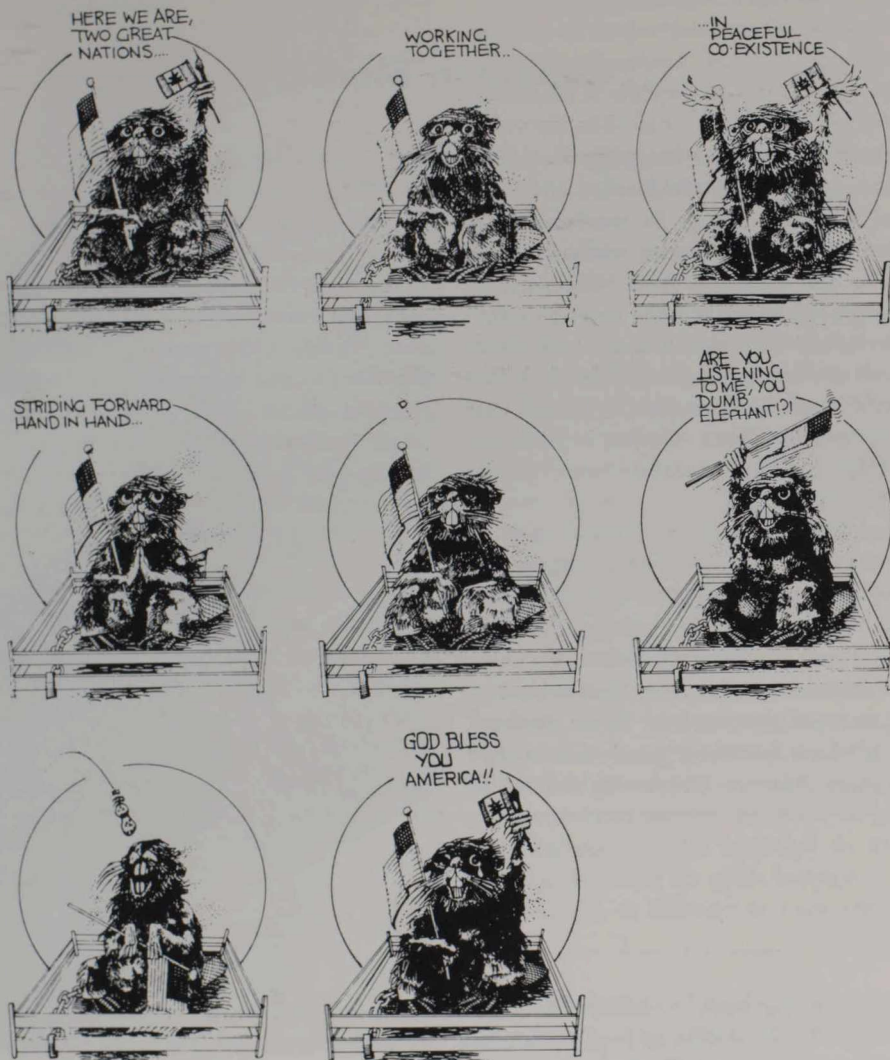




In 1963, the US secretary of defence and the Canadian minister of defence production agreed to maintain a rough balance in defence research, development and production at the highest practical level. Between 1959 and the end of 1976, United States defence procurement contracts in Canada amounted to \$3.76 billion, and Canadian defence procurement contracts in the US to \$4.15 billion.

The program has maintained an industrial base for defence in Canada and enabled Canadian manufacturing industries to keep abreast of advanced technology in electronics and aerospace. The Canadian armed forces are able to obtain the best equipment at the most economical cost, and Canadian industries have had spin-off sales of telecommunications and navigation materials in the United States and other friendly nations.

In 1976, fifty-three Canadian firms received US Department of Defense contracts totalling more than \$500,000 each. One particularly successful project has been the development of the AN/GRC 103 radio relay equipment by the Canadian Marconi Company to meet a requirement of the US

Army. Sales of this equipment to the United States and other friendly countries have exceeded \$100 million.

We suggest often enough what we do not want the United States to be and do. We give too little thought to the more difficult question of what kind of role we do want the United States to play in the world. We give the impression in Washington that we should just like the United States to go away and stop bothering us all. . . . One principle that seems agreed upon for the United States is that of non-intervention. However, no sooner have we banished the Americans to isolation and military impotence than some of the same voices insist that they intervene promptly and forcefully in East Bengal or Rhodesia or Haiti or Czechoslovakia. We can't make up our minds whether we cast the United States in the role of bogeyman or fairy godmother.

JOHN HOLMES, director-general of the Canadian Institute of International Affairs in 1973.