

**WATERLOO/ONTARIO
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Discussion in Waterloo focussed on several themes: Canada/U.S. relations, Canada's role in the international community, Canada's own record on development issues and military expenditure and its effect on the Canadian economy.

It was suggested that there was a triangular relationship between disarmament/social justice and security. It was considered that, in the long run, there would be more security if one could develop international institutions which could deal appropriately with global problems without having to rely on the superpowers. The Law of the Sea was seen as a model for this sort of organization. It was suggested that Canada should commit itself increasingly to international institutions in order to maintain our own credibility and in order to assert our own foreign policy objectives without seeming to be anti-American.

Some concern was expressed over the perceived use of military/defence-related industries as a means of dealing with under-development and domestic unemployment. It was believed that defence and military expenditure should be justified on their own merits, not be used as substitutes for real development.

In further elaborating the debate on Canada's defence industries and arms exports to the Third World, it was suggested that recent government actions reflected a series of serious economic decisions based on the premise that we could build a stronger economy on the basis of increased military exports. There was concern expressed that Canada's promotion of arms sales to the Third World could be viewed in a limited sense as being rational and indeed justified however, it was the accumulation of these decisions and actions which made the deliberate pursuit of economic recovery through defence-related industries appear to be an irrational act of policy.

Recognizing Canada's modest position internationally, it was suggested that Canada could best exercise its influence by conferring and withholding legitimacy on specific issues. This influence could be used deliberately, so that Canada could reinforce or reject certain global trends.