in Transition, which provides specialized policy and technical advice on economic and social issues.

In an entirely new financial forum, Canada is contributing close to $150 million over five years to the European Bank for Reconstruction and Development (EBRD). Combining traditional features of multi-lateral development banks (technical assistance and project lending) with those of merchant banks, the EBRD will promote the development of market economies in countries demonstrating a commitment to democracy and human rights.

A founding member and eighth-largest contributor to the EBRD, Canada was a leading advocate for the bank's landmark human rights policy and its commitment to environmentally sustainable development.

Trading to Prosperity

Enhanced commercial relations and access to the world market-place constitute key pillars of Canada's new European policy while also representing an exciting opportunity for Canadian business.

Spearheading Canada's growing commercial ties to Central and Eastern Europe, then International Trade Minister John C. Crosbie led a mission of prominent Canadian companies to the Soviet Union in October 1990. During the trip, Crosbie opened the Moscow office of the Canada-U.S.S.R. Business Council, which boasts some 130 Canadian and Soviet corporate members. Similar bilateral councils promote trade and investment throughout the region.

Canadian entrepreneurs are in evidence everywhere. A McDonald's Restaurant of Canada serves hamburgers just blocks from the Kremlin, and Canada's world-class oil and gas industry has garnered contracts worth $500 million in the U.S.S.R. alone.

High-tech companies, from the telecommunications power-house Northern Telecom to leading-edge computer software firms, are active in Hungary and the Czech and Slovak Federal Republic.

In addition, Canada's aerospace industry is launching remote-sensing ventures in Poland and the Czech and Slovak Federal Republic, and Canadian agricultural expertise and technology are helping to modernize the agriculture industry throughout Central and Eastern Europe.

Facilitating these growing trade links, the Canadian government has signed foreign investment protection agreements with the U.S.S.R., Poland and the Czech and Slovak Federal Republic and is negotiating same with Hungary. Further, it has extended export credits and insurance to most of the region's nations to help finance the sale of Canadian goods and services.

The federal government also sponsors trade seminars and missions, often in co-operation with its provincial counterparts and the private sector. One Canadian investment handbook on business opportunities in Poland proved so successful it has been distributed worldwide at the Polish government's request and is serving as a model for a similar publication outlining how to do business with Hungary.

A New Security

Canada's global reputation as a trusted peacemaker has conferred upon it a special role and

Co-operation in a cold climate: the 1988 Canada-Soviet Polar Bridge Expedition.

responsibility in the framing of new co-operative security.

Responding quickly to the changing reality, Canada hosted the Open Skies Conference in Ottawa in February 1990. Bringing together all 23 foreign ministers from the North Atlantic Treaty Organization (NATO) and the Warsaw Treaty Organization, the historic meeting launched negotiations on a treaty to allow for short-notice flights over each other's territory using unarmed surveillance aircraft. Such flights would be a critical aspect of verifying that all parties comply with military agreements.

Canada has also been an innovative leader in charting a new, more political role for NATO. A champion of the watershed "London Declaration on a Transformed North Atlantic Alliance," which extended "the hand of friendship" to the Warsaw Treaty Organization, Canada has been among the first to translate it into concrete action.

Among other initiatives, Canada enhanced its contribution to the NATO outreach program for Central and East European fellows and will host in the fall