

thereby easing their debt burden. But a second benefit would be lower budgetary deficits in North America through the lowering of wasteful subsidies. And that, in turn, would surely have a beneficial impact on interest rates, which would ease the debt servicing costs of LDC's even further. Combine meaningful progress on trade with a credible U.S. fiscal policy, and one has the foundation for growth into the 90's.

If agriculture is one critical issue, another is the need for disciplines on national trade laws governing alleged subsidies and dumping - laws which, when abused, threaten to undo much of the benefits of past tariff reductions. For our part, we have done a great deal of work on this subject, and I am pleased to be able to release our multilateral position today. Our primary objectives in this area are:

- . to seek improved disciplines on subsidy practices;
- . to add greater precision to rules and procedures;
- . to obtain clear multilateral understanding on acceptable government programs that are non-trade distorting; and
- . to establish a better dispute settlement process.

It is my hope that other nations will find Canada's position compelling, both in terms of logic and practical effect.

So, one Canadian action will be the creation of External Affairs and International Trade Canada; and a second will be a continuing focus on the Uruguay Round. That leads me to a third action - our trade development strategy to seize the opportunities in freer global trade.

We call it our three pillar strategy - geared to the megaeconomies of the United States, the European Community and Asia Pacific.

In other recent fora, I have outlined our approach to the 1992 initiative of the European Community and our U.S. export development plan.

Today, I would like to focus on our Pacific front.

As Prime Minister Mulroney declared during the recent election campaign, we intend to implement a Pacific 2000 Initiative to ensure Canada is front and centre in the dynamic theatre of the Pacific Rim.

Today, the volume of Trans-Pacific trade between Asia and North America exceeds \$300 billion a year. By the turn of the century, that trade will likely exceed \$500 billion.

By that time, Pacific Asia will contain 60% of humanity, 50% of global production and 40% of global consumption.

Clearly, it is high time that Canada developed our own Pacific personality. And we intend to do just that.

We will be strengthening our scientific and technological base through active partnerships;