

ASIA PACIFIC ALSO LOOMS LARGE IN THE CANADIAN BILATERAL DEVELOPMENT ASSISTANCE PROGRAM. OVER FORTY PERCENT OF SUCH ASSISTANCE NOW GOES TO THIS REGION. IN 1988 THIS TOTALLED CLOSE TO \$900 MILLION DOLLARS. OUR THREE LARGEST RECIPIENTS ARE IN THE REGION. THE SOUTH PACIFIC IS NOT NEGLECTED IN THIS. IN THE PAST TWO YEARS OUR ASSISTANCE TO THAT REGION HAS INCREASED DRAMATICALLY. IT NOW TOTALS \$10 MILLION DOLLARS ANNUALLY.

EARLIER, I MENTIONED THE SIGNIFICANT GROWTH THAT IS OCCURRING IN TRADE ACROSS THE PACIFIC. OF EQUAL SIGNIFICANCE IS THE GROWTH IN TRADE WITHIN ASIA PACIFIC ITSELF. THIS IN LARGE PART IS DRIVEN BY THE CASCADING OF INVESTMENT AND PRODUCTION FROM JAPAN TO OTHER COUNTRIES IN THE REGION.

TWENTY-FIVE YEARS AGO JAPAN'S HIGH LABOUR PRODUCTIVITY, LOW WAGES AND LOW DOMESTIC CONSUMPTION POLICIES UNDERCUT THE AGING INDUSTRIAL PLANTS OF THE THEN OECD COUNTRIES. SINCE THEN SIMILAR POLICIES HAVE BEEN ADOPTED BY OTHER COUNTRIES OF THE REGION, AND TODAY THEY ARE MOVING UP BOTH THE INDUSTRIAL AND TECHNOLOGICAL SCALES.

KOREA, TAIWAN, HONG KONG AND SINGAPORE HAVE ALREADY MOVED SIGNIFICANTLY UP THE ECONOMIC LADDER. AS A RESULT OF INCREASING COSTS AT HOME, ALL ARE NOW INVOLVED IN MOVING PRODUCTION TO OTHER COUNTRIES IN THE REGION. THAILAND, THE PHILIPPINES, MALAYSIA, INDONESIA, CHINA AND INDIA ARE ALL BENEFITTING FROM THIS PROCESS.

YOUR OWN TRADE STATISTICS TELL A SIMILAR TALE. FROM 1980 TO 1987 YOUR EXPORTS TO JAPAN HAVE GROWN 64 PERCENT AND TO THE FOUR ASIAN NICS BY 130 PERCENT.

IT IS OUR EXPECTATION THAT THIS ECONOMIC DYNAMISM WILL CONTINUE AND IN MANY INSTANCES ACCELERATE. IN DOING SO IT WILL CREATE THE LARGEST ECONOMIC AREA IN THE WORLD, AND THE ONE WITH THE FASTEST GROWTH RATE.