



**INTERNATIONAL
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CANADA AND THE WORLD

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INTERNATIONAL PERSPECTIVES

CANADA AND THE WORLD

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Mulroney's Discovery of the Americas

Prime Minister Mulroney's off-hand comment during his recent visit (August 30-31) with President George Bush that Canada might seek membership in the OAS fueled speculation that this country would upgrade diplomatic and political links with Latin America. The San Jose meeting of Western Hemisphere heads of government October 27-28 was the ideal occasion: hosted by Nobel Peace Prize winner Oscar Arias and marking the Prime Minister's first official visit to Latin America, the Conference offered the necessary pomp and ceremony for a Mulroney foreign policy announcement.

By itself, of course, Canadian membership in so feeble an outfit as the Organization of American States means little. Marginalized by its Cold War mandate, scorned as Washington's 'Ministry of Colonies' for its early support for US military intervention culminating in the invasion of the Dominican Republic in 1965, and unable to recast its purpose as an instrument of development, the OAS has long lost its legitimacy.

For one thing, the US budgetary contribution is over \$50 million in arrears. While some specialized agencies, such as the Inter-American Commission on Human Rights, do valuable work, the overhaul required to revive the OAS is of Herculean dimensions. The somewhat more positive climate in US-Latin America relations since the election of George Bush should not obscure the challenge — in which Canada's contribution will be modest at best. Both the risks and potential benefits of full membership (as opposed to status as a permanent observer) have been exaggerated. Only the price tag is certain: \$6 million.

But the Mulroney initiative to revitalize Canada's Latin linkages is urgently required. Its significance should not be confused with the narrow issue of OAS membership or inter-american institutions. Instead, major structural change at the global level is re-ordering hemispheric relations, deepening our involvement and interests in this region. The Canada-US Free Trade Agreement is transforming our economic relations with Mexico; migration from Latin America and the Caribbean will certainly intensify; the inter-american narcotics trade will not stop at the US border. Growing Latin and Caribbean constituencies are already established within the Canadian political system.

We are becoming a country of the Americas in fact rather than in rhetoric. Consequently, we require a policy for the Americans — and concrete initiatives rather than more speeches. Neglected in his first government, Latin America finally has entered the Mulroney foreign policy agenda. If OAS membership is the political price required for restoring balance to Canadian foreign policy, then it may well be acceptable.

— ED

S I G N P O S T S

OTTAWA — Bill C-10, a measure to write off a total of \$672.25 million in debts owed by 13 African nations is being cleared through Parliament with minimal debate. Cameroon and Kenya account respectively for \$143.7 million and \$109.0 million. The others, in millions, are Zambia \$86.8, Ivory Coast \$80.0, Ghana \$77.6, Nigeria \$42.4, Zaire \$31.3, Zimbabwe \$30.8, Madagascar \$22.9, Congo \$22.6, Senegal \$16.8, Gabon \$7.6 and Swaziland \$1.37.

TOKYO — Barry Steers, Canada's Ambassador to Japan for the last eight years, is retiring from the public sector. His successor is James Taylor, currently Under-Secretary of State for External Affairs, whose 28-year career focus on Atlantic relations will now be capped by new ventures in the Pacific Rim.

OTTAWA — Canada's Ambassador to Washington, Derek Burney, suggests that Canada can ill afford to relax in its trade dealings with the United States, even after the Free Trade Agreement is fully in effect. Addressing the recent Canadian Exporters' Association annual meeting, he pointed out that "many Americans see the world as playing unfairly on trade" and there is an "increasingly strained and uncertain" environment because of this perception. Protectionism is seen increasingly as a fast fix. Accordingly, Canada must continue to exercise "vigour, discipline and commitment" in trade dealings with the U.S.

OTTAWA — In what is becoming traditional for visiting heads of state, King Hussein of Jordan addressed a joint meeting of the House of Commons and Senate during his recent official visit. The focus of his 20-minute speech, as expected, was his appeal for Israeli withdrawal from occupied Arab territories. Prime Minister Mulroney capped the Jordanian monarch's visit with an announcement that Canada will provide more than \$17.5 million worth of economic and development assistance to Jordan over the next two years, mainly for the petroleum sector.

LOS ANGELES — Calling on other western nations to follow suit if they truly support democratic reform in the East Bloc, Prime Minister Mulroney has announced an unprecedented aid package for Poland and Hungary unveiled during an October 12 speech to the World Affairs Council. It will encompass a grant of \$12 million in food aid for Poland as well as the creation of a \$10 million Economic Development Fund that will "support reforms in the private sector in Poland and Hungary through provision of technical and managerial assistance." The remaining \$20 million would be provided through a short-term credit insurance or guarantee facility that would enable Poland to meet urgent import requirements from Canadian suppliers. "Canada believes that aid to Eastern Europe should flow now," he said. "Combined western assistance could be the key to substantial and beneficial change in Eastern Europe."

MAINZ — John Halstead, Canadian Ambassador to Bonn 1975-80, permanent representative of Canada at NATO 1980-82, and now visiting professor at Carleton University and the Georgetown University in Washington, D.C. became the first recipient of a new prestigious German peace prize. Awarded by the Association of German War Veterans, the distinction recognizes Ambassador Halstead's outstanding contribution to Atlantic diplomacy and Canadian-German relations.

NEW YORK — The creation of a 625-person UN border monitoring force for Central America (ONUCA) on November 5 represents a step forward in controlling the most serious conflict in the Western Hemisphere, and it will involve Canada directly in yet another major UN peace-keeping activity. It is the first time that Washington has agreed to a UN (as opposed to OAS, or unilateral) force in this closely watched security zone — the clearest signal yet that the Bush administration considers the *contra* a spent military instrument that no longer serves US objectives. All Central American governments support its disbanding in accordance with the Tela Accords of August 1989.

Ottawa — Japanese fishing practices and a lumber import tax that annoys Canada were the main points of discussion when Prime Minister Mulroney played host recently to Prime Minister Toshiki Kaifu. Senior Canadian officials at the talks said Mr. Mulroney warned "politely but firmly" that Canada expects Japan to stop using drift nets in the Pacific. Taiwan and South Korea also have been criticized for their use and any move by Japan could set an example for the others.

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- Berlin: the German Problem Revisted?
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- Nicaragua: Election Preview
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- The GST in International Perspective

DIPLOMACY

The Commonwealth: Crossed Swords in Kuala Lumpur

As usual, there were several issues on the agenda for the latest Commonwealth Heads of Government Meeting, this year in Malaysia, but the meeting was dominated yet again by polarized views about South Africa. The latest difference of opinion, however, was unprecedented and somewhat puzzling in that Prime Minister Mulroney and his British counterpart, Margaret Thatcher, became involved in a public scrap over the question of sanctions.

The puzzling aspect is that when the leaders of the 49-member organization issued their customary communique, Mrs. Thatcher's signature was there for all to see. She evidently had agreed, among other things, that sanctions had begun to influence policies in South Africa, that the Commonwealth should investigate ways of tightening financial sanctions and reinforcing the arms embargo, and that an independent agency should be set up to review and report on South Africa's financial links. The ink was barely dry on the communique, however, when Mrs. Thatcher issued a separate statement dissociating Britain from the aforementioned points in the joint statement. Mr. Mulroney immediately denounced the British prime minister, his anger possibly heightened by embarrassment over the fact that he had seconded Mrs. Thatcher's endorsement of the original communique. 'Where would we be ... if all 49 member nations began issuing dissenting papers,' he asked. According to British officials, their leader dismissed Mr. Mulroney's comments as 'astounding and appalling' for their suggestion that any Commonwealth member should be precluded from explaining its positions. 'We are amazed that the Commonwealth finds free speech so inconvenient', one said. However the ques-

tion remains: why did Mrs. Thatcher sign the joint communique in the first place?

Canada's basic position, as expressed by External Affairs Minister Joe Clark, was that sanctions could be tightened generally if the new state president, F. W. De Klerk, did not move further on apartheid. 'We are not interested in stopping here', Mr. Clark said. 'We are interested in stopping apartheid.' On the other hand, a mooted severance of diplomatic ties apparently has been

ruled out for the foreseeable future. Prime Minister Mulroney disclosed this during an interview with the Canadian Broadcasting Corporation, saying that he had considered recalling Canada's ambassador this summer but had been dissuaded by representatives of the African National Congress. They apparently felt that by having a voice in Pretoria, Canada would be better placed to influence the De Klerk administration than if the embassy was closed. —KAP

Helen Suzman, the self-styled 'tough old bird' who was for years the lone critic of apartheid in the South African parliament, echoed Mrs. Thatcher's opposition to tighter sanctions. Speaking to the National Press Club in Ottawa, she said that sanctions were 'totally counterproductive,' pointing out that since the international arms embargo had gone into effect, her country has developed its own industry and is now one of the world's biggest arms exporters.

Ninth Summit of The Non-Aligned Movement

The idea to create a third force in world politics was first voiced at the April 1955 conference at Bandung, Indonesia. Jawaharlal Nehru, prime minister of India and Gamal Abd-el Nasser, president of Egypt, were the moving spirits. The aim was to create an organized "third force" in the then developing East-West confrontation.

The Non-Aligned movement got its formal start at its first summit, in Belgrade, Yugoslavia, in September 1961. Now, the movement's 9th summit was held, again in Belgrade. It suffered again from internal controversies between the radical Non-Aligned, such as Cuba, Libya, Nicaragua, North Korea, and the pragmatists. The result was an at times heated discussion, but no progress toward an agreed policy line.

The meeting, incidentally, provided yet another indication of Canada's growing influence in world affairs. Canada was invited to attend with observer status. The Canadian government demonstrated its interest - and appreciation - when it sent as its representative the Minister of External Affairs, the Right Honourable Joe Clark.

FOOTNOTE

The no doubt most extravagant suggestion made at the Non-Aligned summit in Belgrade came from Libya's Moammar Gadhafi: to solve the Palestinian problem by forcibly resettling the Israelis in Alsace-Lorraine, of all places.

John Gellner, Toronto

PM in Moscow: Symbolism or Substance?

Should we expect Brian Mulroney's visit to the Soviet Union to have a substantive impact on Canada-Soviet relations? Or is political symbolism the order of the day? In addressing this issue, three dimensions should be taken into account.

First, the visit could constitute an important learning process for the Prime Minister. After all, he can hardly be deemed knowledgeable on either the USSR or Soviet-related issues. First-hand observation and discussions with other Soviet leaders could assist Mr. Mulroney in focusing on important bilateral and multilateral issues which have not been addressed adequately by his government.

Second, bilateral relations may be strengthened in policy areas such as the environment, native peoples, science and technology, and the Arctic. Here the Prime Minister could add legitimacy to the ongoing normalization of relations. It should be noted that Canada has trailed its Western allies in responding to the changes in Soviet domestic and

security policy which have occurred under Mikhail Gorbachev.

Third, Mr. Mulroney could conclude that Canada should more seriously lend its support to the process of change within the USSR and should more actively advocate a positive response by the West to the changing strategic environment. Given the prevailing skepticism in Washington, the Canadian government could even attempt to convince our American friends that the Cold War is over. Such a posture would enhance the independence of Canadian policy vis-à-vis the Western Alliance at a time when the critics have focused on the lack of

Canadian leadership in foreign and security policy.

Should any or all of these result from the Mulroney visit, substantive steps will have been taken in the right direction and Canada's policies will be on a sounder footing. On the other hand, it is equally possible that little or nothing will have changed other than to divert Canadian media and public attention from the domestic problems which currently face the Progressive Conservative government. In the latter instance, political symbolism will once again have been deemed the norm.

Rod Byers, Centre for International & Strategic Studies, Toronto

A Canada-USSR Business Council has been formed to promote commercial relations between the two countries. The choice of the two chairmen shows its importance to both sides. The Canadian is Albert Reichmann, president of the huge real estate firm Olympia & York Developments Ltd., and his Soviet counterpart is Vadim Efremov, vice-president of the USSR Chamber of Commerce and Industry. First results: a major Olympia & York office — apartment complex in Moscow.

Sovereignty: A Possible Option

Canada's proposal for a fleet of nuclear-powered submarines (SSNs) is dead in the water but the decision leaves in serious doubt our ability to support Arctic sovereignty. The Department of National Defence, in evaluating new conventional subs, should reconsider a homegrown option that might assuage most SSN concerns while giving us true under-ice capability.

Developed by ECS Group in Ottawa, this SSN employs a smaller reactor than those aboard SSNs to drive a closed-cycle Energy Conversion System for battery charging. ECS Group is positioned to capitalize on its perseverance through the "SSN or nothing" period, as Group President Gregg MacDonald puts it. "We're now technically three

years more advanced."

The consortium was founded in the early 1970s to capitalize on Canada's interest in Arctic hydrocarbons and concomitant sovereignty concerns. Concluding that small nuclear reactors of about 100KW output were the only practicable air-independent power source, ECS began conceptual studies of exploration submersibles (labelling them SSn). On the military side, DND felt 300-400KW of power was adequate, giving submarines virtually unlimited submerged endurance at 6 knots. Today, the AMPS1000 yields a base 12-14 knots submerged, the same as new conventional subs. Mr. MacDonald says endurance would be limited "only by the time you want to keep the crew down."

There is still the issue of shoreside facilities, pivotal in the SSN debate. A typical SSN would produce a waste-basket-sized spent fuel bundle thrice in a 30-year operational life. The key is public perception. A poll commissioned by ECS suggests Canadians are not against "nuclear" per se. "They were against using it in 'attack' submarines, for a purpose which was not consistent with Canadian policy," MacDonald explains. "When we asked them about our defensive system, we were very surprised that the public would be ready to accept it." An SSN is as "nuclear" as an SSN but if Canadians can be convinced of sovereignty requirements, ECS would be as confident of its future as Canada is of its claim to the Arctic. — KAP

Aid and Environmental Responsibility

In 1986, when the Brundtland Commission released its acclaimed report on the global environment, the Canadian International Development Agency jumped onto the bandwagon, promising to usher in a "new era... of greater concern for our environment." It is obvious today that it has been business as usual at CIDA. At its heart, the Brundtland Commission shone the spotlight on the public's right "to participate in decision-making on activities likely to have significant effect" (on them), going so far as to recommend referenda as a guard against government's penchant for grandiose and destructive mega-projects.

Instead of protecting this fundamental right, CIDA made a private arrangement with Environment Canada in 1986

to exempt itself from public hearings, both in Canada and in the Third World. By so doing, CIDA violated not only the spirit of the Brundtland recommendations but also Canada's Environmental Assessment and Review Process Guidelines Order.

The Access to Information Act, ironically, has helped CIDA to maintain the wall of secrecy around its activities. This Act prohibits disclosure of information — including a document as benign as an environmental impact assessment — obtained in confidence from a foreign government or an international organization of states without the consent of that government or organization.

Yet there is no justification for including environmental assessment of foreign aid projects in this wide net of ex-

emptions. By invoking the Access to Information Act, CIDA violates the EARP Guidelines and shows its commitment to Brundtland to be a public relations exercise. Moreover, CIDA has extinguished the right of the public, both in Canada and in recipient Third World countries, to an informed public debate about the sustainability of its projects.

As long as CIDA rejects a legitimate and effective environmental assessment process that provides access for those most affected, it will continue to bankroll projects that destroy the environment and victimize people in the Third World.

Patricia Adams, Probe International, Toronto

Adjustment With A Human Face

Are the days numbered for current approaches to structural adjustment? If the fate of women and children were a concern of finance ministers and their designates, we could expect to see a re-think of the economic development recipe now being fed to poor countries.

In *Adjustment with a Human Face*, UNICEF startled development experts in 1987 with statistics that showed a reversal in key indicators of children's health and well-being. This document may not have precipitated a complete overhaul of structural adjustment programmes, but it certainly demonstrated the need for complementary measures to shore up eroding services.

UNICEF's dismal picture has persisted in *The State of the World's Children 1989*. Despite significant increases in the number of immunized children and the success of oral rehydration programmes, the continuing debt struggle and reversal of economic development are now accompanied by rising

child malnutrition and declining primary school enrolment. Health and education budgets in the 37 poorest countries have fallen respectively by 50 per cent and 25 per cent in the last few years.

A few weeks ago the Commonwealth Expert Group on Women & Structural Adjustment released its report *Engendering Adjustment for the 1990s*. This report contrasts the gains made between the 1950s and the 1970s in women's health, education and in some cases, their economic situation, with the stagnation and reversal, particularly in health and education, of the 1980s.

The losses are characterized as "not so much...daylight robbery as stealth in the night — a largely unintended byproduct of the economic difficulties of the period." The recommendations call for policy discussions to "seek to synthesize proposals for and reach consensus on the policy goals for a broader adjustment strategy fully reflecting

women's interests." It says a Commonwealth Declaration defining structural adjustment in terms of how people — especially women and children — are affected would give political impetus to change current economic policies.

This change will have to be more than an add-on. It will require a pointed assessment of the recipe. If alleviation of poverty is to be a benchmark, if evidence of income redistribution is to be a criterion of successful economic policies, it may be that current policy ingredients are wrong.

If so, Canadian policies need a close look too. Child poverty has risen considerably here in the 1980s. The last few budgets have been regressive for incomes and the latest featured massive ODA cuts. Canada is definitely not yet on the leading edge of this policy re-think.

Maureen O'Neil, North-South Institute, Ottawa

R E G I O N S

Cambodia: What Next?

The withdrawal of Vietnamese troops from Cambodia at the end of September signifies, in the short term, the removal of an important obstacle to the re-establishment of peace and the eventual formation of a government acceptable not only to Cambodians but also to foreign powers that have been party to the dispute.

The conflict in Cambodia began with the CIA-backed overthrow, in March, 1970, of Prince Norodom Sihanouk, the country's hereditary god-king. For the next decade Cambodia became a killing field. Vast areas were free-fire zones for American B-52s under the U.S.-supported Lon Nol regime (1970-1975), and thereafter, one-fifth of Cambodia's population fell victim to the auto-genocidal policies of the China-backed Khmer Rouge led by Pol Pot (1975-1979). Since January, 1979, Cambodia has slowly recovered in an uneasy peace under Vietnamese military presence, and a Vietnam-sponsored government, headed by Hun Sen.

The conflict of the past decade has largely involved non-Cambodians — on the one side, Vietnam and on the other, China, the ASEAN states and the U.S. — external powers that

seek to impose a settlement advantageous to their own interests. Vietnam had been under international pressure to withdraw its military presence. Isolated internationally and weakened internally by economic mismanagement and political disorientation, Vietnam announced in April the total withdrawal by the end of September of its remaining troops, estimated at its height in 1982 at 200,000.

Cambodia's political future remains uncertain. However, with the total withdrawal of the Vietnamese military, Cambodians are now presented with a great opportunity to rebuild a peaceful, stable and prosperous society. The recent Paris Peace Conference (in which Joe Clark participated actively) was a failure. But in longer historical perspective, the withdrawal of Vietnamese armed forces may well represent the last act in the decolonization process of Indochina. It may well be viewed as an important turning point in post-World War II Southeast Asian history.

Kin Khanh, Cornell University, Ithaca, New York

Argentina: Menem's Gamble

Carlos Menem assumed the Argentine presidency last July in the midst of the worst socio-economic crisis in this century. The victorious Peronist candidate inherited record debt and unemployment, a bankrupt treasury, and collapsed industrial production and private investment — not to mention international isolation following a year's suspension of debt payments and the continuing internal military crisis. The ominous onset of food riots and hyperinflation (200 per cent in July alone!) presaged the final exhaustion of a society worn out by triple-digit annual inflation for more than a decade.

In this situation, Menem made an astonishing about-face on his electoral programme and traditional party principles. He virtually ceded management of the economy to the country's dominant economic interests, his party's erstwhile most fierce critics who had amassed great wealth in the preceding decade. Similarly, he abandoned Peronist nationalism to cultivate foreign investment and good relations with Washington and international financial organizations. His economic restructuring features pervasive deregulation, privatization and incentives for agricultural and petrochemical exports. An immediate and drastic anti-inflation plan halted hyperinflation — at least for the time being — in that it fell to 38 per cent in August and to less than 10 per cent in September. On the political front, he pardoned military officers accused of human rights violations.

Menem's objective is to renew Argentina's capitalism based on its enormous natural resource base. To accomplish this, he must maintain stability at all costs, while gradually consolidating a right-wing populism to guarantee stability for Argentinean and foreign investors. Politically, the abrupt *volte-face* implies postponing his electoral promises to reverse the declining living conditions of the Peronist union membership.

Will his gamble succeed? He is clearly caught in a potentially fatal dilemma. His new strategy requires abandoning his mass democratic base in the Peronist movement in favour of the Argentine industrial elite — noteworthy for its absence of social conscience and pursuit of short-term speculative profit. Menem believes that the elite will be an efficient and democratic partner in a reborn Argentina, but such a transformation appears remote, at least in the short term. But he has no other option; his shift rules out another political mobilization of the Peronist faithful as a counterweight to the private interests now managing state policy. The new economic model and Argentina's continuing democratic commitment now rest with Menem's new interlocutors. His great risk is that he has prematurely burnt his political bridges.

Jose Nun, Centre for the Study of Democracy, Buenos Aires

Namibia: The Mounties' Challenge

The closely-watched elections in Namibia produced the anticipated SWAPO majority, but not a two-thirds majority in the new House of Assembly. One hurdle, at least in the painful decolonization process has been cleared. The road to formal independence, April 1, 1990, remains hazardous and complex, with the UN still confronting an enormous challenge.

Even before Namibians went to the polls November 6, the 1,000 police monitors of the UN Transition Assistance Group (UNTAG) were reinforced by 100 RCMP officers, bringing the Canadian presence to 420 out of UNTAG's total strength of about 6,000. As Canada was also one of the Contact Group of five Western powers which negotiated the original plan for ending South Africa's illegal occupation of Namibia, its identification with the fate of the 'UN Plan' is strong and certainly more visible than that of any other of the Contact Group states.

The risk of disaster, however, is dauntingly real. The Namibian operation lacks at least two of the seven conditions for success laid down in the UN Secretary-General's 1989 Report: a workable mandate and the co-operation of the parties in conflict. The mandate, to say the least, is weak, especially in being almost silent about what would happen after the election of the Constituent Assembly. The Plan focused mainly on troop withdrawal and demobilization by SWAPO and South Africa and on the conditions for free and fair elections. It said virtually nothing about the transfer of power to the people of Namibia: the objective laid down in UN Security Council Resolution 435 of 1978.

South Africa attempted to influence the electoral processes, and is not likely, given past behavior, to stop meddling in Namibia. But the UN has a difficult job, since its mandate is to observe and report, not to intervene — until Independence Day, the UN Plan leaves authority in the hands of the South African-appointed Administrator General, Louis Pienaar. The need to assert a consistently anti-racist, pro-democratic position will be an interesting test of the quality and outlook of each of the 23 different national forces involved — including the Mounties.

After the elections, they now find themselves in a new and much riskier situation. South Africa wanted out of the war in Angola, and the price was to leave Namibia as well. That does not mean South Africa will accept whatever government the Namibians elect. On the contrary, it spent millions of Rand trying to deny SWAPO a two-thirds majority in the Constituent Assembly. It has also taken care to maintain its de facto control over the 18,000-strong army, effectively resisted the disbanding of Koevoet provided for in the Plan, and ensured the extensive distribution of weapons to private individuals opposed to SWAPO. We can now expect South Africa to try to exploit the UN Plan's silence on the election aftermath and

to use its influence on most of the anti-SWAPO parties, and its administrative control of the state machinery, to try to prevent SWAPO from reconstructing the state and the security forces so as to make its sovereignty effective.

Failing this, and assuming SWAPO holds together, there is always the alternative mapped out in Mozambique, where South Africa has long waged a war of destabilization by proxy, in spite of its formal undertaking at Nkomati in 1984 to stop doing so. If South Africa is unable to circumscribe SWAPO, we should not be surprised to see it resorting to other means, from supporting a secessionist movement in Caprivi to encouraging riots or even mutinies in the armed forces. The Mounties should saddle up for a rough ride.

Colin Leys, Queen's University

Clark's Viewpoint

Having contributed to Namibia's transition to independence from South Africa, Canada will remain 'active in addressing the country's development needs.' This is External Affairs Minister Joe Clark's response to a report on Namibia by four MPs who observed voter registration for the UN-supervised elections. The report by Progressive Conservatives Walter McLean and Marie Gibeau, Liberal Bob Speller and New Democrat Bill Blaikie recommended continued Canadian involvement. It also says that to minimize voter intimidation, the Koevoet counterinsurgency force, slated for disbandment under Security Council resolutions 435 and 640, should be 'confined to base and effectively monitored until the election', at which time it should be retrained.

Shortly after polls closed, UN Special Representative Martti Ahtisaari declared that 'the voting process had been free and fair.' An estimated 98% of voters had cast ballots and while final figures were not available, it appeared that SWAPO, with strong support in its Ovamboland stronghold, would be in a position to form the government. The opposition Democratic Turnhalle Alliance had led the polls until results from Ovamboland turned the tide and seemed to give SWAPO about 55% of the vote and 41 of the 72 seats in the new House of Assembly. The outcome, however, leaves Namibia politically divided and SWAPO Leader Sam Nujoma short of the 67% of the vote and 48 seats needed to control the constitutional process. SWAPO will try first for support from the United Democratic Front, which took four seats, even though the UDF's price will include a full-scale inquiry into allegations of SWAPO mistreatment of detainees during its 23-year war with South Africa — a price which Nujoma, understandably, will be reluctant to pay.

Third World News Coverage

There may be a vague assumption, especially in journalistic circles, that coverage of Third World news by the Canadian media has improved immeasurably since the mid-1960s. That is not the conclusion of a survey just completed for the North-South Institute. It has found that among Canadian newspapers reaching the largest populations in their regions, the amount of Third World coverage had changed little between 1966 and 1986. And it found that while the quality of coverage had improved slightly, far too much of it was still from American sources despite the recent expansion of foreign bureaus by the wealthier Canadian newspapers.

This study concentrated on five: the *Toronto Star*, the *Montreal Gazette*, the *Vancouver Sun*, the *Halifax Chronicle-Herald*, and *La Presse* of Montreal. There was, however, a briefer survey of *The Globe and Mail* in Toronto, our "national newspaper". It was done at 10-year intervals, in 1966, 1976, 1986, and to give random selection, it looked at 12 days in each year, one a month on different days of the week, and looked at different days in each English-language newspaper. The brief *Globe and Mail* comparison was based on one day each decade, selected on the basis of the date(s) when the other five showed the highest concentration of Third World coverage.

The surprise was that the amount of the "news hole" devoted to Third World developments and issues had not changed significantly over the two decades in question despite an obvious recent increase in the number of Canadian correspondents assigned abroad. The average percentage of the total news hole in these papers devoted to the Third World was 5.25% in 1966, 5.39% in 1976 and 5.18% in 1986. Adding the *Globe and Mail* fully to the survey would not have raised the averages very much, possibly because it devotes so much space now to business news.

Other surveys have indicated that most Canadians get their news from television, but it was impossible for this one to get an historical comparison of TV coverage. It did make a cursory survey in 1987 that suggested how little informative news is available in TV news broadcasts compared with a newspaper report on the same day.

As far as the surveyed papers were concerned, improvements in page layout, typography and placement within the paper have made Third World stories more attractive to the readership, although there is still much of it relegated to "filler" columns or to world notes in brief. Political notes, rather than coups or earthquakes were the top news category. But items about Third World development, social, economic and cultural issues, were at the bottom of the list. Tourist puff items filled an increasing amount of news space. The vast majority of coverage was (hard) news with minimal editorial comment and rare (but increasing) analysis and the coverage by *La Presse* was no better than the others despite reliance on different sources.

The evidence of how Third World news is played indicates that it is hardly a priority with Canadian editors. Pressured as they are by space and time, these editors may need background and experience to understand the importance of informative Third World stories to Canadians today, and the need to play them more prominently and consistently.

John R. Walker, Foreign Affairs Analyst, Ottawa

New to the national press corps in Ottawa, Adly Bseiso is the first full-time staff correspondent assigned by an Arab news agency to Canada. "You are beginning to have a different and more active role in our part of the world," the Kuwait News Agency (KUNA) correspondent explains. "There have been large investments and introduction of Canadian products to the Gulf region . . . and our people began to wonder about this part of North America." A 1977 mass communications and political science graduate of American University in Cairo, he immediately joined the state-owned but unusually autonomous KUNA. Not as parochial as its name might suggest, the agency serves the Arab world in general as well as Arab papers in London and Paris and the BBC.

Should Bseiso seek membership in the Parliamentary Press Gallery, he'll be joining a small but growing group of people who bring a foreign perspective to Canadian affairs. Al Ahram, the largest daily newspaper in Egypt, has been represented for some time by Moustafa Sadek. However, the Soviets have long had the largest foreign representation in the Gallery and it currently includes Igor Dorofeev of Novosti News Agency, Vadim Fotinov of Soviet TV, Yuri Gulev and Alexei Malnikov of Soviet TV & Radio and Vladimir Shalkov of Pravda. China's Xinhua News Agency is represented by Yuan Ronjshenj and Zhenyun Liau while the People's Daily of China correspondent is Wenfu Guo. Taiwan's Central News Agency staffer in Ottawa is David Ting. Western European interests in the Gallery are represented by Barbara Halsig of West Germany's Deutsche Presse Agentur, Herva Lionnet of Agence France Presse, and Russ Blinch and Gary Regenstreif of Reuters. John Urquhart and Rose Tamburri represent the Wall St. Journal while Time has James Graff and Reader's Digest has Courtney Tower. — KAP

E C O N O M Y

Troubles Ahead

Canadian economic policies since Confederation have been based mostly on a relatively simple "industrial strategy" of encouraging the development of natural resources and raw materials through the importation of foreign capital and negotiation of entry into foreign markets for resources and raw materials. This has been supplemented by never doing anything to disturb the United States, our largest market while, at the same time, fostering relatively strong protection for a small Central Canada manufacturing base.

It can be argued that the strategy has served us well. After all, we live on the most inhospitable half of the North American continent but have one of the highest standards of living — albeit at the cost of one of the largest per capita international debts. There are several reasons for believing that this strategy will not serve Canada well in the future.

One is that the world demand for raw materials, relative to industrial production, is declining. Fewer raw materials are required to obtain the same volume of output, e.g. newsprint is thinner, there is less steel in cars, fibre optics are replacing copper.

Another is that our producers are losing market share for product after product. For example, New Caledonia is now a major producer of nickel, Chile lands newsprint in California, Australia supplies coal to other Pacific Rim countries, and Zaire is a major copper producer. This is compounded

by the fact as Canadian production costs rise, many Third World countries are as interested in earning hard currency from exports as they are in receiving a reasonable rate of return on investment for their producers.

Finally, Canada's largest customer is the United States and while manufacturing remains a major factor in the American economy, the driving force for growth in that market is "knowledge" and "services", not major users of natural resources.

Given these factors it is questionable whether Canada can maintain its high level of trade, and therefore its standard of living, through a continuation of the strategy of the past. The experience of Taiwan, Japan, South Korea and other extremely successful trading countries — none of which is particularly endowed with natural resources — demonstrates that comparative advantage is not a static concept. Rather, the success of those and other countries clearly underscores the fact that competitive advantage in international trade is created by dynamic public policy.

It is, in the final analysis, policies that enrich countries — not resources. The easy times are over: Canadians in the 90s will have to live by their wits.

James Gillies, York University, Toronto

Aerospace Success

Canada has accelerated into the front ranks of aircraft-producing countries in the past few years. The industry has concentrated on production of regional and commuter planes, and specialized aircraft of that size.

Since taking over Canadair Ltd., Bombardier Inc. has been very successful at first in marketing retrofit kits for the older Canadair CL-215 water-bomber, which also is used overseas for search-and-rescue and coastal patrol, and then in introducing the newer CL-215T with turbo-props instead of piston engines. And Canadair is developing a new Challenger-based 50-seat Regional Jet. It has not flown yet, but by this summer there already were 116 orders for it, worth nearly \$2 billion. Also this summer, Bombardier bought from the British government Belfast-based Short Brothers PLC, which produces a wide range of aircraft and at the time of the purchase had orders worth \$1.9 billion.

The de Havilland Division of Boeing of Canada Ltd. is

pressed to keep up with orders for its Dash-8 commuter aircraft. As of this summer, about half of the more than 310 ordered by 38 airlines in 15 countries had been delivered and new orders are steady.

Canadian firms also are large producers of aircraft parts, engines, avionics, and — almost a Canadian specialty — flight simulators of all sizes. In this field, CAE Industries Ltd., with its large and very busy LINK Flight Simulator Division, recently secured a \$385-million (U.S.) National Aeronautics and Space Administration contract to build training systems for the astronauts who will operate the U.S. space station.

The bottom line is that it's a fine record. By all indications, it will be substantially surpassed in coming years.

John Gellner, Toronto

LAST WORD

Canadians' Perceptions of China

The Chinese have had bad luck with key anniversaries of the 1949 founding of the People's Republic. The 10th anniversary took place amid the chaos of the Great Leap Forward, the 20th saw the Cultural Revolution and armed conflict with the Soviet Union, and the 30th saw China trying to recover from an embarrassing war with Vietnam. Now it is 1989 and Chinese soldiers are attempting to dance away the bloodstains on Tiananmen Square. There will be no exuberant celebrations inside China and most people outside have chosen to ignore this event.

Since the massacre in Beijing, perceptions of China have changed dramatically. No longer is Deng a jolly little fellow heroically bringing China into our modern world. Now he is an aging tyrant who exterminates opposition. The Chinese reforms which only yesterday seemed to be so successful are in disarray. The government doesn't have enough cash to pay its peasants; inflation is rampant; corruption is widespread; China's trade deficit has escalated. The social and political consequences of the economic changes have proved difficult, if not impossible to contain. The Communist Party cannot provide decisive leadership, and pressures for true political reform are growing. More and more Chinese question the very legitimacy of the Party, if not its four-decade commitment to the building of socialism.

Is such a judgment fair? Should the sins of 40 days be visited upon the achievements of 40 years? The Communists brought national unity to China after a half-century of chaos, ended foreign occupation, and gained their country respect as an international power. They restored order to a ravaged economy, initiated industrialization and provided basic food and shelter to the world's largest population. Surely the management of the daily lives of 1.2 billion people is a stunning achievement even at the cost of some bloodshed. If China remains authoritarian, why should we be surprised? How many developing nations are equipped to handle democracy? Why should we expect China to be any different?

The peculiarity of China is that we want to think it is different. Canadian fascination with China has yielded a special relationship with the PRC. China is the only Communist nation to which we have given substantial development assistance. We have poured millions of dollars of government funds into our trade relations and have elaborate and expensive cultural and educational exchange programmes. A recent visitor from India noted that "Canada probably is spending 20 times more on China than on India, yet it is India that is the more democratic, more attuned to the Western mentality, and more likely to modernize successfully."

In the aftermath of Tiananmen, it is time for Canadians to stop thinking that China is "special", or that we have partic-

ular influence on the course of events there. Let us treat China like any other developing country, albeit a very large, overpopulated one. Let us not look to China to develop in our own image, that is, along the lines of capitalist liberal democracy. Let us assume that the price of economic change in such a country will be occasional political disorder, and that the leadership will respond with force. Let us not think that democracy can be injected into the Chinese body politic like a steroid which will magically transform the authoritarian values and behavior of centuries. Let us support human rights in China but not be dismayed when students are crushed by government tanks. Remember that change in China will occur painfully and slowly, tempered by the needs of a population that grows by almost the population of Canada every year.

Then the achievements of the past forty years are indeed impressive, and our previously inflated expectations of China can be more realistic. Yes, the government acted brutally on June 4. Yes, we must voice our outrage. Yes, the honeymoon in Canada-China relations is over. Yes, we will have to rethink some of the basic elements of our bilateral relationship. But we must do this soberly, maintaining the perspective of 40 years of change, if not several thousand years of China's development. As the Chinese say, "a journey of 10,000 li begins with one small step."

Bernard Frolic, Joint Centre, Asia-Pacific Studies, Toronto

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