

So where is Canada in all this? For Canada, does Asia really matter? And if it does, how are we responding?

It may surprise some of you that, of all the OECD countries, only Australia is more economically reliant on its relations with Asia than Canada. Our trade with Japan is more important to Canadians, than US - Japanese trade is to Americans or than European - Japan trade is to Europe. All trends suggest that the relative importance to Canada of our economic relations with the Pacific will, if anything, grow.

In 1989, our two-way trade with Japan may well top twenty billion dollars. That is roughly equal to what we trade with the whole European Community. Our trade with the Asia Pacific region as a whole will be somewhere around forty billion. That is not all wheat or potash. It includes highly sophisticated digital switching equipment, a technology that was, incidentally, developed here in Canada. Even in the relatively primary areas, an increasing proportion of our exports is at the higher end of the maximum value added possible for such products. Some of it comes from this region. Pre-packaged microwavable fish dinners for the Japanese household, prefabricated A-frames for house construction or pre-cut French fried potatoes all provide jobs here in Atlantic Canada. Virtually all of the capelin fish exported from Newfoundland go to Japan. A New Brunswick firm, Connors Brothers Limited, supplies almost all of New Zealand's sardine market.

Japanese, Korean and Hong Kong investment in Canada is growing more rapidly than investment from the United States and Europe. Some are often in surprising areas, such as the production of TV tubes for the Asian marketplace or the production of computer discs for North America and Europe. A portion of that investment can be found here in Atlantic Canada - in paper mills in New Brunswick, in fish processing plants or in window frame manufacturing in Newfoundland. Considering the massive pool of capital that exists in the Western Pacific, the potential for further Asian investment is enormous.

In scientific and technological cooperation with Japan, much has already been achieved. Canadian-Japanese co-operation in space has resulted in joint projects in remote sensing and space science. Today we are working together with Japan, in the US-led space station project. How many of you, I wonder, know that the toxin identified as the source of mussel poisoning in this Province was finally isolated with assistance from Japanese researchers working on a co-operative project under our bilateral science and technology agreement.