

In a war that began in Poland, and in the 40 years since its end, Canada has devoted enormous human and physical resources to the freedom, stability and security of Western Europe. Our objective from the start was to see Eastern Europe free and prosperous too. Now that hope is becoming reality.

The decision taken by the seven Heads of Government in Paris in July was fully in keeping with the historic changes taking place in East and Central Europe - to lend assistance and to join in a common effort. We are pleased that the European Community, an institution symbolizing political freedom, cooperation and economic strength, has taken the lead in coordinating the assistance to Poland and Hungary by this Group of 24.

The Polish and Hungarian peoples are making remarkable and historic progress towards democratic pluralism and the rule of law in their societies. Indeed, the peaceful transformation of their countries has been a powerful inspiration for others in the region. Now their peoples too are demanding similar freedoms.

While political developments in Poland and Hungary have been uniformly positive, the same cannot yet be said on the economic front. Great difficulties there underscore the importance of western support for Polish and Hungarian efforts to transform their economies along free-market lines. We must help, and the aim of our assistance must continue to be to help these countries help themselves. Only reform based fundamentally on the efforts of reforming countries themselves can set the conditions for future growth in the region. In our own discussions with the Polish and Hungarian authorities we have stressed the importance of pursuing the programmes of structural adjustment being discussed with the IMF.

The priorities identified by the Group of 24 are helpful and necessary in this framework. We have sought to do our share. Canada is already deeply engaged in support for the Polish economy as Poland's fourth largest official creditor. Poland's outstanding debt to Canada is over \$2.6 billion. It is probable that over the next eighteen months, Canadians will pay at least \$500 million to service this debt. Nonetheless we are ready to support a further rescheduling of Poland's debt subject to an IMF programme agreement.

In addition, last October, Canada announced a program of economic assistance to Poland and Hungary amounting to Cdn \$42 million.