

infrastructure investment in the next decade alone just to sustain its continued growth.

Trade ties across the Pacific will expand enormously in the coming years, in part due to a decision made in November by APEC leaders to establish free trade and investment in the region by no later than the year 2020. As my colleague, International Trade Minister Roy MacLaren, noted to the Vancouver Board of Trade in January, the implications of this are nothing short of revolutionary: free trade between Canada and Japan in 15 years; free trade between Canada and China in 25.

With this rapid growth in trade and investment, it has been necessary to take some initial steps toward reconciling the different ways that legal and diplomatic issues in our commercial relations are handled in the West and in the East. For example, you will be well aware that in Western societies when commercial disputes arise between private businesses or between countries, they tend to be resolved through litigation or through other formal processes such as arbitration. I am sure, in fact, that commercial disputes have provided an enviable livelihood for many of you.

By contrast, among many of the Asian economies of this region, there is a tradition of resolving disputes in as non-litigious a manner as possible. This fundamental difference is reflected in the frequency with which the various Asia-Pacific countries have made use of the formal dispute settlement mechanisms of the GATT. I find the following statistics very revealing:

- from the founding of the GATT in 1947 to the end of 1993, the United States, Canada, Australia and New Zealand – four Asia-Pacific countries with Western cultures – initiated GATT dispute settlement procedures (formal dispute settlement consultations, plus dispute settlement panels) on 204 occasions;
- during the same 47-year period, all of the Asian countries in this region, taken together, used the GATT dispute settlement procedures only six times.

It is evident from these statistics that the Asian members of the region have shown a strong disinclination to make use of GATT dispute settlement procedures. Some have argued that this says something about the failure of the Western countries to integrate the Asian societies fully into the multilateral trading system of the GATT.

I believe that two developments will have a far-reaching effect on our relations with the Asian countries of the Pacific region in the field of trade law. The first matter that I would like to touch on is the creation of the WTO earlier this year, and the