

Ladies and gentlemen, it is an honour for me to be here today. It is, I believe, fitting that the first national meeting of the Hong Kong-Canada Business Association is being held early in the Year of the Dragon.

Like Hong Kong itself, this Association is showing signs of remarkable dynamism. National President Robert Brown and all members are to be congratulated on the phenomenal growth of this Association to nearly 2,000 members across the country in less than five years.

This kind of success story is particularly noteworthy at a time when Canada has set a very high priority on strengthening our economic relationship with our Pacific neighbours, including Hong Kong.

Today I want to discuss the Canada-U.S. Free Trade Agreement and our relationship with the Asia-Pacific Region, the fastest-growing region in the world.

I am in an unique position to do so, because I am both the Minister responsible for the Trade Agreement with the U.S. and the Federal Minister responsible for our Asia Pacific Initiative, aimed at developing Canada as a Pacific nation.

The Free Trade Agreement with the U.S. expands and secures our access to the world's richest market. The Asia Pacific Initiative seeks to enhance Canada's role in the Pacific Rim by developing our Pacific Province, British Columbia, and particularly Vancouver as the North American centre for Asia Pacific trade, transportation, tourism and financial services.

The Free Trade Agreement is important to our Asia Pacific activities for two reasons. First, it provides us with secure access to the North American market. This is the key to Canada's international competitiveness in markets on this continent, in the Asia-Pacific Region and around the world.

Let me emphasize this point. People who sell into the US market will not be the only winners. When tariff barriers start coming down on U.S.-Canada trade in 10 months time, tariffs are costs and the elimination of all tariffs between Canada and the U.S. by 1998 will mean lower costs and increased competitiveness for our entrepreneurs in all our markets. Similarly, the opportunities to serve the North American market with larger production runs and rationalized operations will enable Canadian entrepreneurs to become even more competitive in international markets.