

It is a pleasure for me to be in Vancouver today, and an honour to speak to the Employer's Council of BC. I can think of no group that better represents the economic vitality of any province than does this Council.

It strikes me that everyone from Eastern Canada who ventures out here to speak suddenly discovers that Vancouver is a Pacific port -- and then, blessed with that revelation, launches into a lecture on the importance of the Pacific Rim. Well, I'm not going to reinvent that wheel. I will assume you are aware of the Pacific Rim's importance, that it has replaced Western Europe as Canada's second largest market, and that it is a rapidly growing market. All of these things I will take as given. Today, I'd like to talk about trade with our largest market, the home of the Kingdome and the Astrodome and aerobic dancing on TV, our friendly giant just to the south of here.

Trade is important to all of us, and your membership offers some shining examples of trading well. Soon after taking over my responsibilities as Minister for International Trade, I was called upon to present Canada's annual export awards. Two of the award-winning firms were from British Columbia: Western Packaging Systems Ltd., and Epic Data Sales Ltd., both of whom were honoured because they set a standard of skill and excellence that allowed them to compete with great success in world markets. These companies, in other words, are doing exactly what we must all do as a nation to maintain our prosperity. They set themselves tough goals, and achieved them. They put their products up against the best in the world, and bettered them. They proved that Canada can compete with anybody. Canada needs more companies like these.

The world economy is now recovering from a serious recession, the impact of which was felt all over the world. Recovery has been uneven, however, and serious economic and financial difficulties remain.

There is a significant risk that growth in world trade, investment and technology exchange will be stifled by a combination of many factors -- by diminishing growth in major world economies, by the rise of protectionism and the uncertainties generated by the large U.S. budgetary and trade deficits, by the high value of the American dollar and by the debt problems of the developing countries. That is a sobering assortment of threats.

As a nation heavily dependent on exports, we have inevitably experienced the adverse trade effects of the recession. The problems facing Canadian companies, furthermore, were accentuated by shifts in exchange rates.