

19. Should Canada impose controls on exports of military and dual-use goods to the United States?

An attempt to impose controls on military goods exports to the United States would run against the entire North American defence relationship. Since the onset of the Second World War, Canada and the United States have co-operated closely on defence matters, including many aspects of military goods production.

As a result of this relationship, many companies that produce controlled military goods operate in both the United States and Canada. The reciprocal defence production arrangement has allowed these and other Canadian businesses to import and export many components without licences or permits. Products move fairly easily between plants in both countries, creating jobs and opportunities.

This relationship makes Canadian employers very competitive in bidding on U.S. government contracts. Regulation of these exports would simply result in the movement of this production to the United States or the replacement of Canadian suppliers with suppliers from other countries. The only impact would be a loss of jobs for Canadians, with no benefit to global peace and security.

The United States has a comprehensive and effective export licensing and enforcement apparatus. The differences between the export control policies of Canada and the United States are mainly procedural.