

Military expenditures are concentrated in the Communist countries and in the West, but the sacrifices being made by the under-developed world as a result of arms purchases are even greater because of the narrow economic base in most emerging countries.

Some people have the view that armaments are good for business and, conversely, that disarmament measures would have a depressant effect on the economy. I do not agree. Studies undertaken by the United Nations, by the governments of many countries such as Canada and the United States and by independent analysts suggest that the transition to a civilian economy, while it would bring some problems, need not be painful. For example, the transition from the Second World War to peace-time, a more extensive operation than would be required by a gradual process of disarmament, was handled in the United States and Canada without undue strain. With planning, we should not fear the adjustment to a civilian economy and, as a result, disarmament, whenever possible on political and security grounds, should be welcomed in economic terms.

It is 150 years since the United States and Canada gave an example to the world with a disarmament agreement. That agreement, the Rush-Bagot Treaty, which put an end to naval confrontation on the Great Lakes, has stood the test of time and has contributed to the close and friendly relations which we now enjoy. Today, we need the example of a new Rush-Bagot Treaty, not to regulate bilateral Canadian-American security problems but rather to contribute to controlling the arms race around the world. With our experience in bilateral co-operation, Canada and the United States can give leadership in the search for world-wide arms-control and disarmament arrangements.

To do so, we must:

first, acknowledge the central importance of general and complete disarmament as a necessary security objective;

second, actively work toward that objective through the promotion and acceptance of limited, balanced and verified arms-control agreements reached with the Communist and non-aligned countries;

third, exercise restraint in participating in, or contributing to, the arms race whether nuclear or conventional, whether at home or abroad; and

fourth, support and seek moves which will reduce tensions between East and West and within the "third world", so that arms-control agreements will become possible.

I can assure you that Canada has exerted, and will continue to exert, all its efforts to facilitate these ends. Only through such efforts, joined with those of others in the West, in the Communist countries and among the non-aligned countries, will we lay the spectre of war and get on with the job of building a stable and prosperous peace. As a start, let us hope that a non-proliferation treaty will be successfully negotiated and signed in the near future to point the way to further progress on the road to a disarmed world.