

Final Act of the Conference on Security and Co-operation in Europe (CSCE).

Of particular importance to all members of NATO are the Confidence Building Measures (CBMs), by which signatories to the Final Act agree to notify each other of all major military manoeuvres in Central Europe in which they are participating. Canada has already issued notifications of two manoeuvres in which Canadian troops participated, which took place in the Federal Republic of Germany in the autumn of 1975. These were among the first notifications of manoeuvres issued; since then, other countries, both members of NATO and non-aligned, have issued similar announcements. The CBMs also provide for the voluntary invitation of observers to manoeuvres. NATO decided to support this provision fully and observers were invited to one of the autumn manoeuvres, "Certain Trek". As a participant in the manoeuvres, Canada assisted the Federal Republic of Germany, which served as the host for the observers, who came from all the CSCE countries except those of the Warsaw Pact. It is Canada's hope that the implementation of these CBMs will become a permanent element of the policy of all CSCE signatories in the period ahead.

Progress was less encouraging in the Mutual and Balanced Force Reductions (MBFR) negotiations in Vienna, in which Canada also participates. The negotiations are generally recognized as being more difficult because they touch on the vital security interests of both NATO and the Warsaw Pact. However, it is hoped that a new NATO proposal to include the consideration of some nuclear weapons in the negotiations will break the two-year deadlock. Similarly, it is hoped that a way will be found around the present deadlock in the Strategic Arms Limitations Agreement (SALT) negotiations between the U.S.A. and the U.S.S.R.

Despite certain achievements, a number of problems, which remain unsolved, were a source of continuing concern to the NATO Alliance in 1975. All NATO members continued to experience, in varying degrees, the impact of severe inflation, energy disruption and continuing recession. 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. One positive factor developing from these conditions was a growing readiness in 1975

of Alliance members, including Canada, to seek economies by increasing specialization in the development, production and acquisition of military equipment in order to avoid costly duplication of effort. In addition to economic difficulties, the security and cohesion of the Alliance was also impaired by the continued strain on relations between Turkey and Greece over the Cyprus situation, the continuing turmoil and instability in Portugal, and the deteriorating relations between Iceland and Britain over fishing rights.

In the pursuit of a variety of Canadian foreign policy objectives, such as the negotiation of a contractual link with the European Community (EC), Canadian membership in NATO plays an important role. NATO is recognized as a unique forum for the exchange of views among its members not only through its regular organs but also through such related bodies as the North Atlantic Assembly and the Atlantic Council of Canada. Membership in NATO also contributes to the development of Canada's political, economic and scientific-technological relations with Europe, which balance those with the United States. The Alliance allows, and obliges, both Canada and the United States to take an active role in European affairs, and exemplifies the interdependence of Europe and North America.

North American defence co-operation

In continuing its co-operation with the United States in North American defence, Canada seeks to make an effective contribution to the maintenance of a stable strategic balance between the super-powers. This in turn contributes to Canada's overriding defence objective of preventing nuclear war. In the context of North American defence, the Government believes this can be most effectively accomplished by participating in surveillance and warning systems, in anti-submarine defence and in measures designed to protect the retaliatory capacity of the U.S.

In the sphere of air defence, this co-operation was reaffirmed in May, when, following an extensive review, Canada agreed to renew the North American Air Defence Command (NORAD) Agreement for a further five years. The Government concluded that it was in Canada's interest to continue to co-operate with the United States on questions of North American defence, both as a means of