

Even the optimists agree that the process is far from complete, and that difficult times lie ahead. Hungary faces a difficult economic situation, with a very large national debt, high inflation, rising unemployment, and a falling standard of living. While the government believes embracing a completely free-market economy is the only way to stave off disaster, the transition will be painful.

Last year, the Government of Canada made a clear commitment to help the country through this transition, with a \$72 million assistance program for Hungary and Poland. Now the Task Force on Central and Eastern Europe is maintaining this commitment through a broad range of projects, including:

- support for Employment and Immigration Canada's work with Hungarian officials to develop a new National Hungarian Employment Service;
- funding for the International Management Centre in Budapest, to finance training programs for company managers and supervisors;
- financial support for programs such as the Canadian Bar Association's Canada-Eastern Europe Lawyers' Internships, and York University's East/West Enterprise Exchange on entrepreneurship and market operations;
- funding for a handbook on doing business in Hungary, expected to be released in Spring 1991;
- development of a work plan for the Hungarian Investment and Trade Agency;
- the placement of a communications advisor in the state property agency (Hungarian privatization agency).

Other projects in such areas as electoral reform, agricultural development, statistics and information management, and administrative reform are also being undertaken.

Many private Canadian firms also are becoming partners in change with Hungary. The Hungarian government is encouraging participation by Canadian investors and joint venture partners in the process of economic renewal.

Perhaps no Canadian has been more active in encouraging partnerships between Canada and Hungary than Andrew Sarlos—a founder of the Central European Development Corporation which bought a 50 per cent interest in the Hungarian General Banking and Trust Co., Hungary's oldest commercial bank, earlier this year. Mr. Sarlos has also taken over as Chairman and Chief Executive Officer of the \$80 million (US) First Hungary Fund. By the beginning of February, the fund had channelled some \$13.5 million in investments into the country.

Sarlos, like many Canadians, is convinced that Hungary has a future—and that Canada can and should be part of that future.■

HUNGARIANS STUDY LEGAL SYSTEM

Hungarian lawyer Lipót Hóltzl had no illusions about Canada when he arrived here with a dozen other young Hungarian lawyers last September. He had been to Canada twice before, including a week-long visit just over a year ago as part of a delegation of Hungarian legal officials headed by the State Secretary for Justice.

For most of the group, it was an initial look at a country and a legal system from which they hoped to garner experience and ideas which might be applied back in their East European homeland.

Hóltzl, a senior official with Hungary's Ministry of Justice, was one of 13 lawyers who spent three months in Canada participating in the Canada-Eastern Europe Lawyers' Internship Program sponsored by the Canadian Bar Association and funded, in part, by External Affairs' Task Force on Central and Eastern Europe.