

HK to join forces with US, Asians

# Big support in Canada battle

THE HONGKONG Government will join hands with the United States, Singapore, South Korea and Malaysia to fight the Canadian government's unilateral move to break textile agreements and tighten up controls on garment imports.

Sources close to the Government said yesterday senior officials of the Department of Commerce and Industry had already exchanged views with officials in other countries and had agreed to stand on a united front.

The Government may also hire legal consultants to study the possibility of appealing to the textile committee of the General Agreement on Tariffs and

Trade, (Gatt), headquartered in Geneva, sources said.

According to Gatt rules, no country is allowed to unilaterally supersede agreements or to impose tariffs on import items without consulting the country involved.

However, on Tuesday, the Canadian authorities in a shock move announced they were imposing import controls on virtually all kinds of clothing.

The Canadian Industry Minister brought in the unprecedented move in a bid, he said, "to protect domestic jobs in the hard-pressed clothing industry."

However, the minister was unable to produce any figures to support his statement on the extent to which the Canadian industry was affected.

Hongkong is among four major suppliers which will be hit hard by the move. The others are South Korea, Taiwan and China.

Meanwhile, on the local scene, the Hongkong Exporters' Association voiced its strong support for the Government in fighting the move.

In a strongly-worded statement, the association said it "deplores the high-handed unilateral abrogation by the Canadian Government of its bilateral agreement with Hongkong."

The Association said that future business contracts would have little meaning if countries could, like Canada, unilaterally "supersede" agreements without consultation or warning.

"We (the association) strongly support the Hongkong Government's stand that it will abide by the agreements even if Canada defaults," the Association stressed.

The Canadian announcement, that imports for the rest of this year and all of next would be held to 1975 levels, would reduce Hongkong garment sales to that market to a mere trickle - chopping some 20 per cent from the current agreement, which expires at the end of June 1977.