UKRAINE-CANADA POLICY AND TRADE MONITOR



Ukraine, like Canada, contributes to UNPROFOR in the former Yugoslavia. We would be interested in exploring the question of further peacekeeping cooperation.

• Mr. Minister, Canada was the first Western country to recognize Ukraine and, through its million-strong Ukrainian community, has developed a special relationship. In the coming months, Canada and Ukraine will be signing a new umbrella treaty affirming common values and a range of initiatives in the political, economic, scientific and cultural areas. Can you share some of your goals and plans in this treaty with our readers?

This treaty will provide an overall framework for cooperation with Ukraine, laying a solid foundation for an enhanced relationship. We will back it up with specific initiatives and further agreements that grow out of the real needs for both sides.

The agreement is in the stage of preparation. The statements which were made by the Prime Minister at the NATO

Foreign Affairs ADM David Wright (centre) with Ministers A. Ouellet (I) and A. Zlenko (r).

Summit, where he spoke about the importance that Canada wants to attribute to Ukraine. My speech in Montreal gave clear signals for the officials who have to work on this, and normally we have pretty good bureaucrats. I am confident they received the message loud and clear, and that will speed up the process.

President Kravchuk has been invited by President Bill Clinton to visit the United States in March of this year. Is Canada prepared to invite President Kravchuk to Canada at that time and can the umbrella treaty be signed during such a visit?

We intend to launch a series of high-level visits. I plan to visit Ukraine this spring to start this process. We will be putting a lot of efforts into the umbrella treaty to see that it is signed as soon as possible and in the context of a high-level visit.

As for a visit by President Kravchuk, I will have to discuss this with the Prime Minister, but I think that such a visit to Canada is possible. It certainly could be accommodated. We will be very interested in what takes place in March

with the Ukrainian elections. The President's signing this Agreement with the Russians and the Americans is an important development. He needs support - I hope that the people of Ukraine will understand that it is in the interest of Ukraine to have this agreement ratified, and put in place. Obviously, we have to respect the democratic choice of the people in Ukraine, but I believe that for the President, the March election is important. His own election will come later on but we believe that this is a process which we have to respect. We are looking forward to enhancing relationship with the President -- and myself with the Foreign Minister. If he is able to come to Canada, he is welcome.

With Ukraine's economy in such a chaotic state, how does Canada plan to address this key aspect which impacts on our bilateral relationship? Can you share information on any new trade initiatives with Ukraine planned for the near future?

If Ukraine decides "to bite the bullet" on real reform. Canada is willing to offer any advice and support we can. Canada is already the number one provider of technical assistance on a per-capita basis. But, ultimately, depends on a success commitment to change on the Ukrainian part. We have been working with Ukrainian officials on a bilateral trade agreement, which is close to completion. This should provide a solid foundation for expanding trade. We are working with the IMF and World Bank to ensure that real commitment is rewarded. Ukraine could make much of the IMF's Systemic Transformation Facility, for example, but first it has to live up to the IMF's conditions.

 What financial assistance and resources does Canada plan to provide Ukraine in supporting Ukraine's move towards democracy and a market economy?

Canada has extended a \$50 million line of credit for the purchase of Canadian goods and services through the Export Development Corporation. Canada has a three-year, \$30 million program of technical assistance in Ukraine. To date, some 50 projects valued at \$19 million are completed or underway. They are designed to support Ukrainian political and economic reform and promote longterm business links with Canada. Our five priorities are: agriculture, environment. health. democratic development, and building a private sector. Canada has also provided \$4 million in humanitarian assistance. Through the Red Cross and UNICEF, we have provided basic medicines and medical supplies, including vaccines, for children's hospitals and for visiting nurses for the elderly.

Canada currently has approximately \$40 million trade with Ukraine, which is minuscule in comparison with our trade with other countries. First of all, are any mechanisms being established to increase this trade substantially?