

## An Ally and Partner

Canada is the U.S.A.'s closest ally. It is a founding member of NATO and has recently increased its forces in Europe. Canada's strategic location gives it a significant role in the shared defence of North America.

NORTH AMERICAN AIR DEFENCE



Canada is increasing spending to modernise its defence capabilities by 2% per year over the next 15 years. As part of NORAD, Canada's North Warning System is being modernised with sophisticated radar systems and upgraded airfields.

The North American Defence Industrial Base Organization Agreement of 1987 strengthens our common defence industrial base by reducing trade barriers and increasing trade in defence goods.

U.S.-CANADA DEFENCE TRADE  
(In \$U.S. Millions)

	1981	1982	1983	1984	1985	1986	1987
<b>U.S. TO CANADA</b>	863	1185	1183	1343	1457	1028	1339
<b>CANADA TO U.S.</b>	689	833	979	1050	1205	681	965
<b>U.S. SURPLUS</b>	174	352	204	293	252	347	374

SOURCE: DEPT. OF NATIONAL DEFENCE, CANADA

The U.S. has consistently maintained a defence trade surplus with Canada.