

One is the distribution of population, and the power that entails in a world transformed by technology.

Today, 50% of the world's population lives in Asia. In twenty years, that will be 70%. In other words, when Canadian kids in kindergarten go to university, 2 out of every 3 citizens of the world will live in Asia. And they will not be labourers, growing rice. They will be nuclear physicists, skilled entrepreneurs, highly-trained technocrats, great thinkers, great artists, inventors.

A second is the change in world power - not just the decline of relative strength of the superpowers, but also the greater relative strength of countries that are not superpowers. Associated with that are dramatic political changes. The most celebrated are in the Soviet Union. But dramatic changes are also occurring elsewhere. For example, the experiment, ten years old now, in China, of operating agriculture on market principles; the practice in Hungary of market socialism, recognizing the motive of profit; the gradual winding down of Soviet aggression in the Third World because Marxist-Leninism does not work in Mozambique or Angola or Ethiopia.

Another change is technology. Earlier systems operated in a known world - stable products, stable markets, ponderous communications, settled tastes. That is changing now, as traditional barriers go down, and technology makes everyone more inventive. And where are modern mass technologies taking hold most quickly? In South Korea, Japan, Taiwan, the ASEAN countries. And where is the adaptation most difficult? In developed countries, where simultaneously we must master new technologies, while helping old industries adjust.

Two immense economic developments raise questions for Canada. In Europe, the Commission has set 1992 as the target to establish an internal community economy. No tariffs or barriers among twelve countries and 320 million people living in that huge market. What does that mean for our country, with our link across the Atlantic?

A slower, equally important development is occurring in Asia, where most of the world's population is and will be, and where Canada's connections have been sporadic and sparse.

The vast markets of China are becoming more and more accessible, offering tremendous opportunities to Canadian businesses. The massive economic power of Japan is now being felt in terms of foreign direct investment, which last year reached \$33 billion. Japanese investment within Asia is boosting the economies of many Asian nations, and at the same time, increasing the dependency of these economies upon trade making them more outward-looking. What might that mean for Canada, sharing an ocean with Asia?