



STATEMENT

93/66

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY

THE HONOURABLE ANDRÉ OUELLET,

MINISTER OF FOREIGN AFFAIRS,

TO LA SOCIÉTÉ DE DÉVELOPPEMENT INTERNATIONAL DESJARDINS

MONTREAL, Quebec
December 20, 1993

It is a pleasure to be here in Montreal to announce the launch of the Agricultural Credit Unions Project in Russia, which will be undertaken by the Société de développement international Desjardins. This project represents a significant share of the Canadian assistance program in the Russian Federation.

The success of economic and political reform in Russia is a critical element for global security. Russia's transition to democracy and a market economy is seen as an essential prerequisite for international security, the spread of democratic values and the prosperity of the world economy.

Reform in Russia, however, is not and will not be easy. Indeed, we see political forces that want to slow down the course of reform. Nevertheless, last week's elections mark a historic milestone in the reform process: the Russian people elected their first multiparty parliament and approved a new Constitution.

Canada can play a leading role in supporting political and economic reform in Russia. Our five-year, \$150-million program of technical assistance will focus on transferring skills and knowledge to Russia in priority sectors to assure the success of political and economic reform -- sectors where Canada has an expertise and shares common experience with Russia. The program is based on partnership: that is, the Canadian government will work with private-sector partners such as the Société de développement international Desjardins as well as provincial governments, ethnic communities and professional associations to undertake appropriate projects with our Russian counterparts.

Reform of the agricultural sector is the basis for the whole reform effort in Russia. We know that hungry people are not interested in reform, and that Russian agriculture is emerging from several decades of state control and centralized decision making. The cornerstone of agricultural reform that deserves our support, therefore, has to be the growth of private farms and the emergence of private farmers.

The \$2.5-million Agricultural Credit Unions Project we are launching today aims to enhance reform in the agricultural sector through the introduction of credit unions in rural regions of Russia. The project will set up 20 credit unions over the next five years. By helping to create an appropriate policy framework in this way, we will encourage the development of hundreds more credit unions in the coming years. We hope that the availability of credit will allow farmers to start their own enterprises. This financial freedom should be one of the pillars for the creation of private farms.

The Société de développement international Desjardins [SDID], I believe, is the perfect Canadian partner to share the Canadian experience with its Russian counterparts.

The history of Mouvement Desjardins demonstrates the significant role played so ably by credit unions in the development of the agriculture sector in Canada. Indeed, the SDID has fostered the development of credit unions in Quebec and other regions of Canada since the start of the 20th century. As a result, credit unions in Quebec and elsewhere in Canada currently make up a significant segment of the Canadian financial institutions market.

Since the late 1980s, the SDID has been active in promoting credit unions and savings co-operatives in many of the countries currently in transition in Central and Eastern Europe. In partnership with my Department, SDID experts are assisting Hungary in the restructuring of its national savings co-operatives. In Lithuania, through the SDID, two Canadian specialists in law and banking are assisting the Bank of Lithuania with the preparation of draft credit union legislation. In Poland, the SDID has completed a study to assess the options for the establishment of credit unions and savings co-operatives.

The philosophy of the SDID -- that credit unions promote true empowerment of their members -- has a special resonance in Central and Eastern Europe and the former Soviet Union. Credit unions provide a genuine apprenticeship in democracy. By participating in the management of credit unions, ordinary citizens can contribute toward the development of their community, their region and their country.

Let me conclude with my congratulations and best wishes to the SDID in undertaking this very important project.