

The principles were enunciated in 1950 when, in a statement of the Principles for Economic Co-operation, these words were used:

"That our two Governments shall co-operate in all respects practicable and to the extent of their respective executive powers to the end that the economic efforts of the two countries be co-ordinated for the common defence, and that the production resources of both countries be used for the best combined results."

In recent years, United States industry has enjoyed considerable success in supplying the Canadian defence market and has established a substantial volume of sales of defence items. The increasing integration of Canadian and United States defences, and the growing complexity of weapons systems, tend to perpetuate and strengthen Canadian use of United States engineering and production facilities.

Canada has developed competence in both the development and production of certain kinds of defence equipment. The degree of success which can be attained depends largely on our common understanding of its aims and objectives, and on acceptance by the United States of the principle of providing greater opportunities for Canadian defence industry to participate, competitively, in the development and production of the defence systems which are vital to the defence of both countries.

The United States-Canada Defence Production Sharing Programme was largely in the process of organization during the closing months of 1958, and can only be said to have come into active existence during the first seven months of 1959.

Under the supervision of the joint Senior Policy Committee, United States Government authorities have worked out a number of concessions and relaxations to existing United States Government procurement regulations which have had the effect of largely removing the obstacles to participation by Canadian industry in United States defence procurement. The aim has been to provide equal opportunity for the Canadian defence industry to compete for orders for United States industry on the recognized bases of quality, delivery and competitive pricing.

Unity in International Affairs

If it is important that Canada and the United States should co-operate with one another in trade and industrial development, defence and defence production, it is even more important that we stand united ideologically and politically.

The U.S.S.R. appears to be directing its major attention to the weakening of other nations on the economic front. Co-operation is admittedly necessary in defence but it is no less so in economic matters.