

Exports of civilian strategic equipment will continue to be restricted to the Soviet Union, the Warsaw Pact and countries where there is a risk the goods will be rerouted to these destinations (COCOM proscribed destinations). Restrictions on exports of peaceful civilian goods to the Soviet Union and the Warsaw Pact will be lifted.

Previously Canadian policy had treated military and civilian exports together. The new policy focuses on military goods. Military goods have been defined according to the International Munitions List (Group 7 of the current Export Control List). This definition includes arms and ammunition along with equipment "specially designed for military purposes".

In particular the most major change is in exports to countries that have poor human rights records. Previously exports had been limited to regimes "wholly repugnant" to Canadian values but, since no regime was ever declared as such, exports to countries with human rights problems were controlled on an ad hoc basis. The new policy puts the onus on the exporter to prove that there is "no reasonable risk" the military equipment will be used against the civilian population.

Exports to South Africa continue to be limited as stipulated under UN Security Resolution 418 (1977). Further restrictions on the export of strategic and military goods to South Africa have been implemented.

The background paper accompanying the Minister's announcement stated:

...the Government recognizes the importance of the Canadian defence industry. Canada's defence industry is necessary for reasons of national security and sovereignty and has over the years made an important contribution to Canada's economic well being.... Canadian defence sector companies produce for the most part defensive military equipment and strategic products....It is not possible for our defence industry to recover the large costs of development of their products through Canadian