

atmosphere in which some of the deep-seated problems in the monetary and trading systems can be solved by the world community working in concert. But the United States measures will be effective for this purpose only if our sense of mutual confidence is preserved. I regret to have to add that the result so far has been to disturb rather than to preserve that sense of mutual confidence.

I do not intend, this morning, to deal with the military aspect of the alliance. It is not my area of responsibility nor do I think that there are any general comments I could make that would be particularly useful at this time. I would, however, like to draw to your attention the White Paper on Defence issued by the Canadian Government last month under the authority of my colleague the Honourable Donald S. Macdonald, Minister of National Defence.

CANADA'S STAND ON DEFENCE

The Paper reaffirmed that Canada would not only continue to contribute to alliance security in the North American and North Atlantic regions but would also continue to station significant forces in Europe as part of the NATO integrated force structure.

The Paper goes on to say:

The decision reflected the Government's judgment that Canadian security continues to be linked to Western Europe and that Europe is still probably the most sensitive point in the East-West balance of power. It is the area from which any conflict, however limited, might most readily escalate into all-out nuclear war engulfing Canadian territory.

NATO is the most important forum in which North Atlantic countries can work toward the reduction of East-West tension. The alliance has become increasingly effective as a forum for consultations on defence and arms-control questions and many other political issues. One of the most compelling reasons for Canada to remain a member of NATO is the important political role that the alliance is playing – and that we can play as a member – in reducing and removing the underlying causes of potential conflict by negotiation, reconciliation and settlement. We continue to attach great significance to this aspect of the alliance's activities.

It is the Canadian view – shared by other members of the alliance – that we should carefully and prudently take advantage of changes in the East bloc and a greater receptiveness on the part of Eastern European countries to try to deal with them on a business-like basis. We have already gone a considerable distance in this policy, for example through the visit of our Prime Minister to the Soviet Union in May of this year. We are now preparing for the return visit of Mr. Kosygin, the Chairman of the Council of Ministers of the Soviet Union, next month. We have no illusions about the difficulties in resolving major differences in these contacts but there are benefits to be reaped, not only by the NATO country concerned, but also by the alliance as a whole. The sum of all the bilateral contacts can have an important impact on the development of *détente*.

BALANCED FORCE REDUCTIONS

Mutual balanced force reductions is a long-standing NATO objective in the struggle to reduce tensions in Europe and one to which Canada attaches great importance. Reductions of the forces confronting each other could provide continuing security for both sides – and I emphasize “both sides” – while lowering defence costs. The Brezhnev speeches of March and May this year may signal a breakthrough. Certainly the indications that the Soviet Union is serious about force-reductions negotiations must be followed up. Canada supports NATO efforts to prove Soviet intentions bilaterally. We also think that a representative of the alliance could supplement bilateral contacts by discussing with the Soviet Union and others the possibilities of moving to negotiations as soon as possible, on the basis of agreed principles. We were gratified that NATO ministers at their meeting in June endorsed the explorer idea and that this and other ideas will be examined at the high level meeting in Brussels next week. The MBFR issue is very complex, involving as it does the forces of many countries in several parts of central Europe, but the rewards would be commensurate with the effort required to reach agreement. It goes without saying that Canada is no more prepared than any of its allies to concede tangible security for unsubstantial promises. Yet we are encouraging our NATO colleagues to move forward on this issue, taking advantage of real opportunities in the search for a mutually acceptable agreement.

EUROPEAN SECURITY

Canada was not a party to the four-power talks on Berlin but we participated actively in the alliance consultations that have accompanied them. We welcome the agreement on the first stage, which emerged after months of hard bargaining. It is our hope that the second stage of the negotiations – between the appropriate German authorities – will be completed soon. Until then, Canada in concert with its allies does not think that the time has come to shift from bilateral to multilateral discussions on the possibility of a conference on European security. We are not dragging our feet by insisting on a satisfactory conclusion to the Berlin talks as a prerequisite for a security conference, we are simply recognizing that failure to achieve East-West agreement on Berlin would indicate that the climate was not ripe for the resolution of wider European problems. Once a Berlin agreement has been achieved, however, we see considerable value to be derived from a conference on European security provided such a meeting was properly prepared and had good prospects of success. Any conference of this kind should involve not only all the members of NATO and the Warsaw Pact but interested neutral countries in Europe. While awaiting a Berlin agreement, the alliance must pursue its studies of the procedural and substantive problems of a conference against the day when a conference is a reality....