for men (M), boys (B), women (W), girls (G), children and infants' (C&I). 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 descriptions include partially manufactured products. Partially manufactured garments include cut-to-shape fabric pieces for garments on which there has been any processing beyond cutting to shape and knit-to-shape pieces for garments, whether or not there has been any processing beyond the knitting to shape.
4. Garments of indeterminate gender including unisex garments, are to be counted as of male gender.
5. Unless otherwise indicated, products covered by restraints under these arrangements are those which are wholly or mainly by weight of cotton, wool, man-made fibres or blends thereof. Wholly or mainly means 50 per cent or more.

Description of product categories

Clothing

1. Winter outerwear garments

Winter outerwear garments (commonly referred to as snowsuits, snowmobile 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. Excluded are unlined outerwear; all coats three-quarter length or longer, that is, to the knee or below 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 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 17 per cent or more by weight of wool or hair are considered to be woollen garments.

Overalls and coveralls. 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. Shorts are garments similar to pants but not extending to the knees.

3. Shirts, tailored collar

Shirts with tailored collars, men's and boys'; 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 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 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', 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, sweatshirts and sweaters.

Shirts, men's and boys', children's and infants', other than with tailored collars, including full-fashioned collars. A full-fashioned collar consists of one piece knitted to shape collar. For a full description of "shirts" see also the description for "shirts, tailored collar", above.

T-shirts. T-shirts are knitted garments which may have collarless from openings or no front opening covering the upper part of the body of construction nineteen or more vertical stitches per inch.

Sweatshirts, 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-shirt 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), being knitted or crocheted garments covering the upper part of the body and which may be of any length of construction, less than nineteen 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, being garments normally worn for sleeping.

Bathrobes, dressing gowns and housecoats, being garments other than sleepwear normally worn in privacy, including bed jackets and négligées.

7. Coats, jackets and rainwear

Jackets. 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, being outerwear garments extending to the knee or below excluding rainwear.

Note: Jackets, overcoats and topcoats, manufactured of fabric containing 17 per cent or more by weight of wool or hair are considered to be woollen garments.

Rainwear. Rainwear are garments of coated, impregnated or treated fabrics, normally worn to protect against rain (including rainsuits, sets, capes and ponchos).

8. Fine suits

Fine suits, sportscoats and blazers, men's and boys'.

Note: The suit-jacket, sportscoat or blazers 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.

Textiles

9. Fabrics

Worsted fabrics, are woven fabrics having 17 per cent or more by weight of wool, in which at least the warp is made from worsted spun yarn.

Annex III

Hand-loom and traditional folklore handicraft textile products

1. With reference to Article 12(3) of the MFA, the limitations set out in this Memorandum of Understanding will not apply to hand-loom fabrics of the cottage industry, hand-made clothing and textile products made of such hand-loom fabric as defined below, and traditional folklore handicraft textile products known as "Romania items" as defined below, when accompanied on importation by a certificate validated by the competent Romanian authorities. A sample certificate is attached to this Annex.

Hand-loom products

2. The exemption provided for in paragraph 1 above in respect of hand-loom products will apply only to the following:

- (a) textile fabrics woven on looms operated solely by hand or foot, in the cottage industry of Romania;
- (b) hand-made cottage industry apparel and other textile products made of the fabrics described in (a) above; and
- (c) traditional folklore handicraft textile products of Romania as defined in paragraph 4 below.

3. The exemption shall apply only in respect of products covered by a certificate issued by the competent Romanian authorities conforming to the attached specimen. Such certificates shall indicate the grounds on which the exemption is based.

Traditional folklore handicraft textile products

4. These items are traditional folklore handicraft textile products, historically Romanian, made in the cottage industry. They cover the clothing products enumerated below and such other items as may be agreed upon from time to time.

I. Embroidered blouses, costumes and other garments inspired by folkloric art

The Romanian folkloric clothing items are worked primarily from cotton or linen, hand-woven and hand-embroidered mostly with decorative elements varying from region to region of Romania. The ornamental fields are put around the neck, shoulders, sleeves, most of the decorative motives being geometrical, disposed by the rules of the symmetry and alternation. The colouring is characterized by sobriety, the main colours being red, black or gold.

Number	Name	Description
1	Iie	Women's blouses, woven from cotton or linen, as a rule by hand, hand-embroidered.
2	Fote and rochii	Skirts and dresses made out of cotton or linen, hand-embroidered with traditional folkloric motives.
3	Itari	Romanian traditional folkloric pants, from hand-woven woollen cloth ("abba").
4	Zeghe	Cloaks, coats of different lengths, made from hand-woven woollen cloth ("abba"), often decorated by hand.
5	Bunda, ilic	Vest or petticoat, made from hand-woven woollen cloth.
6	Costume	Folkloric costumes, made from hand-woven cotton cloth, hand-embroidered.

Annex IV

Canada-Romania Textile Consultations

Agreed Record of Discussions

1. A delegation representing the Ministry of Foreign Trade and International Economic Co-operation of Romania and a delegation representing the Government of Canada met in Bucharest on 8-9 March 1988 for consultations in respect of the export of certain textile products from Romania to Canada. These discussions were held pursuant to a request made by Canada in accordance with paragraphs 31 a-e of the Memorandum of Understanding between the Government of the Socialist Republic of Romania and the Government of Canada relating to the export from the Socialist Republic of Romania of Certain Textiles and Textile Products for Import into Canada (MOU).
2. During the discussions, which were concluded having regard to Article 4 of the Arrangement Regarding International Trade in Textiles (MFA), the following was agreed upon by the two delegations.
3. Exports of bedsheets, pillowcases, and sportswear (being dresses, skirts, suits, co-ordinates, matching sets, blazers and leisure wear, as defined in attached Appendix 2) from Romania to Canada shall be subject to restraint effective from 1 January 1988 and for the term of the MOU ending 31 December 1991.
4. During the period 1 January 1988 to 31 December 1988 exports of bedsheets and of pillowcases shall not exceed 700,000 units and 475,000 units respectively and exports of sportswear shall not exceed 867,000 units, and each of these items shall be accorded the corresponding annual growth, swing, carryover and carry forward, combined flexibility, and conversion factor indicated in columns (d) through (h) of the attached Appendix I.
5. It was further agreed that bedsheets shall be identified as Item No. 7, pillowcases as Item No. 8, and sportswear as Item No. 9 of the MOU.
6. The two delegations also agreed to the following amendments to Item No. 4 of the MOU:
 - (i) that MOU Items 4(a) and 4(b) together be subject to a single restraint with a 1988 level of 683,873 units;
 - (ii) that MOU Items 4(e) and 4(i) together be subject to a 1988 total level of 384,399 units of which shipments of products classified in Item No. 4(i) - overcoats and topcoats - are not to exceed 251,241 units in 1988;

(iii) that the 1988 levels for the items in paragraphs (i) and (ii) above and for the other items in Item No. 4 be recorded in units as noted in the attached Appendix I and that each of the items be subject to these individual levels which will be accorded annual growth, swing, carryover and carry forward, combined flexibility and conversion factor as noted in the appendix;

(iv) that the aggregate level for MOU Item 4 be removed.

7. It was further agreed that the 1988 level for Item No. 2 (tailored-collar shirts) be increased to 512,000 units and that the 1988 level for Item No. 3 (sweaters) be increased to 1,468,030 units and that each of those shall be accorded annual growth, swing, carryover and carry forward, combined flexibility and conversion factor as indicated in the corresponding columns (d) through (h) of Annex I of the MOU.

8. This Agreed Record of Discussions and Appendices shall be considered as Annex IV to the MOU and shall form an integral part of the MOU pursuant to paragraph 35 of the MOU.

9. The two delegations noted that their signature of this Agreed Record was on an ad referendum basis subject to confirmation by their Governments through an exchange of letters indicating acceptance.

Bucharest, 9 March 1988

For the Canadian Delegation

For the Romanian Delegation

Appendix I

(a) Item No.	(b) Product description	(c) 1988 Restraint level	(d) Growth	(e) Swing	(f) Carryover/ carry forward	(g) Combined flexibility (e) & (f)	(h) Conversion factor (M ² /Units)
<u>Group A</u>							
2	Shirts with tailored collars, MB	512,000	4%	6%	10% (5%)	12%	1.7
3	Sweaters, MBWGCI	1,468,030	3%	6%	10% (5%)	12%	1.1
4 (a) (b)	Blouses and shirts, WGCI and shirts, other, MBICI	683,873	6%	5%	10% (5%)	12%	1.6
4 (c)	T-shirts, sweatshirts, MBWGCI	515,044	6%	5%	10% (5%)	12%	1.6
4 (d)	Jackets other than wool, MBWGCI	376,862	6%	5%	10% (5%)	12%	2.6
4 (f)	Sleepwear and bathrobes, MBWGCI	133,158	6%	5%	10% (5%)	12%	3.1
4 (g)	Shorts, overalls, coveralls, MBWGCI	133,158	6%	5%	10% (5%)	12%	1.8
4 (h)	Jackets wool (17% or more by weight) MBWGCI	251,241	6%	5%	10% (5%)	12%	2.6
4 (e),	Rainwear, overcoats	384,399	6%	5%	10% (5%)	12%	4.0
4 (i)	and topcoats, MBWGCI of which 4(i) overcoats and topcoats	251,241	6%	5%	10% (5%)	12%	4.0
9	Sportswear	867,000	5%	6%	10% (5%)	12%	3.5
<u>Group B</u>							
7	Bedsheets	700,000	5%	6%	10% (5%)	12%	5.2
8	Pillowcases	475,000	5%	6%	10% (5%)	12%	1.2

Appendix 2

Definitions and Description of Terms

Item No. 9 (sportswear)

Dresses, women's and girls', children's and infants'. Dresses are one-piece garments extended above the waist, including jumpers, evening gowns, dusters and house dresses (other than sleepwear).

Skirts, women's and girls', children's and infants'. Skirts are one-piece garments not extending above the waist including golf skirts, kilts (including men's and boys') and culottes (divided skirts).

Suits, Co-ordinates and Leisure sets

Suits and co-ordinates are garments comprising two or three matched or co-ordinated pieces, covering both the upper and lower parts of the body, packed and shipped and sold as a set. Excluded are pieces which are fine suits, winter outerwear, underwear, sleepwear, swimwear, foundation garments, rainwear, shirts tailored-collar.

Co-ordinates or matching sets, men's and boys', children's and infants'.

Suits, co-ordinates, or matching sets, and blazers, women's and girls', children's and infants'.

Leisurewear. Co-ordinates not defined by any other definitions in this Annex. These may include shortsets, beachwear sets and cabana sets.

Item No. 7 Bedsheets, woven, including flannelette sheets.

Item No. 8 Pillowcases, woven.

Letter from the Canadian Embassy, Note No. 41

The Canadian Embassy presents its compliments to the Ministry of Foreign Trade of the Socialist Republic of Romania and wishes to refer to the agreed record to discussions signed by representatives of Canada and Romania in Bucharest on 9 March 1988 relating to the exports from Romania of sportswear and of bedsheets and pillowcases for import into Canada. In accordance with paragraph 9 of the agreed record, Canadian authorities wish to confirm acceptance of the provisions contained in the agreed record and propose that this Note together with the reply from Romanian authorities confirming acceptance by their Government, give effect to the agreement outlined in the agreed record.

The Canadian Embassy avails itself of this opportunity to renew to the Ministry of Foreign Trade of the Socialist Republic of Romania the assurances of its highest consideration.

Bucharest, 16 May 1988

Letter from the Socialist Republic of Romania

The Ministry of Foreign Trade and International Economic Co-operation of the Socialist Republic of Romania presents its compliments to the Canadian Embassy and has the honour to refer to the Canadian Embassy Note No. 41 dated 16 May 1988 and to inform the Embassy that the agreed record of discussions signed by representatives of Romania and Canada in Bucharest on 9 March 1988 relating to the exports from Romania of sportswear and of bedsheets and pillowcases for import into Canada was approved by Romanian authorities.

In accordance with paragraph 9 of the agreed record, Romanian authorities wish to confirm acceptance by the Romanian Government of the provisions contained in the agreed record and that the Canadian Embassy Note No. 41 dated 16 May 1988 together with this Note of reply give effect to the agreement outlined in the agreed record.

The Ministry of Foreign Trade and International Economic Co-operation of the Socialist Republic of Romania avails itself of this opportunity to renew to the Canadian Embassy the assurances of its highest consideration.

Bucharest, 21 October 1988