

dragons will have a GDP per capita exceeding the norm for Europe. What they are looking for, of course, are joint venture partners to whom they can bring their technology or knowledge in other areas and their marketing skills. They also want to joint venture with us in value-added goods in those other parts of Asia where, as you know today, the Japanese have established the pattern - you put value-added where the market is, not where the resources are.

The biggest opportunity for us is that we are the only industrial nation of any size that has free access to the United States market. We know there are certainly a lot of things still to evolve out of the FTA but at least we are not back at square one with everyone else where we would be without the FTA, caught under the Omnibus Trade Bill of the United States. We hope today to give you some feel for both the nature of these opportunities and how they might be carried out, recognizing that Canada's economy is driven by small-to-medium sized companies, not by the multi-nationals, and it's those companies with whom the Taiwanese particularly Hong Kong and to a lesser degree Japan, are looking to form associations.

### **JACK McKEOWN, Panelist**

I would like to spend some time looking at the Free Trade Agreement in terms of the trend toward the global economy and the impact this will have on joint venture opportunities in the Pacific Rim. My view is that these opportunities will be numerous but let's talk about that a little more later.

Let me digress for a moment and attempt to place the Canada-U.S. free trade debate in an international context. Recently Megatrends' author John Naisbitt made the following comments about the emerging global economy: We can't understand the global economy if we think about it as merely more and more trade among 160 countries. We are really re-grouping at a higher level. We are moving from trade among countries to a single unitary global economy. One economy, one marketplace. It is the next natural level in the economic history of civilization.

We started with those tiny economically self-sufficient villages that did not trade with one another. We had a couple of thousand years of city states, economically self-sufficient with only a little exotic trade around the edges. For several hundred years now we've had macro-economic nation states, almost all of them relatively economically self-contained. During those hundreds of years within the nation states we divided up the economic task and now for the last dozen years we have begun the process of dividing up economic tasks among nations and moving toward the economic inter-dependence that that implies.

That is why it was so critical that we supported free trade during the last election. It wasn't really a political issue in terms of party-versus-party, it was really should Canada join the real world. If we're going to be successful in any other part of the world, the first thing we must recognize is that the only way we can assure our future economic well-being and international competitiveness lies in our ability to expand and enhance our economic relationship with the United States. If we can do that effectively, then we we'll be in a position to better address the opportunities that will open up in the Pacific Rim, western Europe and beyond.

Phil Barter and I were at a meeting about a year ago with some prominent people across Canada and among them was Senator McEachern who was very surprised that B.C. people were presenting the view that if we hope to be successful doing business in the Pacific, first and foremost we have to be successful in North America with the United States. To us in British Columbia it seems obvious but even to someone as enlightened and knowledgeable as Senator McEachern, this seemed to be an interesting and new approach.

Recently British Columbia made a major presentation at Davos and one of the things that came out of the Davos meeting for the people of British Columbia was a certain level of surprise that the rest of the world applauded the fact that we had made this Free Trade Agreement with the United States. Here we were having this domestic battle about should we, would we, could we and yet the rest of the world was looking on with envy.

I think the Canada-US Free Trade Agreement was only a step toward a global economy. It's this global context that we are dealing with when we are talking about joint venture arrangements. As you all know, joint ventures come in many forms but usually investment, technology transfer, and marketing are at the base and within those three, investment is usually in the lead.