Charles Bryant, de Havilland Aircraft of Canada

De Havilland produces short takeoff and landing (STOL) aircraft such as the Dash 7 and Dash 8.

tained and production facilities dispersed.
- There is a greater flow of defence supplies and equipment between the two countries.

This highly productive and cost-efficient exchange has brought specific economic benefits to the United States:
- The United States maintains a surplus in the defence trade, selling one and one-half times the amount it buys from Canada. The total U.S. surplus in defence trade since 1959 amounts to some (U.S.) $2.21 billion.
- Canada is the largest U.S. export market for defence products and is often the first foreign market for new U.S. defence exporters.
- Canadian sales are in large part U.S. sales since most Canadian defence products contain substantial U.S. content.

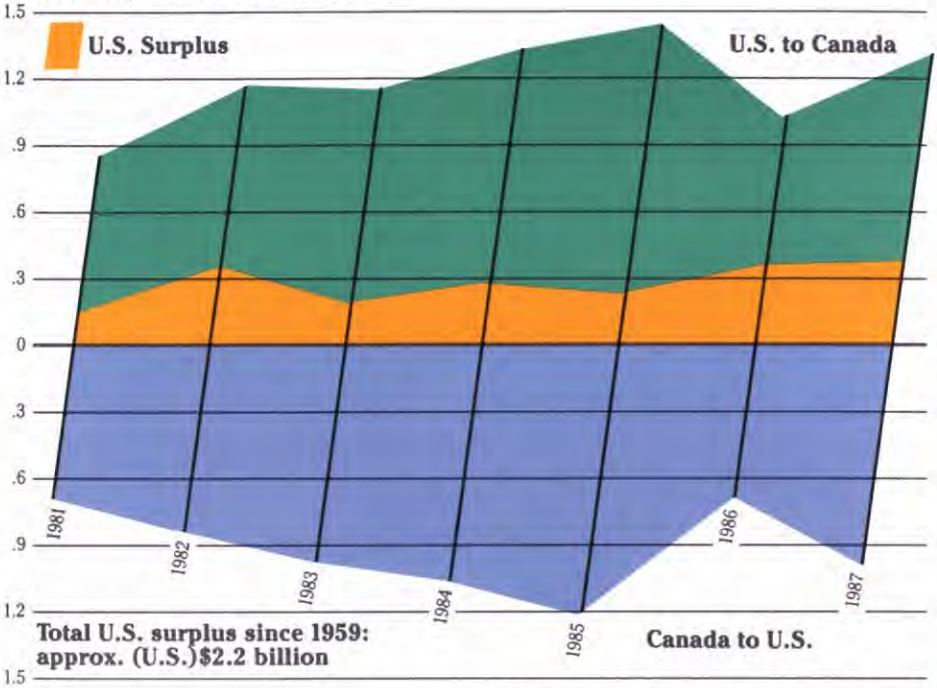
Joint Development

Under the 1963 Defence Development Sharing Program, many defence development projects in Canada are funded jointly by the United States and Canada, and both countries share in the benefits. Under this program Canadian Marconi, for example, developed the AN/GRC-103 tactical radio, and Indal Technologies developed a recovery assist, securing and traversing (RAST) system for landing helicopters on destroyers and frigates. Both systems are now standard in the United States and many allied Armed Forces.

The Automated Weather Distribution System was developed for the U.S. Air Force by MacDonald Dettwiler and Associates of Richmond, B.C, and Harris Corp. of Melbourne, Florida. The system provides forecasts and alerts and other weather data to all USAF bases, flight crews and operations personnel.

After 20 years of joint research, Spar Aerospace Ltd., of Toronto, which built the remote manipulator arm for the U.S. space shuttle, is the prime contractor to develop an Infrared Search and Target Designation System for the U.S. Navy and the Canadian Department of National Defence.

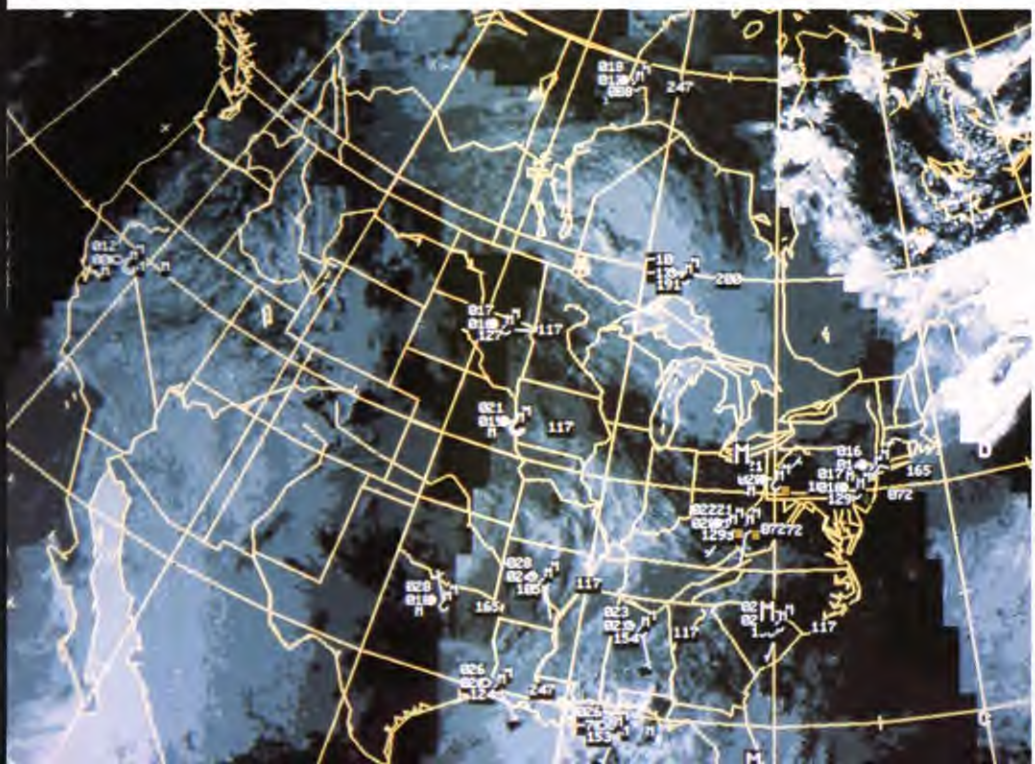
U.S. CANADA DEFENCE TRADE
1981-1987, In Billions of U.S. Dollars



Source: Department of Supply and Services Canada

MacDonald Dettwiler

Canadian Marconi's AN/GRC-103 tactical radio.



This composite satellite image of cloud systems over North America was derived from the Automated Weather Distribution System, developed by MacDonald Dettwiler and Harris Corp.

A Reliable Supplier Of Critical Items

The Canadian defence industry is much smaller and less diversified than that of the U.S.—in 1986 total purchases from Canada accounted for less than one percent of total DOD procurement, including items supplied through subcontracts. Canadian defence producers, however, complement U.S. manufacturers in important areas.

Canadian companies have developed technology and expertise in product areas vital to joint defence needs, such as military radios, navigation systems, short takeoff and landing (STOL) aircraft, reconnaissance drones, anti-submarine warfare systems, flight simulators, remote sensing, ballistic computers, and equipment suited for use in Arctic conditions.

According to a recent study by a joint U.S.-Canada task force, Canadian industry