

The development of such coalitions also shows how dramatically the world economy has changed. Economic realities have blurred the philosophical divisions which existed between North and South in the 1960s and 1970s.

This is particularly true of the Asia-Pacific Region. Canada hopes that the Uruguay Round will see Asian countries become fully integrated into the world trading system. They must play as important a role in strengthening the multilateral trading system as they have come to play in the international economy.

We see hopeful signs that Japan is ready to assume an important leadership role in the Round, and we expect to see a further opening of that country's markets for agriculture, fish and upgraded natural resource products.

We welcome China's participation in the Round and will work to encourage its trade regime to adapt to the rules of the International trading system.

We hope that the newly industrialized countries of Asia will play a role in the international trading system commensurate with the gains they obtain from it. I believe that these nations increasingly recognize that they can bring about improved access and security of access for their exports only by opening their own markets.

Canada and Australia will need to continue to work with the Asean countries to improve access to key markets for agricultural and natural resource-based products. Such cooperation will be essential to make international trade more secure for countries with less clout than the Big Three.

Canada's commitment to a more competitive economy is also reflected in our initiative to negotiate a new trade agreement with the United States. Few people outside of North America - and surprisingly few in the United States are aware of the fact that Canada and the United States have the world's largest bilateral trade relationship. In value, Canada - USA trade is more than three times larger than all of Australia's foreign trade. More importantly, the lion's share of Canada's total exports of around \$130 billion go to the United States.

No country, therefore, is more vulnerable to U.S. protectionism than Canada. The Reagan Administration is committed to a liberal world trading system, but the