the existing North American Air Defence System were established jointly by Canada and the United States during the 195Cs. These elements are now in the final stages of obsolescence and are proving increasingly expensive to operate and maintain. At the same time, the introduction by our potential adversaries of new bombers and cruise missiles into their strategic inventory has been improving their capabilities for air attack on North America, thereby requiring improved capabilities to detect and to deter such an attack.

Accordingly our two Governments, in the exercise of their national and mutual defence responsibilities within the North Atlantic Treaty Organization for the security of Canada and the United States, have decided to undertake a program to modernize the North American Air Defence System. The elements of this program, and the respective responsibilities of each Government, are set forth in the annexed Memorandum of Understanding on the Modernization of the North American Air Defence System, which forms an integral part of this Agreement and which was signed today by the Secretary of Defense of the United States and by the Minister of National Defence of Canada. It is further accepted that: