

towards bringing China into a more constructive relationship with the world community". (p. 24). Subsequently, negotiations proved successful and ambassadors have been exchanged. The modest statement of the Government's hopes was appropriate; Canada could not aspire to any grand mediatory role, and the agreement with Canada was certainly more a result of a new Chinese approach than a cause. However, it is noteworthy that, in spite of China's new bilateral and multi-lateral initiatives, Canada is still the only developed nation of the Pacific region which enjoys the full range of interstate relations with China. As others work gradually to remove the barriers to communication and understanding, there may be numerous ways in which Canada, with open lines of communication to all these powers, can help. Such a role, the Committee believes, may represent a significant contribution that Canada can make in the normalization of great-power relationships and thus in the achievement of a more stable equilibrium in the Pacific.

134. The Canadian Government does not envisage any extensive military involvement, direct or indirect, in the Pacific region. As the Minister of National Defence, Honourable Donald Macdonald, told the Committee about Canada's general foreign policy objectives in the Pacific:

We believe the best way for Canada to enhance both its own aims and at the same time help the Asian countries achieve their goals of increasing their prosperity and raising the standard of living of their people is by increasing the level of trade and investment, and by development aid. The Government, therefore, . . . has given priority to our economic and political relations with the Pacific countries. (8:5)

135. The Committee agrees with these priorities, and particularly with the emphasis on development assistance as a constructive attack on the deep-rooted causes of social and international tension. While economic development provides no short-term assurance of stability, severe underdevelopment can only lead to continuing misery and conflict. The Committee therefore considers that development assistance is an urgent necessity for peace and stability in the Pacific, and one which is well-suited to Canada's interests and capabilities, especially in view of the flagging interest and commitment of some other donor countries.

136. In his testimony, Mr. Macdonald also stated:

While the Government feels that . . . Canada neither can nor should engage in large scale military participation in the Western Pacific in the present circumstances, there are various things that the Department of National Defence and the Canadian armed forces can usefully do to make some contribution both to the stability of the area and to the furtherance of our foreign policy objectives. (8:5)

137. The Minister added, however, that "the Government has concluded that at the present time it is not in the Canadian interest to seek to participate in the various multilateral or bilateral security agreements in the Pacific. We do not, in other words, propose to enter the Australia, New Zealand, United States (ANZUS) pact, or the South-East Asia Treaty Organization (SEATO), or the Five Power Defence arrangements, or any . . . bilateral military alliance, with a Pacific country." (8:6) On the basis of its study, the Committee concurs with this "basic conclusion" of the foreign policy review.