

Defence relations

NATO

Canada was one of the 12 original signatories of the North Atlantic Treaty. Successive Canadian Governments have maintained that the country's security remains linked to that of both Europe and the United States - a view shared by other members of the Alliance. Canada has supported the idea of collective defence and 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.

The Government has implemented its commitment to collective defence and to the Alliance by decisions taken after extensive review of Canada's defence structure. In November 1975, it announced that capital expenditure for defence would be increased, in real terms, by 12 per cent each year for five years, until capital expenditures reached at least 20 per cent of the total defence budget. The replacement of certain equipment of the Canadian Forces was also approved in principle. In 1976, arrangements were made to purchase a new long-range patrol aircraft, designated the CP140 *Aurora*, and a new main-battle tank, the *Leopard 1*. Preliminary decisions were made by the Government during 1977 for acquiring new ships and fighter aircraft for the Canadian Forces.

Members of the Alliance continued to experience, in varying degrees, the impact of severe inflation and other economic problems. An adequate level of defence capability had to be maintained in the face of serious strains on the economies of some of the allies. Alliance members, including Canada, continued to seek economies by increasing specialization in the development, production and acquisition of military equipment in order to avoid costly duplication of effort.

Canada's membership in NATO also continued to be a factor in the development of its political, economic and scientific-technological relations with Europe, by which it sought to counterbalance its relations with the United States. The Alliance has allowed—indeed, has obliged—both Canada and the United States to maintain a deep interest in European affairs, and has exemplified 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 value of the consultative process afforded by the Alliance was again demonstrated in May, when the heads of government of member countries participated in the spring ministerial meeting of the North Atlantic Council, held in London. Three major initiatives were agreed to by the Council, viz. a fresh study of the long-term trends in East-West relations and their implications for the Alliance, a request that defence ministers initiate and develop a long-term defence program and encouragement for closer co-operation among the members in all aspects of defence production. Work has been proceeding on all three. Interim reports were provided to foreign and defence ministers at their meetings in Brussels in December looking towards the Council meeting in Washington on May 30 and 31, 1978, in which heads of government are again to participate.

North American defence co-operation

Complementing its NATO commitments in Europe, Canada has co-ordinated its defence efforts very closely with those of the United States. The first aim of Canadian defence policy has been to ensure that its sovereignty is respected on land, in the air and at sea in conjunction with arrangements of mutual support for the defence of North America.

The Permanent Joint Board on Defence, created in 1940, played the principal consultative role in Canada-U.S. defence co-operation. In 1977, the Board examined and discussed a wide range of defence topics of mutual interest, including modernization of surveillance and control systems, procedures for the cross-border movement of military aircraft and redefinition of NORAD regional boundaries.