

RESPONDING TO THE NEW EUROPE

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

The result is the Task Force on Central and Eastern Europe, which administers assistance to the countries of the region and serves as the framework for the Canadian Government's response to political and economic change in Central and Eastern Europe. It does so by

"Assistance to Eastern Europe is not a question of charity. It is a matter of hard common sense and self-interest."

Rt. Hon. Joe Clark

co-ordinating public sector and private sector initiatives, administering the \$40-million program of financial assistance for Canadian projects and initiatives, and encouraging and facilitating broad-based political and economic links with Central and Eastern Europe.

Broadly speaking, the \$40-million assistance package involves the following:

- a \$30-million Economic Development Fund for projects designed to support economic restructuring and foster economic and trade links with Canada; and

- a \$10-million Political Co-operation Fund for projects designed to promote democratization of political, social and economic institutions.

Through these two funds, the Task Force seeks to profit from the experience and skills of Canadian companies, institutions, organizations and individuals, and work with their Central and East European counterparts. A particular strength in carrying out this program lies with the 10% of Canadians who trace their roots to this region.

THE MOVE TOWARD MARKET ECONOMIES

The Economic Development Fund provides grants and contributions in support of measures and programs to advance economic reforms in Central and Eastern Europe and the Soviet Union, and to facilitate long-term business collaboration between Canada and the economies of the region. Two programs are supported under the Economic Development Fund:

A program aimed at market-oriented reforms, including:

- assistance and training for agricultural institutions;
- the transfer of skills by non-governmental organizations and other public sector organizations;
- the improvement of management skills through academic and training institutions;
- the training of middle and upper-middle business and technical managers;
- the training of auditors, statisticians and financial managers; and
- pre-feasibility studies regarding opportunities for Canadian investment in conjunction with the reform and restructuring of the economies from a centrally planned to a market-oriented system.