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International economic boycotts [tabled in
the House of Commons by the Minister of
Industry, Trade and Commerce.] 1977/78

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INTERNATIONAL ECONOMIC BOYCOTTS
SECOND SEMI-ANNUAL REPORT (AUGUST 1, 1977 TO JANUARY 31, 1978)

Mr. Speaker, I hereby table the second semi-annual report of my Department and the Export Development Corporation outlining the administration of the Government's policy on international economic boycotts during the period August 1, 1977 to January 31, 1978.

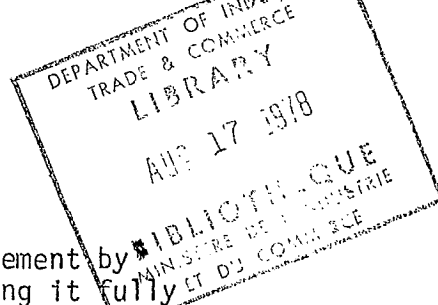
During this period the Government continued to review the policy, and the effectiveness of its implementation on the basis of actual experience of my Department and of External Affairs, both in Canada and at our Embassies abroad.

The Government believes that the Canadian business community shares the distaste for discrimination which exists among all Canadians. This policy which Mr. Jamieson announced in October 1976 encouraged companies to resist pressures to comply with unacceptable boycott clauses and stated, as you are aware, that Government services would be withdrawn from those that did comply with such clauses.

Reports from our Embassies and headquarters contact with Canadian companies have shown that the possibility of the withdrawal of Government services is a powerful disincentive to those who might be tempted to comply with unacceptable boycott clauses. Canadian firms seeking to penetrate the difficult markets of boycotting countries generally require the introduction and continued support provided by our trade commissioners on the spot. Financial support through the Department's Program for Export Market Development (PEMD) or EDC insurance coverage is contingent on full compliance with Canadian Government policy. Large multinational firms which do not require financial assistance frequently do require minor but essential services, and thus are not exempt from the scope of the policy.

For reasons of risk, cost or administrative necessity, therefore, very few Canadian exporters seek to bypass the Canadian Government and its institutions. Rather they are refusing to accept clauses which are contrary to the Government's policy, and most firms have had considerable success in negotiating or renegotiating the exclusion from contracts of objectional clauses. Thus, we have had to deny government support and services to one Canadian company with respect to one contract during the period of August 1, 1977 to January 31, 1978. We are further aware that two Canadian firms, rather than accept contravening boycott clauses, chose to withdraw from contract negotiations for projects valued at \$5 million.

As noted, during the period under review, one company agreed to a general boycott clause in a \$25 million contract. The company subsequently informed my Department that the clause was agreed to knowing that it had no practical application to the company's practices and that in fact no action was taken to comply with the boycott. Services were withdrawn, however, in August 1977. Following discussions with my



officials regarding the interpretation of the October statement by Mr. Jamieson, the company renegotiated the contract to bring it into compliance with Canadian Government policy. Services have consequently been restored to the company in question. In view of the fact the company is now in compliance and because the company did not fully understand the implications of the Government's policy statement at the time, the company will not be named in this report.

In order to clarify the Government's policy, I now wish to state that, in future, any Canadian company or individual from whom government services have been denied or withdrawn as a consequence of their having entered into undertakings containing unacceptable boycott provisions will be identified by name in the reports made by the Government. In fact, officials have been so informing Canadian businessmen since last December when this decision was confirmed by the Government.

The decision to proceed with naming companies from which services have been withdrawn or denied is a meaningful measure to ensure that the sanction of public opinion is brought to bear on companies or persons who flout the Government's policy.

I think it worthwhile to set out again the principal features of the Government's policy on international economic boycotts. The objective of the Government of Canada in adopting the present policy was to ensure that the Government and its institutions would not by their action support unacceptable foreign imposed boycotts. In my view, the policy, as implemented by my Department, the Department of External Affairs and EDC, has met fully this objective. The guidelines which have been drawn up by the Departments of Industry, Trade and Commerce and External Affairs, and EDC, and which are elaborated upon in the semi-annual reports, are not directed against all aspects of international trade boycotts. They are directed against certain discriminatory or trade limiting features of foreign imposed boycotts and make exceptions for those boycotts, such as that towards Rhodesia, which are accepted by the Government of Canada.

Specifically, the types of activities which the Government finds unacceptable are those which would, in connection with the provisions of any international economic boycotts, require a Canadian firm or individual to:

- (a) engage in discrimination based on the race, national or ethnic origin or religion of any Canadian firm or individual;
- (b) refuse to purchase from or sell to any other Canadian firm or individual;

- (c) refuse to sell Canadian goods to any country;
- (d) refrain from purchases from any country; or
- (e) restrict commercial investment or other economic activity in any country.

I would like to emphasize that Canada has gone a good deal further than most countries in its condemnation of such boycott undertakings and in taking sanctions against them. Other than the United States, Canada is the only country which penalizes its exporters for accepting discriminatory or trade restrictive boycott provisions.

We do not impose sanctions against primary boycott clauses such as certificates of origin even in instances where such statements or certificates are presented in a negative or exclusionary form. Indeed the practice of negative certification is practised by many countries and is not unique to Middle Eastern countries. It is the sovereign right of any country to exclude the products or services of another specified country, a right frequently exercised in times of war. However, as a matter of policy, the Government favours positive certificates of origin. Therefore we will be taking steps with other countries to adopt a consistent policy to accept only those certificates of origin which are positive in content.

We cannot and will not accept discriminatory clauses based on race, national or ethnic origin or religion. I wish to reaffirm that it is a contravention of the Government's policy to provide information concerning a person's religion, sex, racial, ethnic or national origin, be it of an employee, officer, director or owner of the company in question, or another company, when such information is sought for boycott enforcement purposes. Nor will we accept boycott-imposed restraints on the freedom of Canadian firms or individuals to trade with other Canadian firms or individuals, or other countries.

There has been some question about the way we have dealt with "statements of fact" as compared to "statements of intent". Where there is some doubt as to interpretation of any clause, we require a written declaration which basically states that no statement of fact will have the effect of restricting any Canadian firm or individual in its commercial dealings with the boycotted country or with other Canadian citizens or companies. We expect Canadian companies to abide by the letter and spirit of such declarations.

I would like to clarify our policy on letters of credit. The provision by a Canadian exporter of an unacceptable boycott clause in a letter of credit contravenes the policy. Some letters of credit require the provision of unacceptable tertiary boycott undertakings (e.g. black-listed insurance certificates). Guidelines tabled as part of our first semi-annual report confirm that these clauses are unacceptable. Banks, chambers of commerce, freight forwarders and similar organizations do

not partake in discriminatory or trade limiting actions since they only provide ancillary services to the Canadian exporter, and act under his direct instructions. In these circumstances, the policy is only directed at the Canadian exporter since it is only he who can enter into contracts requiring supporting documentation which may contain unacceptable boycott features.

With regard to shipping documents, as explained in the first semi-annual report, there were implicit tertiary boycott implications, but in practice these had no effect, as no Canadian shipping was involved. Thus in these cases a "unilateral declaration" is considered sufficient.

Our boycott policy is aimed at that trade which may be conducted under unacceptable boycott provisions. We are not seeking to interfere with normal trade in peaceful goods. Indeed we are endeavouring to promote such trade at every opportunity. Our regular trade with boycotting countries of the Middle East increased from \$78 million in 1970 to \$387 million in 1977. Exports of consulting services are also substantial and amounted to \$60-\$90 million in 1977. In the last six months Canadian firms have signed contracts worth \$1.25 billion, and a large number of Canadian companies are currently pursuing or bidding on projects valued at \$5.5 billion. There is no question that these markets are important to Canada particularly when one considers that each \$100 million of exports equates to 6,300 manyears of employment in Canada.

ADMINISTRATION OF CANADIAN POLICY

1. Department of Industry, Trade and Commerce

During the period August 1, 1977 to January 31, 1978 officials of the Department of Industry, Trade and Commerce in Ottawa, the Department's regional offices across Canada and its foreign trade posts abroad responded to approximately 2730 requests for departmental support and services relating to commercial activity in boycotting countries.¹ Most of these requests for assistance were associated with preliminary stages of endeavour such as, for example, the provision of information relating to a country's business conditions, names of potential importers or agents, sources of financing, etc. Approximately 660 related to particular business possibilities but at an early stage of development where, for example, specific contracts, etc. were not in place.¹ The number of identifiable business transactions was 87. Of these, 26 contained boycott-related undertakings.

¹ There is some multiple counting inherent in this statistic, since requests for assistance relating to the same transaction are being serviced by several parts of the Department, its regional offices in Canada and trade posts abroad.

In one instance departmental support and assistance was denied to a firm on August 23, 1977 with respect to a \$25 million project in a boycotting country. In the pursuit of this contract, the company in question entered into a contract containing a boycott provision calling for the firm " ... to comply with all boycott rules and decisions". However, the firm was subsequently successful in negotiating the inclusion of the addendum provision into the contract in order to fully comply with Canadian Government policy; departmental support and services have since been reinstated to the firm for the project in question.

In two other instances, Canadian firms, which were unsuccessful in their efforts to negotiate deletion or revision of unacceptable boycott provisions, chose to forego contracts (totalling \$5 million) rather than contravene Canadian Government policy.

The remaining 23 firms were either successful in negotiating the removal of boycott clauses or were able to provide qualifying undertakings as required by the Canadian Government policy.

The offending clause brought to the Department's attention most frequently referred to requests for information on a company's relationship with a boycotted country. Less frequent requests have been those requiring a firm's general compliance with the rules and regulations of an international economic boycott. Other clauses encountered referred to provisions prohibiting use of other companies with which a boycotting country refuses to do business. The Department is not aware of any instances where Canadian companies were asked about the race, religion or ethnic or national origin of their directors, owners, managers or employees.

A decision has been taken to remove Mauritania from the list of countries requiring cooperation with an international economic boycott. Mauritania only enforces the primary boycott of Israel, and does not request boycott undertakings from foreign suppliers as part of its commercial procedures.

In February 1978, a Government of Saudi Arabia decree announced new regulations relating to the issuance of letters of credit. Henceforth, Saudi Arabian banks in processing letters of credit will accept positive certificates of origin, shipping declarations attesting (in a positive fashion) the route of shipment and the ownership of the vessel and positive insurance certificates.

2. Department of External Affairs

During the period August 1, 1977 to January 31, 1978, two instances arose where departmental officials were asked to authenticate signatures in documentation which contained boycott provisions in

contravention of Canadian Government policy. In one instance, the firm was able to provide a qualifying addendum to the boycott clause; in the other, the firm submitted a unilateral declaration to the Government. Thus both cases conformed with the requirements of Canadian Government policy prior to signature authentication.

During the same period, the consular services of the Department received a request for a certificate of religious affiliation from a Canadian citizen who was under the impression that such a requirement was necessary in order to travel to a boycotting country. The issuing of such a certificate would be contrary to Canadian Government policy. In any case the boycotting country in question did not have any such certification requirement.

GUIDELINES FOR IMPLEMENTATION OF CANADIAN GOVERNMENT POLICY

1. Department of Industry, Trade and Commerce

In the context of this policy and in relation to transactions in countries which are known to have in their laws and regulations such economic boycotts, officials of the Department of Industry, Trade and Commerce, including Trade Commissioners posted abroad, are under standing instructions (see departmental directive dated January 21, 1977 - Appendix I) to determine before responding to requests for assistance whether Canadian trade transactions involve unacceptable boycott undertakings. In those instances where a firm is known to have agreed to an unacceptable boycott provision for a specific transaction, departmental services are withheld or withdrawn from the firm with respect to that particular transaction.

It is necessary to make a clear distinction between boycotts themselves and related undertakings which may, but do not necessarily, contravene Canadian policy. The Canadian Government policy is not directed against a boycott per se, but only against certain kinds of undertakings or agreements that may be related to an economic boycott.

The Department continues to bring trade opportunities in the countries in question to the attention of the Canadian business community. However, in doing so, officials also bring to their attention Canadian Government policy on international economic boycotts.

Because business transactions can be of many different types and because there is considerable variety in the kinds of boycott provisions encountered, the boycott policy is administered on a case-by-case basis. Boycott clauses are encountered at various stages of business undertakings. Most often they are contained in tender documents qualifying firms to do business, in import documents, in contracts and letters of credit.

In determining whether boycott-related requests contravene the Canadian Government's policy, the following guidelines are applied:

Primary boycott undertakings: These generally relate to the refusal of a boycotting country to accept any goods or components of a boycotted country, either directly or through third parties. This, at times, involves a negative certificate of origin, i.e. certification that the goods in question are neither made in a boycotted country nor contain components from a boycotted country. Several boycotting countries now require positive certificates only, i.e. certification that the goods are of Canadian origin and in instances where foreign components are involved, the foreign source and the percentage share are identified. Since there is no discrimination against Canadian citizens or between Canadian companies, certificates of origin, whether negative or positive, are deemed not to contravene the Canadian Government policy.

Secondary boycott undertakings: Secondary boycott clauses in general terms may require a Canadian company, as a pre-condition for doing business in boycotting countries, to limit its commercial activities with respect to another country. Since this could involve a relationship separate and distinct from the transaction in question, and would require the Canadian company to restrict its commercial freedom, such undertakings are deemed to be at variance with the Canadian Government policy.

Tertiary boycott undertakings: These clauses in general terms may require an exporter to certify that goods or services are not procured in whole or in part from companies with which a boycotting country refuses to do business. Because Canadian firms could in this way be limited in their ability to do business with other Canadian companies, tertiary boycott undertakings are deemed to be at variance with the Canadian Government policy.

Questionnaires: Clauses requiring a person or firm to furnish information about another person's race, religion, sex or national origin where such information is sought for boycott enforcement purposes are also deemed to be at variance with the Canadian Government policy.

Umbrella boycott undertakings and fact vs intent clauses:

(a) Some general boycott clauses require Canadian firms to either abide by the laws and regulations of the country in which they are doing business, or to abide by the general rules of the boycott; since there is reasonable doubt as to the intent of these clauses, Canadian firms entering into such undertakings are required, in order to receive continued support from the Canadian Government, to include in the contract or supporting documentation an addendum provision along the

following lines: "... that in meeting the terms of this contract, the sellers are not required to discriminate against any person on the basis of race, religion or national or ethnic origin, and are not required to refuse to purchase from or sell goods and/or services to any other Canadian company, agency or individual, sell Canadian goods and/or services to any country, or purchase goods and/or services from any country, except that it would be the right of the purchaser to refuse to accept goods, components and/or services of specified non-Canadian origin that would be prohibited entry if imported directly..."

(b) In clauses which are statements of fact, e.g. certification that the company does not have a branch office or plant in a boycotted country, but which could be interpreted as having the effect of limiting a firm's future actions (i.e. establishing a branch office or plant in the boycotted country) and thereby bring about those results which the policy was designed to prevent, the Canadian firm is asked to make a unilateral declaration along the lines of the addendum in item (a).

The "unilateral declaration" is also requested whenever Canadian firms encounter boycott clauses generally referred to as shipping clauses. These clauses generally requiring certification that "... the carrying steamer is not included in country X blacklist" are a standard feature of letter of credit and import documentation of several boycotting countries. While theoretically such undertakings might be viewed as having tertiary boycott connotations, the realities of Canadian shipping, whereby it has been determined that there are no Canadian registered bottoms engaged in trade in areas where economic boycotts are implemented, makes it impossible for a Canadian firm to engage in discriminatory action against other Canadians in its choice of carrying vessel. Therefore, since these clauses neither limit the freedom of a Canadian firm to do business with other Canadian persons or firms nor limit the freedom of Canadian firms to do business in a third country, it has been ruled that "shipping clauses" do not violate the Government's policy. Nevertheless, to provide assurances on these points, Canadian firms encountering the shipping clause will be required as a condition for receiving Government services, to provide the "unilateral declaration".

The processing of letters of credit, shipping or other documents by Canadian companies (including banks, chambers of commerce, boards of trade, etc) does not contravene the policy. It has been determined that in carrying out their functions, these institutions do not themselves partake in discriminatory practices nor do their actions limit the freedom of a Canadian company to deal with another Canadian company or with another country. However, in instances where a Canadian bank or agency is directly involved in a transaction (such as financing a project or underwriting a loan), such activity if accompanied by an unacceptable boycott undertaking would be deemed to be in contravention of Government policy.

2. Department of External Affairs

The Department of External Affairs follows a policy of denying all but essential consular services (e.g. assistance to travellers in difficulty) for a transaction when an unacceptable boycott clause comes to the attention of its officials. Certificates of religious affiliation requested to comply with regulations that discriminate against Canadians of certain faiths are not provided.

Export Development Corporation
International Economic Boycotts
Second Semi-Annual Report
for the period August 1, 1977 to January 31, 1978

1. Purpose:

The purpose of this report is to inform the Minister of Industry, Trade and Commerce of the policies and practices of the Export Development Corporation in the matter of international economic boycotts in the period August 1, 1977 to January 31, 1978.

2. Background:

In response to the Government's statement of October 21, 1976, enunciating its position on international boycotts, Export Development Corporation reviewed its programmes and the Board of Directors set in place a corporate policy that complies with Government policy to ensure that the Corporation's support does not extend to commercial contracts containing unacceptable boycott clauses.

On Thursday, February 9, 1978, the Corporation's first semi-annual report on international economic boycotts was tabled in the House of Commons. In it EDC's policy and practices with regard to such boycotts were fully described, and statistical information on the extent of the Corporation's business in boycotting countries was presented for the period October 21, 1976 to July 31, 1977. There have been no changes in EDC's policy and practices during the second reporting period.

3. EDC Policy:

At the November 24, 1976, Board meeting EDC's Board of Directors approved the Corporation's policy on international economic boycotts. Since then the Board of Directors has made no changes to EDC's policy, which is as follows:

- I In assessing exporter's sales contracts for export credits insurance claims purposes, for loans and for foreign investment guarantees, EDC will not assist in transactions where a Canadian firm would:
- i) engage in discrimination based on the race, national or ethnic origin or religion of any Canadian or other individual;
 - ii) refuse to purchase from or sell to any other Canadian firm;
 - iii) refuse to sell Canadian goods to any country; and
 - iv) refrain from purchases from any country.

With regard to (iii) and (iv) the following applies:

- a) A boycott is the classic boycott, i.e. where in a sale or other contract a Canadian firm has agreed that it will not sell any goods or services to, or buy any goods or services from a certain country;

- b) EDC would not treat as a boycott a clause in a sales or other contract in which a Canadian firm agrees that for that contract it will not buy goods or services from a certain country, since a buyer has the right to specify what he will purchase;
- c) A statement of fact by a Canadian firm that it does not sell to or buy from a certain country is not in itself a classic boycott clause; and
- d) The inclusion of a clause in a given sales or other contract stating that the laws of the buyer's country will apply, is not in itself to be considered a contravention of boycott policy as in all likelihood the laws of the country will prevail irrespective of whether such a clause exists in the contract. In addition, any assessment of whether conformity with these laws would constitute a classic boycott is beyond EDC's capacity in administrative terms owing to the enormous body of law that might apply and to the difficulty of determining the validity of a legal opinion, if obtainable.

II With respect to export credits insurance policies in particular:

- i) The effect must be that no claim whatever can be paid in respect of a sale subject to a boycott clause. The earlier practice had been to confine exclusions to claims arising from a boycott clause.
- ii) Accordingly, EDC's Insurance Policies must henceforth require that the exporter has not accepted a boycott condition. Furthermore, the exporter must understand that failure to disclose renders the Insurance Policy void.
- iii) EDC's boycott exclusion cannot be retroactive since EDC cannot unilaterally alter an existing Insurance Policy; thus, Insurance Policies in force prior to this policy decision will not be affected.
- iv) If the contract of sale is silent about the laws of the buyer's country, EDC will not search out those laws.

4. Statement of Current Practice:

There have been no changes from the practices outlined in the Corporation's first semi-annual report. In the period August 1, 1977 - January 31, 1978, EDC has not provided financing or investment insurance for projects containing undertakings which contravene the Government's policy. In the case of export credits insurance, endorsements have, throughout the period, been attached to export credits insurance policies involving boycotting countries, to the effect that no claims shall be paid in the case of a contract containing an unacceptable clause (a copy of the standard endorsement is attached to this

report as Appendix I). Such an endorsement is necessary as under such policies, the Corporation only sees the documentation if a claim is received from the exporter. A similar practice is not followed in the case of investment insurance or financing. In both these facilities the Corporation sees all the documentation relating to a particular transaction prior to the Corporation's entering into an investment insurance contract or a loan agreement. Thus in both these facilities the Corporation is able to screen out all transactions which would contravene the Government's policy. Nevertheless as an additional assurance that there is no intent to agree to unacceptable boycott provisions in cases where documentation contains statements of fact regarding past or present relations with a given country, the Corporation will in future require firms making such statements to sign the Government's unilateral declaration. From time to time the Corporation may not see all the documentation relating to a financing or an investment insurance transaction, and these are dealt with on a case-by-case basis in a similar manner to that for export credits insurance.

During the second reporting period EDC introduced a risk protection insurance programme. As is the case with export credits insurance, the standard endorsement on boycotts is attached to all insurance policies involving boycott countries.

In instances where firms have encountered boycott clauses referred to as shipping clauses, the Corporation's actions have been consistent with Government policy. As there are no Canadian registered bottoms operating in areas where economic boycotts are in effect, it is recognized that there is no possibility of a Canadian firm engaging in discriminatory action against other Canadians in its choice of carrying vessel. Since these clauses neither limit the freedom of Canadian firms to do business with other Canadian persons or firms, nor limit the freedom of Canadian firms to do business in a third country it has been ruled that "shipping clauses" do not violate the Government's policy. Further assurance of this is provided by the Corporation's requirement that firms taking out export credits insurance accept the Corporation's standard endorsement relating to boycotts.

Thus the Export Development Corporation does not support firms which abide by unacceptable boycott clauses. The Corporation's relationship with the Canadian business community is strictly contractual. In this sense no support for a particular export or investment transaction is forthcoming from the Corporation until a loan agreement, investment insurance contract or export credits insurance policy is in force. In the case of financing and investment insurance, prior to entering into a contractual relationship the Corporation is made privy to the particulars of the transaction. If, during the course of the assessment of a transaction, an unacceptable boycott provision is found, EDC would not support the transaction and no contractual relationship would exist between EDC and the exporter or investor for that transaction. In the case of export credits insurance, because EDC does not have any prior knowledge of individual transactions, an endorsement is attached to the insurance policy which precludes from cover any transaction containing an unacceptable boycott clause. Thus EDC has not supported transactions where Canadian firms have had to abide by an unacceptable boycott clause. Therefore, if EDC were to divulge the details of a transaction it had not supported it would be providing commercially confidential information on a transaction in which it has no contractual

interest. As well as not appearing to be the role of EDC, such an act would seriously undermine the confidence and trust placed in EDC by the Canadian business community. This would impair the function of EDC as a commercial enterprise which would be to the extreme detriment of Canada's trade and investment activity.

Since the last report it has been determined that Algeria, Morocco, Tunisia and Sudan no longer require compliance with unacceptable boycott provisions. In consultation with the Department of Industry, Trade and Commerce it has been observed that these countries only require compliance with primary boycotts. Thus at this time it is not necessary for EDC to closely monitor transactions involving these countries.

The following is a statistical summary of the Corporation's activity from August 1, 1977 to January 31, 1978 in countries enforcing unacceptable economic boycotts. In that period no loans were signed under Sections 29 or 31 of the Act. No contracts of insurance were issued by the Foreign Investment Guarantees Division under Section 34 of the Act. Export credits insurance was issued on both specific contract and whole-turnover policies under Sections 24 and 27 of the Act. Fourteen specific contract policies were issued with a total insured volume of \$76.8 million. Whole-turnover policies were activated by 29 Canadian companies to cover a declared volume of shipped goods valued at \$13.7 million. The standard boycott endorsement was attached to all the whole-turnover and specific contract policies issued for export credits insurance.

Export Development Corporation

Société pour l'expansion des exportations



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APPENDIX I

Ottawa,

CONFIDENTIAL

Specific contract policy or
whole turnover policy

ENDORSEMENT attached to and forming part of Export Development Corporation
No. _____ dated _____
in the name of _____.

WHEREAS the Government of Canada has affirmed its opposition to discrimination and boycotts based on race, national or ethnic origin or religion; and has further advised that measures would be taken to deny its support or facilities for various kinds of trade transactions in order to combat any discriminatory effects which any such discrimination and boycotts may have on Canadian firms or individuals, and

WHEREAS in keeping with the above the Board of Directors of Export Development Corporation has decided that it will not provide insurance cover for the risks in any contract or transaction that is subject to clauses or provisions which so discriminate:

THEREFORE this Policy shall not cover any contract or transaction that would require the Exporter to

- (a) engage in discrimination based on the race, national or ethnic origin or religion of any person;
- (b) refuse to purchase from or sell to any other Canadian firm or individual; or
- (c) refuse to sell any goods and services to, or buy any goods or services from any country, except that a buyer may define the country of origin of the goods and services for his own purchase, or refuse to accept goods components, and /or services of specified non-Canadian origin that would be prohibited entry if imported directly.

EXPORT DEVELOPMENT CORPORATION

(NAME OF EXPORTER)

Industry, Trade
and CommerceIndustrie
et Commerce

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Date
January 21, 1977Date
le 21 janvier 1977From
Deputy MinisterDe
Sous-ministreSubject
International Economic BoycottsSujet
Boycottages Economiques Internationaux

1) On October 21, 1976 the Honourable Don Jamieson in the House of Commons enunciated Canada's policy on international economic boycotts. This policy provides that Governmental support and services will be denied or withdrawn from any company, agency or individual with respect to any transaction which would, in connection with the provisions of any boycott, require Canadian companies, agencies or individuals to engage in discrimination based on race, religion or national or ethnic origin, to refuse to purchase from or sell to any other Canadian company, agency or individual, to refuse to sell Canadian goods to any country or to refuse to purchase goods from any country.

1) Le 21 octobre 1976, l'honorable Don Jamieson a exposé à la Chambre des communes la politique du Canada en ce qui concerne les boycottages économiques internationaux. Selon cette politique, le Gouvernement refusera son appui et ses services à toute société, tout organisme et toute personne qui entreprennent une transaction qui, relativement aux dispositions d'un boycottage, obligerait des entreprises canadiennes, des organismes ou des personnes à poser des actes discriminatoires fondés sur la race, la religion, la nationalité ou l'origine ethnique, à refuser d'acheter ou de vendre à une autre entreprise ou personne canadienne ou un autre organisme canadien, à refuser de vendre des produits canadiens à un autre pays ou à refuser d'acheter des produits à un autre pays.

2) In the context of this policy and in relation to transactions with respect to countries which are known to have in their laws and regulations such economic boycotts, all officials of the Department of Industry, Trade and Commerce in Ottawa, in regional offices in Canada, and in foreign posts are instructed to withhold all Departmental support and services in connection with a specific transaction wherever it is found that, in connection with that transaction, a Canadian company, agency or individual has made undertakings that are in contravention of this policy. In each case of a request for normal Departmental support, officials shall ascertain from the company, agency or individual concerned, whether any boycott requests have been agreed to and if in an examination it is determined that the boycott provision contravenes the above policy on international economic boycotts assistance should be withheld or withdrawn and in all such

2) Dans le contexte de cette politique et lorsqu'il s'agit de transactions avec des pays dont il est connu que leurs lois et réglementations contiennent de tels boycottages économiques, tous les fonctionnaires du ministère de l'Industrie et du Commerce à Ottawa, dans les bureaux régionaux au Canada et dans les postes à l'étranger doivent refuser tout appui et service ministériel relativement à une transaction particulière si l'on juge que, relativement à cette transaction, une entreprise canadienne, un organisme ou une personne ont conclu des affaires qui vont à l'encontre de cette politique. Si une société, un organisme ou une personne demande l'appui normal du Ministère, les fonctionnaires doivent vérifier si le demandeur a acquiescé à une ou plusieurs demandes de boycottage et si par la suite une évaluation conduit à la conclusion qu'une telle acceptation va à l'encontre de la

instances the firm and country involved, shall be reported to the appropriate geographic bureau, Department of Industry, Trade and Commerce, Ottawa. A public report will be made semi-annually.

3) Support and services referred to above shall include fairs and missions programs, the Programs for Export Market Development, the General Adjustment Assistance Program and the direct services normally rendered in Ottawa, in regional offices in Canada and in foreign posts. The withholding of this assistance shall relate only to the particular transaction in question.

4) In extending usual support and services to companies, agencies or individuals entering into transactions in countries where economic boycotts are in effect, officials will first obtain from the company, agency or individual assurances that the transaction concerned does not contravene Canadian Government policy.

5) Countries where such economic boycotts exist include: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen Arab Republic, People's Democratic Republic of Yemen, Algeria, Morocco, Sudan, Tunisia and Mauritania. Countries may be added or removed from this list from time to time.

6) A separate directive regarding consular matters will be issued by the SSEA for the guidance of those Industry, Trade and Commerce officers abroad who have consular responsibilities.

7) The above instructions in no way affect the operation of the U.N. Rhodesia regulations.

8) Enquiries relating to the above, including questions as to whether particular undertakings would be in contravention of Canadian policy, should be addressed to the Pacific, Asia and Africa Bureau, Department of Industry, Trade and Commerce, Ottawa KIA OH5.

politique ci-haut mentionnée sur les boycottages économiques internationaux, toute assistance devrait être retenue ou cessée et en de telles circonstances tous les cas doivent être signalés au bureau international concerné du ministère de l'Industrie et du Commerce à Ottawa, avec le nom de la société et du pays en cause. Un rapport en sera publié deux fois par année.

3) L'aide et les services susmentionnés comprennent les programmes des foires et missions, de développement des marchés d'exportation, d'aide générale de transition et les services directs rendus ordinairement à Ottawa et aux bureaux régionaux au Canada ainsi que dans les postes à l'étranger. L'aide sera refusée seulement pour la transaction en question.

4) En accordant l'aide et les services ordinaires aux sociétés, aux organismes et aux personnes qui font des affaires dans les pays où les boycottages économiques sont en vigueur, les fonctionnaires doivent recevoir l'assurance de la société, de l'organisme ou de la personne en question que la transaction faite ne va pas à l'encontre de la politique du gouvernement canadien.

5) Les pays où un boycottage économique existe inclut: Bahrain, Egypte, Irak, Jordanie, Kuwait, Liban, Libye, Oman, Qatar, Arabie Saoudite, Syrie, Emirats Arabes Unis, République Arabe du Yémen, République Populaire Démocratique du Yémen, Algérie, Maroc, Sudan, Tunisie. Des pays peuvent être ajoutés à cette liste ou en être retirés de temps à autre.

6) Une directive concernant les questions consulaires sera émise par le Secrétaire d'Etat aux Affaires extérieures à l'attention des agents du ministère de l'Industrie et du Commerce à l'étranger qui ont des responsabilités consulaires.

7) Les instructions ci-haut mentionnée n'affectent d'aucune façon la mise en vigueur des règlements de l'O.N.U. vis-à-vis la Rhodésie.

8) Les demandes de renseignements sur la directive précédente y compris des questions pour savoir si une transaction particulière va à l'encontre de la politique du Canada, doivent être envoyées au Bureau du Pacifique, de l'Asie et de l'Afrique, ministère de l'Industrie et du Commerce, Ottawa K1A 0H5.



G. F. Osbaldeston

