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1980s. Canada has demonstrated its continued commitment to the alliance, in spite of restraints in Government spending, by participating in collective-defence undertakings and by maintaining programs of capital expenditure to acquire new equipment for the Canadian Forces, including those assigned to NATO roles. For example, in 1978 Canada joined with other NATO partners in the agreement to acquire and operate the Airborne Early Warning and Control System. The current five-year term of the North American Air Defence Command agreement expires in May 1980. Discussions regarding renewal will take place shortly.

(c) Arms control and disarmament

The Prime Minister, speaking to the UN Special Session on Disarmament, outlined a "strategy of suffocation" of the nuclear-arms race. We anticipate some progress with the four elements of such a strategy, specifically with the comprehensive test ban and the ban on the production of fissionable material for weapons purposes (the two others were a ban on flight-testing of all new strategic-delivery vehicles and an agreement to limit and then progressively to reduce military spending on new strategic-nuclear-weapons systems). As the result of a Canadian initiative at the last General Assembly, we expect the new Committee on Disarmament to discuss at the appropriate time the fissionable-material production ban. The year 1979 will be a critical one for the future of strategic-arms control between the United States and the Soviet Union. Although Canada does not participate in SALT, we, and our NATO allies, have been kept closely informed about these talks by the United States through consultation in the North Atlantic Council. If, as we very much hope will be the case, SALT II is successfully concluded and ratified this year, it will be an important step forward in the task of restraining the strategic nuclear confrontation and of developing a more stable basis for maintaining peace and security.

In the area of nuclear proliferation, the work of the International Nuclear-Fuel-Cycle Evaluation (INFCE), in which Canada has been playing an active part, has been proceeding well and appears on schedule for completion in February 1980. The results of this comprehensive two-year study will have important implications for international efforts to establish a nuclear-safeguards regime capable of adapting to new technologies. The study results will be available for the Non-Proliferation Treaty Review Conference in 1980, preparations for which will begin next April. Bilaterally, we were pleased to negotiate an agreement with Japan last year that fully meets our non-proliferation requirements. And the interim arrangement concluded with the European Community augurs well for the negotiations towards a comprehensive agreement that will probably begin early in 1980. I am happy to see that these arrangements with the European Community and Japan are working well and that they have made a positive contribution to the cause of co-operation in the nuclear field as a whole.

Energy supply  
and security

Recent events have shown the wisdom of Canada's policy of seeking greater energy self-reliance. Disruption of oil exports from Iran resulted in a new shortfall to world crude-oil markets of the order of two million barrels a day. Shortfalls for Canada have been largely offset by swap arrangements, based on higher-than-normal Canadian production, with the U.S.A. Nevertheless, continuing uncertainties about Iranian

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