

the Communist countries, it is no longer true to say that the Communist world is monolithically and implacably hostile to us.

Economic and social development continues to pose a major international problem, and it will increasingly engage the initiative, energy and resources of the world community far into the future. The essential needs of the developing countries require a vigorous, comprehensive and co-ordinated response from all the organizations, agencies and individual nations seeking to alleviate the areas of want in the world. The realities of this North-South relation are such that humanity as a whole cannot rest easy until a steady and solid progress toward a better balance between "have" and "have-not" nations has been assured.

TECHNOLOGY OUTDISTANCES POLITICS

The international institutions and methods which have been adopted for dealing with the demands of the contemporary world situation have to be brought into closer alignment with actual developments, and especially with the revolutionary desires of rising generations in all parts of the world. If man is to become the master rather than the victim of his restless genius for material progress he must radically reduce the distance between his ever-advancing attainment in science and technology and the rather sluggish evolution of international instruments for maintaining political and economic order.

All round the earth, nations suffer the nervous exhaustion of living in an atmosphere of armed threat. It is risky enough that two super-powers, armed even now for "overkill", continue their competition for the most advanced weaponry. It does not help that secondary powers have embarked on nuclear-arms programmes. But, even if it becomes possible to contain the nuclear competition, the world will still have to face what almost amounts to an unrestrained, and perhaps uncontrollable, traffic in conventional arms of all kinds which far from adding to security, tend to induce insecurity and increased tension.

In most of these international contexts, China continues to be both a colossus and a conundrum. Potentially the People's Republic of China poses a major threat to peace largely because calculation about Chinese ambitions, intentions, capacity to catch up, and even about actual developments within China, have to be based on incomplete information — which opens an area of unpredictability. Mainland China's exclusion from the world community stems partly from policies of non-recognition and of seeking to contain Chinese Communism through military means, and partly from Peking's own policies and problems. Yet most of the major world issues to which I have referred will not be resolved completely or in any lasting way, unless and until an accommodation has been reached with the Chinese nation.

FOREIGN POLICY REVIEW

Those are the broad lines of the international environment in which Canada finds itself today. What are we proposing to do about it? We are going to begin with a thorough and comprehensive review of

our foreign policy which embraces defence, economic and aid policies. Policy review is part of the normal process of any Government, but we wish to take a fresh look at the fundamentals of Canadian foreign policy to see whether there are ways in which we can serve more effectively Canada's current interests, objectives and priorities....

We as a Government must discharge our duty to the people of Canada in meeting the needs of national security. In the narrowest sense, this could mean the strengthening of North American defence arrangements in a manner calculated to safeguard our national sovereignty and at the same time to make the best use of resources allocated to national defence. But the defence strategies of our time are neither static nor restricted in scope. NATO and NORAD, though not linked organizationally, are complementary in their strategic importance and implication. They are an integral part of the delicate balance of power for which the peace of the world has rested during a long and difficult period. We shall take a hard look, in consultation with our allies, at our military role in NATO and determine whether our present military commitment is still appropriate to the present situation in Europe. We shall look at our role in NORAD in the light of the technological advances of modern weaponry and of our fundamental opposition to the proliferation of nuclear weapons.

STRENGTHENING INTERNATIONAL TIES

Canada continues to have a very large stake in Europe, perhaps not so much in the military sense of two decades ago, but in political, commercial and cultural terms. We have been fascinated and greatly encouraged by the marked improvements in the political and economic situation in Europe as a whole, in both the Eastern and Western sectors. It seems almost axiomatic that, far from relaxing them, Canada should seek to strengthen its ties with the European nations whose many and varied cultures contribute so much to our own. We should seek to join with them in new forms of partnership and co-operation in order to strengthen international security, to promote economic stability on both sides of the Atlantic and in other regions of the world, to balance our own relations in the Western hemisphere.

We have a major aim of maintaining mutual confidence and respect in our relations with the United States. We have to sort out the dilemmas which that complex relation poses for us so as to widen the area of mutual benefit without diminishing our Canadian identity and sovereign independence.

We have to take greater account of the ties which bind us to other nations in this hemisphere — in the Caribbean and Latin America — and of their economic needs. We have to explore new avenues of increasing our political and economic relations with Latin America, where more than 400 million people will live by the turn of the century and where we have substantial interests.

We accept as a heavy responsibility of higher priority Canada's participation in programmes for the economic and social development of nations in the developing areas. We shall be exploring all means of