

An Ally and Partner

Canada and the United States have a common commitment to the defence of North America, and they share in the production of equipment and materials. Defence trade has strengthened military security and provided economic benefits to both countries.

The U.S.-Canada Defence Production Sharing Arrangement and the Defence Development Sharing Arrangement were negotiated over thirty years ago in order to harmonize the two countries' defence industrial bases and to promote production efficiency. In exchange for allowing Canadian companies to compete for U.S. military equipment purchases, Canada agreed to purchase its major weapon systems from the U.S.

Canada is one of the United States' best defence customers and suppliers. Canada provides crucial military components to the U.S., and many Canadian companies are registered as "planned producers" on the Defence Department's Industrial Preparedness Planning List for defence mobilization requirements. The benefits of this arrangement were proven when Canadian companies met production volume required during the Gulf War.

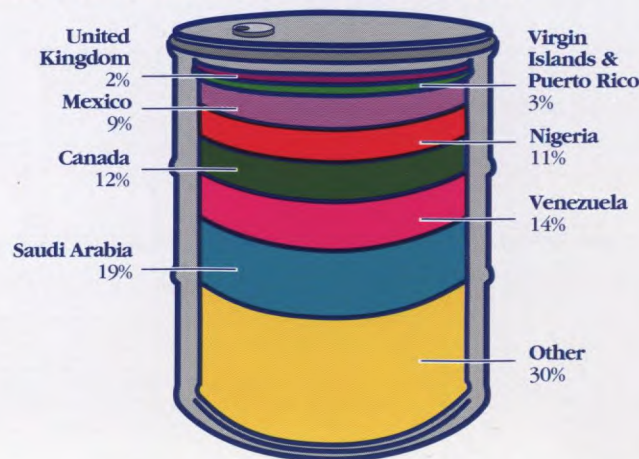
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Stock of Foreign Direct Investment in Canada 1990 — In Billions of U.S. Dollars



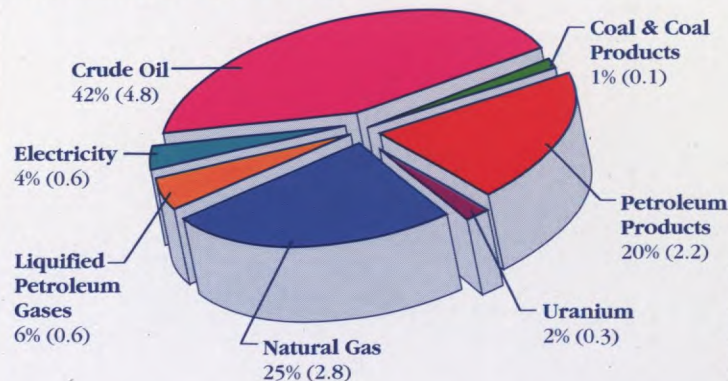
Statistics Canada

U.S. Imports of Crude Petroleum by Country 1990 — As Percentage of Total Imports



Bureau of Economic Analysis, U.S. Department of Commerce

U.S. Energy Imports from Canada 1990 — As Percentage of Total, In Billions of U.S. Dollars



Statistics Canada

A Dependable Energy Supplier

Canada and the U.S. share the world's greatest two-way energy trade. In 1990 it totalled more than \$13.6 billion.

Canada is the largest foreign supplier of energy to the U.S., providing crude oil and petroleum products, natural gas and electricity. Even so, Americans are relatively self-sufficient in energy production, and Canadian purchases represent only one-twentieth of your energy needs. At the same time, Canada buys almost \$2.2 billion worth of energy from the U.S., including \$583 million worth of coal.

The Free Trade Agreement, which eliminates virtually all restrictions on energy shipments (except in situations involving national security or short supply), guarantees security of market and supply for both countries.

The Prosperous Future

For years we have shared the most important commercial relationship in the world.

Canada is a special trade partner of the United States. With the implementation of the Free Trade Agreement starting in 1989, the two countries embarked upon a bold new arrangement governing an unprecedented range of economic activities.

Dept. of External Affairs
Min. des Affaires extérieures
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