

attempting, therefore, to free ourselves from a set agenda this year. It is for the same reason that the meetings are being held in the relative seclusion of Montebello.

Economic instability

The most fundamental problems we are up against at the international level are tied up with the instability of our economic and political environment. And the management of the various economies of the industrialized world is not the least of those problems.

Right now, the western industrialized nations must cope with slow rates of growth, high levels of unemployment and rampant inflation. On top of that, due to the variation in the exchange markets, in recent weeks the European currencies suffered unprecedented devaluations as compared with the American dollar.

That devaluation of European currencies, coupled with the over-all increase in interest rates, adversely affects the economic growth of several countries which will take part in the summit. It is now feared that the expected economic upturn may be delayed at least until early 1982.

Certain participants in the summit, including Canada, are worried about the negative international spin-offs of the American domestic policy and about its consequences on interest rates for instance. The role of the summit is to ensure that the various national policies aimed at common objectives are not incompatible and counter-productive. Any action by a country must be undertaken while keeping in mind its impact on other nations. That implies first an awareness of the economic and political situation of the partners and then a decision to co-ordinate the efforts so as to minimize the conflicts and the negative spin-offs.

East/West relations

Another source of great instability is the state of East/West relations. Here there is no denying some basic facts. The Soviet Union has invaded Afghanistan, implicitly threatening all the countries of Western Asia and ignoring the call of the Third World to get out. In addition, there is no denying that the Soviet Union has both expanded its military presence in the oceans of the world and increased dramatically the weaponry which is arrayed against the West.

These challenges constitute another more traditional form of crisis to be managed. Western countries must develop the means to take a united stand, so that in the event of a direct threat, there will be a swift and concerted response, in the defence of our own interest and the interests of those countries which look to us for strength and support.

Personally, I believe that the good sense of Soviet leaders will prevail. I believe they will not feel themselves so threatened by events that they have to respond to the challenge of change by the force of arms. We all watch the crisis in Poland. The Soviet Union should know that recourse to arms is a losing game, for them and for all the world.

That being said, unfortunately we must act in the full knowledge that we are living in a dangerous world. Our security and that of the western alliance must rest on reality