

- o Development is uneven, accentuating national differences and fueling social conflict. Some will prosper, while others join the ranks of the poor.

The result is rising instability and violence. Right now, we are confronted by civil strife in Georgia, ethnic insurgencies in Moldova and a bloody dispute between Armenia and Azerbaijan over Nagorno-Karabakh. Russia itself is feeling separatist pressures.

At the same time, these countries are caught in a spiral of rising expectations. The free flow of information has jolted people out of their isolation. They want everything the West has to offer, but their leaders often cannot deliver even the most basic of services.

For Canada and other Western countries, this produces a whole new dynamic, which will test our vision, our ingenuity and our patience, to say nothing of our resources. The countries of Eastern Europe look to us as potential benefactors. We will have to respond, not just with aid but with more open trade and with investment.

The return on our investment must not be measured only in cold numbers on the balance sheets for specific ventures -- as important as that is. There are broader returns from supporting the move of Eastern Europe to democracy and market economies -- peace and stability in the region and hope, progress and prosperity for millions of people who very recently could only dream of those prospects.

Canada's Assistance to Eastern Europe

Many Canadians probably do not recognize the innovative nature and magnitude of our assistance efforts to date, nor the leadership that we have shown to other Western countries in the rationale and mechanisms for our assistance.

Canada has provided and is providing assistance to Eastern Europe worth about \$4.5 billion dollars through a creative mix of debt relief, balance of payments support, currency stabilization, commercial credits, technical assistance, humanitarian aid and business incentives.

Earlier this month, President Bush and Chancellor Kohl announced a US\$24-billion Group of Seven (G-7) package of assistance for Russia in 1992. Canada's share of the bilateral credits for this package was already in place when it was announced. Canada will also play its part in supporting the International Monetary Fund's (IMF) Rouble Stabilization Fund, details of which are being worked out. We will continue to work closely with our G-7 partners on this package as we head toward the Munich Summit in July.