

We might consider a Pacific adaptation of the Conference on Security and Cooperation in Europe. One area for initial exploration may be the so-called "confidence and security-building measures", which contributed so much to the transformation of Europe since the Helsinki Conference.

Throughout the 1980s, the Soviet Union made numerous proposals in this area. Most were either propaganda or a search for unilateral strategic advantage. But given the transformation in East-West relations, perhaps it is time to return to the charge, to identify those proposals that have serious merit and to make serious counter-proposals.

Such measures could include information exchanges, military manoeuvre notification and Open-Skies regimes. And if the dialogue on conventional forces in Europe develops into a dialogue on naval forces, the Pacific ocean is an obvious locus of concern and action.

I have emphasized the linkage which exists between economic security and military security. But there are also issues in the economic field alone which need more regular discussion and co-operation, within some kind of institutional framework.

It is a truism today that the prosperity of every state depends on trade. For trade to grow, there must be predictability. There must be a sense that rules exist and that these rules will be honoured, in their spirit as well as their letter.

Unfortunately, in the Asia-Pacific region, some of the countries who profit from open markets in North America keep trade barriers at home. There are strong local pressures to protect local interests and industries. We understand why this happens. But we do not accept a situation that lets exports out of these countries move more freely than imports into them. That is why Canada has placed such great emphasis on success in the Uruguay Round of trade negotiations. We are looking for change not just in traditional tariffs and quotas, but also respecting new issues such as investment, trade in services and an improved system to settle disputes.

The Uruguay Round is important for other reasons as well. The Asian dynamo, the new free-trade area in North America and the integrating and expanding European market together present the possibility - and danger - of trading blocs. Groupings which may erase barriers within blocs but raise barriers between blocs.