

Recent political changes in Asia are almost as dramatic as the phenomenal economic growth in the region. Who would have dreamt even ten years ago of China embracing the basic precepts of a market economy and accepting criticism and dissent from within. Of rapidly expanding South Korean contacts with Communist countries which for many years denied its very existence. Of Sino-Soviet rapprochement. Of the Soviet Union declaring economic zones in Eastern Siberia. Of Vietnam and North Korea passing foreign investment laws designed to allow foreign multinationals to operate wholly-owned subsidiaries. Of a Soviet withdrawal from Afghanistan, and the beginning of a Vietnamese withdrawal from Cambodia?

Asia is on the move. For Canada the changes are real, fundamental, and of direct national concern.

Today, the Asia Pacific region accounts for some 43% of our non-USA trade, compared to 34% for Europe. Five years ago the figures were reversed. Two-way trade with the region accounted for \$28.5 billion last year, compared to \$16.5 billion in 1983. During the first nine months of this year, Canadian exports to Japan were up more than 50% over the same period in 1987, our exports to China and to Hong Kong up by more than 100%. Last year two-way trade between Canada and ASEAN increased 33% to almost two billion dollars.

A full fifty percent of our immigration now comes directly or indirectly from Asia.

Investment from Japan, Hong Kong, Korea and Taiwan is growing rapidly. In the automobile industry, in resources, in pulp and paper, in electronics and advanced technologies. It results in more jobs, new technologies, and a more promising future for our children.

Japanese tourists have increased by some 450% over the past five years. They are the highest-spending visitors we have, and the numbers are likely to continue their extraordinary growth in the coming five years. And they will be joined by rapidly expanding numbers from the rest of Asia.

The Government is responding actively to the opportunities Asia offers Canada:

-- We have developed and implemented national strategies for managing our relations with Japan, China and India. Our goal is to focus the efforts of Ministers, Parliamentarians and officials on key objectives agreed with the provinces and the private sector.