

However, the value of military goods produced by Canada in 1987 was approximately CDN \$2 billion, of which about CDN \$1.3 billion was sold to the United States and about CDN \$530 million went to all other countries.¹⁵

Canadian military exports are primarily in the electronics and aerospace sectors. Since Canadian firms manufacture few complete weapons systems, most exports consist of components, despite Ottawa's continued efforts to develop a more broadly-based domestic defence industry. Canada's policy on military exports has not changed since Secretary of State for External Affairs Joe Clark announced revised guidelines on 10 September 1986, aimed at regulating Canadian exports.¹⁶ This policy prohibits military exports to countries that seriously or persistently violate human rights, "unless it can be demonstrated that there is no reasonable risk that the goods might be used against the civilian population," to countries under UN Security Council sanctions, and countries involved in or under imminent threat of hostilities. Restrictions also apply to exports of civilian strategic equipment to the Soviet Union, the Warsaw Pact and countries where there is a risk the goods will be re-routed to these destinations.

The biggest recipient of Canadian defence and defence-related goods is the United States, with whom Canada has had a Defence Production Sharing Agreement (DPSA) since 1959 that gives Canadian firms privileged access to the US military market.¹⁷ (Canada and the US also have a Defence Development Sharing Agreement (DDSA)). However, protectionists in the US Congress have tabled trade bills in the Senate and House of Representatives that would place restrictions on purchases of foreign defence goods in order to promote US products. Despite the free trade agreement, these measures may well affect existing Canada-US agreements on military trade, such as the DPSA and the DDSA.

The idea of developing an international arms trade register under the auspices of the United Nations surfaced once again in the Report of the Special Joint Committee on Canada's Foreign Relations (the Simard-Hockin Report) of June 1986. The Report recommended that Canada should strive to convince other nations to support the proposals for an international system to register exports and imports of weapons and munitions.¹⁸ On 21 October 1987, Under-Secretary of State for External Affairs James Taylor told a conference in Hull that Canada supports the idea of an arms register. His address included the following statement:

¹⁵ John Kohut, "Overseas markets are not easy targets." *Globe and Mail*, 10 October 1988, pp. B13 and B17.

¹⁶ For a full overview of the new policy, see: "Export Controls Policy." Department of External Affairs *Communiqué* No. 155 (10 September 1986).

¹⁷ Krause, *supra* note 13, pp. 6-7.

¹⁸ Hockin, Tom (MP) and Senator Jean-Maurice Simard, *Independence and Internationalism*. Report of the Special Joint Committee of the Senate and of the House of Commons on Canada's International Relations, June 1986, p. 145.