

know we can if we try—we should ensure that it goes there so that we do not run the risk of very serious political instability that could lead to what the mayor of St. Petersburg is now saying about the current situation.

Canada should lead. Senator Murray, Leader of the Government in this chamber, said that he would bring back a much more detailed response to the question that I raised as to what Canada is doing. I encourage him to do that.

As a matter of fact, only yesterday the Prime Minister of Canada has again praised the President of the Soviet Union, Mr. Gorbachev. He stated that there is speculation of an ouster apparently in the making, or in the news. The Prime Minister said that Mr. Gorbachev is a remarkable asset and we should make sure that he stays in place because the risk of severe instability would be worse if he is supplanted or replaced or made redundant because of the other structures that are being set up with respect to the new Commonwealth of three of the major republics.

I understand that the Right Hon. Mr. Mulroney sent a message to Mr. Gorbachev three days ago offering to be “helpful” by continuing to send food shipments to the Soviet Union this winter. I appreciate that. I think that is the right attitude. However, I am not aware of any indication that they intend to do it in a magnitude sufficient to meet the situation. I have not heard that the Minister of External Affairs and the Prime Minister are trying to encourage the same response from other nations who have some surpluses of food that are so desperately needed in the large cities such as St. Petersburg and Moscow and a number of others. I say that because I think that should be done.

● (1630)

I do not think that anyone should hold back due to some consideration of who will pay the old debt and debt service charges that were owed by the Soviet Union. I think that should never be considered. When we had to do things in the Gulf situation that cost Canada something like \$690 million, there was no consideration for that kind of thing at all. It needed to be done, or at least the government felt it needed to be done, and the announcement was made and the ships were sent. As a matter of fact, Parliament was not even in session when all of that transpired.

The decision by Russia, Byelorussia and Ukraine to form a new commonwealth included some positive signs, Canada says, but Canada has a very serious concern about political and military instability, Mr. Mulroney told the House of Commons the day before yesterday.

I just want to conclude my remarks here by giving the government and the Prime Minister credit for the change that has taken place since they refused to respond to Mr. Gorbachev's plea last August, but there is more to do. I think Canada can play a very important role in making sure the situation over there that grows more dangerous by the day is kept in check. If we can do it with some consumer goods, surely that is a whole lot less expensive than what the consequences would be if we do not help.

[Senator Olson.]

Hon. Pat Carney: Is there still time under the rules to ask my colleague Senator Olson some questions?

Senator Olson: You have 15 minutes like everyone else.

Senator Carney: I want to ask you some questions.

Senator Olson: By all means, do so.

Senator Carney: The question I have to ask is one that I have asked you before, Senator Olson. This subject is very much on our minds. We are very interested in the experience that you bring to this matter. The question I asked earlier dealt with the problem of infrastructure. The difficulty of trying to deliver aid is the inability of the former Soviet Union to actually move the goods to where the need is. Have you been able to reflect on how this problem might be overcome?

Secondly, in terms of barter, I know that when I was Minister of Trade there was genuine interest in bartering with Russia. Have you any suggestions on what bartered goods might be utilized?

Further, based on your experience, have you thought of communicating directly with the Secretary of State for External Affairs? The officials will be very familiar with the situation but may not have your practical experience in knowing how or what would be useful at this point in time.

Senator Olson: First of all, let me say that when I used the term “barter”, I used it in the context where it was not barter between the nations, although there may be some useful avenue that can be pursued there as well. What I was talking about is that the Soviet citizens themselves are now unwilling to trade goods for rubles, and therefore all that is left for them is barter. For example, if farmers in the regions surrounding Moscow were to bring food into Moscow, in exchange they would want some of the things that they need, such as building supplies, instead of taking rubles, which are deteriorating in value so rapidly. I have to say I do not know whether there is any interest now in barter for whatever reason between the Soviet Union and Canada.

As far as infrastructure is concerned, there are what we would consider horrendous inefficiencies in the transportation, processing and distribution of food supplies in the Soviet Union. There is no doubt about that. One of the reasons, of course, is very simple. They have outlawed the Communist Party now in Russia and in Byelorussia. Prior to that happening, the Communist Party was, in fact, managing most of that system throughout the entire country, of course. The whole structure falls apart. I understand that. I am not trying to play down the problems that are involved here, because obviously they have to have transportation. For instance, if you are making bread, you have to have flour mills that are running on a large scale, and all the rest of the things that go into that process.

What I think Canada can do, and ought to do and certainly should encourage the other G-7 nations to do, is assure the Soviet Union that these supplies, as much as they can handle, will be delivered to a port position, whether that is at St. Petersburg or the ports along the Black Sea or wherever. There is then no question that they cannot order these things