

A new direction for NATO, an expanded role for the CSCE, and an intensified relationship with the EEC: those are the institutional pillars of our new policy towards Europe. They reflect our assessment of the most effective means by which the new Europe can be built. And they also reflect Canada's interests and assets - political, security and economic - in ensuring that we are at the table, that trans-Atlantic links are maintained and that our priorities are addressed.

But our policy towards Europe hinges, as does the future of the new Europe itself, on the continued success of the reforms now underway in the Soviet Union and Eastern Europe. Those reforms have a long way to go before promise becomes reality. There is a period of sacrifice ahead which is both inevitable and daunting. The road will be rocky. There will be set-backs. As totalitarian control is lifted, old nationalisms and unaddressed antagonisms will re-emerge. Courage, imagination and statesmanship are required on the part of the governments and populations of the East. And on the part of the West, patience and prudence will be necessary. The East will not repair in months or even years four decades of damage to their societies. As President Havel stated before the Council of Europe two weeks ago, "What we have inherited from the former regime is a devastated landscape, a disrupted economy and, above all, a mutilated moral consciousness...We find there is almost nothing we are good at and much that we have yet to learn. We must learn political culture, independent thinking, and responsible civic behaviour."

The task of simultaneously constructing democracy and an open market economy, and doing it from the ground up is unprecedented. It has never been attempted in the history of mankind. The West has an abiding interest in seeing the East succeed. That is why, last year, we established a program to assist Poland and Hungary in their efforts at economic reform.

That program involved: \$12 million in emergency food aid; \$20 million in export credit insurance for Poland; and \$10 million for economic development. Specific projects have included:

- support for the innovative International Management Centre in Budapest for management training, the newly named Dean of which is a Canadian;
- a training program for Polish farmers in livestock and farm management;
- the provision of 41 volunteer professionals to business and industries in Hungary and Poland;
- a grant to York University's School of Business Administration to train 40 middle-managers from Poland and Hungary. This will include attachment to Canadian firms;