

My own government, for one, knows full well that such policies can only be pursued at some political risk. We are prepared to run these risks in Canada, as we did in pursuing a Free Trade Agreement with the United States, and will move ahead actively with our economic program of deficit reduction, privatization and tax reform, including the introduction of a new Goods and Services Tax. Our determination on the domestic economic policy agenda is matched on the international front, nowhere more than the Uruguay Round. Jim Baker said in Jakarta the other day that this is the biggest international challenge we all face this year. He was absolutely right.

I was struck by the statement in the Outlook that two-thirds of all exports originating in the PECC area found markets in that same area, and that as much as eighty percent of foreign direct investment received within the region originates in other PECC economies.

I know of no better argument in favour of the need for extensive macroeconomic and policy discussions than statistics such as these. That is why I would like to reiterate a proposal I made last week in Tokyo that the APEC consider the establishment of a Consultative Group of Economic Policy Experts which would look at problems of adjustment and growth and prepare recommendations for us at our future ministerial meetings.

Such policy reviews, along with continuing cooperation between the PECC Pacific Outlook and the APEC in the development of economic forecasting for the region, would greatly strengthen our understanding of the dynamics of the Pacific economy, and our ability to manage economic forces.

I will look forward to our discussions here this week.