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**STATEMENT**

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**AS DELIVERED**

**NOTES FOR AN ADDRESS**

**BY THE HONOURABLE ANDRÉ OUELLET,**

**MINISTER OF FOREIGN AFFAIRS,**

**TO THE QUEBEC-UKRAINE BUSINESS COUNCIL**

**MONTREAL, Quebec  
December 17, 1993**

I am pleased to have this opportunity to tell you personally just how important Ukraine is in the view of Canada's new government.

The Executive Development course that brings us together speaks of trust, friendship, and a willingness to learn from each other, attributes that were unimaginable only a few short years ago.

Our host, the Quebec-Ukraine Business Council, represents the breadth and potential of our contacts. Our relationship is much more than Ottawa-Kiev. It draws on the entrepreneurial spirit of each and every citizen. The thousands of people-to-people connections that link our two countries today helped Canadians understand, sooner than most, the significance of your declaration of independence August 24, 1991.

We can be proud of the fact that Canada was the first Western country to recognize Ukraine. However, we must also be ready to admit that more must be done to build the special relationship that we all want.

We want a real partnership, with stronger ties in every sphere: political, economic, social and trade. This was what I told Foreign Minister Zlenko during our recent conversations in Rome.

Government can take the initiative in this partnership by setting out the framework. We are ready to negotiate and sign an umbrella treaty, affirming our common values and covering the whole range of our political relations with Ukraine.

We share a respect for diverse cultures. With intolerance and ethnic cleansing being the main threats to peace and stability, Ukraine's generous national minority policies help to make Europe a safer place and are a model for other states.

Our troops are serving together as UN peacekeepers in former Yugoslavia. We both have sustained casualties in this terrible conflict. This is a new mission for Ukraine's army. Canada's armed forces are the world's most experienced peacekeepers and could provide valuable training as part of the program of military exchanges that we will soon be launching.

Ukraine is key to stability in Eastern Europe and a major regional player in its own right, alongside such neighbours as Poland, Turkey and Russia.

Canada recognizes that Ukraine has real security interests that should be respected and valid concerns that must be addressed. Last Sunday's elections in Russia add to these worries. Security in Eastern and Central Europe requires co-operation, not renewed confrontation. We have joined Ukraine in expressing the hope that President Yeltsin will maintain Russia's commitment to reform and good relations with neighbours and the West.

We will watch developments closely and work in the CSCE [Conference on Security and Co-operation in Europe] and the North Atlantic Co-operation Council to promote stability.

I must be very frank and tell you that Canada disagrees strongly with those Ukrainian parliamentarians who ratified the START 1 [Strategic Arms Reduction Talks] treaty only conditionally. We welcome President Kravchuk's assurances that he will re-submit the START 1/NPT [Non-Proliferation Treaty] package for unconditional ratification right after Ukraine's March parliamentary elections.

As a non-nuclear weapons state, Canada is limited in the assistance that it can provide for actual dismantlement of missiles and warheads. We do have expertise, however, that could help Ukraine cope with the safety and environmental consequences of its Soviet nuclear inheritance.

Ukraine's security has become a global concern. I discussed the issues with Mr. Zlenko and Mr. Kozyrev in Rome earlier this month and came away convinced that Canada could help. As a G-7 [Group of Seven (leading industrialized nations)] and NATO [North Atlantic Treaty Organization] member and one of Russia's privileged dialogue partners, Canada is well-placed to play the role of facilitator. This is something in which I am personally interested. I plan to visit Moscow and Kiev in 1994 in order to help get things started and to find some concrete solutions.

The bedrock of any country's stability is ultimately its economy. It is critical that we in the West turn our attention to integrating an industrial state of 53 million into the world economy and multilateral system.

Next year's G-7 Summit in Italy should have Ukraine as a focus. To prepare the way, Canada will encourage the opening of a high-level G-7 dialogue with Kiev.

The Soviet Union left Ukraine a disastrous economic legacy: the Chernobyl tragedy, big wasteful factories producing things nobody wants and inefficient collective farms. These are formidable challenges. With the right mix of policies and assistance, however, they can be met.

With the difficult economic situation that Ukraine is facing this winter, some in government have been tempted to try and buy time by retreating into past certainties and centralized state control. Yet, the experience of all other economies in transition tells us that there is no way back.

Without political and economic change, Ukraine's rich, natural and human resources risk being wasted in a futile effort to preserve outdated enterprises and institutions that no longer respond to the needs of a changing society.

Serious economic reform is needed before international financial institutions can disburse the money that they have set aside for Ukraine, thereby encouraging foreign investors to take an interest in the resources and highly qualified workers of the Ukraine.

I know that the participants in this course and many other reform-minded Ukrainians are doing all that they can to move their country toward democracy and a market economy. We want to support those efforts.

We are anxious to have Ukraine become a faithful trading partner. Thus, we are offering General Preferential Tariff treatment and providing advice and hands-on development assistance through the Trade Facilitation Office.

Total trade stands at over \$40 million dollars so far this year. We want to see that grow. The first-ever Canada-Ukraine Trade Agreement is almost complete, and we will be following that up with an economic co-operation agreement.

My Department's Renaissance Eastern Europe program has financed 25 feasibility studies for Canadian-Ukrainian joint ventures. We need to get these private-sector ventures off the ground. I am interested in the idea of a government-industry partnership to invest in jobs and growth in both countries, and I welcome your input.

We want to expand Canada's \$30 million technical-assistance program, which has already generated more than 50 projects. Our support for the Institute for Public Administration and Local Government is helping Ukraine to build the institutions that modern independent states need.

Other Canadian projects include: improving health care, providing the tools for agricultural reform, planning the clean-up of a major river in your country and encouraging private-sector development.

There are many ways that Canadians, and particularly those of you here today, can work with government to help Ukraine. I encourage you to explore initiatives, like our Partners in Progress program or Canadian Executive Services Organization.

The first half of 1994 will decide Ukraine's future. We are ready to send observers for next spring's elections and are preparing to do much more for democratic development.

Ukraine's electoral commission will soon be receiving our offer of training, assistance in voter education and advice on media coverage.

We now have the tools for managing our growing relationship: Canada's Embassy in Kiev is up to full strength, operating from its renovated chancery and supported by a Canadian Co-operation Office to assist with technical assistance projects.

The Ukrainian Embassy is well-established in Ottawa. We were honoured to have as first Ambassador, the distinguished human rights activist Levko Lukianenko. Today, I can tell you that we have given agreement to his successor, Mr. Victor Batiouk, currently Ukraine's Ambassador to the UN.

Recognizing the importance of the Ukrainian-Canadian community to developing our relations with Ukraine, I have asked my Department to hold special consultations as soon as possible.

Today I outlined what we are doing, bilaterally and with our Western partners. You know now how this government wants the Canada-Ukraine relationship to develop. We cannot do it on our own. Reform is ultimately up to Ukraine and its people. Canada has a unique advantage in helping to make that happen -- your energy, experience, commitment and ideas.

I wish you all every success.