

of State for External Affairs, travelled to the Czech and Slovak Federal Republic, the first ever visit by a Canadian Secretary of State for External Affairs, to sign a wide-ranging agreement on cultural, academic and sports relations. From there, Clark flew on to Moscow to discuss strengthening Canadian-Soviet relations in some 12 fields, including a new liberalized trade agreement and enhanced technology transfers. As well, Canada's Deputy Prime Minister and the then Minister of Finance (now Minister of Industry, Science and Technology and Minister for International Trade), Michael H. Wilson, visited Poland in April 1990 to lend support to the process of reform under way there.

Laying the Foundation

The reconstruction of Central and Eastern Europe is of a scope and scale never before imagined possible. Laying the foundation for such a radical metamorphosis is no easy task, but Canada is working towards this goal through both bilateral relations and multilateral forums — a reflection of Canada's long-standing commitment to international organizations.

One of the first to respond to the changes in Central and Eastern Europe was the "Group of 24" (G-24) leading Western industrialized countries, which launched a ground-breaking program of assistance following the 1989 Economic Summit announcement of support for reform in Poland and Hungary. As the wave of reform swept across Europe, assistance was also extended to the Czech and Slovak Federal Republic, Bulgaria, Yugoslavia and Romania.

Canada quickly emerged at the forefront of this initiative with its Program of Co-operation with Poland and Hungary. Totalling \$72 million, the program consisted of support for the Polish (Currency) Stabilization Fund, export credit

insurance, emergency food aid and a \$10-million Economic Development Fund. Under this fund, Canada supported the establishment of the International Management Centre in Budapest, the first private business school in Central and Eastern Europe, now headed by a Canadian dean, and the development of second language training centres in Poland. Of the six nations participating in the latter project, only Canada offers instruction in two languages, English and French.

An innovative spin-off from the Program of Co-operation is the jointly administered Canadian-Polish Counterpart Fund, which sprang from the sale of Canadian food aid to Poland. Among other projects, it has supported training programs for farmers and veterinarians, including working "apprenticeships" in Canada, and Poland's largest rural telecommunications project bringing phone service to over 6000 families.

Responding to the surge of reform across Europe, Canada extended its program of assistance in July 1990 with the creation of the Task Force on Central and Eastern Europe. A centrepiece of Canada's new policy in Europe, the task force administers a \$35-million technical assistance program, co-ordinates public and private-sector initiatives, and encourages the development of broad-based political and economic links.

In the face of crisis conditions throughout much of the region, Canada has also provided emergency food and humanitarian assistance. The Canadian government contributed skim milk powder to Bulgaria for use in public institutions, such as hospitals and schools. Humanitarian aid to Romania from Canadian public and private sources has included provision of critical medical supplies, and hundreds of Romanian orphans have found new homes and families in Canada.

Task Force on Central and Eastern Europe

Partnership is the guiding principle behind Canada's Task Force on Central and Eastern Europe. Its carefully designed technical assistance programs respond to the region's most critical needs and priorities, identified not by Canada but by the recipient nations themselves, by matching them with world-class Canadian partners from all sectors. With a growing reputation as an innovative organization sensitive to cultural differences, the task force is proving truly Canadian in character.

Task force assistance mirrors the two-track process of economic and democratic reform, in recognition that neither can succeed without the other, and emphasizes long-term sustainability. Concentrating on the priority sectors of agriculture, management training, privatization, energy, law and the environment, the task force has launched some 130 projects.

Economic development initiatives among these projects include providing Canadian

energy management expertise to the Czech and Slovak Federal Republic and supporting a Canadian firm that is advising that country on financial markets. The East-West Enterprise Exchange at York University in Toronto, Ontario, offers managers from four nations a combination of intensive academic study and practical internships with leading Canadian firms. Providing complementary support, a Canadian Labour Congress trade union education project with Poland focuses on women's rights and workplace safety.

In support of democratic reform, the Canadian Bar Association's Legal Internship Program allows top lawyers from Poland, the Czech and Slovak Federal Republic, and Hungary to hone their skills in three-month internships with legal firms across Canada. Other task force projects provide administrative "know-how" to municipal governments, further the protection of human rights, and assist in the reform of legal and electoral systems.

Financing the Construction

As in any large-scale construction, building a new European architecture is expensive. Assisting in the difficult transition from centrally planned to market-based economies are World Bank and International Monetary Fund structural adjustment programs. Poland, Hungary, the Czech and Slovak Federal Republic, and Yugoslavia have each negotiated agreements, with similar ones envisaged for Bulgaria and Romania. Canada has contributed a total of \$109 million to the various adjustment programs.

On another front, Canada helped design the March 1991 Paris Club debt-relief package reducing the Polish debt by 50 per cent. As Poland's fourth-largest creditor, Canada is the second-highest contributor per capita.

The Organization for Economic Co-operation and Development (OECD) is also playing a pivotal role in the emergence of new European market economies and their gradual integration into the international economic system. A strong supporter of this goal, Canada contributed \$180 000 to the creation of the OECD's Centre for Co-operation with European Economies