

economic change. Ukraine's rich, natural and human resources risk being wasted in a futile effort to preserve outdated enterprises and institutions that no longer respond to the needs of a changing society. Serious economic reform is needed before international financial institutions can disburse the money that they have set aside for Ukraine, thereby encouraging foreign investors to take an interest in the resources and highly qualified workers of Ukraine.... I must be very frank and tell you that Canada disagrees strongly with those Ukrainian parliamentarians who ratified the-START 1 [Strategic Arms Reduction Talks] treaty only conditionally. We welcome President Kravchuk's assurances that he will resubmit the START 1/NPT [Non-Proliferation Treaty] package for unconditional ratification right after Ukraine's March parliamentary elections. Reform is ultimately up to Ukraine and its people.... Canada has a unique advantage in helping to make that happen - your energy, experience, commitment and ideas.

From an Address by the Honourable André Ouellet, Minister of Foreign Affairs, to the Québec-Ukraine Business Council (Montréal, Quebec, December 17, 1993, No. 93/65)

**FROM THE DEPARTMENT OF FINANCE CANADA:**

**Gordon Thiessen Appointed Bank of Canada Governor**

**December 22, 1993, No. 93-074**

On behalf of the Government of Canada, Finance Minister Paul Martin announced that the government has approved the appointment by the Board of Directors of the Bank of Canada of Gordon Thiessen as Governor. Mr. Thiessen is currently Senior Deputy Governor of the Bank. The seven-year appointment will be effective at the beginning of February 1994. "The government remains committed to a low inflation policy as a key ingredient in keeping interest rates down and promoting economic growth," Mr. Martin said. He also indicated that the government and the Bank of Canada have agreed on appropriate targets to guide monetary policy.

**Government to Reintroduce Income Tax Legislation**

**December 20, 1993, No. 93-073**

Finance Minister Paul Martin announced that the government intends to reintroduce the income tax measures in Bill C-36 tabled in June 1993 and those proposed in the August 1993 package of technical amendments, with two exceptions. First, the amendment in Bill C-136 which would have paid the GST credit twice yearly has been dropped.... Second, an amendment proposed in the August 1993 draft legislation affecting the use of losses following an amalgamation will be withdrawn.... Mr. Martin also announced that the transitional income tax rules allowing registered securities dealers to deduct two thirds of dividend compensation payments made under securities lending arrangements will be extended to June 30, 1994, in order to conclude discussions with the industry.

**Finance Department Releases GST Compliance Cost Study**

**December 17, 1993, No. 93-072**

The Department of Finance released a study entitled GST Compliance Costs for Small Business in Canada as part of its ongoing program to evaluate tax measures. The study was commissioned in January 1993 and was prepared by Plamondon & Associates on the Department's behalf, and was reviewed by prominent experts. The objective of the study was to acquire a better understanding of the nature of GST compliance costs for small businesses and, in particular, to identify specific problem areas of the tax for small businesses.

**Dates, Locations of Pre-Budget Conferences Announced**

**December 17, 1993, No. 93-071**

Finance Minister Paul Martin announced the dates and locations of four pre-budget conferences to be convened in January by respected, independent organizations. The dates, locations and sponsoring organizations include: Saturday January 15, Halifax, Atlantic Provinces Economic Council; Saturday January 22, Montreal, Institute for Research on Public Policy; Tuesday January 25, Toronto, Public Policy Forum; Saturday January 29, Calgary, Canada West Foundation.... The Minister said that the conferences will focus on economic and fiscal issues relevant to the 1994 and 1995 budgets. "In particular, I want to hear the views of Canadians about what we must do to both increase economic growth and jobs and bring down the deficit," said Mr. Martin.

**UPCOMING EVENTS:**

- September 21- December, 1993: 48th United Nations General Assembly (New York)
- January 10 1994: NATO Summit (Brussels)
- March 1994: Inter-American Development Bank Annual Meeting (Guadalajara)
- June 5-11 1994: OAS Annual Assembly (Belem, Brazil)

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