

A regional grouping such as that forum should not be a threat to the global trading system. It was created - and should grow - because it offers a new opportunity - which has not existed before - to manage the challenges created by the region's economic dynamism and to anticipate threats to regional prosperity before they become crises.

The Pacific region needs a forum where trade and economic problems between the countries of the region and their Pacific Rim partners in North America can be addressed. And such a forum provides the potential for dialogue on other international issues, issues which can only benefit from discussion and an exchange of perspectives. That is why both John Crosbie and I are planning to attend the second Ministerial Meeting of Asia Pacific Economic Co-operation Forum in Singapore two weeks from now. And that is why John Crosbie will host a special meeting of Trade Ministers from these countries, focussing on the Uruguay Round, in Vancouver this September.

At the moment, this economic co-operation Forum includes Canada, United States, Japan, Korea, Australia, New Zealand and the six ASEAN countries. It is our belief that if the Forum is to reach its full potential, it must expand to include the other key economies of the region - particularly Hong Kong, Taiwan and China. The sooner such expansion occurs, the better.

I have talked about the requirement for a Pacific security dialogue and the requirement for a Pacific economic dialogue. In so doing, I have drawn on some lessons from the European experience, some comparisons and some challenges which that experience presents to the region. But the Pacific region itself offers some lessons for the rest of us.

The first relates to Asia's tremendous economic growth. East Asians have been practicing for decades the open market philosophy that others have been preaching. East Asians work hard, they save, they invest and they market aggressively. They are innovative. They are inventive. Their governments promote industrialization not through centralized five-year plans but through constant dialogue among all partners in society. There is a unique national consensus on the management of change, on responding to external challenges and on reaching common goals. All sectors of society contribute together - business, labour and government. And they contribute across the board, beyond the factory to educational systems and research and development activities.