

*Government Orders*

Canadian defence industries are at present allowed to export military goods, including sophisticated weapon systems and components, to Canada's allies and other countries under export controls administered through the Export and Import Permits Act. The discretionary authority of the Secretary of State for External Affairs to issue or deny permits for the export of automatic firearms is not fettered in any way. Permits can in theory be approved to export automatic firearms to any country. The problem is that this authority is of no consequence because under the 1977 amendments to the Criminal Code automatic firearms fall within the definition of prohibited weapons. Automatic firearms are deemed to be weapons that fire more than one round per squeeze of the trigger. The code specifies that such weapons may be possessed or imported only by or on behalf of the Canadian Armed Forces and members of Canadian police forces.

As a result Canadian defence firms could face criminal charges if they attempt to repair or manufacture automatic firearms for Canada's allies and close defence partners. In contrast, competitors from other countries may sell their automatic firearms to the Canadian forces.

This anomalous situation has created an uneven playing field for the Canadian defence industry and its workers. Changes are needed to help them.

In short, the requirements of the Canadian Armed Forces and Canadian police forces are simply not sufficient to enable Canadian firms manufacturing automatic firearms and military equipment, which includes such weapons, to remain economically viable. Due to our relatively small domestic market, Canadian defence industry must have access to selected legitimate foreign military markets. Like other Canadian producers and manufacturers, it needs to export to survive. Foreign sales lower per unit costs and make the manufacturers less dependent on domestic contracts and government funding. They also help ensure supplies in times of emergency.

The government recognizes the shortcomings of the unintended effects of the 1977 amendments to the Criminal Code. For some time it has sought to find a satisfactory means to provide the Canadian defence industry with the necessary increased flexibility. In considering the options, the primary consideration was to ensure that the discretionary export of automatic fire-

arms would be subject to effective licensing and enforcement.

The nature of automatic firearms and their potential use make tight control on their import, possession and export an absolute requirement. We know only too well that automatic firearms can be readily bought and sold on the international market, frequently without any effective national or multilateral controls.

They are widely used by terrorists, criminals and those involved in the narcotics trade.

It was precisely because of these factors that the government decided not to introduce new flexibility with respect to exports of automatic firearms until it was satisfied that effective licensing and enforcement of exports of such goods was possible.

In particular, we wanted the controls to be as stringent as possible and at the same time to ensure that the discretionary authority to issue permits for automatic firearms was clearly constrained.

We also wanted to increase substantially the penalties for violations of export controls. Bill C-6, tabled in the House on May 23, meets these criteria. Under the Export and Import Permits Act, the authority of the Secretary of State for External Affairs to approve permits for exports of automatic firearms will be limited to those countries listed on a new Automatic Firearms Country Control List. The minister's authority to refuse inappropriate applications remains total and undiminished.

The list is to include only those countries with which Canada has an intergovernmental defence research development and production agreement.

The bill applies only to automatic firearms. It does not affect controls on other weapons prohibited under the Criminal Code. All other controls provided under the Export and Import Permits Act remain unchanged.

In keeping with the concerns shared by most Canadians for restraining the arms trade, the required defence production arrangements will be concluded only with Canada's NATO allies and close defence partners. Those countries will be made known through the publication of the automatic firearms country control list.

Applications to export automatic firearms to countries not on the list will be denied. Exports of automatic firearms will be permitted only to a government with which Canada concludes the necessary arrangements. Sales will be permitted only to governments and accept-