

progressively from a set of non-binding principles to an agreed set of rules with appropriate dispute settlement provisions. More effort is needed to facilitate international private investment – a major source of growth in this region – and to reduce uncertainties and transaction costs of investment and investment-related trade. APEC economies could work toward a standstill on all measures that hinder investment flows among them while we work on a code.

Third, APEC economies could consider pursuing, in the short term, the elimination of export subsidies on agricultural trade in the region. In the longer term, a prohibition of all export subsidies in agricultural trade worldwide should be our common goal.

Finally, APEC countries could advance on trade standards. Since the Asia-Pacific region contains many of the world's leading high-tech firms, we might want to select one or two sectors, such as telecommunications, with the objective of reducing the negative trade and investment effects of differing standards within the region.

This is an ambitious agenda. So much so that some less optimistic observers have suggested that the APEC target dates for free trade are unrealistic. I take a rather different view – that the changes we see in Asia, as well as in the Western Hemisphere and Europe, have their own intrinsic momentum. Once free trade negotiations are underway, their momentum will likely accelerate.

The challenge for Canada is to be prepared for this remarkable transformation. This is not just a question of linking more effectively aid and trade, or of throwing more export credit at problems. Not only can Canada no longer afford this approach, but I have doubts as to its success over the past several years. Our policies, our initiatives and our activities must form aspects of a larger strategy. We must set realistic targets, outline our key objectives and evaluate dispassionately our results. We must sharpen our focus and target the delivery of our existing services to Canadian companies, especially the small and medium-sized, who are beginning to look beyond North America for export and joint venture opportunities. This means disseminating market intelligence more effectively; it means better co-ordination among federal departments and with provincial governments; and it means involving Canadian businesses and private sector organizations in setting objectives and planning operations.

We must look at how other aspects of government policy and operations might be better co-ordinated. We need to look at how our representation in the Asia-Pacific region might be adjusted, both to reflect our own emerging priorities and to encourage relations of yet greater sophistication with other countries in the region. We are exploring ways to develop more open, user-friendly Canadian missions, with facilities developed in partnership with a variety of stakeholders and designed to accommodate the full range