



Embassy. Together with the Canadian Cooperation Office in Kyiv, it supports our many programs in Ukraine. Ambassador Mathys and his team are doing an outstanding job. Like governments everywhere, we are working under severe resource constraints which, regrettably, won't allow us to open any new consulates or offices in Ukraine in the near future.

- *Given Ukraine's excellent record as a creditor, does the Canadian government support Ukraine's recently announced initiative to allow foreign firms, including Canadian crown corporations, to invest and share in the ownership of Ukrainian enterprises?*

We welcome any plan that makes it easier for Canadian companies to invest in and support Ukrainian firms, particularly through privatization.

- *Will you be expanding the scope and extending the various successful initiatives, such as Renaissance Eastern Europe, Partners in Progress, etc. in order to continue to make them available to businesses wishing to deal with Ukraine?*

Increased trade and investment are priorities in our relationship with Ukraine. We are continually assessing the success of programs like Renaissance Eastern Europe and Partners in Progress to see how well they serve the business community. I would be willing to explore the possibility of expanding these programs. Canadian assistance efforts have encouraged people-to-people contacts as a means of promoting business and professional contacts. The Partners in Progress and the CESO (Canadian Executive Services Overseas) programs are enabling Canadians from a broad range of disciplines to network with the new players in Ukraine and other Central and Eastern European countries. There has been active interest in our program of volunteer business consultants managed by CESO. More than 25% of all cooperants under the Partners in Progress initiative have gone to Ukraine.

- *Given that many small Canadian businesses requesting to use these programs do not fit the current criteria (assets of more than \$1 million), are there any plans to expand the criteria to allow small businesses to*

participate in joint ventures and investments in Ukraine?

The condition for using Renaissance Eastern Europe is not assets of more than \$1 million but annual sales of more than \$1 million. Because it is difficult for many small businesses to meet this requirement, we will review it.

- *To what extent is the General Preferential Tariff treatment and development assistance being handled through the Trade Facilitation Office currently being used by Ukraine?*

The General Preferential Tariff is quite separate from the Trade Facilitation Office. The GPT is designed to help transitional economies increase their trade and generate export earnings. It will likely be renewed and adjusted to reflect new GATT rules. My Department funds the Trade Facilitation Office export assistance program to help Central and East Europeans locate Canadian markets for their products and to train their exporters and trade commissioners. Its services are available to Ukraine.

- *Mr. Ouellet you mentioned in Montreal, that you are prepared to raise the Ukrainian issue in Rome at the next meeting of the G-7. How do you assess the other members of the G-7 when it comes to elevating Ukraine to a higher level of importance. Do you think that this will be a difficult task?*

It all depends on what will happen in the Ukrainian elections, what kind of mandate the President will get in June, how fast and effectively the government will implement the Non-Proliferation Treaty and how they will respect their agreements. There is a series of factors that could have an important impact and that will be taken into consideration.

- *Mr. Minister, Ukraine has long been called the breadbasket of Europe, yet this one-time steady strength, its agricultural sector, has also weakened. Once the provider of 25 percent of the former Soviet Union's wheat harvest, Ukraine now also imports certain grain. Is Canada willing, through our own agricultural expertise, to provide assistance to Ukrainian farmers in transforming their collective farming into market-oriented cooperatives?*

While transformation of collectives into private farms is still limited by existing legislation on land ownership, we are providing building blocks for the transition. These include assistance for the establishment of a land title and registration system, support for market-oriented agricultural education curriculum, and working in the critical area of grain privatization.

- *In another specific sector where Ukraine has a strong and highly-skilled labour force, its military-industrial complex (which includes its military, space program, energy research and exploration, marine shipbuilding, etc.) are any initiatives being planned for Canadian firms to work with Ukraine to retraining this labour force and converting these enterprises to produce consumer and non-military high technology products?*

Canada will help find alternative employment for Ukrainian weapons scientists through the Science and Technology Centre Ukraine (STCU), a clearing house for funding joint projects between Western and Ukrainian scientists. We have pledged US\$2 million over two years, and are offering to provide the first Executive Director. The military-industrial complex is one of the more difficult legacies of the Soviet era. It is essential for the economic health of countries like Ukraine that these factories and skilled workers be turned to the production of consumer and other goods. Canadian firms interested in tapping this wealth of plant and labour should look to programs such as Renaissance Eastern Europe for assistance.

- *Ukrainian elections will take place in March of this year. Will Canada be sending observers to these elections? In what way does Canada intend to assist Ukraine in its democratic development?*

Canada will send ten official observers to Ukraine as part of a major initiative to help organize the March 27 parliamentary elections (See page 17). The program is the biggest and most comprehensive run by any Western country. Its goal is to help Ukraine ensure the integrity of the electoral