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NOTES FOR AN ADDRESS
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
DR. MARK MACGUIGAN,
TO A SYMPOSIUM ON DISARMAMENT,
CONRAD GREBEL COLLEGE,
UNIVERSITY OF WATERLOO,
WATERLOO, ONTARIO,
OCTOBER 31, 1980

I am grateful to you for having invited me to speak to you today at this symposium on disarmament. As the organizers of this event undoubtedly recognize, there are few subjects in our international relations of such pressing importance. It is a subject in which I have taken a profound interest for many years, and more particularly since assuming my present portfolio. Only last month I delivered an address on disarmament to a group of parliamentarians from 15 nations in New York on the occasion of the opening of the General Assembly of the United Nations. Because the message I gave at that time was, in my view, an important one, I propose today to put forward a number of the points that were central to my remarks at that time.

For the two military alliances in the developed world, security rests chiefly on a system of deterrence, the essential component of which is a stable balance of forces. Thus, mutual deterrence has been the main element throughout the past 35 years in preventing a war in which the most powerful weapons ever available would be used. This form of security is clearly not ideal, since it carries with it the risk of mutual annihilation. Real security will be achieved only when there is a disarmament which has international agreement and is verifiable. In the meantime, our immediate disarmament objective must be the pursuit of undiminished security at lower levels of armaments, both in terms of destructive capability and cost.

But would there then be real security in the broadest sense of the word? The Brandt Commission Report, on international development issues, calls for a new concept of security, in the following words:

> "An important task of constructive international policy will have to consist in providing a new, more comprehensive understanding of 'security' which would be less restricted to the purely military aspects."

Putting it more bluntly, the Report also says:

> "History has taught us that wars produce hunger, but we are less aware that mass poverty can lead to war or end in chaos. While hunger rules peace cannot prevail. He who wants to ban war must also ban mass poverty. Morally it makes no difference whether a human being is killed in war or is condemned to starve to death because of the indifference of others."

As you have gathered, as well as speaking about disarmament, which is a vital element of security, I would like

to speak about development, and the relationship between disarmament and development. By linking the two, we are pointing to a more positive motivation for disarmament than simple survival. If even a small fraction of the more than $500 billion spent annually on military purposes were to be added to the $20 billion now spent on aid, there would be a real possibility of making concrete, and even dramatic progress on solving existing development problems.

Annual global military expenditures are now estimated to be $500 billion. This is equal to more than one billion dollars a day or, if you wish, almost a million dollars a minute. Since World War Two, the direct costs of the arms race have exceeded six trillion dollars, almost as much as the Gross National Product of the entire world in 1975. Six countries -- the Soviet Union, the United States, China, France, the United Kingdom and the Federal Republic of Germany -- account for about 72 per cent of world military spending, about 96 per cent of all research and development for military purposes, 90 per cent of all military exports and 95 per cent of exports of major weapons to developing countries.

It is understandable that the developing countries prefer to look at the vast armaments expenditures of the developed countries, and to emphasize the economic motivation for disarmament. But military spending must also be seen relative to the wealth of the countries concerned. It is therefore appropriate that the military expenditures of the developing countries also be examined.

These countries have about 50 per cent of the world's population and account for only about 14 per cent of the world's military expenditures, with China accounting for more than two-thirds of this. But while they appear small in the global context, the arms budgets of developing countries loom much larger when compared to their limited resources and their urgent social and economic needs. Unfortunately, the growth rate of these expenditures is running ahead of average world rates, and their share has risen from six per cent ten years ago to fourteen per cent today.

But it would be misleading to assume that all developing countries have increased military spending at the same rate. In South America, for example, the rate of increase was lower in the five years prior to 1978 than in the five preceding years. In addition, a large part of the overall increase among less developed countries is accounted for among Middle East countries, whose average annual growth in military spending has been 13.5 per cent in each of the last 10 years, compared to a NATO average expenditure growth of less than three percent.

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Although increased spending in the Middle East has been due in large part to the tensions there, it is generally true that the higher the income of developing countries, the more rapid the increase in military spending. For example, the military expenditures of OPEC countries increased at an average of 15 per cent annually over the past 10 years. Among non-oil-producing developing countries, it increased at a rate of 7.5 per cent among those with higher incomes and at only 3.5 per cent among those with lower incomes.

But the burden of military spending is most effectively measured as a percentage of Gross National Product. In this respect, the Middle East far surpasses other regions of the world. The defence budgets of 11 countries of that region absorb 17 per cent of their G.N.P. Egypt's burden, for example, was more than 25 per cent of its G.N.P. in the mid seventies; NATO, Warsaw Pact countries and most of the Far Eastern countries average around four per cent of G.N.P., while 32 African countries average 2.5 per cent.

When considering military expenditures, we should keep in mind that 80 per cent of all spending is on conventional armaments. While we cannot minimize the nuclear threat, we have to remember that conventional weapons have been used to kill 25 million people in 133 wars since the end of World War Two. For this reason, Canada holds the view that disarmament efforts must not be directed solely to the nuclear threat.

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 G.N.P. spent for military purposes in developed countries is only about four 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

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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.

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 are discussed quite frequently, because of their immediacy and importance, I thought you might wish to take a broader and longer-term look at the economic aspect of disarmament, and in particular, the linkage between disarmament and development.

In conclusion, I would like to suggest that those in the academic field, whether as professors or students, have a role to play in this approach to disarmament, both in the

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recognition of these realities and dispelling the forces of inaction. The problems of disarmament have been with us for several decades; the shape of the new economic order has emerged more recently. But recognition of our difficulties has not necessarily brought us closer to resolving them. And for many, this failure brings the risk of discouragement, despair and cynicism. In the final analysis, that may be the greatest impediment to breaking down the barriers to effective action. We must reject the notion that it is naive to pursue disarmament in a world whose existence is threatened by the armaments of two superpowers. Likewise, we must help our people to understand that it is imperative to work towards closing the economic gap that separates the world into the very rich and the very poor.

Three years ago, Olaf Palme, who is now heading a commission of world figures who are examining disarmament issues, was speaking about the relationship between disarmament and development. He said:

> "If two trends which threaten peace can transformed into one process that would enhance the possibilities of peace, why should we not do our utmost to attain the change of direction?"

I suggest to you that this is an objective most worthy of our efforts, both mine and yours.

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