

Another, more ominous sense of insecurity stems from the surprisingly rapid disintegration of both Soviet-sponsored organizations — the Warsaw Pact and the Comecon (each disbanded in June 1991) — and the explosion of nationalism. President Gorbachev's "new thinking" and the rhetoric of a "common European homeland" was all very well, but what if there should be a return to communist rule in the Ukraine or inter-republican military intervention? Such unpleasant scenarios give tremendous urgency to integrating and insulating the smaller countries located on Europe's geopolitical faultline. German unification is a dramatic but entirely exceptional solution, and one which has absorbed an unexpected amount of West German capital and political energy. France's outspoken financier, Pierre Moussa, put it bluntly: despite investors' disappointment with Eastern markets and despite humanitarians' distress over violent nationalism, capital must flow to Eastern Europe because it constitutes the new "defence spending."<sup>8</sup>

All in all, the simple question of who should give what to whom now appears to be a loaded question — loaded with implications not just for the reform process in the East, but for security in the West. This working paper is offered as initiation to the current issues surrounding Western assistance as they may affect broader foreign policy issues.

The starting-point for assessing Canada's choices is to recognize that Western assistance to Central and East European countries is part of a Triple R agenda: Reform, Reintegration and Regional Security. On the first, most obvious agenda, assistance is intended to facilitate change within each Central and Eastern European country which can buttress the infrastructure of market economies and liberal democracies. What are we willing to do to help them? What forms of assistance, how much, and under what conditions?

On the second agenda, the purpose of these reforms, together with revisions to established international trade and payments regimes, is to reintegrate the post-communist countries into the world economy. Will we let them into our markets and our multilateral organizations? When, and on what terms?

On the third agenda, the end purpose of such reintegration is to advance a larger geopolitical project — the creation of a new European regional security order. The dismal predictability of the Cold War has given way to open-ended uncertainty — even uncertainty over who speaks for the former Soviet superpower. A still polite jockeying for position is taking place among Europeans,

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8 Cited in Jane Kramer, "Letter from Europe," *New Yorker*, 29 July 1991, p. 69.