

The question of reducing conventional arms sales is an important aspect of disarmament. About two-thirds of the \$20 billion of arms sold each year are purchased by developing countries. In this regard, Canada has supported the establishment of a United Nations' arms-transfer register. We have done so not to deny developing countries the right to provide for their security, as some have alleged, but because we believe it would be a useful confidence-building measure, especially among arms importers in the same region, and because it could eventually lead to a reduction of this burden on developing countries, thereby providing more resources for development. Unfortunately, this proposal has not progressed, chiefly because of resistance from most arms-importing developing countries, from the East Bloc and even from some Western arms-exporting countries.

Although the proportion of GNP spent for military purposes in developed countries is only about 4 per cent, a significant number of companies in these countries depend on military expenditure for their existence. Over the years it has been argued that military spending is good for the economies of developed countries, especially, for example, in the realm of high technology. In fact, in recent years a much larger volume of high technology development has resulted from non-military research and development than was previously the case. During the Sixties, also, a number of studies concluded that although problems would ensue for certain industries should military spending be reduced significantly, these difficulties would not be insoluble.

Study group

In the light of these factors, the United Nations in 1978 directed that an expert group undertake a study on the relationship between disarmament and development or, more explicitly, to determine how disarmament can contribute to the establishment of the new international economic order. Among other things, the study will investigate measures to minimize transitional difficulties which may arise in moving from military to non-military industrial production. It will examine, for example, advance planning for changeovers, phased withdrawal from military production, worker retraining on relocation, identification of new markets and such policy options as tax concessions, subsidies and compensation. Should the results of the study reassure those whose employment now depends on military production, they can help in lessening the resistance to disarmament which inherently accompanies such employment.

Canada is contributing to this massive study in a number of ways. The Department of External Affairs has funded two studies dealing with the impact of Canadian and American military expenditures and the impact of disarmament on the Canadian economy. At the time when the comprehensive United Nations' study is completed and made public in September of 1981, the Government of Canada will publish a version of it designed for popular reading by the public, again in an effort to heighten public awareness of the issues and lessen anxieties about the effects of disarmament.

I realize that I have not spoken of Canada's contribution in many of the disarmament negotiations and discussions now under way, from those on a complete prohibition of nuclear testing, to those on chemical weapons and radiological weapons. Nor have I spoken of the obviously vital relationship between the superpowers, and the various bilateral disarmament discussions and arrangements. However, because these themes
