

I am delighted to be once again in Vancouver -- Canada's window on the Pacific. I am about to embark on a trip to Japan, Hong Kong and Cambodia, and I would like to share some ideas with you on where we have been in our relationships with our transpacific partners, and where we go from here for the balance of this century and beyond.

By virtually any indicator, the Asia-Pacific region has established a dizzying pace of economic expansion that has made it the envy of the world:

- Most of its economies are enjoying growth rates in the double digits.
- Following the example of Japan and the four "tigers," a new set of Southeast Asian dynamos has emerged, each enjoying a classic cycle of growth driven by high domestic savings rates, extensive investment inflows and massive increases in productivity.
- Even their problems elicit envy: the definition of a "downturn" in high-tech, high-finance and high-fashion Japan seems to be growth at two per cent and unemployment at three!

The Asian development model of progressively opening markets and generating export-based growth is now the model for development around the world, emulated from Chile to Estonia.

Even going back to my own years in Vancouver in the 1970s, you in this city have long been alert to Canada's role as a Pacific player. The Asia-Pacific Foundation and the Vancouver Board of Trade certainly deserve the credit for the progress that we have made to date as a country in preparing ourselves for what some people are calling "the Pacific century."

Our record is far from dismal:

- Ten of our top 25 export markets are now Asia-Pacific economies, including seven valued at over \$500 million and another three at over \$300 million.
- There are new Canadian success stories in penetrating high-value Asian markets: Vancouver's high-technology companies like MPR, Glenayr and MacDonald Dettwiler; Atomic Energy of Canada's exports of nuclear power systems to South Korea; Okanagan Helicopters in oil exploration and Nova in pipeline systems; Bombardier's sales of commuter and business aircraft; and, CAE's domination of the flight simulator market.
- Japanese direct investment in Canada has doubled since 1985 to \$5.7 billion, and its holdings of portfolio investment has reached \$49 billion.