

## **10.0 DEFENSE OFFSET SPENDING POTENTIAL**

Canadian companies should be aware that possibilities exist for doing business with major U.S. defense contractors which are engaged in supplying the Canadian Government with military materials. On occasion, it is stipulated that a defense contractor will purchase an agreed amount of goods or services from Canadian industry as a prerequisite of being awarded a defense contract. There is generally no restriction on the type of business activity which can be undertaken by the U.S. defense contractor providing target figures are met.

California is a major center for the aerospace industry and consequently a number of prime defense contractors are located there. Other contractors are located in Arizona, Utah and Colorado. Canadian computer manufacturers and software companies may wish to investigate defense contractors with outstanding offset business. In order to obtain up-to-date information on defense contractors, we recommend that interested Canadian companies should contact the Canadian Government operated trade commissioner posts located in Los Angeles and San Francisco, and their offset project personnel.