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THE INTERNATIONAL

TRADE IN ARMS

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INTRODUCTION

The international strategic climate has become much less dangerous over the past two years, as numerous wars in the Third World show signs of drawing to a close. The Iran-Iraq war, the Soviet occupation of Afghanistan, the Vietnamese occupation of Cambodia, the fighting between government forces and *contras* in Nicaragua, the Angolan-Namibian-South African war, and the war in the Western Sahara have all come to an uneasy truce. There has also been a dramatic reduction in tension between the superpowers and between their respective alliances, symbolized by the treaty to eliminate intermediate nuclear weapons in Europe. Large cuts in strategic nuclear weapons arsenals appear within reach, and these may even be followed by cuts in the conventional military forces of both sides.

But underneath this optimistic picture, one aspect of the international security situation has improved only slightly: the trade in conventional arms. In 1986, (the most recent year for which figures are available) \$37 billion dollars worth of arms were traded, with more than 40 states selling and 107 states buying arms. Although this figure is lower than the peak of \$50 billion reached in 1984, most of the drop can be explained by poor economic conditions in the developing world (including the debt crisis) and by a saturation of the arms market after rapid increases in the 1970s. Preliminary indications for 1987 and 1988 suggest only a small further decline. Over the longer term, the volume of the arms trade has increased steadily (with only brief pauses) in real terms since the early 1960s. Many of the weapons transferred today go to global flashpoints such as the Persian Gulf or Southern

Africa, and if the current climate of peace changes the potential for more bloody and destructive wars will be greater.*

What are the possible consequences of the international arms trade? On the one hand, states purchase weapons because they cannot produce them domestically, and because they have a duty to protect their citizens from external threats to their security. On the other hand, these same purchases can be seen by neighbours as a threat, and can trigger regional arms races that consume scarce financial resources. An arms buildup also virtually guarantees that if a conflict breaks into war it will be more violent than it otherwise might have been. For the dominant supplier states, the dilemma is equally acute: the United States and Soviet Union want to guarantee the security and stability of clients and allies, but also want to avoid entanglements that could drag them into a nuclear confrontation.

States buy and sell arms for a variety of reasons, many of which will be discussed below. But the first step is to get a general grasp of the structure of the international arms market.

SOME FACTS AND FIGURES

The quality of statistics on the arms trade are probably as poor as any that can be found. There are no trustworthy comprehensive statistics because most suppliers and recipients are extremely reluc-

* The term "transferred" is used in place of "sold" (and "transfers" in place of "sales"), because it covers weapons supplied as grants, or bartered, or provided on generous financial terms.