

The surreal quality of the outside "response" to countries which essentially have hardly any economy left does not seem to have struck the governments of the West, but it will increasingly frustrate, and anger, the desperate leaders of those states. The West must now calculate its own interests, as well as its moral stakes, in seeing the Cold War "victory" yield real benefits for the "liberated" peoples. Non-cooperation on the control and technologies of nuclear or other weapons could rapidly become one of the few levers available to their beleaguered leaders. It is not fanciful even to recall the classic usefulness of an "external enemy" to political leaders in trouble, or to those who would replace such leaders. Even more real, and immediate, is the prospect of massive human suffering and desperate mass migration across the face of Europe unless short-term necessities are assured and real hope created for the medium to long-term future.

Barring the operational equivalent of an Occupation regime, what *can* be done for reconstruction and for the effective use of outside assistance and eventually investment? More is needed than the broad macro-economic rules of the IMF and the GATT, the resource flows to come through the European Bank for Reconstruction and Development, a confusing web of bilateral discussions, and the broad political and security dialogues to be managed through the new North Atlantic Cooperation Council and the existing Conference on Security and Cooperation in Europe (CSCE). One need is for a realistic approach to regional economic relations in the wake of the collapsed COMECON, and with only a long-term prospect of radical re-routing of trade flows to western Europe and other markets. On this question, and some others, some interesting and iconoclastic ideas have recently been germinating among a few closely-concerned Canadians; their ideas should be more widely considered.

While no-one argues that the COMECON framework ever provided a rational, fair or efficient basis for trade relations among its members, the assumption that these economic relations themselves can or should be totally jettisoned, along with the defunct framework, is wrong and dangerous. This is especially true when it is recognized that even the relatively privileged association agreements recently agreed between the three central European countries (Poland, Czechoslovakia, and Hungary) and the European Community were hedged with enough exceptions to offer only modest hope of a westward reorientation.

A new framework of rules and practices is urgently needed for regional economic relations in the former COMECON area as well as for