
will continue to emerge, not only as a regional but also as a global power in every respect. The Asia-Pacific Economic Cooperation (APEC) forum is becoming an important focus for cooperation around the Pacific Rim. Latin America and Central and Eastern Europe are also becoming centres of gravity as their economies and political cultures modernize. The potential of Russia as a major partner in the world system must also be factored into the picture.

International relationships - bilateral and multilateral - must also change.

- In the new international system of shifting political and economic power, countries cannot rely on rigid adherence to only traditional relationships with old partners. Bilaterally, good relations with old friends will remain very important, but, increasingly, partners will choose each other to attain specific objectives or to reflect diversity in pursuing new long-term prospects. Variable alliances will increasingly become a pattern in international relations.

Similarly, countries are reassessing their approach to multilateralism, becoming much more tough-minded. Many, including Canada, are dedicated to strengthening the system. However, none can take for granted that institutions will respond effectively to the challenges before the world community unless the political will of their members is fully engaged. Moreover, in a tight international fiscal climate, no institution will be immune to pressures to demonstrate the value that it adds to the affairs of its members. Some institutions, like the United Nations (UN), need reform to bring them in line with new realities. Others, like the World Trade Organization (WTO), are already oriented in dynamic new directions.

The new regionalism is both an opportunity and a challenge.

- The rise of regional organizations provides new fora for countries to pursue their foreign policy objectives. Historically, Canada's emphasis on multilateralism has rested, among other reasons, on an understanding that this approach would help limit the scope for major powers to act unilaterally. Multilateralism, in its evolving forms, remains a priority for Canada, but now we can also capitalize on our own identification and partnership with several regions to achieve our objectives.

Each major regional grouping has its own characteristics. The EU is deeply engaged in building political and security co-operation as well as in the continuing process of economic integration. The countries of the Asia-Pacific region are only beginning to discuss security collectively, but they are making significant progress