

And substantively, the Agreement is firmly based on the concepts and agreements of the GATT - in technical standards, procurement, export and import restrictions and elsewhere.

Perhaps most importantly, the Free Trade Agreement is a psychological watershed in our nation's history. For it signals a new, outward-look and more confident Canada.

What it does not represent is a contraction of our commitment to an open world economy, and our appreciation for the valuable role of Japanese and Asian investment in our economic future.

As you know, Japanese investment has surged in recent years - by 235% in 1987 and 275% in 1988. Cumulative direct investment now approaches \$4 billion. Several Japanese companies are particularly good corporate citizens and are well respected in their Canadian home communities. And I would suggest that the appointment of Mr. Yanagisawa, President of Toyota Canada, to the Canada-U.S. Panel on automotive trade, signals our respect for the vital role which Asian investment will play in the future. Japanese views are valued. You have earned such respect.

I noted that the Free Trade Agreement in no way signifies a retrenchment of Canada into a fortress North American mentality. No barriers have been raised to trade and investment from other regions. Quite the opposite. We view the Agreement as a stepping stone to offshore markets. During our second mandate, we intend to build on that initiative by promoting a global orientation for our traders.

We call it our Three Pillar Strategy - geared to the mega-economies of the United States, the European Community and the Asia Pacific Region in which Japan plays such a central role.

Recently, I outlined our approach to the 1992 initiative of the European Community at a Conference here in Toronto.

Today, I would like to focus on our Pacific Front.

As Prime Minister Mulroney declared during the recent election campaign, and indeed, as my colleague, Joe Clark, outlined in his Edmonton speech last week, the government intends to implement a Pacific 2000 strategy to ensure that we are front and center in the dynamic theatre of the Pacific Rim.

Today, the volume of trade between Asia and North America exceeds \$300 billion a year. By the turn of the century, that trade will likely exceed \$500 billion.