

Whatever their future form of association, and whatever their decisions regarding linkages to Moscow, one thing is clear: the economic situation in the Soviet Union will probably get worse before it gets better. This winter could be especially difficult, with hardship and some food shortages in major Russian cities and elsewhere.

Canada is prepared to help. On September 29, the Prime Minister announced a series of important proposals and initiatives designed to alleviate short-term problems and to integrate the Soviet Union, as well as Eastern and Central Europe, into the international trade and payments system as rapidly and effectively as possible. Just two weeks ago, the Prime Minister also announced a major package of additional measures, which fulfils a pledge made by Summit countries in their meeting in London.

Our assistance to the people of the Soviet Union in their transition to democracy and a market-based economy must take into account the sensitivities of the newly freed Baltic States and the Eastern and Central European countries, who have generally moved faster and more courageously along the path of reform than has the Soviet Union itself. After 50 years of illegal de facto incorporation into the Soviet Union, Lithuania, Latvia and Estonia are now free to pursue their own destinies. Canadian ambassadors to the Baltics have already presented their credentials, and Canadian programs of technical assistance are in the process of development and implementation.

Addressing the pressing economic concerns of Eastern and Central Europe is one part of the European equation. Another vital part is security. The end of the Cold War and the demise of totalitarian governments have in some instances ominously rekindled ethnic, nationalistic and anti-Semitic tensions. Although Yugoslavia is the most extreme example, the pent-up forces of ethnocentric nationalism, with its potential for exclusiveness and divisiveness, are also present elsewhere.

Canada's strong advocacy of arms control and disarmament measures is an important component of our effort to ensure stability. Over the past year, our arms control activities have been anchored in the initiative launched by the Prime Minister in response to Iraq's aggression in the Gulf. Following announcement of that initiative in February, we have been pursuing action in a wide range of forums. As a direct result of Canadian efforts in the OAS, the Conference on Security and Co-operation in Europe (CSCE), NATO, G-7 and the Commonwealth, we are intensively engaged in efforts to curb proliferation and arms build-ups. The UN, in response to a Canadian initiative, has just adopted a resolution