

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.

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.

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.

Our approach will be pragmatic and realistic - above all, to see that our policies in the future accord with our national needs and resources, with our ability to discharge Canada's legitimate responsibilities in world affairs.