On the other hand, there have been a few encouraging signs and these should not be discounted. The SALT II agreement continues to be the basic strategic working document of the United States and the Soviet Union. Contrary to all dire predictions, the number of nuclear weapon states remains at five and no state has demonstrated a nuclear explosive capability since 1974. The IAEA continues to make a major contribution to the non-proliferation régime through its system of safeguards. NATO's decision to reduce the nuclear stockpile in Europe to the lowest level in more than twenty years is another positive step.

And most significantly, bilateral negotiations have been resumed between the United States and the Soviet Union. Canada fully supports the high goals which the U.S. and the USSR have set for themselves at the Geneva negotiations: the prevention of an arms race in space and its termination on earth; the limitation and reduction of nuclear arms; and the strengthening of strategic stability, leading ultimately to the complete elimination of nuclear weapons.

Although the objectives have been agreed on, the views of the two sides on how to arrive at their shared goals differ dramatically. The road ahead will be a long and arduous one, but a very necessary one. The decision to hold a summit meeting between the leaders of the United States and the Soviet Union in November is a very important development that should not be lost on this Conference. Dialogue at the highest levels is critically important to set the tone and firm guidelines for all those who must carry them out in detailed technical negotiations. The forthcoming summit has the potential for breaking the disarmament impasse. All nations have a stake in the summit's success.

•••

Mr. President, as we go through our complete review of the Non-Proliferation Treaty, it will be important to be conscious of the successes and failures of not only the past five years but those since the beginning of the nuclear age. Keeping in mind the problems of the present international security situation, Canada will strive to achieve two basic objectives at this Review Conference:

-- the maintenance of the NPT as the basic element of an effective international non-proliferation régime;

-- the reaffirmation by the Review Conference of the purpose and provisions of the NPT.

- 4 -