



We are now preparing a decree which will limit credit emission to 80 per cent of our inflation targets. We expect a significant slowing of inflation only in March when the government will enact its decision to freeze the average wage and impose high taxes on enterprises which pay higher wages.

Can you control inflation and meet the budget targets without western aid?

I think it is realistic to aim for a budget deficit of 6 per cent of GDP by the end of this year and we think we need to cover about 1 percentage of this with western aid. There is a danger that if we meet this target then the unemployment rate will rise to 10 per cent, although in our economy there has always been a category I call the working unemployed. What we have to do is find a balance between an acceptable level of unemployment and an acceptable budget deficit...

Can you link the decommissioning of nuclear weapons to economic aid?

No, I do not think that is realistic. A realistic path is to implement serious economic reforms in order to attract foreign investment. No-one is going to invest here when the economic situation is so uncertain. But at the moment we are concerned about getting a rehabilitation loan from the west.

How long do you expect to keep your job?

The government has been granted expanded executive authority for only six months and in this time we can manage to achieve only the first positive changes. Once we start implementing the economic reform programme we are always going to have to be taking corrective actions and we are going to have to change many details of our programme to make it more politically acceptable. But you have to assess our programme not on the written plan but on the actions that are taken.

We have a good saying in Ukrainian: a crooked path is faster than a fast path if it avoids the bureaucrat. The straight

path for us could be very dangerous but this is one of those times when we can take a crooked path. It will be faster. ■

THE WAY TO SUCCESS IS THROUGH PARTNERSHIP

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The aim of international relations of all countries is to take full advantage of the economic, natural, intellectual-cultural and external-political potential of its partners, to help its partners achieve their strategic goals.

These and other complementary objectives, which supplement the main goals and do not conflict with them, can create an environment suitable for closer relations and support the truly mutually-beneficial ties among countries.

It is this absence of conflicting objectives, on the one hand, and the desire of our highest government levels to achieve our complementary objectives, that is in our view, the most dependable basis for building partner relations between Ukraine and Canada.

Among complementary objectives which are of equal importance to both countries, especially in the economic sphere, the following are most urgent:

- (1) There is a vital need to radically increase the competitiveness of Ukraine's and Canada's national enterprises in the global market of production.**

The urgency of this task for Ukraine is fully understood and consequently does not require further explanations.

For Canada the urgency of the problem is determined by the anticipated growth of competitive opportunities among the manufacturers within the EEC, countries

which in the regional market of the United Europe, will in the near future receive valuable advantages over other competitors from other countries as a result of the transparent customs boundaries for members of the community in their trade amongst themselves. Under such conditions, in order to secure long-term, stable competitiveness of production, we must rely on high quality, scientific-technological support to guarantee continued superiority in the renewal of our production and technology.

Nevertheless, because over the last ten years it has economically subsidized the growth of its own scientific-technological sphere, Canada presently has limited wishes to support and efficient competition to renew its production and reduce its production costs in most of the prevailing sectors of its economy. Studies, such as the 1992 *Implications of a Single European Market* by experts Raymond Chabot International (RCI), the *Bureau d'informations et de prévisions économiques (BIPE)* and *Informatica Ltd.* emphasize this threat to the competitiveness of Canadian enterprises, even within the markets of the member states of NAFTA, including its own market in Canada.

It is widely known, that among the more developed countries of the world, Canada holds one of the last places when one compares Canada's GERT - gross domestic expenditure on research and development with the GDP - gross domestic product. On this indicator, Canada is at a level half that of Germany, Japan, the United States and Sweden.

While Canadian scientists have achieved international recognition in various scientific and technological areas (including high technology areas of informatics and communications, atomic energy, agronomics and environmental studies), this does not change the general situation: These achievements have provided