

Canadian
priorities

establish a standing committee to co-ordinate and plan the next steps in defining what kind of organization we are moving towards. The idea of a European-style community has now been virtually abandoned. Other existing models are the Organization for Economic Co-operation and Development (OECD), the Pacific Basin Economic Council (PBEC), and the British Commonwealth. The standing committee, composed of business people, professionals, academics and senior government representatives, may soon be formed to begin studying these options.

Canadians will actively participate in the standing committee. The Canadian position generally favours an organizational structure that would give first importance to economic issues of trade, investment, development and co-operation. Additionally, we favour a strong emphasis on social and cultural relations, to increase understanding of Canada among our Pacific neighbours, and more awareness among Canadians of what the Pacific offers to us.

Canada does not see the Pacific Economic Community as a natural forum for political questions, although in time it may become an appropriate vehicle for some issues. Military and security matters we see as being beyond the purview of what is essentially an economic and cultural co-operative body. I think the nub of the Canadian view on the Pacific Economic Community is that it should be a multilevel organization, and that its effectiveness would be in proportion to its ability to create bridges between peoples rather than states.

The role of our governments in building those new bridges is important. Indeed, much of Canada's entry into the Pacific has been assisted by intergovernmental agreements on economic and cultural co-operation. But our business communities should not expect government to lead the way in this project. The economies of free-market states can speak to each other with a clarity and succinctness that must be the envy of the United Nations translator corps. In the *lingua franca* of trade and investment, we have the beginnings of a common language for our Pacific Economic Community. Without the niceties of diplomatic speech, I think we can communicate to each other what we each have to offer to our Pacific neighbours, and what our neighbours may offer in return.

For Canada, expansion into Pacific trade offers us new and larger markets for our traditional resource exports. Although American producers will still keep us competitive, Canada will continue to supply wheat to China and Japan, and to hold our own in other agricultural products. Our wood pulp will remain a premium product, although New Zealand may begin to edge into our markets later in the decade.

Our other major resource exports — lumber, coal and minerals — will face competition from the rapidly developing Australian resource base, as well as from the ASEAN nations. Canada's share of the Asian market may well decline, but our export volumes will increase to meet the growing demand. As well, the developing Pacific economies in Indonesia, Malaysia, the Philippines and other states may offer us new opportunities in providing the equipment and services they need to achieve their development goals.