

Canada Dept. of

REPORT OF THE MINISTER OF INDUSTRY, TRADE AND COMMERCE

Respecting Operations Under The

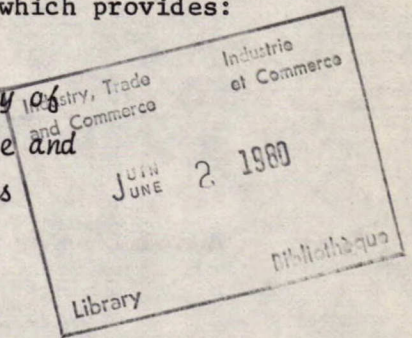
EXPORT AND IMPORT PERMITS ACT

for the year 1978

*obtained from:
Legislation Section,
Office of Special
Import Policy.*

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 31 st 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

The Export Control List was amended three times during the year by adding two new items - 1004: Whale factory ships, whale catchers ships and gears, apparatus or appliances; 5664: Specialty Steel Products and by amending Appendices I, II and III covering endangered species. A new General Export Permit No. Ex. 4 was issued.

The following three new items were added to the Import Control List: 12 - Sugar in all recognizable commercial forms; 58 - Handbags; 59 - Whale products or by-products.

The following items were amended on the Import Control List: 22 : Broadwoven fabrics; 24 : All types of machine and hand knitting yarns; 37 - 50 : to include partially manufactured clothing.

Appendices I, II and III to the Import Control List covering endangered species were amended. Also the following three new General Import Permits Nos. 5, 8 and 59 were issued.

New Import Permit Regulations were issued during the year.

The details of these changes 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. 1978-27 of 12 January 1978 added Item 5664 Specialty Steel Products to the Export Control List, effective 16 January 1978.

Order-in-Council P.C. 1978-2645 of 23 August 1978 added Item 1004 Whale factory ships, whale catchers ships and gears, apparatus or appliances used in the conduct of whaling to the Export Control List. This addition was the result:

- (1) of a Resolution adopted by the International Whaling Commission requesting its member countries to prevent the export of these products to any nation that is not a member of the Commission, and
- (2) that Canada as a member of the Commission is obliged to comply with the requirements of this Resolution adopted under an International Agreement.

A Ministerial Order issued General Export Permit No. EX 4 covering this item effective 28 August 1978.

Order-in-Council P.C. 1978-3327 of 2 November 1978 revoked Appendices I, II and III to the List and substituted new appendices therefor covering endangered species, effective 3 November 1978.

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 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 1978 relating to both the Export Control List and the Area Control List:

Export permits issued	8,431
Applications refused	78
Applications withdrawn	134
Export permits cancelled	220
Applications pending as of December 31, 1978	25

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 the 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 was amended to implement certain inter-governmental 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. 1978-316 of 2 February 1978 amended the Import Control List by revoking item 24 and substituting a new item therefor:

"24 - All types of machine knitting and hand knitting acrylic yarns containing 50 percent or more by weight of acrylic fibre, except those yarns spun on the cotton system."

effective 6 February 1978.

Order-in-Council P.C. 1978-317 of 2 February 1978 amended the Import Control List by revoking clothing items 37 - 50 and substituting new items therefor to include partially manufactured goods also, effective 6 February 1978.

Order-in-Council P.C. 1978-639 of 2 March 1978 amended the Import Control List by adding thereto item 58 - Handbags, effective 3 March 1978. A Ministerial Order dated 3 March 1978 issued General Import Permit No. 58 to cover this item. A subsequent Ministerial Order dated 23 March 1978 amended the provisions of this General Import Permit.

Order-in-Council P.C. 1978-1016 of 6 April 1978 revoked item 22 on the Import Control List and substituted a new item to read as follows:

"22 - Broadwoven filament polyester fabrics.",
effective 11 April 1978.

Order-in-Council P.C. 1978-1117 of 13 April 1978 amended the Import Control List by adding item 12 - Sugar in any of its recognized commercial forms, effective 17 April 1978. A Ministerial Order dated 11 April 1978 issued General Import Permit No. 5 covering this item.

A Ministerial Order dated 21 April 1978 revoked General Import Permit No. 19 and issued a new import permit therefor, effective 24 April 1978.

Order-in-Council P.C. 1978-2646 of 23 August 1978 amended the Import Control List by adding item 59 - Whale products, parts or by-products effective 28 August 1978. A Ministerial Order dated 23 August 1978 issued General Import Permit No. 59 covering this item.

Order-in-Council P.C. 1978-3328 of 2 November 1978 amended Appendices I, II and III of the Import Control List dealing with endangered species, effective 3 November 1978.

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, were revoked by Order-in-Council P.C. 1978-3738 of 14 December 1978 and new Import Permit Regulations substituted therefor, effective 18 December 1978. The purpose of the change was to bring the regulations up to date and to implement a more efficient system of issuing import permits under the Act.

Section 5 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 1978.

Import permits issued	56,608
Applications refused	646
Applications withdrawn	330
Import permits cancelled	1,989
Applications pending as of December 31, 1978	25

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 they 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 1978:

Import Certificates issued	442
Delivery-Verification Certificates issued	117

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."

One hundred and fifty-one (151) suspected violations of the Export and Import Permits Act were investigated or are still under investigation; twenty-seven (27) charges were laid; twenty-one (21) convictions were obtained; and five (5) court cases are pending as of 30 December 1978.

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 resumé 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, 1978 to December 31, 1978 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.

Applications received	28
Applications completed	28
Applications withdrawn or cancelled	3

b) Import Permits

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

Applications received	44
Applications completed	36
Applications withdrawn or cancelled	4
Applications refused	8

c) Transit Permits

Fifty-six (56) permit applications for live animals were received and completed by the Canadian Wildlife Service. The majority of these permits were issued on travelling circuses.

d) Scientific Certificates

In accordance with General Import Permit No. 17 of 21 September 1976, and General Export Permit No. Ex. 14 of 21 September 1976, a total of 30 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 31 December 1978.