

Keith Krause of York University presented a different analysis of the situation. Military budgets have increased by only 0.6 percent a year since 1984. On the geopolitical level, most arms purchases were prompted by the Cold War and decolonization, two factors which have now disappeared. There is of course a trend toward the acquisition of weapons of mass destruction -- motivated in part by the very restrictions on these weapons -- but such arms are not very useful from a military point of view. There are, therefore, surpluses at the present time and a large capacity for the production of conventional arms. In the long term, however, production capacity will likely decline by 25 to 33 percent compared to today. Mr. Krause acknowledged that, in a tight market, competition between suppliers and subsidized sales could stimulate demand. Nevertheless, he believed that stagnating arms markets would also have the effect of encouraging modest efforts to reduce exports.

Mr. Krause concluded by saying that efforts to limit conventional arms should focus on basic problems. Economic assistance should be linked to military sales, regional security agreements should be drawn up, and arms sales should be replaced by sales of modern technologies for civilian purposes.

Jim Fergusson of the University of Manitoba noted that the conference had hitherto been largely devoted to the effect of demand on the arms market, and little had been said about the effect of supply. Supply, he said, fluctuated according to the interests of various countries and companies and according to changes in production conditions (in particular the globalization of the arms industry). The type of supply would affect the chances of success of various systems for controlling it. For example, how would the conflict be resolved between the American government, which wanted to prevent the spread of strategic technologies, and industries which wanted to sell their products? Would the reduction of export markets in the North increase pressure to export to the South? Would the diversification and conversion of arms industries help to mitigate the pressure to export?