

Of course, part of our economic future depends solely on the American market, the Pacific rim, and a single European Market in 1992. But it does not stop there. The developed world market is becoming saturated. The demand is not unlimited and the supply is becoming excessive. New markets are needed - we must seek new consumers, new traders, new demand for our products.

That market can be found in the developing world. Look at the facts. From 1970 to 1985, developing countries have more than doubled their share of world exports of manufactured goods. They account for 25% of all world trade. Output in these countries is rising at about 1 1/2 times the rate of industrial economies. By the year 2000, about 84% of the world's population will reside in developing countries. By the year 2025, there will be 400 cities in the Third World with a population in excess of 1 million. In India alone, by the year 2005, there will be an additional 250 million consumers in its middle class - larger than the current population of the United States. That is a market of huge potential.

So too is the Latin American market. In the year 2000, that region will represent 600 million potential consumers. If Latin America can overcome its problem of debt and development, the potential for Canadian investment and trade is staggering.

Our competitors are already trading with the developing world in a big way. 30 to 40% of German exports go to developing countries. Roughly the same is true for Japan and the USA. Only 10% of Canada's exports go there. We are behind and have to catch up.

Canada pays a direct price when third world economies are weak - a price in Canadian jobs and Canadian markets. Poor countries cannot buy Canadian goods. From 1981 to 1987 - just six years - Canada lost \$24.2 billion in exports to countries that used to buy from us, but cannot now, because of debt, or drought, or low commodity prices, or high energy costs. That \$24.2 billion represent 130,000 jobs in Canada. If we can't manage the problem of international debt, an added 200,000 jobs will be foregone over the next ten years.

So it is a question of jobs lost, markets forgone as a result of poverty in the developing world. It is also a question of potential for growth. Underdeveloped countries do develop and become markets for Canada.

The Pacific rim is full of countries which were the developmental basketcases of the past. Now these countries are not only becoming major economic players. They are also becoming important traders with Canada.

Look at Thailand. From a poor, under-developed society torn by war in Indochina, it has become a dynamic and resilient economy over the last three decades. From the beginning in the 1950s, Canada was an active donor of aid.