intermediate-range land-based nuclear missiles everywhere in the world. After consultations with NATO allies, it put forward an interim proposal last spring which would allow the Soviet Union and the USA an equal number of warheads on missiles of this class. Although agreeing to warheads rather than missiles as the unit for negotiations, the Soviet Union has insisted that French and British strategic forces should be taken into account, that nuclear capable medium-range aircraft should be included, and that missiles deployed outside of Europe should be excluded. NATO allies have expressed their hope that agreement can be reached in Geneva in the near future. They have made it clear, however, that negotiations could continue even should the deployment of Western missiles be necessary later this year, and that these could be removed if a satisfactory agreement is reached.

In the negotiations on <u>Mutual and Balanced Force</u>
Reductions in Vienna, both sides have put forward new comprehensive proposals during the past year. Eastern acceptance in principle of more stringent verification measures has been an encouraging development but there is still no agreement on how many Warsaw Pact troops there are now in Central Europe and hence on how many would have to depart if both sides were to be left with equal numbers.

At the follow-up meeting of the Conference on Security and Cooperation in Europe, which convened in Madrid in November, 1980, agreement has been reached on a mandate for a Conference on Disarmament in Europe which will focus initially on negotiating a regime of confidence and security building measures. It is expected to start in January 1984 in Stockholm.

In the Committee on Disarmament, the multilateral negotiating body in Geneva, a number of Canadian priorities are being pursued including a comprehensive nuclear test ban, a ban on chemical weapons and the increasingly important subject of arms control and outer space. Progesss has been disappointingly slow except for the Working Group on Chemical Weapons, established in 1980, which has accomplished useful work under a Canadian chairman.

Reduction of International Tensions

East-West relations have seriously deteriorated over the last few years. The two superpowers have tended to view international problems primarily in the light of how the balance of power between them might be affected, so that disputes in Africa, Asia and Central America have all taken on an East-West dimension. Soviet involvement in Afghanistan, the USSR's continuing arms build-up and its support for surrogate forces in extra-territorial adventures have all served to weaken confidence that the Soviet leadership is in fact serious in