

two stages, both between transmission of our approval to Trade and Commerce and the issue of an export permit, and between the issue of the permit and the completion of delivery. With your approval we would propose to discuss with Trade and Commerce the possibility of reducing the time covered by our approval and limiting it to a known period. Between the issue of the permit and the date of clearance through customs the Government has no direct contact with the transaction, and the latter date is limited only by the duration of the permit which now normally extends for one year from the date of issue. What we have in mind is that as a general rule permits should be valid only for a limited period (perhaps three or four months) from the date at which this Department grants its approval. Exporters would be asked to indicate the period they expect to require, and in particular cases of manufacture or reconditioning when the limited period suggested above is clearly insufficient, consideration could be given to issuing a permit of longer validity. If the time to complete delivery is likely to be too long, it might be decided to limit the initial permit to the standard period (of three or four months as suggested above) and require the exporter to re-apply for the necessary extension. Such a system would keep us far better informed than we are at present, and would ensure periodic review of outstanding orders.

10. It should be recalled that under the Act the Minister of Trade and Commerce "may amend, suspend, cancel or reinstate any permit ... issued ... under this Act." We are advised by Trade and Commerce, however, that to invoke this authority would be a very serious step indeed (with substantial financial consequences for the Canadian exporter) and that they would prefer to deal with this problem by means of tighter control procedures governing approval. I assume that we would also, from the point of view of our relations with the other countries concerned.

11. I should be grateful for any comments you may have, particularly on the proposal outlined in paragraph 9 above that we approach Trade and Commerce to try and reduce the time lag which can now develop between approval and delivery.

J. L[ÉGER]

10.

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*Note du sous-secrétaire d'État aux Affaires extérieures  
pour le secrétaire d'État aux Affaires extérieures*

*Memorandum from Under-Secretary of State for External Affairs  
to Secretary of State for External Affairs*

SECRET

[Ottawa], January 20, 1956

EXPORT OF ARMS TO THE MIDDLE EAST

My memorandum of January 19 on this subject was based on verbal requests from your office. Since it was prepared I have received Mr. McGill's memorandum† of the same date, and I shall attempt in this memorandum to deal with the questions he asks. I should make it clear from the outset that I am not able to give a complete answer to all of these questions.

*Arming of Harvards for Egypt*

2. I attach a copy of a report† on this subject which has been prepared by the Chief of the Air Staff for the information of his Minister. To the best of our knowledge the information in Air Marshal Slemon's report is accurate, and amounts to this: these aircraft were of a type which is intended for pilot training only, that they were not designed to carry armament although with substantial modifications they could be made capable of doing so, and