

Re-assessment has become necessary not because of the inadequacies of the past but because of the changing nature of Canada and of the world around us.

All of us need to ponder well what our national capacity is - what our potential may be - for participating effectively in international affairs. We shall do more good by doing well what we know to be within our resources to do than by pretending either to ourselves or to others that we can do things clearly beyond our national capability.

Canada's position in the world is now very different from that of the post-war years. Then we were probably the largest of the small powers. Our currency was one of the strongest. We were the fourth or fifth trading nation and our economy was much stronger than the European economies. Ours were among the very strongest navy and air forces. But now Europe has regained its strength. The Third World has emerged.

It is for us to decide whether and how we can make the best use abroad of the special skills, experience and opportunities which our political, economic and cultural evolution have produced in this rich and varied country.

Realism - that should be the operative word in our definition of international aim; realism in how we read the world barometer; realism in how we see ourselves thriving in the climate it forecasts. For we must begin with a concrete appraisal of the prevailing atmosphere - conscious always that rapid change is likely to be its chief characteristic.

What are some of the salient features we face?

The peace which we value most rests mainly on a balance of nuclear terror. Fortunately, the two super-powers have kept the terror firmly within their grasp and have been showing increasing responsibility about unleashing it. The threat of major military clash has measurably receded, but not the need to ensure that the intricate power balance is maintained by a wide variety of means.

International tension is sustained in various regions and in varying degrees because of localized hostilities, latent disputes, racial discrimination, economic and social distress. Whatever comfort we can take from the most recent developments in Vietnam, we dare not disregard the dangers inherent in the Middle East impasse, the race conflicts in the southern half of Africa, the heavy pressure of urgent needs in the developing world. In Europe there remains the lingering threat of an unresolved German problem, which must be resolved if that continent is to capitalize on its growing desire to draw together and not to turn once again down the dangerous road to aggressive nationalism.

It is no longer realistic to think in terms of a single model of organization and development in Eastern Europe or of a monolithic Communist unity such as Stalin could impose. There has been a perceptible détente in East-West relations. There has been a growing recognition in Eastern European countries of the need through economic reforms to adapt their economies to national needs, rather than adhere in a doctrinaire way to an economic model inspired largely by nineteenth century conceptions. Although it remains true that there are some fundamental and far-reaching differences between us and