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REPORT OF THE MINISTER OF INDUSTRY, TRADE AND COMMERCE
respecting operations under the
EXPORT AND IMPORT PERMITS ACT
for the year 1976

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EXPORT AND IMPORT PERMITS ACT

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This report is submitted pursuant to Section 26 of the Export and Import Permits Act (hereinafter referred to as the Act), Chapter E-17 of the 1970 Revised Statutes of Canada, as amended, which provides:

"26. As soon as practicable after the 31st day of December of each year the Minister shall prepare and lay before Parliament a report of the operations under this Act for that year."

SUMMARY

In the case of the Export Control List, two new items were added:

a) 5664 - Specialty Steel Products; and b) 5674 - Cesium Crude Ore. Item 1011 was modified. One general export permit was cancelled and two were amended.

In the case of the Import Control List, the following 21 new items were added: 5 - coffee; 29 - cotton terry towels; 32 - outerwear garments; 32.1 - outerwear garments partially manufactured; 33 - sweaters, cardigans and pullovers (subsequently revoked and replaced by Item 50); 34 - hosiery; 35 - double knit fabrics; 36 - warp knit fabrics; 37 - pants; 38 - suits and coats; 39 - blouses and ladies' shirts; 40 - sleepwear; 41 - raincoats; 42 - sportswear; 43 - foundation garments; 44 - swimwear; 45 - underwear; 46 - top coats and outer-jackets; 47 - men's suits and coats; 48 - leather coats; 49 - men's and boys' shirts; 50 - sweaters, pullovers and cardigans.

The following 8 items were amended: 15 - men's and boys' shirts; 22 - broadwoven polyester filament fabrics; 24 - 100% acrylic worsted spun yarns; 25 - worsted fabrics; 28 - men's structured suits; 30 - endangered species; 31 - work gloves; 32.1 - outerwear.

The following 4 items were revoked: 15 - shirts (replaced by Item 49); 23 - double knit and warp knit fabrics (replaced by Items 35 and 36); 28 - men's structured suits (replaced by Item 47); 33 - sweaters, cardigans and pullovers (replaced by Item 50).

Five general import permits were revoked; seven were amended and eight new general import permits were issued.

The details of these changes to the Control Lists and General Permits are described below.

1. EXPORT CONTROLS

a) Export Control List

Section 3 of the Act provides for the establishment of an Export Control List as follows:

"3. The Governor in Council may establish a list of goods, to be called an Export Control List, including therein any article the export of which he deems it necessary to control for any of the following purposes, namely:

(a) to ensure that arms, ammunition, implements or munitions of war, naval, army or air stores or any articles deemed capable of being converted thereinto or made useful in the production thereof or otherwise having a strategic nature or value will not be made

available to any destination wherein their use might be detrimental to the security of Canada;

(a.1) to ensure that any action taken to promote the further processing in Canada of a natural resource that is produced in Canada is not rendered ineffective by reason of the unrestricted exportation of that natural resource;

(a.2) to limit or keep under surveillance the export of any raw or processed material that is produced in Canada in circumstances of surplus supply and depressed prices and that is not a produce of agriculture;

(b) to implement an intergovernmental arrangement or commitment; or

(c) to ensure that there is an adequate supply and distribution of such article in Canada for defence or other needs."

Order-in-Council P.C. 1976-2336 of 21 September 1976 amended provisions of Item 1011 to reflect adequately the intent of the Convention on International Trade in Endangered species of Wild Fauna and Flora and, at the same time, to make the legislation more practical for those whose task it is to implement. A Ministerial Order cancelled General Export Permit Ex. 15 and amended certain provisions of General Export Permit No. Ex. 14, effective 21 September 1976.

Order-in-Council P.C. 1976-2335 of 21 September 1976 added Item 5674 covering Cesium in all forms under the authority of Section 3 (a) of the Act, i.e., to ensure that such an article will not be made available to any destination wherein its use might be detrimental to the security of Canada.

A Ministerial Order amended the provisions of General Export Permit No. Ex. 13, effective 17 October 1976, which relates to Item 1021 covering beef and veal carcasses, or cuts, bone in or boneless, fresh, chilled or frozen.

Order-in-Council P.C. 1976-3033 of 9 December 1976 amended the List by adding Item 5664 covering specialty steel products subject to U.S. import quotas, in order that export permits may be issued in a manner which facilitates the equitable distribution of export opportunities among Canadian suppliers. This action was taken under the authority of Section 3(b) of the Act; i.e. to implement an intergovernmental arrangement between Canada and the United States of America.

b) Area Control List

Section 4 of the Act provides for the establishment of an Area Control List, as follows:

"4. The Governor in Council may establish a list of countries, to be called an Area Control List, including therein any country the export of any goods to which he deems it necessary to control."

The Area Control List established by Order-in-Council P.C. 1970-1999 of November 17, 1970, remained in force during the year with no modification.

c) Issuance of Permits

Section 13 of the Act provides:

"13. No person shall export or attempt to export any goods included in an Export Control List or any goods to any country included in an Area Control List except under the authority of and in accordance with an export permit issued under this Act."

An export permit is required before an item included in the Export Control List may be exported from Canada to any destination with the exception, in most cases, of the United States. However, 15 items in the List require permits before they may be exported to any destination including the United

States, i.e.: 1001 - pancreas glands of cattle and calves; 1003 - purebred cattle; 1011 - endangered species (appendix I or II); 2001 - logs of wood (of all species); 2002 - pulpwood (of all species); 5665 - scrap iron and steel; 5666 - Canadian silver coins (1968 or earlier); 5667 - Canadian one cent bronze coins; 8001 - source (fertile) and fissionable materials; 8005 - deuterium; 8039 - tritium; 8050 - radio-active materials; 8136 - nuclear reactors; 10010 - fibrinogen; 10011 - serum albumin. Furthermore, two items require permits before they may be exported to the United States only, i.e. 1021 - beef and veal carcasses; 5664 - specialty steel products.

All goods originating in the United States that are to be re-exported from Canada require an export permit except any such goods that have been further processed or manufactured outside the United States, by combining them with other goods or otherwise so as to result in a substantial change in value, form and use of the goods or in the production of new goods.

All goods originating outside Canada that are to be re-exported from Canada require an export permit to any destination with the exception, in most cases, of the United States, when they are named in the Export Control List. Any such goods that are in transit in bond through Canada accompanied by a billing or other documentation which clearly indicates the ultimate destination are exempted from the requirement to have an export permit.

Section 7 of the Act provides that:

"7. The Minister may issue to any resident of Canada applying therefor a permit to export goods included in an Export Control List or to a country included in an Area Control List, in such quantity and of such quality, by such persons, to such places or persons and subject to such other terms and conditions as are described in the permit or in the regulations."

Authority is provided under Section 12 of the Act for regulations prescribing the information and undertakings to be furnished by applicants for permits,

procedures to be followed in applying for and issuing permits, and requirements for carrying out the purposes and provisions of the Act. Regulations established under this Section by Order-in-Council P.C. 1954-788 of May 27, 1954, remained in force during the year.

Section 6 of the Export Permit Regulations provides for the issuance of general permits authorizing the export of certain named goods to all destinations or to specified destinations.

The Regulations respecting trans-shipment, established by Order-in-Council P.C. 1955-17, of January 4, 1955, continued in force. The purpose of these Regulations is to enable Canada to co-operate in a system agreed upon by a number of countries to prevent the diversion of strategic materials in transit.

The following is a statistical summary of applications for export permits processed during the year 1976 relating to both the Export Control List and the Area Control List:

Export permits issued.....	8672
Applications refused.....	53
Applications withdrawn.....	170
Export permits cancelled.....	101
Applications pending as of December 31, 1976.....	35

2. IMPORT CONTROLS

a) Import Control List

Section 5 of the Act provides for the establishment of an Import Control List as follows:

"5. The Governor in Council may establish a list of goods, to be called an Import Control List, including therein any article the import of which he deems it necessary to control for any of the following purposes, namely,

(a) to ensure, in accordance with the needs of Canada, the best possible supply and distribution of an article that is scarce in world markets or is subject to governmental controls in the countries of origin or to allocation by intergovernmental arrangement;

(a.1) to restrict, for the purpose of supporting any action taken under the Farm Products Marketing Agencies Act, the importation in any form of a like article to one produced or marketed in Canada the quantities of which are fixed or determined under that Act;

(b) to implement any action taken under the Agricultural Stabilization Act, the Fisheries Prices Support Act, the Agricultural Products Co-operative Marketing Act, the Agricultural Products Board Act or the Canadian Dairy Commission Act, to support the price of the article or that has the effect of supporting the price of the article;

or

(c) to implement an intergovernmental arrangement or commitment; and where any goods are included in the list for the purpose of ensuring supply or distribution of goods subject to allocation by intergovernmental arrangement or for the purpose of implementing an intergovernmental arrangement or commitment, a statement of the effect or a summary of the arrangement or commitment if it has not previously been laid before Parliament, shall be laid before Parliament not later than fifteen days after the Order of the

Governor in Council including those goods in the list is published in the Canada Gazette pursuant to the Statutory Instruments Act or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

(2) where at any time it appears to the satisfaction of the Governor in Council on a report of the Minister made pursuant to

(a) an inquiry made by the Textile and Clothing Board with respect to the importation of any textile and clothing goods within the meaning of the Textile and Clothing Board Act; or

(b) an inquiry made under Section 16A of the Anti-dumping Act by the Anti-dumping Tribunal in respect of any goods other than textile and clothing goods within the meaning of the Textile and Clothing Board Act

that goods of any kind are being imported or are likely to be imported into Canada at such prices, in such quantities and under such conditions as to cause or threaten serious injury to Canadian producers of like or directly competitive goods, any goods of the same kind may by order of the Governor in Council, be included on the Import Control List in order to limit the importation of such goods to the extent and for the period that, in the opinion of the Governor in Council, is necessary to prevent or remedy the injury."

The Import Control List made by Order-in-Council P.C. 1970-1376, of July 31, 1970, as amended, remained in force during the year.

The Import Control List was amended to implement certain intergovernmental arrangements or commitments, or to comply with the provisions of the Farm Product Marketing Agencies Act and the Textile and Clothing Board Act.

Order-in-Council P.C. 1976-907 of 15 April 1976 amended certain provisions of Item 24 to cover 100 per cent acrylic worsted spun yarns in hanks and skeins for machine knitting having an export price determined in accordance with the Anti-dumping Act of less than \$1.30 in Canadian currency per pound. Consequently General Import Permit No. 12 was amended by a Ministerial Order on the same date to reflect changes made to the Item, effective 20 April 1976.

Order-in-Council P.C. 1976-908 of April 15, 1976 amended certain provisions of Item 15 to include shirts, men's and boys', dress, work and sport, made from woven or knitted fabric, with tailored collar, front opening and long or short sleeves and added Item 32 covering outerwear garments commonly referred to as (a) snowsuits, snowmobile suits, ski suits and ski pants and (b) jackets and vests including parkas and ski jackets that have an outershell manufactured substantially from woven fabrics and that are lined and designed to protect the wearer against cold or inclement weather. A consequential Ministerial Order dated 15 April 1976 issued General Import Permit No. 21 to cover Item 32 effective 20 April 1976.

Order-in-Council P.C. 1976-909 of 15 April 1976 modified Item 28 to read "Men's structured suits and jackets of woven or knitted fabrics".

Order-in-Council P.C. 1976-1168 of 18 May 1976 amended Item 22 to include Taiwan.

Order-in-Council P.C. 1976-1452 of 15 June 1976 modified Item 31 to read "work gloves composed wholly or in part of textile fabric or leather whether or not impregnated or coated with plastic". A consequential

Ministerial Order dated 15 June 1976 amended General Import Permit No. 20 covering Item 31, effective 1 July, 1976.

Order-in-Council P.C. 1976-2067 of 5 August 1976 amended the List by adding (a) Item 33 - sweaters, cardigans and pullovers made wholly or substantially of man-made fibres, wool or man-made fibres and wool originating from the Republic of Korea, Taiwan and Hong Kong, excluding all such garments commonly referred to as T-shirts and sweatshirts and (b) Item 34 - hosiery for men and boys, women and girls, infants and children, originating from the Republic of Korea, Taiwan, Singapore and Poland. A Ministerial Order dated 9 August 1976 issued General Import Permits Nos. 22 and 23 in relation to Items 33 and 34 effective 9 August 1976.

Order-in-Council P.C. 1976-2334 of 21 September 1976 amended certain provisions of Item 30 covering all specimens of endangered wild fauna and flora or derivatives thereof included in Appendix I or II or set out in each Part of Appendix III in respect of the country or point of origin referred to in that Part. A Ministerial Order was issued cancelling General Import Permit No. 18 relating to endangered species and, at the same time amending General Import Permit No. 17, effective same date.

Order-in-Council P.C. 1976-2412 of 28 September 1976 added Item 5 - coffee in any form, including parchment, green, wasted, ground, decaffeinated, liquid and soluble, to fulfill the requirements of the International Coffee Organization. A consequential Ministerial Order issued General Import Permit No. 3 covering this Item, effective 1 October 1976.

Order-in-Council P.C. 1976-2516 of 12 October 1976 revoked Item 23 and replaced it by adding Item 35, double knit fabrics, and Item 36 warp knit

fabrics. It also amended certain provisions of Item 25 to cover worsted fabric containing 17 per cent or more by weight of wool from all sources except the United Kingdom, France, West Germany, Netherlands, Switzerland, Italy, United States and Japan. A consequential Ministerial Order issued General Import Permits Nos. 35 and 36 to cover new Items 35 and 36, effective 12 October 1976.

A Ministerial Order dated 12 October 1976 cancelled General Import Permit No. 11, and amended certain provisions of General Import Permit No. 13, relating to Item 25 as described above.

A Ministerial Order dated 13 October 1976 changed the provisions of General Import Permit No. 9, by allowing the importation into Canada of beef and veal, in fresh and frozen form except offals for the personal use of the importer and his household not exceeding twenty pounds (8.83 kg) in net weight for each importation, effective 18 October 1976.

Order-in-Council P.C. 1976-2624 of 22 October 1976 added Item 32.1 covering outerwear garments described in Item 32 that are partially manufactured.

Order-in-Council P.C. 1976-2957 of 25 November 1976 revoked Items 15, 28 and 33 and added thereto the following items:

37 - Pants, including jeans, slacks, shorts, overalls and coveralls.

38 - Unstructured or leisure suits, including unstructured sports coats and blazers.

39 - Blouses and ladies' shirts, including T-shirts and sweatshirts.

40 - Pyjamas and sleepwear.

41 - Raincoats.

42 - Sportswear including dresses and co-ordinates.

43 - Foundation garments.

44 - Swimwear.

- 45 - Underwear.
- 46 - Top coats, overcoats and outerjackets, including duffle coats, suburban coats and pant coats.
- 47 - Men's fine suits and jackets, including sportscoats and blazers.
- 48 - Leather coats.
- 49 - Men's and boys' shirts, including T-shirts and sweatshirts.
- 50 - Sweaters, pullovers and cardigans.

A Ministerial Order cancelled General Import Permits Nos. 5, 16, 22 and issued General Import Permit No. 24 to cover the goods described in Items 37 to 50, effective 30 November 1976. A consequential Ministerial Order amended the provisions of General Import Permit No. 24, effective 8 December 1976. A further Ministerial Order amended certain provisions of General Import Permit No. 24 effective 17 December 1976.

Order-in-Council P.C. 1976-3324 of 30 December 1976 added Item 29 covering cotton terry towels originating in the People's Republic of China. A consequential Ministerial Order of the same date issued General Import Permit No. 19 covering this item, effective 1 January 1977.

b) Issuance of Permits

Section 14 of the Act provides:

"14. No person shall import or attempt to import any goods included in an Import Control List except under the authority of and in accordance with an import permit issued under this Act."

An import permit is required before any goods included in the Import Control List may be imported into Canada from any country.

Section 8 of the Act provides:

"8. The Minister may issue to any resident of Canada applying therefor a permit to import goods included in an Import Control List, in such quantity and of such quality, by such persons, from such places or persons and subject to such other terms and conditions as are described in the permit or in the regulations".

Authority is provided under Section 12 of the Act for regulations prescribing the information and undertakings to be furnished by applicants for permits, procedures to be followed in applying for and issuing permits, and requirements for carrying out the purposes and provisions of the Act. Regulations established under this Section by Order-in-Council P.C. 1954-788, May 27, 1954, remained in force during the year.

Section 8 of the Import Permit Regulations provides for the issuance of general permits authorizing the import of specified goods up to specified limits or subject to specified conditions.

The following is a statistical summary of applications for import permits processed during the year 1976:

Import permits issued.....	24,577
Applications refused.....	1,071
Applications withdrawn.....	1,658
Import Permits cancelled.....	3,466
Applications pending as of December 31, 1976.....	753

3. CERTIFICATES

Section 9 of the Act provides:

"9. The Minister may, in order to facilitate the importation of goods into Canada and compliance with the laws of the country of export, issue to any resident of Canada applying therefor an import certificate stating that the applicant has undertaken to import the goods described in the certificate

within the time specified therein and containing such other information as the regulations required."

Order-in-Council P.C. 1954-790 of May 27, 1954 established Import Certificate Regulations that provide for the issuance of import certificates where there are required by the country of export before it will allow goods to be shipped to Canada.

It also provides for the issuance of Delivery-Verification Certificates of the delivery in Canada of goods imported into Canada to comply with the requirements. The purpose of the Regulations is to prevent the diversion in transit or the unauthorized trans-shipment of such goods.

The following is a statistical summary of certificates processed during the year 1976.

Import Certificates issued398

Delivery-Verification Certificates issued.....116

4. OFFENCES

Section 19 of the Act provides that:

"19. (1) Every person who violates any of the provisions of this Act or the regulations is guilty of an offence and is liable

(a) on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding twelve months or to both fine and imprisonment; or

(b) on conviction upon indictment to a fine not exceeding twenty-five thousand dollars or to imprisonment for a term not exceeding five years or to both fine and imprisonment.

(2) A prosecution under paragraph (a) of subsection (1) may be instituted at any time within three years from the time when the subject-matter of the complaint arose."

Eight (8) suspected violations of the Export and Import Permits Act were investigated or are still under investigation. Two charges were laid during 1976 and two convictions were obtained.

5. CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA

The Convention on International Trade in Endangered Species of Wild Fauna and Flora, which came into force on July 1, 1975, is an international agreement to regulate trading over 800 designated endangered species of animals and plants including their respective parts and derivatives.

The Department of Industry, Trade and Commerce was designated by Cabinet as the Competent Authority to perform those functions related to the regulation of trade of such endangered species through export and import control measures, by means of the Export and Import Permits Act. Such control measures were introduced on July 3, 1975. On July 4, 1975, the Minister of Industry, Trade and Commerce issued general export and import permits to allow the Canadian Wildlife Service of the Department of the Environment as well as the provincial or territorial government authorities to issue individual Convention permits for the above mentioned species. The following is a résumé of the export and import permits as well as other documents issued under the authority of General Export Permit No. Ex 14 and General Import Permit No. 17.

a) Export Permits

During the period January 1, 1976, to December 31, 1976, the following export permits were processed in accordance with General Export Permit No.

Ex. 14:

An export permit is required for all specimens included in Appendices I, II and III of the Export Control List.

Applications received.....	139
Applications completed.....	134
Applications refused.....	-
Applications withdrawn.....	1
Applications cancelled.....	5

b) Import Permits

The following import permits were processed in accordance with General Import Permit No. 17. A permit is required for Appendix 1 (Import Control List) specimens. All applications were handled by Canadian Wildlife Service.

Applications received.....	43
Applications completed.....	30
Applications refused.....	5
Applications withdrawn.....	7
Applications cancelled.....	1

c) Transit Permits

Six (6) permit applications for live animals were received and completed by the Canadian Wildlife Service.

d) Certificates

In accordance with General Import Permit No. 18 of July 4, 1975, and General Export Permit No. Ex. 15 of July 4, 1975, a total of 38 Import/Export Certificates were issued to scientists and scientific institutions for the non-commercial loan, donation or exchange of herbarium specimens, other preserved, dried or embedded museum specimens and live plant material. All certificates issued expired on December 31, 1976.