

It's for this reason that we believe the GATT working group on Environmental Measures and International Trade is the appropriate forum within which to address the relationship between trade and the environment.

None of these preoccupations should be taken to suggest, however, that we have somehow turned our backs on Asia Pacific. If we have spared no time or visible attention, it has been simply because most of our transpacific relationships have been free of the immediate turbulence and threat that have marked the management of our collective relationships with the former Soviet Union and its erstwhile satellites.

We know, however, that what is happening in the Asia Pacific region is as vital to us as a country as what is happening anywhere else. Driven by export-led investment patterns, country after country on the western edge of the Pacific has levered itself forward. Europeans are not unaware of this, either. Recently, I met with the financial community in London: they see western Canada as a gateway for them to the Pacific and the opportunities there.

At the Pacific Basin Economic Council last week in Vancouver, I urged delegates from the private sector to take advantage of that meeting to turn this promise and this interest into tangible results. I do so here as well.

At a domestic level, the federal government in Canada has put in place a wide range of policy measures designed to put the Canadian economy on a secure footing to compete successfully in the global economy. With over 25 per cent of our production and one third of our jobs directly tied to exports, international trade is our lifeline. We know that traditional solutions will no longer be enough to ensure that we keep up, and we look increasingly to the Pacific Rim to find the trade and business partners for our future progress.

The policy framework that we have worked to create domestically has featured continuing deregulation, privatization, investment promotion and trade liberalization, deficit reduction, substantial tax reform and an aggressive battle against inflation.

Signs of success are already evident. Both interest and inflation rates are at their lowest levels in 20 years. As well, measures such as the Canada-U.S. Free Trade Agreement have opened the Canadian economy, creating a positive climate for the Canadian-based export industry and enormous opportunities for foreign investors in Canada.

Over the past seven years, Canada's merchandise trade exports to Asia Pacific have climbed sharply -- rising to \$16 billion in