

## THE SOVIET UNION

*"Today our country is indeed sick. We appreciate the attitude of those who are sympathetic to us and wish us early success in tackling our problems and ending the crisis. We have no quarrel with those who are gloating over our situation and our problems. We are even ready to sympathize with them. For, instead of truth, they prefer self-deception and self-adulation."*

*Eduard Shevardnadze*

*Minister of Foreign Affairs of the Soviet Union.*

It is sometimes suggested that the process of reform in the Soviet Union originated in economic necessity and at the top. However, we would assign equal importance to the gradual evolution of Soviet society over the past twenty years and the catalytic effect of critical events like the Afghanistan war and the Chernobyl nuclear disaster. Mr. Gorbachev and his colleagues courageously seized the moment in Soviet history but did not single-handedly create that moment. And, now, we have the impression that reform has begun to turn into revolution, a proliferation of change that the leadership is guiding less and reacting to more. Far from being a sign of failure, we see this as strong, if inconclusive, evidence of the rooting of Soviet democracy.

During the course of the visit, we found ourselves concentrating on three key aspects of change which are closely interrelated: economic reform, the rise of nationalism and the crisis of the environment. We will briefly describe our findings and recommendations for Canadian policy in each area.

### **Economic Reform: Haltingly towards the Market**

Mr. Gorbachev began as leader of the Soviet Union with the hope of revitalizing and reorienting its economic system, not transforming or destroying it. Eventually, however, he concluded that radical change was necessary, but he has acted haltingly on that conclusion for reasons that will be familiar to any politician in the west—fear of vested interests and fear of the peoples' reaction.

Vladimir Popoff, a young economist with the Institute for the United States and Canada, told us that the USSR had a chance to make the transition to the market in a relatively painless way several years ago but the chance was not seized. Now the crisis has deepened—all indicators are negative—and the costs of reform have risen steeply.