

That's one aspect of our foreign policy. In a sense, I'll come back to that in a few moments, but I want to go on to talk to you largely about something else.

The capacity of nations to survive or prosper is conditioned in large part by two factors: their understanding of conditions and events in the world beyond their borders; and their flexibility to fashion their institutions and policies to make survival possible in the world at large. Today, I want to discuss with you the significance of these principles for Canada in the eighties and to suggest a set of policies that might more effectively serve us in this period of radical change. I want, in particular, to deal with ways in which the public and private sectors of the Canadian economy might begin to think and to proceed in a thrust to revitalize economic development at home and abroad.

The first prerequisite -- understanding the dynamics of change and influence in the world of the eighties -- takes us, of necessity, beyond the patterns that have prevailed since the end of the Second World War, to an analysis of things as they really are in this decade and at least through to the end of this century. As you know, for Canada those patterns of economic relationships have had a number of rather clear characteristics -- our outward-directed perspective in developing trade relationships throughout the world, our diligence in developing export markets for the riches of our resource base, and our use of multilateral instruments to try to ensure the stability and growth of the world.

Our efforts have met with considerable success if our affluence and growth over the years are reliable criteria. But the degree to which we can continue down that path in a quite different and less stable world -- as really the events of the last year have well illustrated -- is open to question. Our efforts exerted in cooperation with other nations and the international institutions generally have borne some fruit in shoring up the stability so necessary for an international trader like Canada, even if we can't claim 100 per cent success.

But I believe that our national self-interest now calls for a new look at the conditions in which we have to do business and at the relationship between business and government in Canada in the years ahead. Put more bluntly, I believe there's a very different world out there than the one in which we've traditionally worked to advance our