

Nevertheless, I firmly believe that it is easy to place too great an emphasis on how much is spent on defence and too little on how well it is used. As a new government, we are reviewing our foreign and defence policies to ensure they are attuned to the world of the 1980s. In particular, we shall pay attention to the effectiveness of our defence spending. I think it is appropriate to mention our concern over the escalation of financial contributions to NATO. No one can fault the logic of sharing costs for NATO infrastructure. No one can dispute the desirability of certain common funded programs; but we expect the same efficiency in the management of things we do collectively as we demand in our own management of national defence programs.

It is against this background of ensuring we get good value for our defence dollar that we are committed to re-equipping our own forces and increasing their effectiveness in the North American and European sectors of the Alliance. To produce this increased effectiveness, we shall continue to commit our best efforts to meet the goal of an annual 3 per cent real growth in defence expenditures during the five-year period ending in 1984. Clearly what we actually achieve – and what we aim to achieve after that period – will depend on international developments, national circumstances and the results of our examination of defence policy and its effectiveness both at home and abroad.

A few minutes ago I spoke of the two sectors of the Alliance, namely, the European and the North American. I chose to express it that way to underline the fact that Canada is also part of the protected sector of NATO. This fact sometimes seems to be forgotten in Europe. Furthermore, our defence efforts in North America contribute to the security of the United States strategic deterrent force which gives its support to the Alliance, and reinforce, as does our participation in NATO's traditional land, sea and air forces, the Alliance's global deterrent capability.

We do not say that by reason of our contribution to the defence of North America we should reduce our contribution to European defence. On the contrary, as I have already stated, it is our intention to reinforce our contribution by means of our re-equipment programs. We do, however, want our allies in Europe to be fully aware of the twofold contribution that we make.

For Canadians, NATO has always been much more than a purely military alliance. It is for us the principal forum for consultation among the NATO partners on a wide range of political questions, particularly in East-West relations. This dialogue on broad political and strategic issues serves a country like Canada particularly well, and we must constantly strive to develop and extend the habit of consultation among NATO nations.

The process of political consultation in NATO has, from time to time, I think you will agree, left something to be desired. This not surprising, for that process has to contend with the strains of seeking consensus among a group of nations characterized by vast differences in size, population, wealth and military resources.

Even so, these imperfections must be seen against the impressive degree of

---