

Planning is also at an advanced stage for the provision of new fighter aircraft and new patrol frigates to the Canadian Forces.

Severe inflation and other economic problems continue to trouble Alliance members. An adequate defence capability must be maintained in spite of serious economic strains on some of the allies. Members of the Alliance, including Canada, continue to avoid costly duplication of effort by increasing specialization in the development, production and acquisition of military equipment.

NATO membership is a key factor in Canada's development of 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. This exemplifies the inter-dependence 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.

In May 1978, a NATO Summit Meeting was held in Washington. Participants confirmed the aims of the Alliance to be the maintenance of security and the pursuit of détente. They 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