

The third pillar, of course, is the dynamic Asia Pacific, centred on Japan. And the cabinet will soon be addressing our Pacific 2000 Initiative. This program will entail increased scientific and technological links through the Japan Science and Technology Fund; an aggressive trade promotion strategy; cultural and language studies to increase our knowledge of Asia, and a communications campaign to raise their knowledge of us, so Asians have a clearer picture of who we are and what we can do.

So that is how we intend to diversify our export markets, through:

- . a three pillar strategy geared to the megamarkets of Europe, the U.S. and a Japan-centred Asia Pacific;
- . with multilateral liberalization as the door to export opportunities;
- . and the bilateral free trade agreement with the U.S. as the key to our ability to compete both at home and abroad.

In negotiating terms, we wish to move from the Free Trade Agreement to the GATT. In psychological terms, we want Canadians to increasingly look beyond North America across the Atlantic and Pacific.

So far, I have focused on trade policy for the 90's. Yet we all know that in today's global economy, trade policy is more and more about investment and less and less about exports.

I believe that Canada will continue to rank favourably as an excellent host for foreign investment.

The FTA is certainly helpful in this regard, in that it addresses the problem of scale that has long been a deterrent to direct investment in Canada.

As Michael Wilson just discussed, we are also acting to ensure fiscal stability and a sound currency. And I stress the word act -- we are not simply assuming our problems away.

And we will shortly be replacing our antiquated manufacturers sales tax with a modern sales tax system that removes the current disincentive to locate production here in Canada and promotes our export competitiveness.

So that, in a nutshell, is our trade and investment strategy for the 1990's. Our tax, fiscal and trade policies are both coordinated and pragmatic. We do know what we are doing. And I am confident that we are making progress towards making Canadians first class world traders, and Canada a first class location for investment.