

its Warsaw Pact allies - and to countries where there is a risk of diversion of this equipment to those destinations (COCOM is the Coordinating Committee on Multilateral Strategic Export Controls. COCOM's membership includes NATO countries excluding Iceland, plus Japan).

The Minister noted the importance of Canada's defence industry in meeting our obligations to our NATO allies. He said that while Canada is not an important manufacturer of offensive military equipment, it is an important producer of defensive military equipment, particularly of components and sub-assemblies of larger military systems. Canadian firms will now be authorized to export these components and assemblies to all countries with which Canada has a suitable government-to-government agreement and where there exists a bona fide joint venture arrangement between the Canadian and the foreign manufacturer. In such cases, the authorization to export the completely assembled product will now rest with the country of final manufacture.