

in government and industry. Substantial progress has been made within the sub-committees for Industrial Security, Technology Transfer, and the North American Industrial Base, as the DD/DPSP continues to function effectively.

NATO defence industrial co-operation

The Conference of National Armaments Directors continued with an active program resulting from the Nunn Amendment-financed co-operative projects. These have been stimulated by additional funds appropriated by the US Congress earmarked for NATO collaborative work. European nations have generally applauded the "Nunn funding", but in October proposed a series of "principles for collaboration" to ensure that industrial participation and project management could not be dominated by any one nation. The NATO Industrial Advisory Group completed a busy year of pre-feasibility studies and special subjects such as emerging technologies in the longer term and armaments co-operation enhancement. In addition to sessions in Brussels, meetings are held regularly in

Canada. Largely due to the activity of the Canadian Delegation to NATO, many more bid opportunities have been brought to the attention of Canadian firms that are under infrastructure common funding, resulting in several excellent contracts. The Independent European Program Group study team on competitiveness in the European defence industry aims to develop a more homogeneous defence industry and thereby become more self-sufficient, which may give rise to access problems for Canadian industry to Europe and will have to be closely monitored.

European defence trade agreements

Eight Research, Development and Production (RDP) Agreements have been in place since the first was signed with the Federal Republic of Germany in 1964 and now include Denmark, France, The Netherlands, Italy, Norway, Sweden, and Britain. These agreements, strongly influenced by the Canada-US DD/DPSP, were entered into with a goal of maintaining a viable defence industry base following the Canadian 1959 decision no longer to design,

TABLE 4
CANADA-US DEFENCE PRODUCTION SHARING
Canada-US defence trade

1958 — 1986

Year	Exports		Imports	
	annual	cumulative	annual	cumulative
		(millions of Canadian dollars)		
1959	96	96	108	108
1960	113	209	196	305
1961	143	352	94	399
1962	254	606	127	526
1963	142	748	152	678
1964	167	915	174	852
1965	259	1 174	130	982
1966	317	1 491	332	1 314
1967	308	1 799	294	1 608
1968	320	2 119	134	1 742
1969	300	2 419	172	1 914
1970	227	2 646	223	2 137
1971	216	2 862	180	2 317
1972	175	3 037	194	2 511
1973	198	3 235	232	2 743
1974	150	3 385	281	3 024
1975	189	3 574	233	3 257
1976	191	3 765	879	4 136
1977	314	4 079	300	4 436
1978	267	4 346	315	4 751
1979	368	4 714	295	5 046
1980	482	5 196	489	5 535
1981	827	6 023	1 034	6 569
1982	1 027	7 050	1 462	8 031
1983	1 207	8 257	1 459	9 490
1984	1 361	9 618	1 738	11 228
1985	1 644	11 262	1 990	13 218
1986	947	12 209	1 428	14 646