

In Toronto last month, my colleague, John Crosbie set out the broad outlines of our strategy for Europe 1992. Today I want to speak of our initiative toward Asia and the Pacific, which we call our Pacific 2000 program.

The Free Trade Agreement with the United States will broaden the market for Canadian goods, increase Canadian competitiveness and create jobs. We have worked hard toward agreement on a new set of international rules in the Uruguay Round of Multilateral Trade Negotiations which will bring us better access for our goods and services around the world, including in Asia. In fact, a major priority for us in that negotiation is to address our trading interests with Japan and the newly industrialized countries, particularly Korea.

We are confident about Canada's ability to compete with the best in the world - confident enough to be convinced that we need to go beyond the confines of North America, to dispel the myth that we are content to put all our eggs in the North American basket. Our attention is drawn inexorably to Europe and to Asia Pacific.

The Pacific today is the most dynamic area in the world.

When this century closes, the region will be home to over 60% of humanity. The population of the coastal strip of China and of India's middle class will each equal the total population of the USA.

Asia/Pacific will produce 50% of the world's goods and services. The volume of trade between Asia and North America will grow from \$300 billion to \$500 billion. Over 50% of world trade will take place between Asia Pacific countries.

By the year 2000 Japan will be at the forefront of both pure research and applied technology. Today the world's 21 largest financial institutions are in Japan. That will become even more prominent with assets abroad which will reach \$3 trillion.

In the past decade the newly industrialized economies (Korea, Taiwan, Hong Kong and Singapore) have raised their share of world trade from 4% to more than 10%; they will be even more important trading powers by the year 2000.

Korea and Taiwan have already joined the ranks of aid donors and will emerge as major foreign investors and sources of applied technology. By the year 2000 many countries in the region will have extensive and technologically-advanced manufacturing sectors based on intra-Asian investment particularly but no longer exclusively from Japan. Global manufacturing will have undergone massive restructuring and relocation.