

We hope and trust the governments of Russia and Ukraine will undertake a privatization program that leaves scope for foreign investment. The official standing of foreign firms in these markets should be further clarified while proper business ethics are encouraged for the benefit of all.

Bureaucratic procedures could do with some streamlining to expedite fair and equitable treatment of Canadian and other foreign firms. Political stability and co-ordination need to extend to all levels -- the national, regional and municipal. The eventual value and convertibility of local currencies still have to be ascertained. Predictable rules are needed on questions of environmental liability. Repatriating earnings from joint ventures must be facilitated by establishing known and realistic tax and exchange rates.

These and other points were covered in my meeting this morning with Economy Minister Andrei Nechayev of Russia.

Russia and Ukraine are rich in talented people, physical assets still in the state sector, land and natural resources. As an example, the Russian far east, which shares the Pacific Rim with Canada and countries such as China, holds boundless opportunities for trade and investment.

Assets exceed liabilities many times over. Some would argue they provide solid collateral against which to borrow in global financial markets. Trust, however, is another essential ingredient. Buyers and sellers -- lenders and borrowers -- all need to operate in a market based on trust before this wealth can be converted to cash. The resulting multiplier effect will benefit Russians and Ukrainians alike. Canada and other trading nations will gain as well.

This helps to explain why it is so important for Russians and Ukrainians to maintain confidence in and support for the monetary and fiscal policies pursued by their democratic governments. These policies will lead to currency reform, end black market hoarding and transform barter into a more efficient cash economy. Only then can young entrepreneurs in Moscow or Kiev tap into the full potential of the market and be encouraged by the prosperous future that now beckons.

Much has happened since I last met with some of you in January. So let me provide you with a brief update on our effort to respond to opportunities in Russia and Ukraine. Following up on my visit to Moscow last fall, we sponsored a business roundtable in January with 30 senior Canadian executives. A summary report was prepared, and we are now attempting to implement some of the initiatives suggested.