

THE WORLD IS CHANGING, AND NOWHERE IS THAT CHANGE OCCURRING AT A FASTER RATE THAN IN ASIA PACIFIC. THE FUTURE REQUIRES THAT WE BECOME CLOSER ECONOMIC PARTNERS IN ORDER TO ENSURE THAT OUR COUNTRIES BENEFIT FROM THESE VAST CHANGES.

BY THE TURN OF THE CENTURY FUTURISTS TELL US THAT ASIA PACIFIC COULD WELL BE THE ECONOMIC MOTOR FOR THE WORLD. ALREADY THE REGION HAS OVER SIXTY PERCENT OF THE WORLD'S POPULATION AND BY THE YEAR 2000 THAT WILL BE CLOSE TO SEVENTY PERCENT. BY 2000 ASIA PACIFIC WILL PRODUCE OVER FIFTY PERCENT OF THE WORLD'S GOODS AND IT WILL CONSUME OVER FORTY PERCENT OF GLOBAL PRODUCTION. TRANSPACIFIC TRADE WILL THEN ACCOUNT FOR SOME SEVENTY PERCENT OF WORLD TRADE AND JAPAN'S TRADE WITH THE NEWLY INDUSTRIALIZED ECONOMIES COULD WELL BE GREATER THAN THAT BETWEEN THE UNITED STATES AND EUROPE.

CANADIANS CONSIDER THEMSELVES PART OF ASIA PACIFIC. NOWHERE IS THAT MORE EVIDENT THAN AMONG THE NEW IMMIGRANTS COMING TO CANADA. ASIA PACIFIC IS NOW THE LARGEST SOURCE OF NEW CANADIANS. LAST YEAR FIFTY PERCENT OF ALL IMMIGRANTS CAME TO CANADA, EITHER DIRECTLY OR INDIRECTLY, FROM THE COUNTRIES OF ASIA PACIFIC. WE EXPECT THAT BY THE YEAR 2000, THERE WILL BE TWO MILLION CANADIANS WITH ORIGINS IN ASIA PACIFIC.

EQUALLY OUR TRADE WITH THE COUNTRIES OF ASIA PACIFIC HAS GROWN DRAMATICALLY IN THE PAST TEN YEARS. IT IS NOW IN EXCESS OF THIRTY SIX BILLION DOLLARS. OF OUR FIVE LARGEST NON-UNITED STATES MARKETS, THREE - JAPAN, CHINA, KOREA - ARE IN ASIA PACIFIC. ASIA PACIFIC NOW ACCOUNTS FOR FIFTY PERCENT OF OUR NON-UNITED STATES TRADE, UP FROM ONLY A THIRD, FIVE YEARS AGO.

AS WITH NEW ZEALAND, JAPAN IS AN IMPORTANT AND GROWING INVESTOR IN CANADA. IT NOW HAS IN EXCESS OF FOUR BILLION DOLLARS IN DIRECT INVESTMENT AND OVER THIRTY BILLION DOLLARS IN PORTFOLIO HOLDINGS IN CANADA. JAPAN HAS BECOME THE LARGEST SINGLE OFFSHORE HOLDER OF CANADIAN PUBLIC DEBT.