

choice for people leaving Hong Kong. And no, the investment is not only in real estate. It is in the job intensive sectors of electronics manufacturing, telecommunications, textiles and tourism — the kind of industries we want to grow if Canada is to achieve its prosperity and employment goals.

Residents of Hong Kong hold \$20 billion in Canadian securities. There are up to 50 000 people of Canadian citizenship living in Hong Kong and there are at least 75 Canadian corporations, all major Canadian banks, and several insurance companies located in Hong Kong.

With the exception of the United States, the depth of economic integration between Canada and Hong Kong and the physical presence in each other's territory exceeds any relationship we have. To me, it sets a standard for the kind of ties we need to other countries in the Asia-Pacific region. We can't just be occasional visitors and curious onlookers. We must be there, and the record of our success in Hong Kong shows why.

Indeed, the Canada-Hong Kong connection is the kind of partnership we need everywhere these days if we are to succeed in this incredibly competitive global environment. Canada-Hong Kong business shows the advantages of a relationship moving ideas, messages, people, services, goods and capital back and forth freely, quickly and accurately in response to rapidly changing requirements.

There are other ways Hong Kong sets the pace for what we must do throughout the region.

Hong Kong students account for over 20 per cent of students arriving from Asia-Pacific, and the region provides over one half of the overseas students from all sources.

This is good for Canada. Not only does each student pump in an average of \$30 000 a year into the Canadian economy, they become, in future years, advocates for Canada in Hong Kong. They become our contacts and, in many cases, our partners in business, government, education, culture and the media.

For this reason, we want to learn from our Hong Kong experience in what some have called "the internationalization of education" and promote our educational and training services in other Asia-Pacific countries. This is a theme the Prime Minister and I will be highlighting in our upcoming trip to South and Southeast Asia in January.

Yet, concerns exist over Hong Kong's future as it prepares to become a "Special Administrative Region" (SAR) of China in 1997. Hong Kong is very high on our government's agenda and there are two big challenges facing us. We must endeavour to ensure a smooth, peaceful and harmonious transition to Chinese sovereignty, and we must ensure continuity through the transition. Our government is sparing no