

Canadian Foreign Policy Post-9/11: Institutional and Other Challenges

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The recent deadlock in the UN Security Council over the use of force against Iraq, and subsequent successful US and UK military action against the Saddam Hussein regime provides a useful backdrop for consideration of what has changed in international relations since the events of 11 September 2001 and what the implications may be for Canadian foreign policy. While the peacebuilding phase in Iraq will prove more difficult for Washington than the military campaign, and while long-term prospects for a sustainably democratic Iraq are uncertain at best, several conceptions of international relations have clashed in recent years, and it is possible now to begin to draw some preliminary conclusions.

In order to look to the future of Canadian foreign policy, it may also be useful to examine its recent past in terms of the government's stated views as codified in *Canada in the World*, its most recent (1995) Foreign Policy Statement; b) some recent trends in its international relations; and c) some challenges facing it in years ahead in the following areas: economic and trade policy, security policy, aid policy, relations with the USA, international institutional architecture, integration of Canada's foreign policy instruments, the particular role of the Prime Minister, DFAIT's future, and research on Canadian foreign policy.

This paper raises the question of whether the international institutional architecture in which Canada has figured so prominently since the Second World War is likely to evolve and asks whether and how Canada can best promote its interests therein.

The International Setting

International diplomacy's obsession with security threats driven by the ideological competition between Moscow and the West (Berlin, Cuban Missile Crisis, Indochinese wars) during the early Cold War years (1948-71) was succeeded, particularly after the first major oil shock of 1973-74, by a focus on international economic cooperation. This period witnessed the emergence of the G-7 (later the G-8) and a number of other forums for economic cooperation (including the private sector World Economic Forum with its initially impressive, ultimately overblown, annual policy meetings at Davos, Switzerland).² The creation of the World Trade Organization was just one the achievements of the interlocking international economic negotiations marking this period. Closer to home, the Free Trade Agreement with the USA, followed by NAFTA, were important expressions by Canada of a broader international trend (particularly in Europe) towards regional trade liberalization and economic integration.³

International economic policy coordination (or cooperation, depending on national preferences) was the big issue of that period, and Canada played a disproportionate role, "punching

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² The emergence of the G7 forum in the mid 1970s, an outgrowth of the wrenching economic shocks of the early 1970s, responded to widespread worries in major capitals about international economic management. Chancellor Helmut Schmidt of Germany and French president Valéry Giscard d'Estaing, having earlier worked closely together as their countries' respective finance ministers, convened leaders of the world's major democratic economies (without Canada) in 1975 at Rambouillet to pick up where they had left off in their earlier portfolios. Given a public *crise de nerfs* by the Italian government over Rome's exclusion from the forum, Italy was invited at the last moment, and that gave U.S. president Gerald Ford an opening to include Canada at the next such meeting in 1976 in Puerto Rico. The University of Toronto's G-8 research group and Information Center offers much relevant information on: www.g7.utoronto.ca

³ The failure of Prime Minister Trudeau's "third option" — intended to diversify Canada's economic and political relationships — to elicit any meaningful response from a Europe bent introspectively on unification, made the protection of Canada's trade access to the U.S. even more of a priority, explaining in part the Canada-U.S. Free Trade Agreement and North American Free Trade Agreement, pulled off by Brian Mulroney as the centrepiece of his conduct of Canada's international relations. Controversial at the time, and still disliked by many, these trade pacts are seen today as critical foundations for Canadian prosperity. Their negotiation recalls the salience of a highly skilled school of Canadian public servant, our international trade negotiators, of whom Simon Reisman was the most famous.

above its weight”, as UK diplomats are fond of saying of themselves. Prime Minister Trudeau crafted a Canadian niche as the advocate for the developing world within the G7. Canada came to have the lead (with France) on north-south relations in the early years of this summitry, until Ronald Thatcherism put paid to negotiations over a “new international economic order” in 1981.⁴

In this period, high-end diplomacy increasingly focused on economic objectives. Canadians were very good at this, gaining a place at even the most exclusive tables (e.g. the Quadrilateral Trade forum with the US, Japan and the EU). Like other governments, ours tended meanwhile to lose sight of long-term systemic security challenges such as nuclear proliferation and terrorism, even though the United States often sought to focus the attention of its close partners on their dangers. (I record this with humility, as I was one of the officials insufficiently attentive to these broad threats. Others, like Paul Heinbecker, were more attentive.)

With the end of the Cold War, many of the so-called “regional conflicts” in Central America, Southern Africa, the Horn of Africa and Indochina were fairly rapidly resolved, generally with the UN playing an important role. Cooperation among the Permanent Five members of the UN Security Council, those with a veto, became the norm. Only three issues have separated them seriously since then: the continuing Israel-Palestinian conflict, Kosovo briefly in 1999 and Iraq (on and off since 1997).

The post-Cold War era yielded less deadly (although still murderous) warfare, measured both by the number of conflicts and their intensity, and rapidly increasingly - although unevenly spread - global economic prosperity underpinned by globalization and intergovernmental cooperation in economic and trade spheres. In the absence of a major geo-strategic crisis, the growing gap between US military capabilities and that of other governments passed nearly

⁴ The term “Ronald Thatcherism” was coined by Canadian über-economist Sylvia Ostry while serving as Prime Minister Mulroney’s senior advisor on international economic relations.

unnoticed, while virtually all governments, including that of the USA, cashed in the post-Cold War “peace dividend”.

The Canadian Niche

During the Cold War, Canada, in spite of its membership in NATO and strong alliance with the United States, was able to carve out for itself a role as a “helpful fixer” in international relations, most clearly at the time of the Suez crisis in 1956-57. Canadian leaders pursued a fairly independent foreign policy, challenging the US over its policies in Indochina, rejecting the US approach to Cuba following Fidel Castro’s takeover, and criticizing some of its policies in central and Latin America. That they were able to do so reflects well on their own skills, that of the government’s Foreign Service and, perhaps above all, on the forbearance of successive US governments. (Canada did pay a price for its policies, most notably in failing to win exemption from the radical economic measures imposed against US trading partners by President Nixon in 1971, but retribution was the exception rather than the rule and Washington mostly avoided linkage between a number of contentious files.) Canada’s bridging role at the UN and elsewhere was much admired internationally, as were its aid programs and its leadership role in peacekeeping.

The end of the Cold War in the late 1980s was followed by a reckoning on Canada’s government deficits (federal and provincial). The long march towards fiscal recovery, strongly supported by Canadians and undertaken as of 1994, cut deeply into the Government’s domestic and foreign policy instruments, seriously constraining its ability to manoeuvre creatively on the international scene. Ottawa continued to attract attention domestically and internationally by hosting high-profile international meetings (Francophone and G-8 Summits and the Summit of the

Americas), and by conducting aggressive high-level trade promotion exercises (under the moniker “Team Canada”), all worthwhile on their own terms and a reasonable systemic response under straitened circumstances. However, the profile of Canada inevitably diminished and Canada’s reputation may have suffered from a failure to recognize how limited were our means during this period of necessary government downsizing.

Downsizing is largely over, and new possibilities open up for Canada, but this occurs at a time of transition in international relations and uncertainty over the future *modus operandi* of the supreme power of the age, the United States.

Past Foundations of Canadian Foreign Policy

The most recent review of Canadian foreign policy dates back to 1994-95. The process involved public consultations, an examination of Canadian foreign policy by a joint parliamentary committee, and the government's response thereto. The review failed to alter the essential thrust of foreign policy under previous governments and, to some degree, involved smoke and mirrors, particularly on policy initiatives reliant on financial resources.⁵ The failure to agree on a consolidated review of defence, aid, and foreign policy (as had been done, to some degree, with separate reports in 1985-6) was symptomatic of high-level lack of interest.⁶ To be meaningful, such an exercise would have had to include also the international activities of the Department of Finance, a major player in international economic relations, and perhaps those of the Department of the Environment. No sense emerged that the government's many foreign policy instruments and

⁵ My own reservations on the process, in which I was deeply involved as Director General of the Policy Staff in DFAIT at the time, are recorded in David M. Malone, “Foreign Policy Reviews Reconsidered,” *International Journal*, volume 56, no. 4, Autumn 2001, pp. 576–577.

foreign policy relevant programmes served the objectives of a master plan for international relations. Only Lise Bissonnette, in a dyspeptic but perceptive editorial in *Le Devoir*, approximated passion on the issues.⁷

The first comprehensive review of Canadian foreign policy took place at the initiative of Prime Minister Pierre Elliott Trudeau. Trudeau, with his able adviser Ivan Head, thought External Affairs was frozen in time and attitudes, particularly with respect to the Soviet Union. Canada had put its eggs in the basket of Europe and the United States, he felt, ignoring the underdeveloped and decolonized countries. A white paper, *Foreign Policy for Canadians*, published in June 1970 as six booklets, discussed Latin America, the Pacific, and the United Nations at length. It also focused on development policy (Canada's aid budget was then very much expanding) and relations with Europe. The review produced a number of new initiatives under which the number of Canadian troops deployed to NATO overseas was substantially reduced. The flaw in *Foreign Policy for Canadians* was the omission of a serious discussion of Canada-United States relations. Tensions between the two countries over Vietnam continued to simmer. When Washington imposed 'Nixonomics' on its major trading partners, a combination of withdrawal from the gold standard (which consequently collapsed) and the imposition of tariffs, Canada responded unconvincingly by asserting that it reduce its vulnerability' vis-à-vis the United States by intensifying efforts to diversity its international economic and trade relations, notably through a 'contractual link' with the

⁶ In 1994-5, even DFAIT's programmes were not reviewed together: the trade commissioner service, with its own constituency in the business world and in Cabinet, was assessed separately.

⁷ 'Énoncer pour énoncer: une politique étrangère qui n'est qu'un déluge de mots,' *Le Devoir*, 9 February 1995. Bissonnette reverted briefly to the subject in another editorial denouncing the apparent contradictions between Canada's international human rights policy and its pursuit of international trade opportunities in questionable places: "Une morale hors commerce," *Le Devoir*, 16 May 1995.

European Communities. As we now know, the proportion of Canada's trade with the US increased substantially dramatically in subsequent years.

Efforts to review Canadian foreign policy unfolded in 1978, 1979 and 1986, marked by often incisive analytical papers, but little actual impact on policy. *Canada in the World*, issued in early 1995, in retrospect, proved little different. A Special Joint Parliamentary Committee held over 70 meetings across the country during 1994, received more than 550 briefs, heard from over 500 witnesses, and commissioned several studies from experts. The process favoured non-governmental organizations (NGOs) and academics with the time and inclination to appear before it. The private sector proved a reluctant participant: only 49 briefs were received from the business community. The committee tabled its report in November 1994, along with valuable background essays on trade, aid, cultural, and security policy by such leading academics as Sylvia Ostry, John Ralston Saul, and Denis Stairs. (The essays were much more cogent than anything in the report). The Bloc Québécois and the Reform Party filed dissents, each revealing not only party orientations but also the weaknesses in the majority report. The Bloc focused on the pervasively anti-American tone ('an inappropriate mistrust of the United States'); and the inconclusive nature of the majority's recommendations for the Official Development Assistance (ODA) programme. Reform scored by pointing to the majority's recommendations for additional activities without identifying any possible cutbacks. Roughly at the same time, a group of prominent Canadians, anchored by University of Toronto scholar Janice Stein, chimed in with an more influential report, *Canada 21: Canada and Common Security in the Twenty-First Century*, suggesting a re-orientation of Canadian defence policy towards international peacekeeping, preventive action, and peacebuilding and away from its existing multi-purpose mandate.

In crafting the Government's position, the new Deputy Minister of Foreign Affairs, Gordon Smith, played a critical role. He formulated a conceptual framework for *Canada in the World* resting on three pillars: first and foremost, prosperity for Canadians anchored in global economic and trade growth; second, security for Canadians in a world shorn of the geo-political certainties of the cold war; and third, Canadian values. He and his team (within which I was the Statement's principal drafter) experienced some difficulty in bridging the views of those who strongly believed that Canada should act on the basis of either interests or values, an ultimately sterile debate - the government acts on both at different times and on different issues.

Analytically, *Canada in the World* grasped that the dangerous but predictable bipolar post-war system was gone, and the international community adrift in uncharted waters. Growing dispersion of authority was evident, with functions of the state passing to subnational and supranational actors, NGOs and multinational corporations. Success was seen as increasingly derived from economic wealth rather than military might. A lack of human rights was seen as a source of new tensions. Sustainable development remained an elusive objective. Ethnic and religious divisions, often suppressed during the cold war, had the potential for a 'new violence' of a complex character. The continued grip of terrorism underscored the phenomenon of state collapse. Looser control over fissile weapons material and wider diffusion of weapons technology raised the spectre of destabilizing threats set loose by local conflicts and international criminality. 'Non-traditional' threats transcending political borders and the negative aspects of greater global integration included international crime and disease, global warming, and mass involuntary migration. The concept of security increasingly focused on the needs of the individual. Values mattered.

The promotion of prosperity and employment was at the heart of the government agenda. The promotion of global peace was necessary for economic growth and development. Transborder challenges - including mass migration, crime, disease, overpopulation, and underdevelopment - had security implications at the local, regional, and global levels. Application of values - respect for democracy, the rule of law, human rights, and the environment - would be critical to the struggle for international security.

Official Development Assistance, at the time under severe financial pressure from the concurrent program review (which led to cumulative cuts in CIDA's budget of roughly 30 per cent), was addressed passively.⁸ It was cast as 'a vital instrument for the achievement of the three key objectives being pursued by the Government', but it was presented above all as an investment in prosperity and employment and as connecting the Canadian economy to some of the world's fastest growing markets - the markets of the developing world. *Canada in the World* failed to argue for concentrating its efforts on important aid recipients or key issues — such as poverty alleviation - preferring the aid program to be cast as all things to all people (not least Canada's business community, broad swathes of which have been principal beneficiaries of programs often aimed more at them than the world's poor).

The institutional and other initiatives announced in *Canada and the World* were pitifully modest, although the creation of DFAIT's Global Issues Bureau has proved a success.⁹ As Michael Pearson notes: 'Both [DFAIT and CIDA] became quickly overwhelmed by the impact of "program review" [driving budget cuts] that stunted creative thinking (and more importantly the wherewithal

⁸ Having reached a high point in excess of .5 per cent of GNP in 1978-9, Canada's ODA stood at .44 per cent in 1992-3; by 1999-2000 it plummeted .29 per cent. In fairness, the ODA performance of many industrialized countries deteriorated during the 1990s and has not recovered, but Canadian public discourse signally failed to reflect the reality of performance.

⁹ See David M. Malone, 'The global issues biz: what gives?' in Fen Osler Hampson, Michael Hart, and Martin Rudner, eds, *Canada Among Nations - 1999: A Big League Player?* (Toronto: Oxford University Press 1999), 197-214.

to do something) in a big way.¹⁰ *Canada in the World* bravely advanced the proposition that adapting new technologies would do the trick, but diplomatic global reach is not effected through the internet, and productivity gains attributable to new technologies in policy formulation have generally proved marginal. Slogans like 'more effective, less costly' could not refute the inevitable outcome of 'less with less.'

Were the prescriptions of *Canada in the World* an abdication of hard choices and responsibility rather than a spur to meaningful action? My opposite number in Britain at the time, David Manning, on hearing about our elaborate foreign policy review process, commented dryly: 'We don't review foreign policy, we do it.'¹¹ Allan Gotlieb points to a factor undermining all such reviews: 'Foreign policy white papers are generally written after the event. They don't describe the future; they describe the past. This was very much the case of *Foreign Policy for Canadians* in 1970. It encapsulated what Trudeau had said about foreign policy in preceding years, but failed to anticipate the importance of US economic policy in years to come.'¹²

The Impact of 9/11

The events of 11 September 2001 shifted priorities in the United States radically. An urgent concern for security domestically and internationally took over from worries about prosperity. As the US confronted gaps in its legislation and notorious inefficiencies in its border controls, it signalled that henceforth security concerns would trump all other considerations (with worrying implications for the largely open Canada-US land borders). Internationally, it retaliated

¹⁰ Interview with Michael Pearson, 29 August 2001.

¹¹ Manning, today Blair's principal foreign policy advisor, was recently appointed UK Ambassador to the USA.

¹² Interview with Allan Gotlieb, 24 August 2001.

convincingly against Al Qaeda and the Taleban regime that had hosted it in Afghanistan. Having in the President's State of the Union address in January 2002 identified an "Axis of Evil" involving Iran, Iraq and North Korea, it then moved on to achieve more significant "demonstration effects" in Iraq than had been possible in Afghanistan. It is responding differently to a challenge of nuclear proliferation in North Korea, drawing on political support and diplomatic assistance from a set of important regional players: South Korea, Japan, China and the Russian Federation, laying the emphasis on a peaceful resolution to the crisis. (Rather than a genuinely multilateral approach, Washington is pursuing its currently preferred course of working with and through a "pick-up" set of partners, in this instance regionally defined.) It is committed to tackling the Israel-Palestine conflict, with a "quartet" (USA, UN, Russian Federation, EU) road-map to this end published in May 2003, but prospects for rapid progress remain unclear.

Whereas Canada had been able to distinguish itself diplomatically as long as the focus remained on economic and trade cooperation, the sudden shift to security concerns left it high and dry. Defense policy, indeed security policy more broadly, largely ran out of steam in Ottawa in the 1990s as cost cutting and the absence of a serious strategy took their toll. The government's last major defence policy review dates back to the late 1980s. Its military capacity for international operations has since deteriorated sharply, and military morale has still not recovered from the media firestorm surround the shocking performance of members of Canada's contingent in UNITAF in Somalia in 1993. Peacekeeping remains the military activity most Canadians associate with, but both Canadian participation and — more important — Canada's capacity for participation have declined. Many in the Canadian military seem to have fallen out of love with peacekeeping, resenting the government's decision to send troops to keep the peace in Kabul rather than to fight a war alongside the U.S. and the UK in Iraq. While hardly unique - the vaunted flagship of the

French navy, the aircraft-carrier *Charles de Gaulle*, seems to break down even more often than do our own vessels and the helicopters they sometimes carry – the aging of Canada’s military equipment and weaponry has been at least mildly depressing. But the erosion of the military’s human capital will be harder to reverse, however committed and talented individual officers and enlisted personnel may continue to be. And expertise on security policy in Ottawa will need to be developed again and rewarded in years ahead. Security policy will need to be re-oriented from conventional regional strategies to addressing the actual threats of the early twenty-first century which are global in scope: nuclear proliferation and that of other weapons of mass destruction, terrorism, and those human security challenges Lloyd Axworthy so energetically combated when Minister of Foreign Affairs.

Washington’s subordination of international economic cooperation to security concerns, initiated even before 9/11 with some predatory trade moves (notably relating to steel) is thus bad news for Canada. Washington has signalled that not only will it focus with great intensity on any serious security threats it perceives to the US homeland and US citizens elsewhere, but that the political support of its allies for its military ventures abroad will be monitored closely. While many Canadians find this policy posture in Washington unattractive, it is something we need to deal with.

FUTURE PRIORITIES FOR CANADA

Preserving Economic Gains & Trade Access: this requires, above all, a clearheaded focus on Canada’s relationship with the USA. Successive Canadian governments have found it difficult (in some cases, unwise) to make public choices relating to priorities among and within regions of the world. It has traditionally proved difficult for politicians to communicate clearly to Canadians

how intertwined our economic future has become with the United States (although, in the current Liberal Leadership race, at a time of tense relations between “principals” in Ottawa and Washington, two of the three current contenders, Messrs Martin and Manley have both done so.) Indeed, an anti-American slant in much foreign policy commentary is virtually a given in Canadian public life. Although Canada-US relations have survived many poor relationships (some calamitous, such as that between Diefenbaker and Kennedy), there can be little doubt that a sound working relationship (whether underpinned or not by personal warmth) between leaders of the two countries is particularly important for Canada.

One item requiring urgent consideration is whether and how to establish a common immigration/access perimeter around North America yielding assurance that security standards newly required are being met, while providing leeway for distinctive travel and immigration patterns affecting the different regions and countries of the continent. Unless this challenge is addressed proactively, the Canada-US border may fall prey to progressively crippling security measures imposed by Washington.

Strikingly lacking from the Canada-USA bilateral economic relationship is any sense of enthusiasm or innovation. The days of the “Canadarm” attached to the Space Shuttles as an innovative high-tech Canadian contribution to a major US project, seem long gone. A future Canadian government might stimulate thinking about several joint Canada-US technological projects in which the populations of both countries could take pride and which could symbolize a more positive approach to this overwhelmingly happy bilateral relationship. Unless we have such projects to celebrate, our inevitable bilateral difference, including on foreign policy questions, will assume undue importance.

Developing a New Security Policy: just as we must protect and expand our existing prosperity, so, in the security field, will we have to work hard to define new approaches fitting with Canadian values, the limited if somewhat expanding resources Canadians apparently want devoted to international security functions (relative to social spending) and our “niche” in international affairs. The Canadian military establishment, with its proud tradition and its many past achievements, often seems frustrated when not allowed to join the USA in war-fighting. Canadian governments, and the Canadian population, have preferred peacekeeping as the key international military contribution of Canada, although Canada joined with allies in war-fighting in Afghanistan and above Kosovo. However, this debate, prominent earlier this year when the government decided to avoid military engagement in Iraq and to devote sizeable resources to peacekeeping in Afghanistan, masks the more important question of what Canadians want their military for. The defence of our sovereignty (by submarines in the North) appeals to some, but the principal threat there comes from our best friends, the Americans. Search and rescue is an under-sung, but important function of the military in a country with the world’s longest shore-line and second-largest surface, much of it empty of human habitation. A reserve capacity to assist in civil emergencies overwhelming the police (e.g. Oka, ice storms) is also important. As to peacekeeping and war-fighting, they call for somewhat different equipment and training. For a country like Canada, to field a military (in three often competing services, not all equally useful) that attempts to fulfill all possible military functions is a luxury we patently cannot afford. Hard choices are required related to new realities in the post-9/11 world. Beyond the military dimension, the government will need to review whether our current “niche” in the weapons of mass destruction field (verification, financial support for the elimination of dangerous nuclear plants and weaponry)

is still the right one for Canada or whether we could be producing new ideas (and activities) in this area.

Canada's defence relations with the USA will be critical. NORAD is no longer the relevant instrument for North American continental defence. The Northern Command has supplanted it in Colorado Springs. If Canada wishes to engage seriously with the US on and geo-strategic matters, it will need to come to grips with the reality of American attachment to ballistic missile defence as the future cornerstone to continental defence. While this raises a number of potential hurdles (possibly requiring Canada to re-examine its commitment against weaponization of space), it makes no sense for Canada to define its defence policy in out-dated and increasingly irrelevant terms.

Aid Policy: Canada has continued to talk a good game on aid, and is finally witnessing a modest turnaround in the funding of its aid program, with a \$500 million infusion of assistance for Africa timed to coincide with the G8 Kananaskis Summit of 2002 and a further 8 percent increase initiated in the recent federal budget. But it still has a very long way to go. Tony Blair virtually doubled the UK aid program when he came to power in 1997 and has further increased it over time. Other leaders, including George W. Bush, made major aid increase pledges at the time of the Monterrey Summit on the financing of development in 2002.

CIDA features a notoriously entrenched bureaucracy, which did not seem to thin out much as programs were cut back. It now has the worst of all worlds: a large staff with few financial resources, although the latter will be expanding. That said, even in its darkest hours, some parts of the agency continued to give signs of life and to produce sparks of innovation. Canada has done well in addressing the security-development nexus, on which both CIDA and DFAIT (the latter

very much under Lloyd Axworthy's impetus) developed small but exciting programs to address new challenges in the security sphere that were undermining economic and broader human development. Canada became a leader on these issues in a range of multilateral fora, including the Organisation for Economic Co-operation and Development, not least because of the dedication of a small group of staffers plugging away in obscurity on both sides of the Ottawa River.

Some positive signs are nevertheless emerged: a stronger Minister, new leadership and a growing focus in recent years on the need for a strong policy framework to guide CIDA in the years ahead. But this policy will need to fit with Canadian foreign policy strategies globally while moving away from the type of tied-aid which has benefited the Canadian private sector, notoriously so in some provinces, and simultaneously undermined the government's ODA objectives and the effectiveness of individual programs. This will not be easy. CIDA has been right in attempting of late to focus its resources on certain key countries, while using the generally very effective smaller mission-administered funds (directed out of Canadian embassies) to create a modest aid "presence" in most of the remaining developing countries.

International Institutional Architecture: Canada's approach to various international institutions during the budget-cutting years could be described as multilateralism on the cheap. From this perspective, Lloyd Axworthy's human security agenda, however creatively conceived and prosecuted, is what the country could afford. The text of *Canada in the World* barely conceals an undercurrent of anxiety over the emerging international institutional architecture in which Canada might yet lose out. The future of G-8 as a key international forum does not seem ensured, with relations between France and the USA quite desperate. The inclusion of China would be a logical next step, as would be a reduction in the number (if not the prominence) of European

participants (currently four EU member states, the EU Commission and the EU Council Presidency, plus, the Russian federation).

Some international institutions, such as NATO, are in search of new missions in a period marked by the decline of their primary historic role. This may or may not work, but is unlikely to offer the front-line political opportunities of the past. Other institutions, such as the EU, are in full-blown crisis post-Iraq, although the spectacular quarrel among leading EU members over that country may ultimately provide an impetus towards a more coherent, credible common foreign and defense policy.

Canada belongs to an unrivaled set of clubs, but they may not all still be very useful to us. We need to establish which actually should be given priority in terms of attention and resources. Paul Martin, when Finance Minister played a critical role in the emergence of a promising new forum, which he chaired, the G-20, bringing together leading industrialized and developing countries to discuss economic and financial issues of mutual interest. As a new Prime Minister settles into office, he or she might profitably engage opposite numbers abroad on what new consultative arrangements, including emerging powers in the developing world (e.g. China, South Africa, Brazil, India) might make sense. If Canada is not part of the conversations that matter on the new international institutional architecture, there is a real risk we could be left out, as our relative economic weight and recent security contributions may not make a sufficiently strong argument on their own for our inclusion.

Integrating Canada's Foreign Policy Instruments: as in most capitals, individual Departments and Agencies responsible for lead roles in international relations (in Canada's case, DFAIT, CIDA, DND and Finance) are never happier than when engaged in solo ventures and

trench warfare over turf with the others. On this score, Ottawa is no worse than most, but also no better. Leveraging a variety of instruments in order to achieve bigger results overall would serve Canada well. One approach that should be explored is to create a project funding pool for foreign policy initiatives, with joint decision-making, as the UK government has done for initiatives in the security field (creating a UK £ 100 million fund for projects of all types on which the MOD, FCO and DFID in London can agree).

Further, the alienation of the Department of Finance from all but a narrow range of interdepartmental cooperation on foreign policy (essentially on the G-8, the IMF, and the IBRD) makes little sense. Its funding of and policy guidance to the International Monetary Fund and the World Bank, and its role in addressing international financial crises such as those that struck Mexico and Russia in the late 1990s are of tremendous significance for foreign policy writ large.¹³ Financial diplomacy has been a strong suit for Canada, featuring a number of talented Canadian Finance Ministers and “G-7 deputies” (the senior officials of G-7 countries leading on international financial issues). But because the talented and powerful Department of Finance has signaled that it has no interest in being coordinated along with others, this has never occurred. Whether coordination and integration of foreign policy agencies and programs should be jointly managed or spearheaded by the Privy Council Office is much less important than that it should be attempted.

Can any foreign ministry truly claim nowadays to be, in the words of French Foreign Minister Hubert Védrine, 'the control tower for the conduct of the government's international relations'?¹⁴ Most Federal departments with the lead on domestic issues have programs, often cutting-edge ones, relevant to international relations. They play on the international level with skill and success, bilaterally and in such organizations as the OECD. They need no substantive advice

¹³ Funding of the World Bank and other Department of Finance international priorities is often drawn from CIDA's envelope, further restricting the latter's freedom to manoeuvre.

on their programs from DFAIT, but a degree of consultation on how these best fit with Canada's overall foreign policy objectives is necessary. This process occasions less friction in Ottawa than in most capitals but it might merit some high-level attention in the future.

The role of the Prime Minister and Ministers: The role of the prime minister and ministers is much more important than many students of foreign policy seem to believe. Trudeau drove the 1968-70 foreign policy review. It was a meaningful attempt to re-orient Canada's foreign policy that the bureaucracy could not ignore. Likewise, the 1986 white paper did reflect a number of priorities close to the heart of the SSEA, Joe Clark. The prime minister was focused on Canada-United States relations at the time (with very significant results on the FTA), but Clark pursued his own objectives with vigour, developing considerable credibility among developing countries and many others during his long tenure. In seizing the reins of DFAIT in 1996, Lloyd Axworthy hardly needed a foreign policy statement. He forged ahead with a few key initiatives of great personal interest to him (the landmines treaty, the international criminal court, the fight against narcotics trafficking in Latin America), which he essentially imposed on DFAIT. Thus, at any given time, the personality and priorities of key politicians determine the conduct of Canadian foreign policy as much as formal statements of government intent.

The estrangement of DFAIT from PMO and the Ottawa "center" more broadly, initiated during the Trudeau years, needs to come to an end. DFAIT can and should be the Prime Minister's major resource on foreign policy not only in arranging for travel and events, but in thinking through a comprehensive, coherent foreign policy framework that can withstand the shock of evolving developments internationally, taking advantage of modest increases in funding likely to be available in years to come, and a much better integration of foreign policy instruments. In this

¹⁴ 'L'attentisme des Etats-Unis les fait ressembler à des Ponce Pilate,' *Le Figaro*, 30 August 2001.

schema, a more senior official in the Privy Council Office than has hitherto been the case would work closely with DFAIT (and the other lead foreign policy departments) on conceptual as well as operational issues. Thought might also be given to reviewing the successful experiment of an experienced, senior speech-writer for the PM on foreign policy issues (a role Paul Heinbecker played for a time under Prime Minister Mulroney).

Future of DFAIT: In a recently published volume, *While Canada Slept: How We Lost Our Place in the World*, Andrew Cohen is highly critical of the decline of Canada's foreign policy instruments: the military, Canada's aid program and Canada's diplomatic service. Having discussed the first two above, and recognizing that the public service as a whole has experienced several grim decades, it is painful to record that the decline of DFAIT may rank as sharper and more visible than that of other ministries.¹⁵ A combination of poor pay, pallid career prospects and a dearth of overseas assignment opportunities, plus the growing contempt of the rest of the public service, particularly its "centre" (essentially the Privy Council Office, the Treasury Board, the Department of Finance and a few other agencies), has taken a toll. But so has the changing nature of diplomacy, with cheap telecommunications making the intermediation of skilled policy interpreters and knowledge brokers seemingly a luxury to some. Outside appointments have been discouraged, the answer to staffing shortfalls being the hiring of more career Foreign Service Officers. But top young internationally competitive professionals today by and large do not plan life-long careers, preferring two- to three-year stints offering new challenges and the prospects of more rapid promotion.¹⁶ This ethos, combined with the demands of two-career families, may not be compatible any longer with the sometimes rigid (albeit increasingly flexible) career patterns offered by DFAIT. The Foreign Service has been cursed by its self-conception as a superior band of internationalists

¹⁵ Andrew Cohen, *While Canada Slept*, Toronto: McClelland & Stewart, 2003.

amidst the heathen of the broader public service. It sometimes exhibits an attitude both of victimhood (unloved, underpaid, etc.) and of self-regard and entitlement. It is a most unattractive combination. The much-vaunted but unreliable Foreign Service exam historically has served to admit not only deserving candidates but also professional and personal misfits, while keeping out some stellar candidates. Most Foreign Service Officers need not fear competition. They should welcome it and the rich array of relevant talent and experience that lies beyond Fort Pearson. One irony, nevertheless, remains: Foreign Service types are generally held in Ottawa to be aloof, self-important, dim on domestic priorities and policies, and generally bad at the “Ottawa game.” In an era of budget cutting, management challenges and obsession with process as opposed to policy (which could not be afforded), the Ottawa community in the 1990s seemed to become even more alienated than usual from the broader Canadian scene, succumbing throughout the public service to the isolation it attributes to DFAIT.

Only 40 percent of Foreign Service officers at any given time serve abroad. This startling statistic is one of the results of relentless budget cutting over the years. Increasingly, individuals who had joined government in order to serve their country abroad find themselves confined to Ottawa and urged to play the Ottawa game. The grotesque concentration of DFAIT staff in Ottawa will be reversed only once it is recognized as a distortion of how a modern foreign service can and should run. Where DFAIT is best used is in providing the “center”, including the Prime Minister, with broad options for the orientation of Canada’s international relations and the means to implement these *abroad*. Does the UK Prime Minister, for instance, who has at his disposal probably the best foreign service today, require of the Foreign and Commonwealth Office that it “play the London game”? The idea is ludicrous. He looks to British diplomats to promote UK

¹⁶ This is certainly the case of those with whom I work in the dynamic non-profit sector of New York. “Have laptop, will travel” might well be their motto.

interests aggressively abroad while supporting policy development at Number Ten as it relates to foreign spheres. Thus, DFAIT resources would appear to be seriously misallocated, feeding the morale problems. This needs to be addressed.

Research on Canadian Foreign Policy: DFAIT's myopic and episodic relationship with leading Canadian universities and academics stands at odds with strong capacity in foreign, defense, trade and international legal and economic policy capacity available in the far-flung Canadian university world. This situation is exacerbated by Ottawa's circumstances as an administrative capital that is not one of the principal centers of learning of the country. Its remove (and that of other important Federal agencies) from academic stimulation, relieved in Ottawa only by the presence of the Norman Patterson School of International Affairs at Carleton and by a number of distinguished scholars scattered throughout Carleton and Ottawa Universities, is all the more regrettable because somewhat self-imposed, but could be remedied. Efforts to engage meaningfully with the academic world have been launched by several recent ministers, including Lloyd Axworthy and Bill Graham, both serious scholars themselves. But they rarely gel. And current arrangements governing the Center for Foreign Policy Development, deeply embedded within DFAIT and suffering from inadequate resources, do not inspire optimism. Washington, with its lively think-tanks and first-rate universities, is a very different story. So, of course, are many other world capitals. Perhaps the next Prime Minister will champion a venture jointly funded by government, the private sector and leading Canadian philanthropic organizations, to engage research and reflection on foreign policy writ large, picking up where the much admired CIIPS left off some years ago, but with a wider mandate.

Envoi

During the (necessary) budget-cutting years, the government lulled itself into believing that Canada could continue to matter internationally while its foreign policy instruments eroded and while the country's weight relative to others, particularly emerging powers such as China, India and Brazil, declined. Our approach was to "be there," hosting summits, turning up in massive Team Canada trade promotion exercises that puzzled our hosts and rapidly outlived their potential, and relying on our many club memberships. The government did very well out of Lloyd Axworthy's "Human Security Agenda", policy driven, imaginative, relevant, and, importantly, cheap. Observers nevertheless sometimes pointed to the apparently more dynamic diplomacy of Norway. Oslo's success is owed first of all to a willingness to make choices and accept a "niche diplomacy" role (mainly in international mediation) and second to large sums of "walking around money" available to the Norwegian Ministry of Foreign Affairs, reputedly up to US \$ 250 million a year. DFAIT does not dispose of 10 percent of this sum for discretionary diplomatic initiatives.

My sense is that things may be about to change. Within the higher reaches of the public service an effort is under way to rethink foreign policy (and more broadly, public policy) priorities in light of September 11 and the success of the government's deficit-fighting efforts. The next prime minister will doubtless wish to engage substantively with the foreign policy challenges of the day and will no longer be quite so constrained by a resource straitjacket. The articulation of foreign policy and the integration of its various instruments (diplomatic, aid, military and financial) should be high on the list of his or her policy challenges. This change at the helm in Ottawa will doubtless prove much more important in setting new directions than the current foreign policy consultation exercise, however well intended the latter doubtless is. A reformulation of foreign policy should

doubtless await this development, while the candidates, Parliament, the Cabinet and the Bureaucracy ponder options shaped by the likely availability of some new resources and the constraints imposed by the post-9/11 world.