

# THE NINETIES

## Experience of Recent Decades Warrants Caution . . .

'As a landmark year in modern history, 1989 will ... surely rank with 1789, the year of the French Revolution.'

This is how the Canadian Institute for International Peace and Security introduces its latest annual report as it focuses on three main topics: the arms race, domestic defence policy, and regional conflict. 'We want to believe that this 'peace' is real and enduring', it continues, 'yet millennia of human experience and recent decades of history counsel caution.'

On the question of the arms race, the CIIPS acknowledges over-riding concern about 'dangerous instability in an environment of major arms reductions.' This results from the continuing political upheaval that has been developing daily, almost hourly at times, in Eastern Europe. The longer-term view includes the 'delicate' issue of German reunification and its effect not only on the rest of Europe but also the rest of the world. As for the 'building down' of the North Atlantic Treaty Organization and the Warsaw Pact, 'there is still a long way to go.' Nevertheless the CIIPS urges the West to 'reciprocate and encourage every realistic disarmament measure' taken by the Soviet Union and its allies.

On the whole, the federally-funded body, which is based in Ottawa, comes across as cautiously optimistic when it proposes that 'other countries must also be drawn into the improved international climate emanating from Europe.' Particularly important is the need to improve relations between the Soviets and Japan and the CIIPS suggests that 'Canada is well placed to pursue this special dialogue.'

Having made that observation, the CIIPS then points out that there is lingering concern about the fate of hardware as the superpowers disarm. 'A possible unintended consequence ... is the danger that demobilized weaponry and military equipment, if not destroyed, will become available for sales and transfer to armies and armed groups in other parts of the world', the CIIPS cautions. 'Similarly, unless the military production capabilities of countries in East and West are dismantled or decisively cut back, they will have even greater incentives than in the past to direct their products to other

markets.'

On the question of Canadian defence policy, the CIIPS says that it is clear, in light of the last budget's evisceration of the 1987 Defence White Paper, that another comprehensive review 'and basic re-thinking' of domestic policy is crucial. The 'extraordinary' challenge is to make decision that would give defence planners 'reasonably clear and stable directions and credible assurance that they will be equipped to carry out the tasks assigned to them.'

Citing its own public opinion poll (summarized on Page 7 of the previous issue of International Perspectives), the CIIPS points out that Canadians are still supportive of the concept of 'prudent defence' and of co-operation with their allies and that an 'in-depth public debate of policy needs and options' is essential. 'There is a widespread expectation that the defence allocation, which was not actually reduced in the 1989 budget, could be singled out again (with official development assistance) in 1990 when the few 'discretionary' categories of federal spending will once more be vulnerable to Draconian spending cuts.

The second and even more important reason for a re-thinking of this country's defence policy is found in the dramatic evolution of East-West relations and the prospects for equally dramatic change in Canadian military 'threat perceptions' and responsibilities. The CIIPS goes on to reject as 'totally unrealistic' any move by Canada to proceed with a major defence acquisition such as new battle tanks for deployment with NATO in Europe.

Given what it says is the 'practically assured' success of talks on strategic missile and conventional forces reductions, the CIIPS challenges the legitimacy of continuing Cruise missile testing, which resumed over Northern Canada late last month (see Signposts). It argues that flight-testing of unarmed air-launched missiles by the United States Air Force 'has lost some of its political immediacy' because of the arms reductions and the generally improved East-West relations. 'The majority of Canadians who were uncertain and divided during previous national debates over Cruise missile testing would clearly be much more difficult

to convince of the need and legitimacy of further modernization.' That said, 'Canada has an urgent and direct interest in seeing Cruise missiles (particularly the sea-launched variety) included in East-West arms control and reduction negotiations. This concern is shared by NATO as a whole but progress is blocked by the dogmatic resistance of the U.S. Navy which has also, so far, blocked all other attempts at naval arms control. There is no reason why Canada should accept and be expected to co-operate indefinitely in a situation which is detrimental to its own security interests.'

On the increasingly troublesome issue of regional conflict and its frighteningly obvious potential for escalation, the CIIPS says that fascination with European events has tended to distract world attention from this no less important arena. 'The toll of conflicts in other regions ... has been constantly and frequently horrific, with civilians being indiscriminate or often even selected targets, large regions being laid waste, and their inhabitants swept up in the wretched tide of refugees that has become a flood in the Horn of Africa, Angola and Mozambique, in Indochina, Afghanistan and Central America.' It decries the 'atrocious' war between Iran and Iraq that saw the global taboo on chemical weapons broken and laments the 'agonized anarchy' of Lebanon and the 'still explosive' Arab-Israeli situation that is now in its fifth decade. 'The billions of people whose countries are not members of NATO or the Warsaw Pact are deeply conscious that they have been held as powerless hostages to the threat of global nuclear annihilation because of the hostility between these two blocks,' it says. 'Leaders and peoples in Asia, Africa and Latin America will welcome the easing of the global threat (and) will watch to see if the thawing of East-West relations and the reduction of superpower competition in their own regions will lead to more constructive attention to their problems or, on the other hand, to even greater marginalization of the Third World.'

Copies of the report may be requested from the Institute at 360 Albert Street, Suite 900, Ottawa K1R 7X7; telephone (613) 990-1593 or Fax (613) 563-0894.

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## . . . About the Potential Problems on the Road Ahead

'The near-desperate economic state and depressed social conditions of many countries' prompts the North-South Institute to call this decade 'the Nervous Nineties.' A draft of the research body's latest annual Review & Outlook highlights, among other things, foreign debt, aid, women's rights, the Organization of American States (OAS) and Southern Africa. 'There are plenty of problems along the road', comments the independent NSI's Executive-Director, Maureen O'Neil.

The document cites the grievous problems that are arising in Latin America as governments try to come to grips with foreign debt. A graphic example was the fact that more than 300 people were killed in Venezuela last year as they protested against an austerity programme sanctioned by the International Monetary Fund. 'Instead of improving their prospects, existing approaches seemed to be making debtor countries worse off,' the NSI says. The United States, for one, responds with rescheduling and debt-equity swaps, but the effectiveness of these initiatives clearly is being undermined by lender discounting as more countries default. Thus, the IMF has virtually no option but to put a genuine debt-relief programme into effect, especially where individual countries are demonstrably willing to deal with their woes.

'The fundamental dilemma now ... is how to persuade banks to agree to debt reduction on a voluntary basis', the NSI says. 'To sugar-coat the pill, financial guarantees were provided by the international financial institutions, but there is only enough money to provide such guarantees to a few debtor countries.' Ms. O'Neil says that Washington has advised American banks to 'look at some of the creative options open to them', but she is nonetheless skeptical that such advice would be welcomed by Canadian banks. The NSI points out that with few lenders apart from the World Bank and the IMF providing fresh capital, 'each dollar they put into guaranteeing old debt is a dollar less to finance badly-needed investment or imports.'

Official Development Assistance suffered the deepest cuts in the 1989 budget which was tabled last April by

Finance Minister Michael Wilson. Forecasts for the 1990 budget vary — from total restoration of the cuts, to further reductions of as much as 10%. Ms. O'Neil takes limited comfort from a suggestion by External Affairs Minister Joe Clark that he wants to rebuild Canada's commitment. 'Mr. Clark is going to have trouble selling what he wants to sell around the budget table.' Faced with a question about the use of food aid as a lever, to get recipient countries to change policies that are perceived by donors as unworkable, Ms. O'Neil replies that 'virtually all' industrialized countries are trying to compel Third World change. 'There is greater conditionally attached' to all aid. Echoing the CIIPS (see page 6), the NSI says that Eastern Europe has 'distracted' the West from concerns about the Third World, where the problems are 'longer term and indeed larger.' Asked about special assistance packages put together for countries such as Poland and Hungary and how Ottawa should prioritize its commitments if forced to choose between the East Bloc and the Third World, she replies that 'the government has no choice but to respond to both of them.'

On women's rights, the NSI says that although an institutional framework has been built in the decade since the United Nations Convention for the Elimination of Discrimination Against Women was signed, progress in implementing real change has slowed. Some countries refuse to ratify the convention or impose restrictions on sections they consider inappropriate. 'Many concerned observers remark that, other than internal leverage by well-organized women's groups, there is little pressure on politicians and civil servants to live up to the convention or to enact any domestic legislation to improve the lot of women', the NSI says. 'It is time to evaluate what progress has been made, especially as countries face times of austerity.'

Canada's recent decision to join the OAS as a full member, after decades as an official observer, divided Canadians more evenly than few other foreign policy initiatives, the NSI says. 'We share the positive view. Latin America has changed greatly since the United

States used the OAS to give its own hemispheric designs a multilateral coating, as in its 1965 occupation of the Dominican Republic or in its isolation of Cuba. In the 1980s, some 10 countries have moved from dictatorships to democracy' When it is suggested some critics see Canada continuing to 'parrot' the U.S., Ms. O'Neil replies that there already are signs of a more independent posture. She refers to Canada's official condemnation of the sacking of the Nicaraguan ambassador's residence by U.S. troops during the Panama invasion. 'We seem to have recovered our senses somewhat.' However, she adds, the criticism that Canada's financial commitment to the OAS — which is some \$6 million in this first year of full membership — is inadequate is 'very valid.'

As far as Southern Africa is concerned, Namibia is called 'perhaps the single undeniably bright spot' in that part of the continent, now that a constitution is nearing completion in the aftermath of free UN-supervised elections and that complete independence from South Africa is expected in March. 'But what of South Africa itself?' the NSI asks. There have been dramatic changes 'on the surface' but it notes that 'repression is far from ended'. Although 800 high-profile prisoners were released in October, at least 800 more remain incarcerated, hundreds of detainees are under rigorous restriction orders and there were more political trials during the latter half of 1989 than ever before. Notwithstanding this and the re-emergence of the power struggle between the army and the police, the NSI acknowledges 'movement', much of it precipitated by the international pressures making themselves felt. 'It is not too soon now to foresee and to plan for the post-apartheid era', the NSI says. 'South Africa will be the main 'engine of growth' for the whole region.'

Copies of The Nervous Nineties: Uncertainties Cloud Decade for Third World, should be available in either official language by the third week of February. The cost will be \$7.50 and the NSI is at 55 Murray Street, Suite 200, Ottawa K1N 5M3; telephone (613) 236-3535 or Fax (613) 237-7435.