

The Canadian government also faces constraints at home. A serious problem of indebtedness increasingly limits the Government's ability to engage abroad as well as at home while Canadian society faces a growing problem of structural unemployment and underemployment. Members of the Forum felt strongly that the Government must make more efficient use of its resources and get its economic house in order as it pursues its objectives in the global community.

Participants in the Forum also emphasized that foreign policy is no longer the domain only of governments but of broad sectors of society that engage actively in international activity. Greater participation has been made possible by new information technology and a sense of shared affinities across borders.

Business and professional associations, aboriginal peoples, and non-governmental organizations, among others, are all active participants in our international relations. The complex network of transnational relationships between Canadians and people in other societies creates a much broader arena for Canada's international relations.

Members of the Forum identified a second paradox. Even though international relations have broadened, the institutional capacity of the Government to manage new relationships has not kept pace. Government is limited by fiscal constraints and a lagging institutional response at home. Government is consequently often seen as unresponsive and ineffective.

Forum participants emphasized that these constraints must be recognized but not exaggerated. Canadians have a wealth of resources that they can use to engage in international and transnational activity. Canadians are looking for new kinds of foreign policies. Forum members urged the Government to mobilize domestic and non-governmental institutions and to co-ordinate human, intellectual, scientific, and social capital as well as financial, political, and military resources to make Canada's international relations more effective and efficient.

2. *Active Engagement in the New International Environment.* Participants in the Forum insisted that the benefits to Canada of active participation in the global system are potentially enormous. The traditional distinction between foreign and domestic policy is no longer meaningful as the international system increasingly shapes our daily lives. Canada's economic prosperity, cultural distinctiveness, environmental sustainability, and military security depend, to a greater extent than ever before, on Canada's capacity to engage successfully in the global system.