North Atlantic Treaty Organization

Membership in NATO continues to be a major factor in the conduct of Canadian foreign policy. Canada supports the idea of collective defence. It also remains convinced of NATO's important political role in the reduction and eventual removal of the underlying causes of potential East-West conflict through negotiation, reconciliation and settlement. Thus, in addition to Canada's participation in the collective security effort of the Alliance, efforts have focused increasingly on consultations on East-West issues such as the Conference on Security and Co-operation in Europe (CSCE), the Strategic Arms Limitation Talks (SALT) between the United States and the Soviet Union, and the negotiations on Mutual and Balanced Force Reductions (MBFR) in Vienna.

In spite of spending restraints, the Government has maintained programs of capital expenditure to acquire new replacement equipment for the Canadian Forces. In 1978, Canada signed agreements to acquire and operate the Airborne Early Warning and Control system. During the year, the list of competitors for the contract to supply a new fighter plane was reduced to the McDonnell-Douglas F18A and the General Dynamics F16, and plans progressed to acquire six new patrol frigates for the Canadian Forces. The first of the Leopard I tanks were delivered in 1978.

Canada's membership in NATO continued to be a factor in the development of its political, economic and scientific-technological relations with Europe. The alliance has allowed — indeed, has obliged -- both Canada and the United States to maintain a lively interest in European affairs, thus exemplifying the interdependence of Europe and North America. It has also provided Canada with an opportunity to consult regularly with 14 other countries (including eight of the nine members of the European Community) on a variety of political and military questions.

The North Atlantic Council met, with the participation of Heads of State and government, in Washington on May 30 and 31, 1978. The fresh study of long-term trends in East-West relations, decided upon a year earlier in London, confirmed the validity of the aims of the alliance -- to maintain security and pursue <u>détente</u>. The NATO leaders endorsed the objectives of the Long-Term Defence Program put forward by their defence ministers and noted with satisfaction improvements in NATO's defence preparedness through modernization programs and coordinated defence planning.

Bilateral defence co-operation

Canada has bilateral defence arrangements with a number of its NATO partners. Those that deal with the defence of North America necessitate the closest consultation and co-operation between Canada and the United States consistent with the primary aim of maintaining Canadian sovereignty.