

Europe, although neither outside help nor the economic savings from military reductions will be large or fast enough to ease the brutally difficult transition for Eastern Europeans. In fact, the economic dislocation problem could now begin to be a drag on progress in arms reductions in both East and West. Even Canadians began to feel the pinch with the base closures last Spring, and in all countries, it will take political courage of a high order to weather the necessary adjustment to reap the incontestable long-term economic benefits.

With progress in East-West arms reduction, we must guard against the danger of the diversion of military production to new markets – this is the best time in decades for realistic efforts to combat the arms trafficking problem, and Canada is well placed to take a lead. Canadians also have a strong vested interest in extending arms control and reductions to the *qualitative* area, to promote balanced “capping” of the modernization of weapons that will create new security demands and instability. It is vital to get cruise missiles fully covered and controlled in East-West negotiations, in spite of the opposition of the US Navy.

Defence Policy Under Fire

However difficult and unpleasant the task, another basic re-thinking of Canadian defence policy is now inescapable. The 1989 Budget's reductions in planned spending ended any prospect that the capabilities would be provided to meet the commitments of the 1987 White Paper, and more cuts are widely expected. At the same time, the dramatic changes in the international environment now mean, as the Prime Minister has said, that the 1987 defence policy framework is outdated. The task of review will be even more difficult in the current climate, however, when threatening military capabilities will be reduced more slowly than political intentions, when new threats may be developing through weapons modernization, and when the various roles for the Canadian armed forces are in flux. Under these circumstances, an informed public debate of Canadian defence policy is going to be essential to a reasonable outcome, and will provide the best defence for Defence.

The arms control and conflict resolution components of Canadian security policy have obviously taken on added potential in recent years and months, but the defence component remains a large one. While Canadians think of our military spending as modest, it does rank 12th in the world (6th in NATO), even though the size of our armed forces ranks as 48th. Should Canada try to maintain a fully balanced force