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# Foreign Policy for Canadians



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## Chapter I

### WHY REVIEW FOREIGN POLICY

Canada emerged from the Second World War on the leading edge of an internationalism which sought to create a rational world order out of the ruins of "isms" of the thirties. Canada hoped then that its future security and well-being could be safeguarded through strengthening international institutions—especially in the United Nations family of organizations—which were to be the basis for maintaining world peace and achieving human progress.

When it became apparent that many of these co-operative efforts were endangered by the rigidities of the cold war, viable alternatives to the new world order were needed. The threat of Communist armed aggression—first against a weakened Western Europe, later in Korea and Indochina—led to the establishment of the North Atlantic Treaty Organization (NATO), then the North American Air Defence Command (NORAD) and other security arrangements. These and subsequent peace-keeping operations, and a rather important group of organizations specifically assembled for financial, trade, development and social purposes, relied for their effectiveness on varying degrees of international co-operation.

Canada's foreign policy then was largely concerned with objectives and obligations arising out of active membership in multilateral organizations. Canada's international role, its influence, its self-expression were seen in the context of those intergovernmental bodies. It was all part of the most striking phenomenon of the post-war period—the increasing interdependence of events and nations.

## Canadians as Internationalists

During the post-war decades, Canada and Canadians acquired a certain taste and talent for international activities of various kinds. Canadians took pride in the skill with which their political leaders, their military and civilian peacekeepers, their trade and other negotiators conducted the nation's business abroad. The international reputation Canada had then was earned at a time when Canada enjoyed a preferred position and a wide range of opportunities, as one of the few developed countries that had emerged from the Second World War materially unscathed and indeed politically, militarily and economically stronger than ever. It was a position that was bound to be affected by changes in the world power structure resulting from the post-war rehabilitation of larger countries, including friends and former enemies. The Canadian people had broken out of the isolationism of the thirties and come to the realization that there was an interesting and important world outside where Canada should have a distinctive contribution to make. Canadians developed and exercised a substantial interest in international organizations. They moved in ever-growing numbers into the less-developed parts of the world as technicians, teachers and administrators; they encouraged and accepted foreign scholars, students and trainees to enter Canadian institutions of education; Canadians travelled far and wide in search of business, service and pleasure. The emergence of former colonies as free nations offered new challenges to religious groups, private aid societies, universities, humanitarian groups generally.

This varied activity by Canadians has stimulated and substantiated a deep-seated desire in this country to make a distinctive contribution to human betterment. It manifests itself in the various pressures which have been exerted on successive Governments to do more in such international fields as peacekeeping, development aid and cultural cross-fertilization. This altruistic aspiration seems to be shared generally across Canada. What Canada can hope to accomplish in the world must be viewed not only in the light of Canadian aspirations, needs and wants but in terms of what is, from time to time, attainable.

## The Changing World

From the outset of this policy review it was apparent that some of the safe assumptions of the post-war decades were crumbling away as the world changed:

- International institutions which had been the focus and instrument of much of Canada's policy were troubled by internal divergences and by criticism about their continuing relevance in new world situations.
- The world powers could no longer be grouped in clearly identifiable ideological camps, groupings which had conditioned political and military thinking since the War.
- Long-standing human problems in the Third World—which in the post-war euphoria seemed manageable in due course—had crystallized into irresistible demands and expectations for international action to deal with development needs and to put an end to race discrimination.
- Science and technology had produced in spectacular array powerful weapons, computerized industry, instant communications, space travel; but in sum these marvellous innovations raced far ahead of political, economic and social institutions, magnifying the problems they faced and rendering them inadequate in some cases.
- Social attitudes had changed. Civil disobedience and the use of violence became the commonplace of the new confrontation politics. The basic values of most societies were called into question—perhaps nowhere more harshly than in North America.

## Canada's Changing Outlook

By the mid-sixties Canada had its own set of difficulties. An overheated economy, regional differences and disparities, the reverberations of the quiet revolution in Quebec, all added to the stress and strain on Canada's national fibre. They affected the way Canadians saw themselves and the world around them.

Developments in the outside world—the changes already noted—raised questions and doubts in the minds of some Canadians about Canada's foreign policy. Criticism tended to gather in a hard lump of frustration—accentuated by the war in Vietnam—about having to live in the shadow of the United States and its foreign policy, about the heavy dependence of Canada's economy on continuing American prosperity, and about the marked influence of that large and dynamic society on Canadian life in general.

Canada's "traditional" middle-power role in the world seemed doomed to disappear after the United Nations ordeal in the Congo, in the face of

peacekeeping frustrations in Vietnam, following the collapse of the UN Emergency Force (UNEF) in 1967. Western Europe had not only fully recovered from the war but was taking steps toward integration that put strain on transatlantic ties and, combined with changes in the Communist world, called into question the need for continuing Canadian participation in NATO. The renaissance of French Canada, with its direct consequences for relations with French-speaking countries, raised further questions about the fundamentals of Canadian foreign policy.

Policy had not remained static since the war; it had been adjusting to the changing world and to Canada's changing needs. It had served the country well. But an empirical process of adjustment cannot be continued indefinitely. There comes a time for renewal and in 1968 the Government saw that for Canada's foreign policy the time had arrived.

## **Role and Influence**

At times in the past, public disenchantment with Canada's foreign policy was produced in part by an over-emphasis on role and influence obscuring policy objectives and actual interests. It is a risky business to postulate or predict any specific role for Canada in a rapidly evolving world situation. It is even riskier—certainly misleading—to base foreign policy on an assumption that Canada can be cast as the "helpful fixer" in international affairs. That implies, among other things, a reactive rather than active concern with world events, which no longer corresponds with international realities or the Government's approach to foreign policy.

There is no natural, immutable or permanent role for Canada in today's world, no constant weight of influence. Roles and influence may result from pursuing certain policy objectives—and these spin-offs can be of solid value to international relations—but they should not be made the aims of policy. To be liked and to be regarded as good fellows are not ends in themselves; they are a reflection of but not a substitute for policy.

## **Foreign Policy in Essence**

In undertaking this review the Government has been constantly reminded of its need and responsibility to choose carefully aims, objectives and priorities in sufficiently long and broad terms to ensure that essential Canadian interests and values are safeguarded in a world situation where rapid and even radical changes can be anticipated as normal rather than exceptional conditions. Canada, like other states, must act according to

how it perceives its aims and interest. External activities should be directly related to national policies pursued within Canada, and serve the same objectives. Diplomatic relations are maintained and strengthened for a wide variety of reasons—among others, trade expansion, collective security, cultural contact, co-operation in development assistance, exchanges in science and technology. Such relationships have to be kept under review to ensure that they continue to serve Canada's objectives effectively. Those may change as both Canada and the world change. In essence, foreign policy is the product of the Government's progressive definition and pursuit of national aims and interests in the international environment. It is the extension abroad of national policies.

## Chapter II

### NATIONAL AIMS

The ultimate interest of any Canadian Government must be the progressive development of the political, economic and social well-being of all Canadians now and in future. This proposition assumes that for most Canadians their "political" well-being can only be assured if Canada continues in being as an independent, democratic and sovereign state. Some Canadians might hold that Canada could have a higher standard of living by giving up its sovereign independence and joining the United States. Others might argue that Canadians would be better off with a lower standard of living but with fewer limiting commitments and a greater degree of freedom of action, both political and economic. For the majority, the aim appears to be to attain the highest level of prosperity consistent with Canada's political preservation as an independent state. In the light of today's economic interdependence, this seems to be a highly practical and sensible evaluation of national needs.

#### Basic National Aims

In developing policies to serve the national interests, the Government has set for itself basic national aims which, however described, embrace three essential ideas:

- that Canada will continue secure as an independent political entity;
- that Canada and all Canadians will enjoy enlarging prosperity in the widest possible sense;
- that all Canadians will see in the life they have and the contribution they make to humanity something worthwhile preserving in identity and purpose.



These ideas encompass the main preoccupations of Canada and Canadians today: national sovereignty, unity and security; federalism, personal freedom and parliamentary democracy; national identity, bilingualism and multicultural expression; economic growth, financial stability, and balanced regional development; technological advance, social progress and environmental improvement; human values and humanitarian aspirations.

## Pursuit of Canadian Aims

Much of Canada's effort internationally will be directed to bringing about the kinds of situation, development and relationship which will be most favourable to the furtherance of Canadian interests and values. As long as the international structure has the nation state as its basic unit, the Government will be pursuing its aims, to a substantial degree, in the context of its relationships with foreign governments. While Canada's interests might have to be pursued in competition or even in conflict with the interests of other nations, Canada must aim at the best attainable conditions, those in which Canadian interests and values can thrive and Canadian objectives be achieved.

Canada has less reason than most countries to anticipate conflicts between its national aims and those of the international community as a whole. Many Canadian policies can be directed toward the broad goals of that community without unfavourable reaction from the Canadian public. Peace in all its manifestations, economic and social progress, environmental control, the development of international law and institutions—these are international goals which fall squarely into that category. Other external objectives sought by Canada, very directly related to internal problems (agricultural surpluses, energy management, need for resource conservation), are frequently linked to the attainment of international accommodations (cereals agreements, safeguards for the peaceful uses of atomic energy, fisheries conventions) of general benefit to the world community. Canada's action to advance self-interest often coincides with the kind of worthwhile contribution to international affairs that most Canadians clearly favour.

Canada's foreign policy, like all national policy, derives its content and validity from the degree of relevance it has to national interests and basic aims. Objectives have to be set not in a vacuum but in the context in which they will be pursued, that is, on the basis of reasonable assumption

of what the future holds. The task of the Government is to ensure that these alignments and interrelationships are kept up-to-date and in proper perspective. In no area of policy-making is this whole process more formidable than foreign policy.

## Chapter III

### SHAPING POLICY

The world does not stand still while Canada shapes and sets in motion its foreign policy. The international scene shifts rapidly and sometimes radically, almost from day to day. Within one week an assassination in Cyprus, a decision about another country's import policy, a coup in Cambodia, an important top-level meeting of two German leaders, a dispute in Niamey—while not all such events affect Canadian interest, some have done so, others will.

It is much the same on the domestic scene. An oil-tanker foundering in Canadian territorial waters endangers marine life and underlines once again the need for international co-operation to deal effectively with pollution of the sea as regards both technical remedies and legal responsibilities. A wheat surplus in Western Canada poses very difficult domestic problems and externally requires action to get effective international co-operation in marketing and production policies. A criminal trial in Montreal is considered in a friendly country to have race undertones and causes concern for Canadians and for Canadian business firms there.

The scene shifts constantly, foreign and domestic factors interact in various ways at the same time; they appear quickly, often unexpectedly, as threats or challenges, opportunities or constraints, affecting the pursuit of Canadian national aims. National policies, whether to be applied internally or externally, are shaped by such factors. The trick is to recognize them for what they are and to act accordingly.

The problem is to produce a clear, complete picture from circumstances which are dynamic and ever-changing. It must be held in focus long enough to judge what is really essential to the issue under consideration, to enable the Government to act on it decisively and effectively. That picture gets its shape from information gathered from a variety of sources—

public or official—and sifted and analyzed systematically. The correct focus can only be achieved if all the elements of a particular policy question can be looked at in a conceptual framework which represents the main lines of national policy at home and abroad.

## The Framework

Broadly speaking, the totality of Canada's national policy seeks to:

- foster economic growth
- safeguard sovereignty and independence
- work for peace and security
- promote social justice
- enhance the quality of life
- ensure a harmonious natural environment.

These six main themes of national policy form as well the broad framework of foreign policy. They illustrate the point that foreign policy is the extension abroad of national policy. The shape of foreign policy at any given time will be determined by the pattern of emphasis which the Government gives to the six policy themes. It is shaped as well by the constraints of the prevailing situation, at home and abroad, and inevitably by the resources available to the Government at any given time.

## Policy Themes

The principal ingredients of Canadian foreign policy are contained in the following descriptions of the six policy themes:

- Fostering Economic Growth* is primarily a matter of developing the Canadian economy, seeking to ensure its sustained and balanced growth. This theme embraces a wide range of economic, commercial and financial objectives in the foreign field, such as: promotion of exports; management of resources and energies; trade and tariff agreements; loans and investments; currency stabilization and convertibility; improved transportation, communications and technologies generally; manpower and expertise through immigration; tourism. It involves varying degrees of co-operation in a group of international institutions—e.g., the International Monetary Fund (IMF), the General Agreement on Tariffs and Trade (GATT), the Organization for Economic Co-operation and Development (OECD), the Group of Ten—vital to the maintenance of a stable and prosperous economic community in the world.

—*Safeguarding Sovereignty and Independence* is largely a matter of protecting Canada's territorial integrity, its constitutional authority, its national identity and freedom of action. Sovereignty and independence are challenged when foreign fishermen illegally intrude into Canadian territorial waters, when Canadian constitutional arrangements are not fully respected by other governments. They may be affected by external economic and social influences (mainly from the United States); or qualified by international agreement, when Canada in its own interest co-operates internationally in trade (GATT) or financial institutions (IMF), for example. Sovereignty may have to be reaffirmed from time to time, especially when territorial disputes or misunderstandings arise, and should be reinforced by insistence on compliance with Canadian laws and regulations and by employing adequate means of surveillance and control to deal with infringement. Above all, sovereignty should be used to protect vital Canadian interests and promote Canada's aims and objectives.

—*Working for Peace and Security* means seeking to prevent war or at least to contain it. It includes identifying the kind of contribution which Canada can usefully make to the solution of the complex problems of maintaining peace, whether through defence arrangements, arms control, peacekeeping, the relaxation of tensions, international law, or improvement in bilateral relations. In essence, peace and security policies are designed to prevent, minimize or control violence in international relations, while permitting peaceful change.

—*Promoting Social Justice* includes policies of a political, economic and social nature pursued in a broad area of international endeavour and principally today with international groupings (the United Nations, the Commonwealth, la Francophonie). It means, in the contemporary world, focusing attention on two major international issues—race conflict and development assistance. It is also related to international efforts: to develop international law, standards and codes of conduct; and to keep in effective working order a wide variety of international organizations—e.g., the UN Development Programme (UNDP), the UN Conference on Trade and Development (UNCTAD), the International Development Association (IDA), the Development Assistance Committee (DAC).

- Enhancing the Quality of Life* implies policies that add dimension to economic growth and social reform so as to produce richer life and human fulfilment for all Canadians. Many of these policies are internal by nature, but in the external field they involve such activities as cultural, technological and scientific exchanges which, while supporting other foreign objectives, are designed to yield a rewarding life for Canadians and to reflect clearly Canada's bilingual and multicultural character. Part of this reward lies in the satisfaction that Canada in its external activities is making a worthwhile contribution to human betterment.
- Ensuring a Harmonious Natural Environment* is closely linked with quality of life and includes policies to deal not only with the deterioration in the natural environment but with the risks of wasteful utilization of natural resources. Implicit are policies: to rationalize the management of Canada's resources and energies; to promote international scientific co-operation and research on all the problems of environment and modern society; to assist in the development of international measures to combat pollution in particular; to ensure Canadian access to scientific and technological information in other countries.

## Interrelationships

The conceptual framework serves particularly well to emphasize the various interrelationships which enter into the consideration and conduct of Canada's foreign policy. These include, for example:

- the relationship between domestic and foreign elements of policy designed to serve the same national objective (The utilization of energies and resources in Canada is related to international agreements on their export, both elements being pursued to promote economic growth.);
- the relationship between basic national aims and intermediate objectives for furthering their attainment (National unity is related to the external expressions of Canada's bilingualism and multicultural composition.);
- the relationship between activities designed to serve one set of objectives and those serving other national objectives (Cultural and information programmes are related to trade promotion activities.);

- the relationship between and among the six main thrusts of policy (Ensuring the natural environment is related to enhancing the quality of life; both are related to the fostering of economic growth; which in turn relates to the promotion of social justice.)

## Hard Choices

Most policy decisions—certainly the major ones—involve hard choices which require that a careful balance be struck in assessing the various interests, advantages and other policy factors in play. As in so many fields of human endeavour, trade-offs are involved. For example:

- In striving to raise national income through economic growth, policies may be pursued which adversely affect the natural environment by increasing the hazards of pollution or by depleting resources too rapidly. Such policies might also cause infringement of social justice (because of inflation, for example) and impair the quality of life for individual Canadians.
- In seeking social justice for developing nations, through trade policies which offer them concessions or preferences, the Government's policy may adversely affect the domestic market opportunities for certain Canadian industries, or it might involve parallel policies to curtail or reorient their production.
- Similarly, if international development assistance programmes require a substantial increase in Canadian resources allocated, the trade-off may be some reduction of resources allocated to other governmental activity, like the extension of Canadian welfare programmes or the attack on domestic pollution.
- Reductions in military expenditure may lead to results difficult to gauge as regards Canada's capacity to ensure its security, to safeguard its sovereignty and independence, and to make a useful contribution to the maintenance of peace; though resources might thereby be freed for other activities.
- The most difficult choices of the future may result from seeking to recapture and maintain a harmonious natural environment. Such policies may be essential to enhance the quality of life (if not ensure human survival) but they may well require some curtailment of economic growth and freedom of enterprise and a heavy allocation of resources from both public and private sources.

## Criteria for Choosing Policy

How then is the choice to be made?

- First:* The Government could arbitrarily decide that it wants to emphasize specific policy themes like Peace or Independence or the Quality of Life in order to create a certain political image at home and abroad. This choice would be based not on any particular forecast of future events, nor on an assessment of the contribution which specific policy themes would make to the attainment of national aims, but on the pursuit of political philosophy largely in a vacuum. Applied alone, this criterion could easily produce unrealistic results.
- Second:* The Government could base its policy emphasis solely on what Canada's essential needs might be in various situations forecast. This would be largely a matter of deciding which of the policy themes would best serve to attain national aims in such situations. This approach would produce a foreign policy largely reactive to external events, and more often than not to those which posed foreseeable threats to Canadian interests. If this criterion were allowed to dominate, it could be very restrictive on policy choices because forecasts would be more concerned with constraints than opportunities, hampering the Government's initiative and freedom of manoeuvre.
- Third:* Taking some account of forecasts, and especially the very obvious constraints, the Government could seek to emphasize those foreign policy activities which Canada could do best in the light of all the resources available, and under whichever policy theme such action might most appropriately fall.

In practice, these criteria may have to be applied from time to time in some kind of combination. In specific situations this might produce the best balance of judgment. Nevertheless, the Government regards the three criteria as optional approaches to ranking and has selected the third one as a main determinant of its choice of policy emphasis. The Government's preference stems in part from the conclusion that, since forecasting in the field of external affairs is likely to be more reliable in the shorter term, it will be desirable to assign more weight to forecasts when considering relatively short-term programmes rather than when setting the broad lines of policy. The Government is firmly convinced that Canada's most effective contribution to international affairs in future will derive from the judicious application abroad of talents and skills, knowledge and experience, in



fields where Canadians excel or wish to excel (agriculture, atomic energy, commerce, communications, development assistance, geological survey, hydro-electricity, light-aircraft manufacture, peacekeeping, pollution control, for example). This reflects the Government's determination that Canada's available resources—money, manpower, ideas and expertise—will be deployed and used to the best advantage, so that Canada's impact on international relations and on world affairs generally will be commensurate with the distinctive contribution Canadians wish to make in the world.

Foreign policy can be shaped, and is shaped, mainly by the value judgments of the Government at any given time. But it is also shaped by the possibilities that are open to Canada at any given time—basically by the constraints or opportunities presented by the prevailing international situation. It is shaped too by domestic considerations, by the internal pressures exerted on the Government, by the amount of resources which the Government can afford to deploy.

## Chapter IV

### PERSPECTIVES FOR THE SEVENTIES

All government decisions on policy questions depend in some degree on the forecasting of events or situations likely to arise in future, whether short- or long-term. Forecasting in a field as vast and varied as foreign affairs is bound to be difficult, complicated and full of uncertainties. The variables of politics are in the broad arena of international affairs exaggerated, multiplied, diversified and often intensified in their impact. The risks of faulty or short-lived predictions run high and are compounded in an era of swiftly evolving events and technologies, even though some technological advances can be used to improve the process of forecasting. Forecasts for foreign policy purposes of necessity must be generalized. They rest on the facts and interpretations of international developments which are both subject to correction and change, and susceptible of widely differing deductions.

All this produces complex difficulties of targeting for any government wishing to set its objectives and assign priorities for policies intended to deal with specific issues arising, preferably before they become critical. The Canadian Government, moreover, must assess its various policy needs in the context of two inescapable realities, both crucial to Canada's continuing existence:

—Internally, there is the multi-faceted problem of maintaining national unity. It is political, economic and social in nature; it is not confined to any one province, region or group of citizens; it has constitutional, financial and cultural implications. While most of its manifestations have a heavy bearing on Canada's external affairs—some have already had sharp repercussions on Canada's international relations—in essence they are questions whose answers are to be sought and found within Canada and by Canadians themselves.

—Externally, there is the complex problem of living distinct from but in harmony with the world's most powerful and dynamic nation, the United States. The political, economic, social and cultural effects of being side by side, for thousands of miles of land, water and airspace, are clearly to be seen in the bilateral context. In addition the tightly mixed, often magnified and wide-ranging interests, both shared and conflicting, bring Canada into contact with the United States in many multilateral contexts. It is probably no exaggeration to suggest that Canada's relations almost anywhere in the world touch in one way or another on those of its large neighbour. This has both advantages and disadvantages for Canada.

The many dilemmas of the Canada-United States relationships, combined with—because they are linked in many ways—the no-less-complicated issues of national unity at home, have created for Canada a multi-dimensional problem of policy orientation and emphasis which few nations have faced in such an acute form. This many-sided problem raises some fundamental questions, for example:

- What are the implications of sharing the North American continent with a super-state?
- What kinds of policy should Canada pursue to safeguard its sovereignty, independence and distinct identity?
- What policies will serve to strengthen Canada's economy without impairing political independence?
- How can foreign policy reflect faithfully the diversities and particularities of the Canadian national character?

It was these questions and others in the same vein which ran like threads through the foreign policy review. They are reflected in a variety of ways in the policy conclusions now being presented to the Canadian people in this set of papers.

## Power Relationships and Conflicts

Despite the trends toward a relaxation of East-West tensions, most of the available evidence suggests that Europe in the seventies will continue to be divided, with Germany split as two partly competing entities. This will be a source of strain and potential conflict, even though in Eastern Europe there is likely to be a slow evolution toward more liberal Communism, still under Soviet control however. Accordingly, security will remain one of the fundamental concerns of all European states and

will affect almost every aspect of the continent's affairs. The relative stability of the past 20 years is likely to continue since the United States and the Soviet Union both seem convinced of the need to avoid nuclear war, whether by miscalculation or by escalation. The super-power competition in the development and deployment of offensive and defensive strategic weapons systems and nuclear warheads will continue but, if the bilateral U.S.A.—U.S.S.R. talks on strategic arms limitations were to succeed, the pace of the arms race would slacken, with proportionate reductions in risks and tensions. Some of these potential benefits may be lost or misplaced through the proliferation of nuclear and conventional armaments, or through failure to find the political and economic accommodation needed to allay perceived threats to vital security interests on both sides.

In any event, the Soviet Union will continue to be preoccupied by its relations with China and the Soviet interest in accommodations with other countries may reflect the degree to which the Chinese threat is considered to be credible to the Soviet Union. Any fighting between these two powers will probably be confined to frontier clashes of limited duration and scale, though the strategic nuclear threat posed by China will require a regular assessment of the strategic balance as regards China, the Soviet Union and the United States. Security in Asia may largely depend on the future attitudes and actions of China, whose place in the world power picture is not likely to be fully clarified until China emerges from its isolation, at least partly self-imposed. Its triangular relationship with India and Pakistan, together with their unresolved disputes, provides a source of potential instability. However, United States disengagement from the conflict in Vietnam, plus serious efforts at reconciliation, could bring about better relations between China and the United States. The eventual participation of China in world affairs—in disarmament talks and at the United Nations, for example—will reflect more accurately the world power balance and, at the same time, produce new problems.

There are likely to be significant adjustments in global relationships attributable to the emergence of new great powers, notably Japan and Germany. The success of the European communities—the European Economic Community (EEC), the European Coal and Steel Community (ECSC) and the European Atomic Energy Community (EURATOM)—has given the countries of Western Europe increased stability and prosperity and enhanced their international influence.

Because it is in the vital interests of the super-powers to contain sources of conflict there, Europe is likely to remain for some time an area of relative peace and stability. In other geographical areas the general

situation is very fluid and political instability will continue to be widespread, though to some extent localized and separate as to cause and effect. There could be prolonged difficulty in reaching an early and satisfactory settlement in Vietnam, for example, and the possibility of subversive activities, communal strife and perhaps guerilla warfare in other Southeast Asian countries. The Middle East situation shows no promise of early solution, and could even deteriorate. In Latin America, more political coups, and perhaps limited conflicts between states, are probable. In southern Africa, racial tension is likely to aggravate in the form of terrorism and sabotage since the remaining white regimes seem determined to persist in their racist policies.

Canada cannot expect to exercise alone decisive influence on the kinds of international conflict implicit in these forecasts, especially those involving larger powers. Nevertheless, there is plenty of room for international co-operation and a continuing Canadian contribution to bringing about a relaxation of tensions, encouraging arms control and disarmament, improving East-West relations, maintaining stable deterrence. There could be further international demands for Canadian participation in peacekeeping operations—especially in regional conflicts. The Government is determined that this special brand of Canadian expertise will not be dispersed or wasted on ill-conceived operations but employed judiciously where the peacekeeping operation and the Canadian contribution to it seem likely to improve the chances for lasting settlement.

### **American Impact on Canada's Economy and other Economic Developments**

On the assumption that reasonable civil order is preserved in the United States and that such international involvements as the Vietnam war are scaled down and avoided in future, the economic and technological ascendancy of the United States will undoubtedly continue during the next decade, although it will be tempered by the economic integration of Europe and the industrial growth of Japan. This ascendancy will continue to have heavy impact on Canada, with political, economic and social implications. The dependence of Canadian private industry and some government programmes on United States techniques and equipment (not to mention capital) will continue to be a fact of life. United States markets for Canadian energy resources and more advanced manufacturing goods will be of growing significance to the Canadian economy. Increasingly, the Canada-United States economic relationship will be affected by

agreements between governments and arrangements by multinational corporations and trade unions.

While such developments should be beneficial for Canada's economic growth, the constant danger that sovereignty, independence and cultural identity may be impaired will require a conscious effort on Canada's part to keep the whole situation under control. Active pursuit of trade diversification and technological co-operation with European and other developed countries will be needed to provide countervailing factors. Improvements in United States relations with the Soviet Union and China—which would seem quite possible within the decade—would enhance Canada's peace and security but would also reduce trading advantages which Canada now enjoys with Eastern Europe and China. In general, United States developments and policies are bound to have profound effects on Canada's position during the seventies, even though there is no reason to believe that the United States Government would consider intervening directly in Canadian affairs.

National incomes will continue to increase at a constant and rapid rate in developed countries. However, there could be disturbances in the inter-related fields of finance, trade and economic activity generally. Individually, countries will probably experience balance-of-payments and other crises. There is a continuing temptation to autarkic policies which could be very unsettling to the varying patterns of trade.

Technological advances can be expected to produce rapidly-changing evolution in the world economic situation. The internationalization of industry, largely in the form of multinational corporations, appears to be a firm feature of the future economic scene and one which governments generally may have to grapple with more consciously and more frequently in future. The international machinery and internal arrangements within the major industrial countries should be able to prevent a major economic crisis from occurring, but developments of sufficient magnitude and duration to disturb Canada seriously could take place. The Canadian Government has a clear interest in sustaining the effectiveness of the international agencies concerned, and in maintaining close relations with governments in the key countries with a view to encouraging the right kinds of policy.

Canada must earn its living in a tough and complicated world. Perhaps the hardest choice in this area of policy—one which arises frequently out of today's economic realities—will be to maintain a proper balance of interest and advantage between Canada's essential needs in ensuring health and growth in its economy and Canada's determination to safeguard its

sovereignty and independence. Nor are these necessarily in conflict at all points, for economic growth is essential to sovereignty and independence.

In developing the complex of vital relationships between Canada and the United States, Canadians must choose very carefully if they are to resolve satisfactorily the conflicts which do arise between maintaining their high standard of living and preserving their political independence. They can have both. In an era of heavy demand for energy and other resources, the cards are by no means stacked in one hand.

## The Rich-Poor Nation Imbalance

The frustration of developing countries during the next decade will increase as they feel more acutely the limitations on their own technological and material progress, compared with that of industrialized countries. Their sense of impotence to gain quickly and effectively a more equitable distribution of needed resources will become more bitter if the signs of flagging interest and disillusionment on the part of more-developed countries are not reversed. The frustration is likely to manifest itself in various ways. Developing countries will increasingly set aside their political differences to form regional blocs that will urge and put pressure on developed countries to adopt policies that will accommodate the needs of developing countries. If these efforts fail, or do not succeed as quickly as the developing countries hope, recriminations, racial tension and, in some cases, political and economic reprisals against the governments, private investors and nationals of the more-developed countries are likely to increase in magnitude.

The emphasis of development efforts during the coming decade will probably be on human development, including education, social change and control of population. These in turn will lead to a greater awareness of the outside world and a greater appetite for quick change. In addition, a shift of emphasis can be expected from direct development assistance to a range of more sophisticated methods of effecting resource transfers to developing countries and of increasing their export earnings. Industrialized states will be called upon to take meaningful steps to facilitate the access to their markets of products from developing countries, and such other measures as financing unexpected shortfalls in the foreign exchange receipts of developing countries. There is likely to be growing pressure to recognize that a long-term solution to the growing disparity between rich and poor will entail a more rational international division of labour. This

in turn would entail developed countries agreeing to make structural changes in their economies that would allow them to absorb the products that developing countries can produce most competitively.

Canada has been contributing to development assistance programmes as long as they have been in existence and increasingly as new nations emerged, in the United Nations, the Commonwealth and la Francophonie. The Government regards development assistance as the major element in its pursuit of Social Justice policies for the benefit of nations less fortunate than Canada. The alternatives in this field are not whether development assistance should be continued on an increasing scale but how and in what amount. Because of their importance, these and other questions are the subject of a separate policy paper in this series. Development assistance is clearly an integral part of Canada's foreign policy and increasingly is being co-ordinated with trade, financial and political policies. It enhances the quality of life not only in receiving countries but in Canada as well, as Canadians gain knowledge, experience and understanding of other people and find opportunities abroad to apply Canadian knowledge and experience to the solution of development problems which rank foremost in the priorities of the world today.

## **Technological Progress and Environmental Problems**

The impact of science and technology on international affairs is becoming increasingly significant and varied as new advances are made. It will be important for Canada to be assured of access to scientific development abroad and to participate in multinational co-operation in scientific undertakings, co-operation which is expanding in scope and complexity. The direct impact of science and technology will bear significantly on such fields as transportation and mass communications, automation and the industrial process, the increasing internationalization of industry, and life in the developing countries (some of which may not be able to make the necessary adjustments with the speed required, widening the gulf between them and the developed countries). The problem of harnessing science and technology to serve human objectives, rather than allowing autonomous scientific and technological advances to dictate the accommodations to be made by man, may prove to be the major challenge of coming decades.

Already modern technology has produced serious social and environmental problems in developed nations and will continue to do so



unless remedial measures are taken. This is an argument in favour of vigorous co-ordinated research, an institutionalized sharing of experience in various fields, and co-operative action in sectors of international responsibility. The principal changes in the everyday life of Canadians during the next decade are likely to be caused by scientific and technological changes, and by the social and political consequences which flow from them. There will be increasing demands for action to deal with such consequences by mobilizing science and technology to serve social ends. Legal structures, domestic and international, will have to be developed in tune with those demands.

It is already apparent that the existence of pollution presents complex problems which require effective action at all international and national levels. It is equally apparent that some remedial measures will be costly, complicated and perhaps disrupting to development and will affect the competitiveness of growing national economies. But even the existing threats of ecological imbalance may be among the most dangerous and imminent which the world faces. With about 7 per cent of the world population, North America is consuming about 50 per cent of the world's resources. The rising aspirations of expanding populations will demand that progressively more attention be paid to achieving the optimum economy in the consumption of non-renewable resources. Anti-pollution and resource conservation measures will of necessity have to be linked with others of a social nature designed to deal with acute problems of many kinds arising in the whole human environment—problems of urbanization, industrialization, rural rehabilitation, of improving the quality of life for all age-groups in the population. The problems and their remedies will continue to spill across national boundaries.

Governments at all levels in Canada, Canadians generally both as corporate and individual citizens, are clearly required to act vigorously and effectively in order to deal with a whole range of environmental problems, headed by pollution. There is no question about the high priorities which attach to these urgent problems. They lie squarely within the closely-related policy themes Quality of Life and Harmonious Natural Environment. The real alternatives which the Government is considering and will have to face increasingly, relate to finding the most effective methods. The international ramifications are obvious, especially in Canada-United States relations, and just as obvious is the need for solid international co-operation.

## Social Unrest

Many ideologies will continue in the seventies to exert an influence, perhaps in new forms, but more likely as variants of the contemporary ones. Some of these may become mixed with Canada's internal differences. The most profound effects for the Canadian people could be caused by the continued and widespread questioning of Western value systems—particularly the revolt against the mass-consumption society of North America with its lack of humanism. Powerful influences will undoubtedly come from the United States, but developments in Europe, Latin America and within the Communist group of nations could also have a bearing on the evolution of Canadian society. The implications for foreign policy are varied and not very precise. There might, for example, be some public sentiment in favour of restricting immigration or imposing other controls to ensure national security. Bitter experience of past decades has demonstrated rather conclusively, however, that ideological threats cannot be contained merely by throwing up barriers, military or otherwise. The alternative—and this the Government favours and is pursuing—is to seek as far as possible to pursue policies at home and abroad which convince all Canadians that the Canada they have is the kind of country they want.

## The Conduct of Foreign Policy

“One world” is not likely to be achieved in the next decade or so. As suggested earlier, United States relations with either or both the Soviet Union and China could improve, making possible real progress toward more effective instruments for international co-operation, but generally speaking progress in that direction is likely to be slow.

There will probably be a continuing world-wide trend toward regionalism in one form or another. In Western Europe the growth of a sense of shared European identity has expressed itself in a movement toward greater integration, as exemplified by the EEC, which will undoubtedly be carried forward in spite of formidable obstacles. Elsewhere, loose regionalism, ranging from the Association of South-East Asian Nations (ASEAN) in the Pacific to the Organization of American States (OAS) and the Organization of African Unity (OAU), now seems to be an accepted type of grouping for many states but a number of more tightly-knit functional or sub-regional groupings have been growing (Caribbean Free Trade Area (CARIFTA), the regional development banks, or l'Agence de Coopération culturelle et technique for *francophone* countries) adding to earlier

international bodies composed of countries with common interests (NATO, Warsaw Pact Organization, OECD and many others).

Nevertheless, international organizations, more or less world-wide in composition or representation, will continue particularly under the United Nations ægis. The role of those international organizations should gain more substance as there is a greater multilateralization of the policy-formulating process in such fields as communications, outer space, the seabed, anti-pollution, arms control, aid co-ordination, and rationalization of agricultural production. In some fields this need will require new institutional machinery, whereas in others existing institutions can satisfy the requirements, though they will regularly require strengthening or reorientation.

Membership in international organizations is not an end in itself and Canada's effort at all times will be directed to ensuring that those organizations continue to serve a useful purpose to the full extent of their capacity to do so. The trend toward regionalism, on the other hand, poses problems for Canada because its geographical region is dominated by the United States; and because excessive regionalism in other geographical areas complicates Canada's effort to establish effective counterweights to the United States. Nevertheless, the Government sees no alternative to finding such countervailing influences, and this will be reflected in the new policy emphasis on geographical diversification of Canada's interests—more attention to the Pacific and to Latin America, for example—while taking fully into account new multilateral arrangements in Europe.

## Challenges Close to Home

If there are no unpleasant political and military surprises on a grand scale, it may not be unrealistic to assume that for the next decade or so the real external challenges to essential Canadian interests could be:

- trade protectionism in the policies of foreign governments or regional groupings which could impair the multilateral trade and payments system developed since the Second World War;
- other developments abroad, including excessive inflation or deflation seriously affecting Canada's economy;
- a sharpening of ideological conflict with a further upsetting influence on Western value systems (the effect of the Vietnam war has been massive in this regard); and/or deteriorating conditions (poverty, race discrimination, archaic institutions) leading

to violent disturbances (including civil wars, riots, student demonstrations), which are not only important in themselves but can also be detrimental to trade and investment abroad and to unity and security at home;

- the erosive effect on separate identity and independence of international activities and influences, mainly under American inspiration and direction, in the economic field (multinational corporations, international trade unions). Such activities and influences have yielded many practical benefits, but the degree of restriction they impose on national freedom of action must be constantly and carefully gauged if sovereignty, national unity and separate identity are to be safeguarded.

Coupled with these challenges and also involving international co-operation will be the need to consult closely on the utilization of natural resources, the drive to sustain economic growth and the advances in science and technology, so that they serve to improve rather than impair the quality of life for all Canadians.

## Chapter V

### POLICY PROJECTIONS

From this whole review a pattern of policy for the seventies emerges. None of the six themes—Sovereignty and Independence, Peace and Security, Social Justice, Quality of Life, Harmonious Natural Environment or Economic Growth—can be neglected. In the light of current forecasts, domestic and international, there is every reason to give a higher priority than in the past to the themes of Harmonious Natural Environment and Quality of Life. Canadians have become more and more aware of a pressing need to take positive action to ward off threats to the physical attractions of Canada, and to safeguard the social conditions and human values which signify Canada's distinct identity. They are increasingly concerned about minimizing the abrasions of rapidly-evolving technologies, conserving natural resources, reducing disparities regional and otherwise, dealing with pollution, improving urban and rural living conditions, protecting consumers, cultural enrichment, improving methods of communication and transportation, expanding research and development in many fields. All of these concerns have international ramifications. To enlarge external activities in these fields and to meet ongoing commitments such as development assistance (Social Justice), disarmament negotiations, the promotion of *détente* and peacekeeping (Peace and Security), it will be essential to maintain the strength of Canada's economy (Economic Growth).

#### Policy Patterns

To achieve the desired results, various mixes of policy are possible. For example, priorities could be set as follows:

- In response to popular sentiment, which is concerned with the threats of poverty and pollution and the challenge to national

unity, the themes could be ranked beginning with (i) Social Justice, (ii) Quality of Life, (iii) Sovereignty and Independence.

OR

—In order to meet growing environmental problems the emphasis could be (i) Harmonious Natural Environment; (ii) Quality of Life; (iii) Social Justice.

OR

—In order to deal with economic crises the policy emphasis could be: (i) Economic Growth; (ii) Social Justice.

After considering these and other alternatives, and having in mind its determination to emphasize what Canada can do best in order to promote its objectives abroad, the Government is of the view that the foreign policy pattern for the seventies should be based on a ranking of the six policy themes which gives highest priorities to Economic Growth, Social Justice and Quality of Life policies. In making this decision, the Government is fully aware that giving this kind of emphasis to those themes of policy does not mean that other policies and activities would, or indeed could, be neglected. Policies related to other themes (Peace and Security, Sovereignty and Independence) would merely be placed in a new pattern of emphasis. Emphasis on sovereignty and independence, in any event, primarily depends on the extent to which they are challenged or have to be used at any given time to safeguard national interests. Peace and Security depend mainly on external developments. On the other hand, the survival of Canada as a nation is being challenged internally by divisive forces. This underlines further the need for new emphasis on policies, domestic and external, that promote economic growth, social justice and an enhanced quality of life for all Canadians.

Inevitably, sudden developments, unanticipated and perhaps irrational, could require the Government to make urgent and radical readjustments of its policy positions and priorities, at least as long as the emergency might last. Flexibility is essential but so too is a sense of direction and purpose, so that Canada's foreign policy is not over-reactive but is oriented positively in the direction of national aims. This is one of the main conclusions of the policy review.

### Emerging Policy

While the review was going on, while the conceptual framework was taking shape, the Government has been taking decisions and initiating action which reflect a changing emphasis of policy and Canada's changing outlook on the world:

- The Government's intention to seek diplomatic relations with the People's Republic of China was announced in May 1968. After reviewing the alternatives for achieving that end, the Government decided the details of how and where to proceed, and did so. That action was linked with the Government's desire to give more emphasis to Pacific affairs generally.
- At the same time the Government announced that it would give speedy and favourable consideration to the creation of the International Development Research Centre in Canada. Appropriate legislative action has been taken to establish this institute, which will seek to apply the latest advances in science and technology to the problems of international development. This signifies the Government's growing concern, both nationally and internationally, with policies relating to social justice and environmental problems.
- The decision on Canada's future military contribution to NATO was taken after a very exhaustive examination of factors and trends in Europe (discussed in the sector paper on Europe), attitudes in Canada, and alternatives ranging from non-alignment or neutrality in world power relationships to increased involvement in collective defence arrangements. The decision was based on the Government's belief that in years to come there would be better uses for the Canadian forces and better political means of pursuing foreign policy objectives than through continued military presence in Europe of the then-existing size. It was part of an emerging view that the Government must seek to make the best use of Canada's available resources, which were recognized as being not unlimited.
- Other decisions, some taken more recently, reflected increasingly the shift of policy emphasis toward the policy pattern which has now been established. The increased interest and activity in *francophone* countries is not only reflected in the extension of Canada's development assistance programmes but also demonstrates a desire to give full expression to bilingualism and to the technological and cultural achievements of Canada.
- The decisions to block the proposed sale of Denison Mines stock and to establish the Canadian Radio and Television Commission reflected the Government's awareness of the ever-present need to safeguard Canada's independence and identity, while pursuing policies of economic growth and cultural development. Discus-

sions about a Canada Development Corporation had similar objectives. In the same vein were decisions to proceed with legislation on Arctic waters pollution, on territorial sea and fishing zones. Such steps are taken not to advance jingoistic claims nor to demonstrate independence needlessly, but to promote national objectives and to protect national interests.

The pattern has now been set, the policy is in motion. The broad implications for the future are becoming apparent. If the seventies do present Canada with anything like the challenges and conditions foreshadowed in Chapter IV, prime importance will attach to internal conditions in the country and steps taken by the Government—at home and abroad—to improve those conditions. Sound domestic policies are basic to effective foreign relations. The most appropriate foreign policy for the immediate future will be the one:

- which strengthens and extends sound domestic policies dealing with key national issues, including economic and social well-being for all Canadians, language and cultural distinctions, rational utilization of natural resources, environmental problems of all kinds;
- which gives Canadians satisfaction and self-respect about their distinct identity, about the values their country stands for, about shouldering their share of international responsibility, about the quality of life in Canada; and,
- which helps Canada to compete effectively in earning its living and making its own way with the least possible dependence on any outside power.

The salient features of policy in future can be seen in the summary descriptions that follow under the theme headings.

## **Economic Growth**

The Government's choices, as reflected in this paper and the accompanying sector studies, underscore the priority which attaches to the network of policies, at home and abroad, designed to ensure that the growth of the national economy is balanced and sustained. Obviously, in the foreign field this means keeping up-to-date on such key matters as discoveries in science and technology, management of energies and resources, significant trends in world trade and finance, policies of major trading countries and blocs, activities of multinational corporations. It calls for constant efforts to expand world trade, bilaterally and multi-



aterally, through commercial, tariff and financial agreements; to enlarge and diversify markets for established Canadian exports. It requires intensive research and development studies in depth and on a regular basis, to discover and devise: new patterns of trade and investment, innovations in goods and services offered, new relationships with individual trading partners and with economic groupings. It also requires a sound framework of international co-operation.

Emphasis on economic growth assumes, as well, the continuation of immigration policies and programmes designed to ensure that the manpower requirements of a dynamic economy are fully met. It calls for an intensification and co-ordination of cultural, information and other diplomatic activity to make Canada fully known and respected abroad as a land of high-quality products, whether cultural or commercial, and as an attractive place for investors, traders, tourists and the kind of immigrant Canada needs. Increasingly these policies involve consultations with the provinces about relevant matters and co-operation with them in foreign countries. To resolve constitutional issues is not enough; to provide a better service abroad for all parts of Canada is necessary if Canadians are to be fully convinced of the advantages in Canada's federal system. Of necessity too, if Canada's external economic policies are to be fully successful, there must be closer contact between Canadian citizens—businessmen in particular—operating abroad and all departments and agencies in the foreign field, so that there may be a full awareness by both sides of all the possibilities for promoting—most effectively and economically—essential Canadian interests in countries and areas concerned.

## Social Justice

Development assistance—which now implies trade and aid—is fully recognized as an expanding area of the Government's external activity, which has substantial benefit of an international significance transcending the relatively modest national costs incurred. Development assistance provides a special opportunity for a significant and distinctive Canadian contribution in the contemporary world. It is, moreover, a principal manifestation of Canada's continuing willingness to accept its share of international responsibility, a self-imposed duty to help improve the human condition.

At the same time, the Government realizes that development programmes alone will not solve all the problems of stability in the Third World. Tensions exist there because of ancient animosities, stratified societies resting on large depressed classes, wide dissemination of armaments

from Western and Communist sources. To be optimized, therefore, development assistance programmes will have to be correlated with policies relating to a set of very difficult international issues bearing such labels as the peaceful settlement of disputes, promotion of human rights and freedoms, race conflict (which backlashes in a variety of ways in many countries), control of arms export, and military training programmes. Most of these issues arise in one form or another in the United Nations and Commonwealth contexts, where they tend to magnify the divergent interests of members. They can pose policy choices of great complexity if competing national objectives, very closely balanced as to importance, are involved (total rejection of race discrimination and continuing trade with white regimes in southern Africa, for example).

## Quality of Life

There is a close link between environmental ills and the quality of life. The current emphasis on policies and measures to give all Canadians the advantages they have a right to expect as citizens ranks high in the Government's domestic priorities. In the international context, exchanges of all kinds—for purposes of education, science, culture, sport—are multiplying with government encouragement and assistance. But Canada and the world community have yet to deal effectively with some urgent problems closely related to quality of life—hijacking and terrorism in the air when the airbus is here and supersonic aircraft are being tested; the alarming dimensions of the drug traffic today; internal security problems, not only based on legitimate domestic grievances but aggravated by outside agitation; organized crime across frontiers and trials with international implications; consumer protection against possible abuses by internationalized business activity. These are a few items on a much longer list. It is not that nothing is being done among countries but that much more must be done to bring such problems under control.

Most of the matters mentioned in this chapter will continue to have importance in international affairs, but they may have to give place, in terms of priority, to other problems which are pressing hard on the international community. These are the problems of the human environment. Anti-pollution programmes can be envisaged which eventually will open opportunities for creative international activity. Even now there is plenty of scope for institutionalized exchanges and for more concrete co-operative action. Canada has begun to take steps at home for dealing with the wide variety of environmental problems which a big industrialized country on

the North American model is bound to face. The expertise resulting from domestic research and experience will be applied internationally to similar problems, just as foreign knowledge and experience can be tapped for the benefit of Canada. Like development aid, such programmes, and especially those involving effective anti-pollution remedies, are likely to prove costly in future, the more so because crash action may be required if measures are to be made effective in time to check the present pace of deterioration. The job to be done assumes a healthy, expanding economy and concentration of resources on key problems.

It may call for a degree of intergovernmental co-operation not yet envisaged or practicable in existing international organizations. Whatever the difficulties and complications, the Government attaches high priority to environmental problems and intends to see that this priority is reflected in its national policies, at home and abroad.

## Peace and Security

The policies and activities dealt with so far in this chapter manifest the Government's broad desire to do something effective to advance the cause of international stability and human betterment. They are not the only ways whereby Canada seeks to fulfil that desire. Participating in negotiations on arms control and on *détente*, seeking closer relations with individual countries in Eastern Europe, establishing diplomatic relations with China, joining in programmes for disaster and refugee relief, co-operating to promote trade expansion and to stabilize international finance, promoting progressive development of international law and standards in a variety of fields, seeking to improve peaceful methods (particularly peacekeeping) and to strengthen world order generally—all these are continuing external activities of Canada, and form part of the Government's ongoing foreign policy, not as matters of routine but as sectors of a broad front on which to probe systematically for openings toward solid progress.

Those activities are all important because they are broadly aimed at removing the obstacles to improvement in the international situation; clearly, as well, they serve Canada's self-interest, to the extent that they contribute to its national security and well-being. The Government is very conscious of its duty to ensure that national security is safeguarded in all respects. Defence arrangements must be maintained at a level sufficient to ensure respect for Canada's sovereignty and territorial integrity, and also to sustain the confidence of the United States and other allies. A

compelling consideration in this regard is the Government's determination to help prevent war between the super-powers, by sharing in the responsibility for maintaining stable nuclear deterrence and by participating in NATO policy-making in both political and military fields. The Government has no illusions about the limitations on its capacity to exert decisive or even weighty influence in consultations or negotiations involving the larger powers. But it is determined that Canada's ideas will be advanced, that Canada's voice will be heard, when questions vital to world peace and security are being discussed.

Canada has gained some special knowledge and experience in the broad area of "peace" talks—disarmament and arms control, *détente* and peacekeeping. It has more experience than many other countries when it comes to action in the peacekeeping field. The Government has no intention of relegating that know-how and experience to the national archives while the possibility remains that Canadian participation may be needed—in the sense that it is both essential and feasible in Canada's own judgment—to resolve a crisis or to ensure the successful outcome of a negotiation. In the whole area of peace activity, especially at the present time, it seems wise for Canada to hold something in reserve to meet emergency situations when a Canadian contribution can be solidly helpful. In the meantime, the Government will continue to give priority to its participation in arms-control talks and, as a minimum preparation for responding to other peace demands which may arise, the Government will keep its policy research and development on relevant subjects fully up-to-date. It will try to ensure, in any negotiations under way (arms control in Geneva, peacekeeping in New York), that Canadian interests and ideas are adequately taken into account.

## Sovereignty and Independence

Seeing itself as a North American state, Canada has had to take a hard look across the oceans which surround it, and at the western hemisphere as a whole. In spite of the continuing and complex interdependence in today's world, Canada's particular situation requires a certain degree of self-reliance and self-expression if this country is to thrive as an independent state in a world of rapidly-shifting power structures and relationships. This special requirement has a very direct bearing on how the Government should:

- Manage its complex relations with the United States, especially as regards trade and finance, energies and resources, continental

defence. The key to Canada's continuing freedom to develop according to its own perceptions will be the judicious use of Canadian sovereignty whenever Canada's aims and interests are placed in jeopardy—whether in relation to territorial claims, foreign ownership, cultural distinction, or energy and resource management.

- Develop future relations with other countries in the western hemisphere, and with countries in other geographical regions. The predominance of transatlantic ties—with Britain, France and Western Europe generally (and new links with the Common Market)—will be adjusted to reflect a more evenly distributed policy emphasis, which envisages expanding activities in the Pacific basin and Latin America.
- Deploy its limited human resources, the wealth which Canadians can generate, its science and technology, to promote a durable and balanced prosperity in the broadest socio-economic sense. There are limitations on what a nation of little more than 20 million can hope to accomplish in a world in which much larger powers have a dominant role.
- Seek to sustain Canada's distinct identity, including particularities of language, culture, custom and institution. The Canadian contribution, to be most effective and distinctive, will have to be concentrated both as to kind and place.

## Organizing for the Seventies

To meet the challenges of coming decades, to be equipped to take advantage of new opportunities, to keep abreast of the rapid evolution of events, the Government needs a strong and flexible organization for carrying out its reshaped foreign policy. The pace of change renders more complex and urgent the problems of planning and implementing a coherent policy aligned with national aims. New staffing structures and modern management techniques are called for.

The Government has decided that there should be maximum integration in its foreign operations that will effectively contribute to the achievement of national objectives. An integrated management system cannot be established immediately or easily. Each theoretical step leading

towards the goal of integration must be evaluated, tested and transformed into practical reality without impairing the quality of service available to the Government and the Canadian people from established foreign operations. The new system must be developed harmoniously and above all keep its capacity for adapting to an evolving international situation.

As an important first step in the development of an integrated system, the Government has established a new Committee on External Relations at Deputy Minister level. This Committee will have the responsibility for guiding the process of integration during its initial phases and for advising the Government on such matters as the formulation of broad policy on foreign operations, the harmonization of departmental planning with the Government's external interests, the conduct of foreign operations, the allocation of resources for those operations.

At the same time the Government has established, as a sub-committee of the Committee on External Relations, a Personnel Management Committee. It will be charged with the responsibility for advising generally on the staffing of posts abroad and in particular for developing, to the greatest degree possible, co-ordinated and common policies on the recruitment of foreign service personnel, career development, classification and evaluation standards. The Personnel Management Committee will also concern itself with the formulation of programmes of rotation and secondment between the foreign service, on the one hand, and government departments, the business world, the academic community, on the other. Such a programme will ensure that foreign service officers will be familiar and sympathetic with the viewpoints, concerns and interests of all government departments and private organizations operating abroad.

A task force will report as soon as possible to the Committee on External Relations on the means necessary to integrate all the support services of the Government's foreign operations. As plans are developed they will be tested and put into effect, thereby enabling the Government to provide administrative support for foreign operations in a modern and realistic way.

Finally, the Government has decided that heads of post abroad must be given clear authority over all operations at the post in accordance with approved operational plans; and that the head of post must represent and be accountable for all departments' interests in his area of jurisdiction. This implies, as regards the selection of heads of post, increasing emphasis in future on managerial capabilities and knowledge of the full range of government activities abroad.

The Government's view is that, if its foreign policy is to be carried out effectively, the organization for doing so must be closely-knit, fully qualified and responsive to the changing demands that inevitably will be made on it. The steps taken towards the goal of integration will be systematically reviewed to ensure that they do continue to fulfil the emerging needs of the future.

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The Government has adopted the approach put forward in this general report because of a firm conviction that Canada must in future develop its external policies in a coherent way and in line with closely defined national objectives, as set by the Government. The same approach is reflected in the five sector papers which form an integral part of the presentation of foreign policy which the Government wishes to make to the Canadian people at the present time. They contain the more detailed discussion of policies being pursued and options faced by the Government in those sectors of its external policy.

The sector heads selected for report at this time—Europe, Latin America, the Pacific, International Development, and the United Nations—were chosen because they seemed particularly relevant to new issues being raised in the country. They embrace such questions as Canada's participation in NATO, membership in the Organization of American States, diplomatic relations with the People's Republic of China, the level of development assistance, problems of southern Africa, peacekeeping and arms control. These were neither the only sectors of policy which were considered important by the Government, nor indeed the only ones to be reviewed. They were areas which required examination in some depth, because they involved basic assumptions about Canadian foreign policy since the Second World War. The present report is sufficiently broad in scope to reveal the main contours of Canada's external policy as a whole and to suggest how and where it should be reshaped primarily to bring it into line with new forces and factors at work both at home and abroad.

These papers are concerned with substantive policy rather than methods. For the most part they do not deal with the details of bilateral relations, even those of the greatest importance (with the United States, Britain, France, the Soviet Union, for example). Those relations are clearly involved in many of the policy issues raised throughout the papers. The kind and degree of that involvement as regards Canada-United

States relations is attested to by the numerous references to the United States in most of the papers.

This report poses some basic questions which it attempts to answer. Where it does not give the answer, it tries to suggest some of the factors which need to be taken into account in thinking about such unanswered questions. It is a reflection of the Government's concern about the need to deal with questions Canadians have raised about the country's foreign policy. To do so, it seemed very desirable, and even necessary, to look at the whole policy picture and to think about it in comprehensive terms. In considering this policy report, Canadians should be asking themselves: "What kind of Canada do we want?". Canadians should be thinking about that question and in those terms, because in essence what kind of foreign policy Canada has will depend largely on what kind of country Canadians think Canada is, or should be in the coming decade.