

# IMPORT CONTROL

AIRCRAFT AND PARTS NOW UNDER IMPORT RESTRICTION.  
THIS IS HOW THE CONTROL MACHINERY WILL WORK

By A. J. Veit

**A**IRCRAFT, engines and parts are subject to the import restrictions of the Emergency Exchange Conservation Act which was proclaimed and became effective on June 26. Applications for permit to import complete aircraft must be submitted on form CG 101 (Rev.). The end use of the aircraft is the deciding factor. If the applicant for the permit is the end user, he should indicate the use clearly on the application form. If he is not the end user, a declaration from the latter must accompany the application.

Aircraft parts imported by the aircraft manufacturer for use in the production of aircraft require an allotment import permit, which must be applied for on form CG 109. Aircraft parts imported by dealers require import permits to be applied for on form CG 111. Permits are not required for the import of repair or replacement parts.

Supplies of the form CG 101 may be obtained from the local customs house.

Forms CG 111 and CG 109 can be obtained only from the Import Allotment Division, Dept. of Trade and Commerce, Temporary Bldg. No. 1, Ottawa.

**Background**—Government emergency exchange regulations, designed to conserve American dollars, were first proclaimed by order-in-council on Nov. 18, 1947. Although aircraft and parts were not specifically mentioned in the original order, they were dealt with by implication in Appendix IX which referred to a wide range of manufactured articles.

In January 1948, the Government brought before parliament a bill outlining the proposed Emergency Exchange Conservation Act. This bill listed in detail goods and commodities to be covered by import restrictions under the following three headings:

Schedule 1—import prohibited;

Schedule 2—importable by quota;

Schedule 3—importable under specific permits granted by the Dept. of Trade and Commerce.

Aircraft and parts were included in Schedule 3 with the proviso that permits would not be required for parts to be used in the repair and maintenance of existing aircraft. This proviso was not extended to complete aircraft engines, which were declared importable by permit only.

The Emergency Exchange Conservation Act received parliamentary assent on March 24 1948, and was to become effective on "a date to be set by proclamation." On April 16, in response to a submission by the Air Industries and Transport Association, an order-in-council was passed exempting aircraft and parts from the provisions of the Act.

The effect of this order was that aircraft and parts could be imported just as they were before the November order-in-council came into being—that is, without a permit.

Meanwhile, the Government went ahead with the task of setting up the

BELOW: Aircraft parts for repair or maintenance and certified as such on the customs entry form may be brought in without a permit. Maintenance of the North Star airliner is illustrated here.

necessary machinery to control the import of aeronautical—and many other—commodities. Then, on June 26, the Act was proclaimed by order-in-council and the goods listed in Schedule 3, including aircraft items, came under strict import control.

## Current Regulations

It should be emphasized that, under existing regulations, import permits are not required for parts used in repair and maintenance. The following definitions are, therefore, of considerable importance:

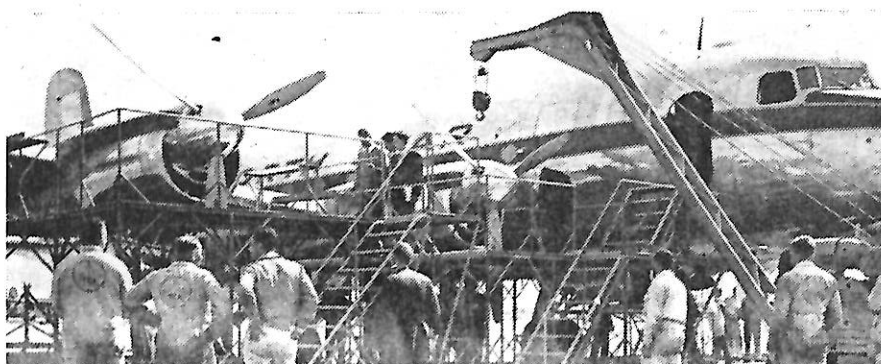
**Production parts** are those parts which are to be used in the assembly, manufacture or fabrication in Canada of new aircraft and which form part of the finished new aircraft.

**Repair or replacement parts** are those required to repair aircraft which already exist in Canada. Does not include engines, or other parts described as "complete entities" in Schedule 3 of the Act.

From the above definitions it may be seen that many aircraft components have a double status. A propeller, for example, to be used in the manufacture of a new aircraft, is importable by permit only. But the same propeller, if required for repair or maintenance and certified as such on the customs entry form, may be brought in without a permit.

To regulate the import of production parts an allotment system has been set up by the Import Control Branch of the Dept. of Trade and Commerce under which manufacturer may import a stated percentage of the goods imported by them during the twelve months ended Oct. 31 1947. Allotments are based on dollar value and are granted in quarter-year periods. Importers may carry unused portions of their allotment from one quarter to the next but may not exceed their allotment in any single quarter. Manufacturers faced with necessary expansion or rising costs

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### IMPORT CONTROL

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may, however, apply to Import Control for an increase in their base allotment.

Applications for import permits for complete aircraft must be completed in five copies, four of which are submitted to the Import Control Branch. Before a permit will be granted, Import Control must be satisfied that:

- 1) Import of the aircraft cannot possibly be deferred;
- 2) The import is absolutely essential;
- 3) The importer has previously tried all Canadian sources of supply;
- 4) If required for only a specific period, the imported article will be returned to the U.S. when no longer needed.

With respect to point (2) above, the importer must submit with his application a sworn declaration by the **end user** of the aircraft, stating why the importation should be considered essential.

Further on this key point of "essentiality", each application will be dealt with on its merits and it is not clear at the moment which factors will most influence the final decision. As more applications are dealt with, however, a comprehensible pattern will undoubtedly emerge.

Meantime, it is fairly safe to assume that permits will readily be granted for the import of aircraft required for such essential services as firefighting, crop dusting, mining runs, etc. The same applies even to commercial aircraft needed to operate routes "in the public convenience and necessity." On the other hand, it is most unlikely that sales demonstrators, aircraft required for personal and private flying, etc., will be permitted to enter Canada.

Under normal circumstances, approximately 10 to 14 days will elapse between the submission of the application and the granting of a permit. However, the procedure can be speeded up in cases of extreme urgency—providing the instructions on the back of the application form are carefully carried out.

At the present time, the aircraft industry has no major submissions before the Government requesting easing of the foregoing regulations. The Air Industries and Transport Association has, however, placed the facilities of its Ottawa office at the disposal of importers who require assistance in the procurement of import permits.