accepted their annexation by force. We argue in favour of the right of these peoples to determine their future.

Last spring, the three republics held fair and free elections. Federal representatives, including the Honourable Member for Parkdale-High Park, the Honourable Member for Winnipeg-Transcona and the Honourable Member for Scarborough Centre, and a representative from Ontario, Premier Rae, went to Lithuania during the election as observers.

At the initiative of Lithuania, on March 11, these democratically elected governments declared their independence from the U.S.S.R. They tried to negotiate with Moscow, as provided under the existing constitution. Instead, they were subjected to political and economic pressure.

After five years of a steadily deteriorating standard of living, <u>perestroika</u> has now reached a critical phase. The Soviet economy is crumbling. Pressure from independence movements is rising and public opinion is becoming increasingly negative. Mr. Gorbachev must chose: advance or retreat.

Gorbachev's supporters claim that law and order are the only weapons against anarchy. His opponents say that a policy of oppression will make him the hostage of reactionary forces. Polarization quickly leads to instability.

This winter, the U.S.S.R. asked Canada and other Western countries for assistance. We decided to support reforms by reducing the cost of transition. After my conversations with the former Minister of Foreign Affairs, Mr. Shevardnadze, the Prime Minister of Canada offered specific types of assistance at the last CSCE Summit in Paris. All of this is now at risk.

That things were getting worse in the Soviet Union was evident when Mr. Shevardnadze resigned in mid-December, warning that dictatorship could be on the way. The tragic events in Vilnius, the night of January 12-13, with 14 dead, 163 wounded and 57 missing, made Mr. Shevardnadze, unhappily, a prophet. Mr. Gorbachev has taken the position that the events in Vilnius were regrettable but inevitable. He has not condemned the violence; he has not expressed sympathy for the victims or repudiated those who ordered it. His ultimatum to the Baltic States gave the military a green light, though he is disclaiming any personal knowledge of the consequences.

All three Baltic States believe that military-enforced, direct presidential rule is imminent. They are directing urgent appeals to Canada and to other Western states, making an explicit linkage to the Gulf crisis. The three have sent out representatives empowered to establish governments in exile if