

Brandt's *Ostpolitik* were the FRG-USSR treaty and trade agreement, the FRG-Polish treaty, and the basic treaty between the Federal Republic of Germany and the German Democratic Republic, paving the way for their more active participation in international affairs. Other notable developments were the four-power agreement on Berlin, the opening of multilateral consultations on the Conference on Security and Cooperation in Europe (CSCE) and the agreement to hold exploratory talks on mutual and balanced force reductions (MBFR) in Central Europe.

One of the major vehicles for the movement toward *détente* in Europe has been the North Atlantic Treaty Organization. The alliance, which was formed primarily to deal with the threat of Soviet military expansion, has now become the main coordinating mechanism of its member governments in their preparations for the CSCE and the talks on MBFR.

### **Economic and monetary problems**

The need for a reform of the international monetary system is becoming more acute, particularly in the light of the weakening of the dollar and United States' attempts at corrective measures which, in turn, have significantly affected trade relations with Canada, Japan and the EEC. The numerous currency crises, parity changes and "floats" during 1972 signalled the effective end of important elements of the Bretton Woods monetary arrangements set up in 1946, and the necessity to devise a new reserve currency and adjustment system to correspond to changing economic realities. The major trading nations agreed to open in 1973 a new round of multilateral negotiations to reduce barriers to trade which, if successful, could improve the climate for progress in other areas. Although the Third United Nations Conference on Trade and Development held in Santiago in April and May tended to underline once more the wide disparities between rich and poor, agreement was reached to associate the developing countries with the negotiations on trade and monetary reform.

While the major trading nations are attempting to resolve the question of currency realignment, glimpses have appeared of a new type of problem which may in the future have even greater impact on international

relationships. The steady increase in the consumption by industrialized states of raw materials, including fuels, has begun to lead to concern about future price trends and availability of supply, a development with important implications for relations between raw material producers and consumers.

### **Environment**

The year 1972 witnessed the holding of the United Nations Conference on the Human Environment at Stockholm, the first world congress of its kind. There was general acceptance there of certain principles to govern international behaviour affecting the environment, and UN machinery was created to follow them up. Despite the differing priorities which states attach to action in this field (depending on their views of the costs and responsibilities involved), it seems clear that the need for increased international cooperation for the better management of planet earth is recognized by all governments.

### **Canada and the world scene**

Canadian foreign policy is the extension of national policies abroad, subject of course to the restraints imposed by the international community and the negotiation of differences with other governments. Its principal aim is to preserve for Canadians the essential independence of action and expression that will enable Canada to survive, to grow and to make its own contribution to an interdependent world. Some important secondary aims which contribute to this primary goal are the safeguarding of national territory, coastal waters and natural resources, the reduction of barriers to trade, the promotion of arms reduction and control, the protection of the human environment through international cooperation, the regulation of foreign investment and the improvement of the quality and management of development assistance. The fulfilment of these objectives is qualified both by political opportunities and constraints which may present themselves at any given time and by Canada's own physical capacities, limited by developments in the world economic system into which the Canadian economy is closely integrated.