

- ♦ a "shock absorber" that, through dialogue and increased transparency, enables the region to respond to emerging frictions and adapt more smoothly to the rapidly evolving global environment.

Although this may seem a tall order, we believe that we now have the necessary framework in place to put APEC firmly on the path toward realizing these goals. What is required now is hard work and commitment to purpose.

In our three brief years together in APEC, Mr. Chairman, we have already accomplished a great deal, for which we can all share some well-placed pride. We have become the first international organization in which China, Hong Kong and Chinese Taipei are all represented at Ministerial level. We are dealing sensitively with the question of new members, and it is my sincere hope that we will be welcoming Mexico to our APEC family before too long. We have launched work projects in distinct and practical areas. We have made considerable efforts to move forward the Uruguay Round and have launched a valuable consultative process on economic trends and issues in the region, which provides us with an opportunity to exchange information on the performance of, and outlook for, our respective economies.

In Canada, as in a number of other countries worldwide, we continue to struggle with a slow economic recovery. However, with the measures that we have taken since 1984 -- including, for example, reforming our tax system and negotiating a free-trade agreement with our largest trading partner -- I believe that we have made good progress in laying a solid foundation for future growth.

We already know, however, that we cannot rely on traditional means to protect our future. Our growth and prosperity will depend on the degree to which we can adapt to new conditions, demands and competition. In October of last year, we launched a Prosperity Initiative across Canada, dedicating considerable time and effort to consulting Canadians on how to meet the competitive challenges of a changing global market.

To support that objective, we look to the Asia-Pacific region, with its well-educated work force, its emerging financial markets and its diverse and dynamic economies, to play an increasingly important role in both pushing and pulling us toward improving our competitive knowledge, skills and practices.

Canada already has important economic relations with the Asia-Pacific region. Substantially, more Canadian trade now flows over the Pacific than the Atlantic, and that margin is growing. The Asia-Pacific region has also been an important source of investment capital for Canada, providing direct investment that