

In addition, GMDD draws on suppliers and sub-contractors from across Canada, including companies and workers in Richmond and Vancouver, B.C.; Edmonton; Winnipeg; Quebec City; Saint John, Centreville and Moncton, New Brunswick; Mulgrave and Bridgewater, Nova Scotia; and St. John's, Newfoundland.

Last year, it won a contract to export light armoured vehicles to the Kingdom of Saudi Arabia. This capped a marketing campaign that spanned more than a decade. It was first approved by the Liberal government in 1981 and has since been supported by successive Canadian governments. However, the anomalous situation under the Criminal Code limits may limit GM's ability to those few but important foreign markets to which Canadian foreign policy would permit access.

The Government proposes to resolve this anomaly by:

- adopting the amendments proposed under Bill C-6;
- negotiating a bilateral defence research, development and production agreement with Saudi Arabia; and
- including Saudi Arabia on the Automatic Firearms Country Control List.

The export of the LAVs has been reviewed and again approved -- after all licensing requirements were met and after careful review and study. In doing so, particular attention was given to the requirement to control closely exports of military goods to countries "threatened by or engaged in hostilities." In the end, it was decided to approve GM's application.

A primary consideration was that the results of the Gulf War ensured that Saudi Arabia is not now, nor, in the immediate future, will be, in imminent threat of hostilities. Another was that the export of the LAVs by Canada to Saudi Arabia will not threaten Saudi Arabia's neighbours and will serve to enhance regional security.

Saudi Arabia has a legitimate right to self-defence. Its requirement for LAVs armed with automatic weapons is reasonable given its need to maintain a defensive military capability sufficient to continue to deter aggression. The LAVs are lightly armoured. Even when armed with automatic machine guns and cannons, they are designed for and have a particular military use, such as patrolling the oil fields, the oil pipelines and other strategic sites. Because of their light armour, the LAVs are not as effective in an offensive role, for which heavily armoured and heavily armed vehicles such as main battle tanks are best suited.