

The exporter must present this permit at the time he clears his shipment through Canadian customs at the port. The Minister of Trade and Commerce has the power to amend, suspend or to cancel permits if changing circumstances should render this necessary after issuance of a permit and before a shipment is made. The act provides severe penalties for those convicted of offences. The powers for enforcing the controls, imposing severe penalties, and revoking permits if circumstances so require are provided in that act. Shipments are, of course, checked by the customs authorities at the ports and action can be taken then as well as at the permit stage if required. Procedures are also laid down to prevent diversion and there is co-operation with many governments in the free world to ensure that so far as possible such procedures are effective.

There was published in the *Canada Gazette* on May 27, 1954, the export control list established in accordance with the provisions of the act. Group 8 within the list is headed, "Arms, Ammunition, Implements or Munitions of War; Military, Naval or Air Stores". The list of arms, aircraft, etc., specifically includes parts of these various items. So much for the legislative basis of our policy.

Government Policy

The following principles govern the policy of the Government in carrying out this act.

(1) In the case of certain allied and associated states, for example, NATO and most Commonwealth countries there are no restrictions on the export of military equipment, except—and the exceptions are important—those of supply, of domestic requirement and of security.

(2) No shipment of any kind to the Sino-Soviet bloc is permitted.

(3) Shipments of any significance are made to other areas only after consideration and approval at cabinet level, according to a procedure which I will later describe. Special attention is given—and special care shown—in respect of areas of tension or strife or what we call sensitive areas. A list of such areas, they are now 34 in number, is kept and, naturally, is modified from time to time as conditions change.

(4) Arms shipments are made only to the defence department or regular military establishment of the country concerned; and the recipient government may be required to give appropriate assurance regarding re-export.

(5) Shipments are not permitted if, in our opinion, they exceed the legitimate defence requirements of the state in question or which would themselves constitute a threat to neighbouring countries.

(6) Shipments are not permitted to sensitive areas of arms of such a character that they might increase any temptation to commit an aggression or begin a preventive war.

It is not, however, our policy to put a complete embargo on arms shipments except to the Sino-Soviet bloc, or to other countries, if any, who are a threat to our own security or where the United Nations has declared an embargo.

An embargo on all shipments in other cases, if it became general international policy and practice in the free world, might frustrate the right of nations under the United Nations Charter to defend themselves; or it might