

---

any conflict, however limited, might most readily escalate into all-out nuclear war engulfing Canadian territory."

1974 marked the 25th anniversary of the signing of the North Atlantic Treaty, and Canada had the honour of hosting the anniversary meeting of NATO ministers of foreign affairs in Ottawa in June. At this meeting Canada and its allies subscribed to the Ottawa Declaration on Atlantic Relations, thereby reaffirming their commitment to the principles of the North Atlantic Treaty of 1949 and to the shared values that underlie them. The members of NATO also pledged themselves "to strengthen the practice of frank and timely consultation" and "to ensure that their essential security relationship is supported by harmonious political and economic relations". This was of particular interest to Canada because of our long-standing emphasis on non-military aspects of co-operation in NATO. The Canadian contribution to NATO was explicitly recognized in the Ottawa Declaration in the following terms: "All members of the Alliance agree that the continued presence of Canadian and substantial U.S. forces in Europe plays an irreplaceable role in the defence of North America as well as of Europe."

Canada retained a prominent role in NATO affairs in the following months. During September both the non-governmental Atlantic Treaty Association and the NATO Science Committee held plenary meetings in Ottawa. And in October Prime Minister Trudeau made a successful visit to NATO headquarters in Brussels—the first visit by a Canadian Prime Minister in many years.

Progress toward genuine détente continued in 1974, in part through the Conference on Security and Co-operation in Europe (CSCE) in Geneva and the talks on Mutual and Balanced Force Reductions (MBFR) in Vienna. As a member of NATO, Canada was a full participant in both. These two sets of talks were closely related

and it was hoped that the parallel negotiations involved would lead to a lessening of political tensions in the case of the CSCE, and to a reduction of the military confrontation in Central Europe in the case of the MBFR. By year's end, important areas of agreement had emerged in the CSCE and it was possible to contemplate a successful conclusion to the conference in 1975. Progress was slower in the MBFR negotiations, which were generally recognized as being more difficult because they touched on the vital security interests of the two sides. The prospect of a new and more comprehensive strategic arms limitation agreement between the United States and the Soviet Union, following the Vladivostok summit in November, led to renewed hope for an eventual satisfactory outcome of the MBFR talks as well.

Despite these achievements certain problems arose in 1974 which remained unresolved and were a source of continuing concern to the NATO Alliance. All NATO member countries experienced in varying degrees the impact of severe inflation and energy disruptions during the year, and recessions developed in many of them. In these circumstances many of the allies shared the problem of maintaining an adequate level of defence capability in the face of serious strains on their economies. Additional difficulties appeared with the outbreak of fighting in Cyprus in the summer, and with the resulting deterioration of relations between Greece and Turkey which threatened to impair the security and cohesion of the Alliance on its southern flank.

The Canadian Government considers that NATO remains a most useful international forum for exchanging and discussing the views of its members through its structured organs, as well as in such adjunct bodies as the North Atlantic Assembly and the Atlantic Council of Canada. Membership in NATO also aids the development of Canada's political, economic and scientific-technological