

cycle are capable of being adequately safeguarded by technical means and that, where that cannot be effectively done, we can devise institutional arrangements for international management. I believe that, in the end, the best prospect for countries to assure their national energy security lies in an international system that carries the confidence of nuclear-suppliers.

There are limits to the contribution that can be made by nations acting unilaterally. I believe that Canada's efforts to date have been constructive and effective. But further achievement can be made only through multilateral agreement. We intend to play our full part in the working-out of the assurances and the constraints that will inevitably have to form part of an enhanced international system of non-proliferation.

While nuclear proliferation remains a source of concern, it has shown itself amenable to control. That is more than can yet be said about the transfer of conventional weapons.

Conventional restraint

The problems of conventional weapons is serious. This special session cannot afford to leave it unattended. Conventional weapons are the germs of a highly-contagious disease. Eighty per cent of the world's military expenditures are for conventional purposes. Some 15 per cent of those expenditures are accounted for by developing countries. Well over half the developing countries devote at least 10 per cent of their public spending to military purposes; nearly a quarter of them spend in excess of 25 per cent. It is with conventional weapons that 133 wars have been fought since 1945, involving 80 countries and killing 25 million people.

Meanwhile the transfer of conventional weapons is assuming massive proportions; in the aggregate, some \$20 billion is being expended on it each year. There can be no first and second priorities, therefore, as between the nuclear and a whole series of conventional arms races. Both are relevant to the maintenance of world security; both are absorbing resources better devoted to other purposes; both are the legitimate business of an organization whose purpose it is to harmonize the actions of nations.

The traffic in conventional arms involves producers, consumers and the transactions between them. What can we do about it?

The more closely we look at the problem, the more clearly we can see that the question of sales is not easily divorced from the question of production. The production of military equipment is attractive for countries with an appropriate industrial base and with requirements of such equipment for their own armed forces. It contributes to national security; it reduces external payments; it creates jobs. Moreover, the attraction of production for defence is enhanced by the fact that some 70 per cent of new technology today derives from the military and space sectors.

The problem is that, the more states go into the production of weapons to meet their own security needs, the more tempting it is for them to try to achieve lower unit costs and other economic benefits by extending their production-runs and selling such weapons abroad. Almost every country that produces some military equipment finds