

which is further complicated by the high degree of structural disparity between the stronger and weaker economies of the region. Moreover there has been considerable disappointment with the limited success achieved to date by the European Community institutions in coming to grips with the question of economic and political union, including the holding of direct elections to the European parliament.

These shorter term trends and developments have made it even more difficult than previously for governments to accommodate in sufficient measure the rising expectations of their citizens and have exacerbated strains in the political fabric of a number of Western European countries. This is particularly true of the countries situated on the northern shores of the Mediterranean. These countries, with the exception of France and Italy, are not yet fully industrialized, and are all what can best be described as societies in transition. The pressures generated by the need for rapid development and modernization in these already essentially fluid societies are further heightened by setbacks in the development process. Moreover these countries have been ruled, for varying periods, by governments that have not been notably responsive to changes in society or in the general world environment. In at least one of these countries, Italy, it is possible that Communists will sooner or later be admitted to participation in the government in one form or another. This is a prospect that is certainly going to have repercussions on the broader European scene and on the functioning of such institutions as NATO and, perhaps to a lesser degree, the European Community. It is not a prospect to which Canadians can be indifferent, and indeed I had occasion to speak of it publicly some weeks ago. The essentials of the Canadian position are that we have a vital interest in the maintenance of the democratic and parliamentary structures and principles of the societies and governments of Western Europe; at the same time, we are strongly attached to the principle of non-interference in the domestic affairs of other countries. We respect the internal political evolution in each country.

There are, then, issues and problems in Europe about which we have real concern. However, I think we can hold to a view of reasoned optimism. Even in Southern European countries which are affected by potentially disruptive forces, it can be maintained that a substantial degree of change is long overdue, and may well be a sine qua non of stability and measured progress in the longer term. Some of the difficulties which Europe as a whole faces at the present time are difficulties which we face ourselves: to a significant degree they spring from a trough in the business cycle. But it is a matter of encouragement to us that even in these adverse circumstances,