

regimes. It is, instead, our intent to use all of the policy levers at our command, including development assistance, to influence the global move toward good governance.

To many, the concept of good governance is confusing. While respect for human rights and a commitment to democratic principles and institutions are key elements of what I call good governance, the concept itself is much broader. Good governance also includes a sufficient priority given to basic social programs, defence spending that is not excessive, and the pursuit of sensible market-based economies.

This is a serious and complex policy issue. Aid programs involve long-term commitments, and they cannot be turned on and off like a light switch. The judgments involved are sensitive, with far-reaching implications.

We intend to use all of the policy levers available to us to try to bring about sustained progress toward democratically and economically viable societies. In the aid field, this could involve refocusing our assistance to ensure that sustenance is offered to groups working for democracy, or to those revising legal codes. We have, for example, lent scholars and judges to others, from Namibia to Central Europe to Hong Kong, to help construct democratic legal systems and entrench basic human rights and freedoms.

These principles are also at the core of what we are trying to do in managing the complex questions surrounding the dissolution of the Soviet Union. As a G-7 player, we have a particular role to play. We have been and will remain in the forefront of efforts to ensure a peaceful and sensible transition of the former U.S.S.R. and the republics, which, like Ukraine, are taking their separate and legitimate places on the international stage.

Our objective is to draw these societies into the world of democratic, market-based economies, through real assistance for real reform, keeping in constant view the principles of good governance that we believe are essential if the process of transition is to be peaceful and stable.

The efforts we have made and will continue to make in the Baltics and in sustaining the transition of Poland, the Czech and Slovak Federal Republic and Hungary to market-based pluralist democracies -- and indeed the parallel efforts we have made in Latin America -- are all part of this same objective.

Themes and Priorities

Strengthening co-operative security, creating sustainable prosperity, and securing democracy and respect for human values -- these are the broad foreign policy directions we intend to follow for the coming years.