

States, with the advantages and difficulties it presents, underlies much of the discussion throughout the general paper and is returned to frequently in the sector papers. A forecast of prospective power relations and conflicts in the seventies, set out in Chapter IV, suggest that the United States will continue to hold a dominant position among Western nations and that the relative stability of the last 20 years is likely to continue, since the United States and the Soviet Union both seem convinced of the need to avoid nuclear war. Within the terms of this general statement, the paper outlines the dynamic changes that are taking place in the power relationships within the two blocs, between them, and the potentially disruptive effect of the emergence of China as a major power. The continuing effect of conflicts such as those in the Middle East and Indochina is discussed, as is the development of a sense of unity and identity among Latin American nations and among many of the nations in the Pacific basin.

The rapid changes in today's world, the complexity of relations and the kaleidoscopic context in which foreign policy aims are pursued necessitated a thorough examination of fundamental assumptions and the systematic consideration of policy in a comprehensive conceptual framework. This framework developed as the review proceeded. Simply stated, the Government concluded that national aims and interests should be through terms of six policy themes: fostering economic growth; safeguarding sovereignty and independence; working for peace and security; promoting social justice; enhancing the quality of life; ensuring a harmonious natural environment. Looking at basic national aims in the light of these policy themes, the Government decided that the foreign policy pattern for the seventies should be based on a ranking that gives relatively higher priorities to economic growth, social justice and quality of life. This does not mean that the other policy themes would or could be neglected. The question is one of priority. International or domestic developments could bring about urgent and radical readjustments of these priorities.

The paper records the Government's decision to reorganize Canada's representation abroad in the light of the new conditions of the seventies, to make it fully effective in the pursuit of Canada's aims and interests.

In considering this paper, Canadians will be asking themselves what kind of Canada they want in what kind of world. Canadians will be thinking about such questions because Canada's foreign policy must in the end depend on what kind of country Canadians think Canada is, or should be in the coming decade.

THE PACIFIC

The Government's intention to enlarge its interests and activities in the Pacific was made known from the outset of the policy review. The Pacific sector study is largely concerned with ways and means of doing this effectively. The study notes measures

already taken by the Government, such as the opening of negotiations with Peking for the establishment of diplomatic relations, and outlines future intentions for increased aid and development assistance.

A major emphasis is on the prospects for expansion of trade relations. The Pacific area is Canada's third largest market and third largest supplier. With a vast and varied potential it offers great challenges and opportunities for the growth of trade and investment. Western Canada enjoys a favoured position in this economic exchange. Of the 54 principal Canadian commodities selling in Japan, for example, no fewer than 48 are of Western Canadian origin.

LATIN AMERICA

The Government has stated its intention that Canada should accept its full responsibility as a part of the Western Hemisphere and as an American nation. This paper examines the means whereby this responsibility should be discharged. It sets out the Government's option — to undertake a set of co-ordinated programs designed to strengthen systematically Canadian links with the Latin American countries while at the same time playing a larger part in the inter-American system without becoming a full member of the Organization of American States in the immediate future. A series of programs for the strengthening of bilateral ties with Latin American countries is set out in Chapter IV. These include increased development assistance, incentives for greater trade and investment and enlarged technical, scientific and educational exchanges. Canada's relation to the Organization of American States is discussed in Chapter III.

EUROPE

The expansion of Canada's activities in the Pacific and Latin America does not imply any lessening of Canada's traditional and active involvement in Europe. Canada values as never before its relations with the Western European nations in terms of cultural and scientific exchanges, collective security, trade and investment; as a source of skilled immigrants and for the diversification of relations it offers to a country faced with the predominant power and influence of the United States. The dynamic changes in Europe, both Eastern and Western, present challenges and opportunities that must be met if full advantage is to be taken of Canada's historical connections with Europe.

INTERNATIONAL DEVELOPMENT

The Government acknowledges that international development is a long-term commitment requiring a steady and increasing flow of resources. To provide this stability and to recognize the priority of the development assistance program, the Government will endeavour to increase each year the percentage of national income allocated to official development assistance. In the fiscal year 1971-72 the level of