

quantitative restrictions maintained by some GATT members against Soviet exports.

In 1989, Canada established a \$72-million program to assist Poland and Hungary that included emergency food aid, short-term export credit insurance, \$25 million in support for the Polish (Currency) Stabilization Fund, and \$10 million for economic development. At the end of May 1990, Canada's former Secretary of State for External Affairs, the Right Honourable Joe Clark, announced that in concert with the "Group of 24" (G-24) major industrialized nations, the program would be expanded to include other emerging democracies in Central and Eastern Europe, including the Soviet Union.

Canada has also extended the benefits of the Generalized Preferential Tariff to Poland and Hungary, thus allowing firms in those countries easier access to Canadian markets.

To encourage Canadian investment in the Czech and Slovak Federal Republic, a bilateral Foreign Investment Protection Agreement and a Double Taxation Agreement have been signed. These agreements make it much easier for Canadian firms to contemplate setting up shop in association with local companies.

Fostering Business Links

A number of programs and services offered by the Canadian government worldwide can be of use to Central and Eastern Europeans wanting to establish business links with Canadian firms.

Lines of credit, for instance, have been made available in the region from the Export Development Corporation — Canada's official export credit agency, responsible for providing export credit insurance, loans, guarantees and other financial services for Canada's exporting community. By

removing concerns about payment, these services assist Canadian firms in planning initiatives with local companies.

The Canadian Commercial Corporation is also playing a vital role in supporting business partnerships throughout the region by acting as prime contractor in export sales by Canadian suppliers to foreign governments and international agencies when a government-to-government arrangement is preferred by both parties.

Recognizing the link between Canadian interests and the ongoing process of political change and economic reform in Central and Eastern Europe, External Affairs and International Trade Canada (EAITC) has established the Task Force on Central and Eastern Europe. The task force provides the framework for co-ordinating public and private-sector initiatives. To support economic reform, this fund provides assistance for activities such as:

- training and development in the agricultural sector;
- the transfer of skills by non-governmental and other public-sector organizations;
- training of business and technical managers;

■ training of auditors, statisticians and financial managers; and

■ pre-feasibility studies on opportunities for Canadian investment in the context of the transition from centrally planned to market-oriented economic systems.

EAITC has recently launched a new program — Renaissance Eastern Europe (REE) — which is specifically devised to help Canadian exporters get a foothold in this market. The program also recognizes the changed and changing market circumstances in this unique region and the local need for models of successful private enterprise.

REE will share certain business development costs associated with market penetration and new forms of business co-operation. But the fundamental objective is to increase trade with the region. Eligible markets include Bulgaria, the Czech and Slovak Federal Republic, Hungary, Poland, Romania, the U.S.S.R. (which has been temporarily suspended) and Yugoslavia.

An approved project is one that demonstrates convincingly that there are future trade and industrial development benefits for Canada. At the

same time, the project must be advantageous to the target market and consistent with the objectives of the development of a market economy and the modernization of domestic industry and agriculture.

The Program for Export Market Development offers Canadian businesses financial assistance to undertake or participate in various trade promotion activities; all activities must be commercially oriented toward export sales. The program makes it much easier for Canadian companies to visit foreign countries to negotiate joint-venture and other commercial activities.

Other government-planned or government-assisted programs include trade missions, which promote the sales of Canadian goods and services; trade fairs; visits funded by governments to identify markets, meet potential agents and distributors, and attend symposia and conferences; and sponsorship of foreign buyers on visits to Canada.

Canada's Partech Lavalin has won more than \$500 million in project contracts in the Caspian Sea basin.

