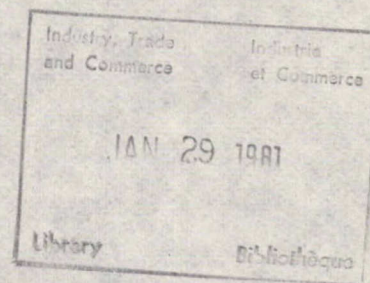


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REPORT OF THE MINISTER OF INDUSTRY, TRADE AND COMMERCE

Respecting Operations Under The

EXPORT AND IMPORT PERMITS ACT

for the year 1979

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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

The Export Control List (C.R.C., c. 601) was amended twice during the year by revoking items 1003 - purebred cattle and 10010 - fibrinogen. General Export Permit No. Ex. 8 (C.R.C., c. 608) relevant to item 1003 was revoked at the same time.

The Area Control List (C.R.C., c. 600) was amended by removing Rhodesia.

The Import Control List (C.R.C., c. 604) was amended four times during the year by:

- a) the addition of eight new items: 15, 19, 60 - 65;
- b) revoking item 12 - Goods of Rhodesian Origin;
- c) revoking 26 items: 22, 24, 25 - 27, 29, 31, 32, 34, 37 to 52 and 58 and substituting new items therefor.

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. 1979-664 of 8 March 1979 revoked Item 1003: purebred cattle, effective 13 March 1979, as the export of such cattle is now obsolete. A consequential Ministerial Order dated 13 March 1979 revoked General Export Permit No. Ex. 8 relevant to this item.

Order-in-Council P.C. 1979-2222 of 24 August 1979 removed Item 10010: Fibrinogen from the Export Control List, effective 27 August 1979. This item was revoked as there are now sufficient quantities of Fibrinogen in Canada to ensure adequate supplies at all times.

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."

Order-in-Council P.C. 1979-3511 of 19 December 1979 amended the Area Control List by removing Rhodesia, effective 28 December 1979. This amendment resulted from a United Nations Security Council Cease-Fire Resolution signed by all parties interested in the evolution of the situation in Rhodesia.

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, 13 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; 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; 10011 - serum albumin; further, 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 remained in force during the year.

Section 6 of the Export Permit Regulations (C.R.C., c. 602) 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 (C.R.C., c. 606) 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 1979 relating to both the Export Control List and the Area Control List:

Export permits issued.....	9,559
Applications refused.....	40
Applications withdrawn	259
Export permits cancelled.....	41
Applications pending as of December 31, 1979 ...	62

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 concerning textiles and clothing and in support of the provisions of the Farm Products Marketing Agencies Act.

Order-in-Council P.C. 1979-13 of 5 January 1979 added to the Import Control List Item 19 - chickens and chicken capons, live or eviscerated, parts and products manufactured wholly thereof, effective on 15 January. The reason for this addition was that Cabinet, on May 11, 1978, decided that chickens be placed on the List ten days after the date of the proclamation of the Chicken Marketing Agency created officially by the Governor General in Council on December 29, 1978, in order to support the action taken under the Farm Products Marketing Agency Act.

A Ministerial Order, dated 5 January 1979, issued General Import Permit No. 2 covering this item.

Order-in-Council P.C. 1979-760 of 15 March 1979 added the following new items to the Import Control List:

- 15: Yarn wholly of cotton fibre, either combed or carded, that is in a state ready for further processing, originating in Hong Kong.
- 60: Rayon, nylon or mixed fibre yarns that contain
- (a) any type of rayon yarn, originating in the Republic of Korea or Taiwan;
 - (b) any type of nylon yarn, originating in the Republic of Korea or Taiwan;
 - (c) any type of mixed or blended fibre yarn, originating in Taiwan; or
 - (d) any type of polyester-cotton yarn, originating in Hong Kong or Taiwan.
- 61: Broadwoven cotton fabrics that are
- (a) duck and allied fabrics, drills, twills or warp sateen, originating in Hong Kong;
 - (b) sheeting, unbleached, bleached or coloured, originating in Hong Kong or the Republic of Korea;
 - (c) print cloth, unbleached, bleached or coloured, originating in Hong Kong;
 - (d) print cloth and sheeting, unbleached, originating in Taiwan;
 - (e) flannel napped fabric, unbleached, bleached or coloured, originating in Hong Kong, Poland or Taiwan;
 - (f) denim, originating in Hong Kong, the People's Republic of China, Poland or the Republic of Korea;
 - (g) corduroy, unbleached or bleached, originating in Hong Kong, the People's Republic of China, Poland, the Republic of Korea or Taiwan;
 - (h) corduroy, coloured, originating in Hong Kong, People's Republic of China, Poland or the Republic of Korea;
 - (i) terry cloth, unbleached, bleached or coloured, originating in Hong Kong or in the Republic of Korea;
 - (j) terry cloth, coloured, originating in Poland;

- (k) pile fabrics, unbleached, bleached or coloured, originating in Hong Kong, Poland or the Republic of Korea; or
- (l) cotton fabrics, other than cotton fabrics referred to in paragraphs (a) to (c), (e) to (h), (j) and (k), originating in Hong Kong or Poland.

62: Fabrics that are

- (a) broadwoven rayon fabrics, originating in Poland, the Republic of Korea or Taiwan;
- (b) broadwoven pile fabrics of manmade mixed fibres, originating in Poland;
- (c) broadwoven fabrics of mixed fibres, other than broadwoven pile fabrics referred to in paragraph (b), originating in Poland; or
- (d) broadwoven rayon-polyester fabrics, originating in the Republic of Korea or Taiwan.

63: Coated fabrics that are

- (a) vinyl coated cotton fabric, originating in Taiwan;
- (b) vinyl coated fabrics, originating in the Republic of Korea;
- (c) polyurethane coated fabrics, originating in the Republic of Korea or Taiwan; or
- (d) broadcoated fabrics, originating in Taiwan.

64: Household textiles that are

- (a) blankets, originating in Poland;
- (b) blankets of cotton, originating in the People's Republic of China;
- (c) bedding, originating in Taiwan;
- (d) tablecloths, originating in Poland; or
- (e) bedspreads, originating in Poland or the Republic of Korea.

65: (1) All types of cordage, rope or twine, originating in Taiwan.

- (2) All types of cordage, rope or twine, other than manila rope, baler or binder twine, originating in the Republic of Korea.

and revoked items 22, 25 to 27 and 29 and substituted the following therefor:

22: Polyester fabrics that are

- (a) broadwoven filament polyester fabrics;
- (b) broadwoven polyester-cotton fabrics, where the polyester-cotton component represents 50 per cent or more by weight, originating in the Republic of Korea or Taiwan;

- (c) broadwoven polyester-cotton fabrics, where the polyester fibres represent 50 per cent or more by weight, originating in Hong Kong; or
- (d) broadwoven polyester fabrics not included in paragraphs (a) or (b) originating in the Republic of Korea.

25: Woollen fabrics that are

- (a) worsted fabric containing 17 per cent or more by weight of wool from all sources except France, Italy, Japan, Netherlands, Switzerland, United Kingdom, United States or West Germany.
- (b) woollen fabrics, 9 ounces (252 g) or less per square yard, originating in the Republic of Korea or Taiwan; or
- (c) all wool and wool blends, not included in paragraph (a) or (b) originating in the Republic of Korea.

26: Nylon fabrics that are

- (a) broadwoven fabrics of filament nylon, originating in Hong Kong, the People's Republic of China, Poland, the Republic of Korea or Taiwan; or
- (b) broadwoven fabrics of nylon, other than broadwoven fabrics of filament nylon, originating in Hong Kong, Poland, the Republic of Korea or Taiwan.

27: Polyester yarn that is

- (a) textured filament yarn;
- (b) yarn made from 100 per cent polyester fibres or filament, originating in Hong Kong; or
- (c) any type of polyester yarn, other than textured filament yarn, originating in the Republic of Korea or Taiwan.

29: (1) Cotton terry towels and washcloths that contain 50 per cent or more by weight of cotton, originating in Brazil, the People's Republic of China, Czechoslovakia, El Salvador, Hong Kong, India, Pakistan, Poland, the Republic of Korea or Taiwan.

(2) Cotton towels, other than cotton terry towels, originating in Hong Kong, Poland, the Republic of Korea or Taiwan.

(3) Cotton terry bathmats and bathmat sets, originating in the Republic of Korea.

(4) Towels, other than towels referred to in subitems (1) and (2), originating in Poland.

(5) Cotton washcloths, bathsets and bathmats, originating in the Republic of Korea.

Order-in-Council P.C. 1979-1356 of 2 May 1979 revoked items 24, 31, 32, 34, 37 - 52 and 58 and substituted the following therefor:

- 24: All types of machine knitting and hand knitting acrylic yarns containing 50 per cent or more by weight of acrylic fibre, except those yarns spun on the cotton system.
- 31: Work gloves, whether fully or partially manufactured and whether or not impregnated or coated, composed
 - (a) wholly of textile fabric that is composed wholly or mainly by weight of
 - (i) cotton,
 - (ii) man-made fibre, or
 - (iii) blends of cotton and man-made fibre; and
 - (b) mainly of textile fabric described in paragraph (a) and partly of leather.
- 31.1 Work gloves, whether fully or partially manufactured, composed wholly or mainly of leather.
- 32: 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 outer shell manufactured substantially from woven fabrics and that are lined and designed to protect the wearer against cold or inclement weather.
- 34: Hosiery for men and boys, women and girls, infants and children originating from the Republic of Korea, Taiwan, Singapore, Poland and India.
- 37: Pants, including jeans, slacks, shorts, overalls and coveralls whether fully or partially manufactured.
- 38: Unstructured or leisure suits, including unstructured sports coats and blazers whether fully or partially manufactured.
- 39: Blouses and ladies' shirts, including T-shirts and sweat shirts whether fully or partially manufactured.
- 40: Pyjamas and sleepwear whether fully or partially manufactured.

- 41: Raincoats whether fully or partially manufactured.
- 42: Sportswear, including dresses and co-ordinates whether fully or partially manufactured.
- 43: Foundation garments whether fully or partially manufactured.
- 44: Swimwear whether fully or partially manufactured.
- 45: Underwear whether fully or partially manufactured.
- 46: Top coats, overcoats and outerjackets, including duffle coats, suburban coats and pant coats whether fully or partially manufactured.
- 47: Men's and boys' fine suits and jackets, including sports coats and blazers whether fully or partially manufactured.
- 48: Leather coats whether fully or partially manufactured.
- 49: Men's and boys' shirts, including T-shirts and sweat shirts whether fully or partially manufactured.
- 50: Sweaters, pullovers and cardigans whether fully or partially manufactured.
- 51: Sheets, made wholly or in part of cotton or of man-made fibres, whether imported separately or in combination with other goods, originating in Hong Kong, India, People's Republic of China, Poland or Taiwan.
- 52: Pillowcases, made wholly or in part of cotton or of man-made fibres, whether imported separately or in combination with other goods, originating in People's Republic of China, Poland, Romania or Taiwan.
- 58: Handbags, made of fabrics, whether uncoated, coated or bonded, containing natural or man-made fibres or blends of these fibres, with a body area, excluding handles, between 40 and 190 square inches (258 cm^2 and 1226 cm^2), in the manufacture of which leather and plastic materials may be used as trim and finish but not as a major component of the shell.

Intergovernmental arrangements have been concluded between Canada and various countries to restrain the exportation by these countries of certain clothing and textile products to Canada. The Import Control List was amended as indicated above, in order to implement these intergovernmental arrangements by controlling the importation of the products included in the arrangements and furthermore to ensure that similar goods are not imported into Canada from other sources in a manner that might be inequitable to any country that is a party to these arrangements.

Order-in-Council P.C. 1979-3510 of 19 December 1979, revoked Item 12 - Goods of Rhodesian Origin. The removal of the control was the result of the signatures by all parties involved in the conflict of a cease-fire which took effect on 28 December 1979.

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. New Regulations established under this Section by Order-in-Council P.C. 1978-3738 of 14 December 1978 remained in force during the year.

Section 5 of the Import Permit Regulations (C.R.C., c. 605) 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 1979.

Import permits issued.....	122,792
Applications refused.....	1,442
Import permits cancelled	7,312
Applications pending as of December 31, 1979	14

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."

Import Certificate Regulations (C.R.C., c. 603) provide for the issuance of import certificates which are required by the country of export before it will allow goods to be shipped to Canada. They also provide 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 1979:

Import Certificates issued 440
Delivery-Verification Certificates issued 123

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 forty (140) suspected violations of the Export and Import Permits Act were investigated or are still under investigation; sixteen (16) charges were laid; twenty (20) convictions were obtained; and fifty (50) court cases are pending as of 31 December 1979.

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 in 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, 1979 to December 31, 1979, 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	55
Applications completed	54
Applications withdrawn or 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 I specimens. All applications were handled by Canadian Wildlife Service.

Applications received	40
Applications completed	36
Applications withdrawn or cancelled	8
Applications refused	4

c) Transit Permits

Seventy-four (74) 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 1979.