

When we respond to political events in China, the world takes notice. We have charted our own separate and independent policy including the decision twenty years ago to welcome the return of China to the international community.

What is happening in Asia today has led to a thorough reexamination of what we are doing as a country. Specifically we are equipping ourselves adequately for the century that many are calling the "Pacific century".

Let us look for a moment at the region that is alleged to own the century in which our children and theirs shall live.

Today the region represents more than half of humanity. With its current size and still significant birthrates, it could well contain the equivalent of the entire world's current population in little more than two decades. Not surprisingly it is the source of most of the world's migration, and a full fifty per cent of Canada's current inflow of immigrants.

Twenty years ago, Japan was the only Asian country among the world's top fifteen exporting economies. Today, Korea, Taiwan, China and Hong Kong have joined that list. Twenty years hence, these four "tigers" are likely to have achieved the European average in terms of industrial advancement.

Twenty years ago, we thought of Japanese radios and cars as cheap and functional. They lacked the quality and sophistication of North American products. Today, Japan is a major global automotive power, the world's leader in consumer electronics and the largest spender per capita in research and development into new technologies.

Twenty years ago, Japan was one of the World Bank's two largest borrowers. Today, Japan is the world's largest aid donor, and home to the twenty-one wealthiest financial institutions anywhere.

Twenty years ago, the Japanese Yen conjured up images of a weak and local currency. - a monopoly money without intrinsic value. Today, Japan is the world's banker. It out-invests any other country and builds up massive currency reserves unmatched in history.

Japan is not alone among Asian powerhouses. Korea is spending massively on science and technology. Some of its largest firms spend a full twenty per cent of their overall expenditures on research and development.