

members could help towards a negotiated settlement of the Vietnam conflict.

I think that the reasoning which lies behind such proposals is quite unsound. It is essential that a balance of power be achieved by the nations of the area and by nations already deeply involved in the security and well-being of that part of the world. It is also essential that a balance which is quite possibly in the making within the next year or two should not be prejudiced by a wider and wider involvement of nations likely to make the central problems of Far Eastern affairs even more difficult to solve.

It is because we see some prospects of an eventual settlement which recognizes the realities - military, political, economic - in the Far East that we consider it particularly important to maintain all the efforts which I have already described to facilitate a negotiated settlement of the Vietnam conflict....

OTHER ASIAN DEVELOPMENTS

When Indonesia first instituted its "confrontation" of Malaysia, Canada deemed it advisable to come to the aid of its Commonwealth partner with offers of military equipment and training facilities designed to help Malaysia preserve its territorial integrity. We now welcome the end of this wasteful and destructive confrontation which will enable both Indonesia and Malaysia to exert their influence on behalf of peaceful progress in Asia. Further to the north, the signing of the Normalization of Relations Agreement by Japan and Korea has removed another source of friction.

Many of the smaller countries of Asia have achieved remarkable rates of economic growth. Despite the unsettled conditions in the area, the development of the basin of the lower Mekong is proceeding at an encouraging pace. The establishment of the Asian Development Bank, more than half of whose capital of \$1 billion has been subscribed by the regional members of ECAFE, will provide a solid base for the accelerated development of the region. The recent establishment of the Asian and Pacific Council joined together nine Pacific countries in an effort to achieve greater co-operation and solidarity in political and economic fields. Although the participants announced their intention to safeguard their national independence and integrity against any Communist aggression or infiltration, they made clear their desire to avoid any further polarization of Asia into Communist and non-Communist groupings.

Canada, in every appropriate way, is making substantial contributions to the process of building a stable and self-reliant Asia. Canadian contributions under the Colombo Plan alone have totalled more than \$500 million. Canada has just ratified the agreement setting up the Asian Development Bank and, as a

charter member, we have subscribed \$25 million. We have participated in the Mekong basin project from its inception, and have only recently pledged \$2 million to the Nam Ngum hydro-electric project in Laos. It was in the light of the importance that we have always attached to regional developmental programmes of this nature for their contribution both to economic progress and to increased stability, that we welcomed President Johnson's billion dollar co-operation regional development programme for Southeast Asia, and said we would play our full part.

All these developments, political and economic, contribute to the elimination of the splintering of the countries of the Pacific area which has made them so vulnerable to outside pressures. It is possible to see, in addition to increasing international co-operation in Asia, the emergence of an economically strong and prosperous Japan in an active diplomatic role and the creation of a wholesome balance of power which hitherto has been possible only as the result of United States commitments.

CANADA-JAPAN RELATIONS

Canada and Japan see eye to eye on many of the problems which the Pacific powers face today. I like to think that the excellent relations that we enjoy are a good example of the concrete results which can be achieved by the pattern of close consultation which has been built up between our two governments in recent years. Early in October we will be having talks in Ottawa with five Japanese cabinet ministers on the occasion of the fourth meeting of the Canada-Japan Ministerial Committee. These consultations enable us not only to deal with bilateral problems but to increase our co-operation in Colombo Plan development programmes and to act together in international situations to our mutual benefit.

It is this kind of co-operation which I hope we will see develop amongst the countries of Asia, all of which must eventually assume primary responsibility for the peace and stability of their own area. India, Pakistan and Indonesia will be important factors in this new Asia. It is for this reason that Canada has been so concerned to encourage the peaceful settlement of the disputes which have had such adverse effects on the economic progress these countries must make to take their rightful position in the Asian scene.

We are confident also that links between Asian and other members of the Commonwealth, the active roles of Australia and New Zealand, the important influence of France, in Asia (and we share with France a real interest in nations retaining close associations with French culture) will all contribute to the development of those conditions of stability which the world desires....

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