

My colleague, the Secretary of State for External Affairs, will comment further on arms controls issues later in this debate.

For my part, let me now explain Bill C-6 in greater detail.

Canadian defence industries are at present allowed to export military goods, including sophisticated weapons 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 which 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 attempted 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, the Canadian defence industry must have access to selected, legitimate foreign military markets. Like other Canadian producers and manufacturers, they need 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 time 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 firearms would be subject to effective licensing and enforcement.