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crucial part in fostering the growing prosperity I described a moment ago as an essential element of peace and stability.

I think you will agree that, if we add up the elements of the complex situation in the Pacific area, we do not get a well-defined picture. The long-range intentions of some of the players are not clear, and unfavourable developments in the world economic situation could make attempts to encourage economic development more difficult. However, there is some ground for hope that all of the parties concerned have an interest in maintaining the current equilibrium.

Clearly, in a climate of cautious hope along with an enduring measure of uncertainty, it is to our mutual advantage to keep in close touch on questions affecting events in the Asian and Pacific region. I consider that my current round of talks with Foreign Minister Peacock and his cabinet colleagues serves the useful purpose of expanding this element of our bilateral relations. As I see it, there is room for greater co-operation in the development of our respective policies towards the Asian and Pacific region and we might well find it beneficial to use our existing links more intensively to do so.

Such co-operation can also stand us in good stead in multilateral forums, and, indeed, I think we have an excellent record of consultation and co-operation. Perhaps two examples will serve to illustrate this point.

At the Law of the Sea Conference, we are now wrestling with issues that are among the most difficult and the most controversial that the international community has ever faced. As major coastal states with vast continental shelves, Australia and Canada have many interests in common, and we share a similar outlook on many of them. Our two delegations have co-operated closely to work for acceptance of new concepts, such as the economic zone, the rights of coastal states with respect to the continental shelf, and the regime that should govern the deep sea bed. Such co-operation has been greatly facilitated by the easy and informal channels of communication that, happily, are so much a part of the fabric of our relations.

We can, and do, draw on this same mutual understanding in connection with another set of crucial negotiations in which our two countries are involved. I am referring, of course, to the Conference on International Economic Co-operation. As you may know, Australia and Canada are represented on different committees, and we work together closely on the many questions that are of fundamental interest to us. In view of the important decisions that face us in the CIEC, and my own efforts together with my fellow co-chairman, Dr. Perez Guerrero, to

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