

Both of us depend heavily on trade for our prosperity and security. The people of Hong Kong are the singular traders of Asia and your city remains the best entrée to the Asia market. Canada and Hong Kong share a common commitment to open markets and freer trade around the world. And in the Pacific region, we share an interest in promoting prosperity through more liberal trade in goods and services.

Our shared interest in freer trade was demonstrated by the fact that the Hong Kong business community was among the first to recognize that the Canada-US Free Trade Agreement would have a positive impact on Canadian trade with all our partners. The Free Trade Agreement will continue to act as a catalyst for the Canada/Hong Kong economic partnership.

Your Excellency, the growth of Hong Kong from a quiet harbor on the South China Sea to a dynamic and creative center for global finance, trade and industry has been an extraordinary triumph of human will and ingenuity. It is also testimony to the values of human freedom and the rule of law.

Canada has an abiding interest in the shape of post-1997 Hong Kong. The undertakings between Great Britain and China, reflected in the Basic Law, provide a framework for the future. But that future will only be bright if these undertakings are observed in their spirit as well as their letter.

There is no doubt that confidence in Hong Kong was shaken by the tragic events in the Chinese capital in June, 1989. You have already taken many positive steps to face this challenge. Canada strongly supports these steps - your bold infrastructure projects, your accelerated pace of democratization and your Bill of Rights.

As you face the future, you can be assured of our steadfast support. Canada stands ready to help. Let me provide some examples.

- We are exploring with Britain and China the establishment of a wide network of bilateral agreements between Hong Kong and Canada. This network would preserve the informal ties which have developed between Canada and Hong Kong. We believe this would be fully consistent with the Sino-British Joint Declaration. The purpose of that network will be to make it clear that the unique role of Hong Kong will not change in 1997. It is our goal to ensure that at the turn of the century the opportunities for co-operation between Canada and Hong Kong are the same then as they are now.

- In 1988, we signed our first bilateral air agreement with Hong Kong and there is now direct service between Canada and Hong Kong.

- In April of this year, we initialled a bilateral mutual legal assistance treaty. That agreement, the first ever entered into by Hong Kong, will promote co-operation in the fight against the international drug trade.