

Mr. Lukanov commented very favourably on our bilateral relations. There was, of course, a need to develop more knowledge by businessmen on both sides and more aggressiveness by Bulgarian firms seeking to enter the Canadian market. The Free Trade Agreement could be helpful to Bulgarian firms in pursuing the U.S. market, just as Canada should view Bulgaria as a door to the U.S.S.R. and the Middle East, where Bulgarian connections are well established. Partial lev convertibility was one option being considered to entice more foreign investment to Bulgaria. He pointed out that Canadians and other foreigners were free to manage any new joint ventures, even those in which they held less than 50 per cent controlling interest.

● (1710)

In concluding, Mr. Lukanov raised what was a recurrent theme during all meetings, the desirability of Canada's opening an embassy, or at least a commercial office, in Bulgaria.

A number of meetings with state enterprises were organized as part of the program, at our request. We met with the general director and representatives of the Cellulose and Paper Economic Association, which, with Chimcomplect EA, was considering Canadian firms for the construction of a pulp bleaching mill in Silistra. I was subsequently advised by the Bulgarian embassy in Ottawa that a decision had been made to negotiate with Canada. We are talking here of a project worth \$300 million. A second meeting was held with the representatives of Rodopa, the enterprise responsible for the production, processing and marketing of meat and meat products, which has since concluded a contract of \$30 million with Knud Simonsen Industries of Rexdale, Ontario, for a complete meat packing plant—the single largest Canadian project in Bulgaria. A meeting with the representatives of Technika Foreign Trade Organization, specializing in the transfer of technology, provided an interesting overview of the functions and objectives of that organization and allowed a general exploration of the potential for joint ventures, licensing agreements and other development and marketing ventures.

All these meetings were marked by a great openness and a desire to benefit from the economic reforms to improve quality, productivity and marketing techniques, through western help and experience where possible, and to increase the number and substance of the commercial relations between our two countries, both in trade and in investment.

[Translation]

In the area of fruit growing technology, we made a most interesting visit to the Plovdiv Fruit Growing Institute Virology Laboratory where we were shown fairly simple but effective methods to develop virus-free sprouts for multiplication. The fruit and vegetables in Bulgaria are not only extremely delicious, but represent a major export product, just as flowers which are cultivated in large quantities.

I should emphasize that every time the matter of industrial development came up the need for environmental protection was mentioned. Since then, at his request, Minister Lukanov

[Senator Charbonneau.]

was sent the relevant literature concerning the Canadian statutes and regulations in that area.

In Plovdiv, which is a very old city, we were invited for dinner by the mayor and his wife and we made a tour of the old city which features an old Roman amphitheatre and a network a narrow streets lined with houses dating back to the national renaissance in the 19th century.

Then we visited the Bachkovo monastery, among the major and oldest in Bulgaria, which had been for a long time a place of pilgrimage. Some 10 monks are living there and, as their abbot explained, the monastery continues to prosper because they cultivate the surrounding lands.

To conclude, I should like to say just how much impressed I was by the warm welcome we received and by the clear desire, frequently expressed by the leaders and *chargés d'affaires*, to take advantage of the new climate of East-West relations to strengthen and enhance the ties between our two countries. Without being quite as extensive as those in Hungary, the political changes in Bulgaria already represent progress and the situation will no doubt improve. We took this opportunity to emphasize Canada's position on human rights. It is likely that our country will remain vigilant in this area.

Economic reforms are undoubtedly a top priority and a most serious issue for Bulgarian leaders, faced with problems they must tackle before their country can enter a new era, after the experience of the past 45 years.

[English]

Honourable senators will be aware that there have been major leadership changes in Bulgaria over the past few weeks. Mr. Todor Zhivkov has been replaced by Mr. Peter Mladenov as both Secretary General of the party and Head of State. Mr. Andrey Lukanov has been promoted to full membership in the Politburo.

These are hopeful signs both for the reform movement in Bulgaria and for our own relations with that country.

[Translation]

The Hon. the Acting Speaker: Honourable Senators, if no other honourable senator wishes to speak, this inquiry is considered debated.

HUNGARY

OFFICIAL VISIT OF SPEAKER OF THE SENATE

Hon. Guy Charbonneau, Speaker of the Senate, rose pursuant to notice of December 13, 1989:

That he will call the attention of the Senate to his official visit to Hungary from 16th to 19th June, 1989.

He said: Honourable senators, I am pleased to call your attention to the visit my wife and I made to Hungary from June 16 to June 19, 1989 at the invitation of Hungary's National Assembly President Mátyás Szurós.

We arrived in Hungary after our visit to the People's Democratic Republic of Bulgaria.