

CLASSIFIED

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 From-De ~~AUG 1976~~ *Nov 1969* TO-À *Oct 1972*

ACID

CLASSIFIÉ

DECLASSIFIED
SEMI ACTIVE

TITLE—TITRE:

GENERAL ADMINISTRATION
 SURVEYS & STUDIES
 CANADIAN REPRESENTATION ABROAD

TRANSFERRED TO PAC



kwp

Retention period - Période de retention:

PUBLIC ARCHIVES APPROVALS
 APPROBATIONS DES ARCHIVES
 PUBLIQUES — NOS. 63/601,
 75/025, 75/004

P: 5Y/2A/3D/J

R: 2Y

DEPARTMENT
OF
EXTERNAL AFFAIRS

MINISTÈRE
DES
AFFAIRES ÉTRANGÈRES

TRANSFERRED TO PAC

EXTERNAL AFFAIRS



AFFAIRES EXTÉRIEURES

TO
À

GS

SECURITY CONFIDENTIEL
Sécurité

FROM
De

JAC

file W

DATE le 27 septembre 1979

REFERENCE
Référence

↑ 30/9.

NUMBER
Numéro

SUBJECT
Sujet
Revue des opérations à l'étranger

FILE	DOSSIER
OTTAWA	1.2.7
MISSION	

ENCLOSURES
Annexes

DISTRIBUTION

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POL

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JHT

JGG

HBR

Je me propose de :

- a) consulter les directeurs-généraux géographiques et M. Miller d'ici la fin de semaine. J'ai déjà consulté MM. Robinson et Taylor;
- b) les grands postes - j'étudie cette semaine le rapport du groupe Robinson et je me proposais de constituer le groupe dans la semaine du 8 octobre;
- c) les mini-postes - le groupe serait constitué la semaine prochaine;

It seems to me this ought to be top priority. We know problem & it ought to produce savings. I see no need to rush at this.

Here the issue is probably one of potential closure of certain ports.
les consulats - le groupe serait constitué le 8 après consultations avec M. Gignac et le directeur général des Affaires consulaires.

Je ne sais s'il faut 3 rédacteurs, un pour chaque aspect des opérations à l'étranger. Nous avons peu de personnel disponible et leurs rapports tendraient à se recouper. Il est peut-être préférable de concevoir 3 groupes avec chacun un rapporteur, suivis d'un seul rapport avec un seul rédacteur.

Il me paraît difficile - pour ne pas dire téméraire - d'entreprendre le travail avant :

- a) d'avoir "digéré" le rapport du groupe Robinson, notamment les aspects interdépartementaux;
- b) d'avoir une idée de l'orientation que prendra l'étude dirigée par M. Miller.

De même, il serait prématuré d'entreprendre la rédaction d'un rapport avant d'avoir pris connaissance :

I agree. I think you should organize any way you wish. It need not be 3 groups.

This ought to be clear next week. If you wish the time of us could discuss.

Are we agreed US study ought to be prepared?

Yes.

27.9.78(us)

CONFIDENTIEL

- Or at least stage 1.
- a) de la revue de la politique étrangère;
 - b) de la revue de l'aide à l'étranger;
 - c) des enveloppes budgétaires pour les prochaines années.

We shall know soon. We also now should assume our present 14% less 2% for the next few years.

Enfin, j'aimerais pouvoir aller recueillir sur place, ou bien obtenir par nos missions, les fruits de certaines expériences étrangères, notamment : britannique, allemande, française, suisse et scandinave. Il est difficile de concevoir l'appréciation de l'expérience américaine dans un climat d'austérité.

Particularly for the mini ports.

Le Sous-secrétaire d'Etat adjoint,



André Couvrette

We need to put to AEC a proposal as soon as possible. It should argue the need for a little more time and for getting our own act together before getting into ICOR. But I think you must assume we shall shortly be under a lot of pressure to consult with ICOR. This can only be delayed for just a long.

EXTERNAL AFFAIRS



AFFAIRES EXTÉRIEURES

TO
À JAC

FROM
De GSS

REFERENCE
Référence

SUBJECT
Sujet Review of Costs of Foreign Operations

SECURITY
Sécurité CONFIDENTIAL
PERSONNEL MANAGEMENT

DATE September 26, 1979

NUMBER
Numéro

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The Under-Secretary has asked that we provide him, without delay, with our proposed plan of attack in the review of the Department of External Affairs' foreign establishment with a view to cutting expenditures. He would like to establish what the timing will be, how we will proceed, as well as who will be involved. In particular, he would like to ensure that the review or reviews, if you proceed independently with them, each have one officer in charge. You will recall that, in the Cabinet Document being considered by Ministers tonight, we state that this review is in fact already underway.

2. This will need to be brought together with a review which I discussed yesterday with Mr. Miller on the total Departmental utilization of person-years. As you know, we shall begin shortly focussing on Headquarters. Obviously there would be little point in covering the same ground twice.

G.S.S. (per RL)

Gordon S. Smith,
Deputy Under-Secretary.

1. Consulter les Dir. gén. (vendredi)
2. a) Grands Postes : Rapport HBR cette semaine
 - consultations avec GEP, GPP, GSP - Miller pour proch.
 - constitution du Groupe sem. suivante
- b) Mini. Postes :
 - consultation de JH5 cette semaine
 - constitution du Groupe sem. prochaine
- c) Consulat :
 - HBR déjà consulté - JBG + CSP sem. prochains
 - Const. groupe sem. 000167
3. Docs - interventions : Réunion avec G Pearson - Répartition des nouvelles pour. prochain

N.B. Grand Postes: On ne peut aller au niveau inter-départal avant la directive du P.M.

APP/D.M. MILLER/6-5595/Dg

EXTERNAL AFFAIRS



AFFAIRES EXTÉRIEURES

TO
À

GSS *JAL*

SECURITY
Sécurité

RESTRICTED

FROM
De

APP

DATE

September 24, 1979

REFERENCE
Référence

NUMBER
Numéro

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SUBJECT
Sujet

Mini Posts; FRG Experience

FILE	DOSSIER
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MISSION	

ENCLOSURES
Annexes

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You may remember that at our discussion on last Thursday afternoon on budgetary cuts we talked about mini posts and I mentioned that I had sent some information on the German experience to the Basil Robinson task force.

- ... 2. Attached is a copy of the relevant telegram for your information.

D.M. Miller,
Director General,
Bureau of Personnel.

26.9.9(05)

APR 27 1979
AVR

cc [unclear] S
CSP

**ACTION
SUITE A DONNER**

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1	<i>RUC</i>
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file W

+ File RUC

R E S T R I C T E D

FM BONN ZOGR1431 23APR79
TO BH ICEROTT DE OTT
INFO EXTOTT/PBRT JSN GRB GNG
REF YOURTEL ICER0061 12APR

---ROLE OF CONSULATES

GERMAN FOREIGN MINISTRY(FM)OFFICIALS WPOM WE CONSULTED ON BASIS YOUR REFTEL SAID THAT IN EARLY 1970S FRG REPRESENTATION ABROAD HAD BEEN SUBJ OF STUDY BY QUOTE REFORM COMMISSION UNQUOTE AND HAD SUFFERED SIGNIFICANT BUDGETARY CUTS FOR PERS(ABOUT 95)ABROAD.

2.REPORT OF REFORM COMMISSION IN MAY71 HAD RECOMMENDED CLOSING OF MANY CONSULAR POSTS AND REPLACING THEM WITH HONOURARY CONSULS; THESE RECOMMENDATIONS HAD BEEN CARRIED OUT.FOR INSTANCE,ABOUT TEN CONSULATES GENERAL OR CONSULATES HAD BEEN CLOSED IN PERIOD 1973-76,MOSTLY IN USA,AND REPLACED BY HONOURARY CONSULS GENERAL OR HONOURARY CONSULS RESPECTIVELY.YOU MAY REMEMBER THAT FRG CONSULATE IN WPEG WAS REPLACED BY HONOURARY CONSUL IN 1973.IN SOME CASES,EG NRLNS,1973,WHERE CONSULATE WAS CLOSED,IT WAS NOT/NOT REPLACED BY PONOURARY CONSUL BUT BY SINGLE CAREER FOREIGN SERVICE OFFICER DRAWN FROM NEARBY CONGEN,IN THIS CASE HOUSTON,WHO ESTABLISHED KIND OF BRANCH OFFICE.

3.HONOURARY CONSULS-GENERAL OR CONSULS ARE SELECTED ON RECOM-MENDATIONS OF GERMAN AMBASSADORS AND MAY BE APPOINTED BY FM WITHOUT REF TO EITHER MINISTRY OF FINANCE OR PARLIAMENT.BUT

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1981/03/11

PAGE TWO ZQGR1431 RESTR

ESTABLISHING CONGEN OR CONSULATE OR, OF COURSE, EMB, REQUIRES MINISTER OF FOREIGN AFFAIRS TO OBTAIN AGREEMENT OF HIS CABINET COLLEAGUE FOR FINANCE TO INCLUDE NEW MISSION IN FOREIGN MINISTRYS NEXT BUDGET AND THEN OF COURSE IS DEPENDENT ON PARLIAMENTARY APPROVAL OF THAT BUDGET.

4. REFORM COMMISSION ALSO RECOMMENDED CLOSURE OF SOME SMALL DIPLO MISSIONS BUT AFTER SERIOUS CONSIDERATION FM CONCLUDED THAT WITH EXCEPTION OF CLOSING GRGTN THIS WOULD BE IMPRACTICAL EVEN IN CENTRAL AMERICA AND AFRICA SINCE MANY EMBS HAD BEEN ESTABLISHED FOR LONG TIME. MINISTRY DID, HOWEVER, REDUCE SIZE OF SEVERAL DIPLO MISSIONS IN THESE AREAS TO LEVEL OF QUOTE MINI-EMBS UNQUOTE COMPOSED USUALLY OF AMB, CHANCERY CLERK WHO SOME TIMES APPEARS ON DIPLO LIST, ONE OR TWO SECRETARIES AND LOCAL DRIVER/MESSENGER. APPARENTLY MINI-POSTS HAVE NO/NO DIRECT SECURE TELECOMMUNICATIONS AND ARE SUPPORTED BY ONE OR TWO DIPLO OFFICERS STATIONED AT LARGER EMBS WITHIN SAME GENERAL REGION WHO ACT AS QUOTE FLOATERS UNQUOTE CONSTANTLY COVERING OFF FOR LEAVE AND SICKNESS AT MINI-EMBS IN THEIR REGION. FRG HAS SEVEN OR EIGHT SUCH MINI-EMBS IN CENTRAL AMERICA AND CARIBBEAN AND ABOUT TWENTY IN AFRICA. FOR REALLY SMALL COUNTRIES, FRG RESORTS TO NON-RESIDENT ACCREDITATION. MINI-EMBS ARE EXCUSED FROM HAVING TO MAKE NORMAL NARRATIVE AND STATISTICAL ANNUAL REPORTS ON SUCH SUBJS AS POLITICS, ECONOMICS, TRADE, ETC, AND ARE ONLY REQUIRED TO RESPOND TO MORE IMPORTANT ADMIN DIRECTIVES. GERMAN OFFICIALS SAID THEY DID NOT/NOT REALLY LIKE THIS SYSTEM SINCE IT WAS CERTAINLY NOT/NOT IDEAL BUT ADMITTED THAT IT DID WORK

11NB

PAGE THREE ZQGR1431 RESTR

AT LEAST TO MAINTAIN SOME LOCAL GERMAN DIPLO PRESENCE.

5. ALTHOUGH AS YOU CAN SEE FRG HAS BEEN SUFFERING PERIOD OF RESTRAINT, WE WERE TOLD THAT CLIMATE HAS NOW CHANGED SOMEWHAT AND PERMISSION WAS OBTAINED LAST YEAR TO OPEN ONE OR TWO POSTS AND EXPECTATION IS THAT THERE WILL BE ONE OR TWO MORE THIS YEAR. MORFOVER FRG CONSULATES IN AREAS PROVING ATTRACTIVE TO GERMAN TOURISTS HAVE BEEN AND ARE BEING STRENGTHENED DUE TO PARLIAMENTARY AND PUBLIC PRESSURE FOR IMPROVED SERVICES.

6. FRG CONSULATES ARE INDEPENDENT MISSIONS, SEPARATE FROM FRG EMB IN SAME COUNTRY, AND HAVE RESPONSIBILITY TO REPORT DIRECTLY TO FM ON SUCH SUBJS AS PRESS, CULTURE, TRADE AND CERTAIN AMOUNT OF ECONOMIC MATTERS. BUT THEY ARE PRIMARILY CONCERNED WITH NORMAL CONSULAR WORK AND EXCEPT FOR HKONG HAVE NO/NO POLITICAL REPORTING RESPONSIBILITIES. THEY DO, HOWEVER, OFTEN ASSIST EMB IN PREPARING COUNTRY-WIDE POLITICAL REPORTS AND SINCE ALL FRG HEADS OF MISSION AT EMBS OR CONSULATES ARE MEMBERS OF FM (INDEED ALL NUMBER TWOS ARE ALSO FROM FM), GERMAN OFFICIALS SAID THAT THERE ARE FEW PRACTICAL DIFFICULTIES OF COORDINATION AND COOPERATION BETWEEN AND AMONG MISSIONS.

7. INTERESTINGLY ENOUGH, WE WERE TOLD THAT AT THOSE FEW POSTS, MOSTLY MULTILATERAL, WHERE EXPERTS ARE REQUIRED FROM MINISTRIES OTHER THAN FM, THEY ARE PROVIDED ON BASIS OF FORMAL INTERDEPTL AGREEMENTS MAKING IT VERY CLEAR THAT FOR TIME OF THEIR POSTING THESE OFFICIALS ARE FULLY INTEGRATED INTO FM AND ARE REQUIRED TO OBTAIN ALL THEIR INSTRUCTIONS AND TO ROUTE ALL THEIR REPORTS

...4

PAGE FOUR ZOGR1431 RESTR

EXCLUSIVELY THROUGH FM. THAT IS NOT/NOT TO SAY, HOWEVER, THAT COPIES OF SUCH COMMUNICATIONS CANNOT/NOT BE SENT DIRECTLY TO THEIR MINISTRIES. ONLY EXCEPTIONS ARE FOR MILITARY ATTACHES WHO ARE PERMITTED TO REPORT DIRECTLY TO MINISTRY OF DEFENCE, BUT MUST SHOW THEIR REPORTS IN ADVANCE TO HEAD OF POST WHO HAS RIGHT TO COMMENT ON THEM SEPARATELY IF NECESSARY. FM ACTS THEREFORE AS ONLY DIRECT CHANNEL FOR INSTRUCTIONS TO FRG MISSIONS AND DISTRIBUTES THEIR REPORTS TO OTHER MINISTRIES INVOLVED.

8. ON ACTIVITIES HAVING COUNTRY-WIDE EFFECT, SUCH AS PUBLIC AFFAIRS, IT IS MOREOVER CUSTOMARY FOR OFFICER AT EMB RESPONSIBLE TO PROVIDE NECESSARY FUNDS TO CONSULATES TO CARRY OUT LOCAL RELATED ACTIVITIES AND THIS TOO WE WERE TOLD STRENGTHENS PRACTICAL COORDINATION.

9. IN SOME INSTANCES WHERE FRG HAS BOTH BILATERAL AND MULTILATERAL POSTS, EG BRU AND VIENN, ATTEMPTS HAVE BEEN MADE TO POOL CERTAIN ADMIN SUPPORT FUNCTIONS BUT GERMAN OFFICIALS CONFESSED THAT QUITE OFTEN THIS HAS CAUSED PROBLEMS, FOR EXAMPLE, WHEN EFFORTS WERE MADE TO ESTABLISH COMMON CAR POOLS.

10. DECISION WHERE AND WHEN TO OPEN CONSULATE IS AGAIN BASED LARGELY ON RECOMMENDATION OF AMB CONCERNED AND IS THEN USUALLY SUBJ OF INSPECTION TEAM INVESTIGATION AFTER WHICH, IF APPROVED WITHIN FM, PROPOSAL IS ADVANCED TO MINISTRY OF FINANCE AND INCLUDED IN NEXT FM BUDGET AS DESCRIBED PREVIOUSLY. INSPECTION TEAM, APART FROM CARRYING OUT SUCH SPECIAL INVESTIGATIONS, VISITS FRG MISSIONS

...5

PAGE FIVE ZQGR1431 RESTR

ON AVERAGE OF EVERY THREE OR FOUR YEARS AT WHICH TIME THEY ARE
REQUIRED TO CONSIDER AND IF NECESSARY SUGGEST CHANGES IN LEVEL
OF STAFFING AND INCREASES, REDUCTIONS OR REDEPLOYMENT OF STAFF.

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Missions

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file W

NON CLASSIFIE

DE LBRVE XGAG432 25SEP79

A EXTOTT MDG

INFO YUNDE ACCRA DSLAM DAKAR ABDJN KNSHA ADDIS PARIS/LICARI

DISTR *(GHB)* GAP FCO GAF FCP FCF

---MANDAT REGIONAL -C.DEMERS

COMME CONVENU AU COURS CONVERSATION DEBUT SEPT PROPOSONS CALEN-
DRIER DEPLACEMENTS ANNEE FISCALE EN COURS:

14-27OCT: ACCRA LOME COTONOU DEUX SEMAINES

11-30NOV: DSLAM MADAGASCAR MAURICE COMORES SEYCHELLES TROIS
SEMAINES.

9-15DEC LOME REUNION ACCT UNE SEMAINE

3-23 FEV DAKAR MAURITANIE CAPVERT GUINEE BISSAU TROIS SEMAINES

16-29 MARS ABDJN HTE VOLTA MALI NIGER DEUX SEMAINES

2. BUDGET: HOTEL REPAS TRANSPORT LOCAL DOLLARS 100 PAR JOUR SOIT
DOLLARS 7700. FRAIS REPRESENTATION DOLLARS 100 PAR SEJOUR DANS
PAYS OU N'AVONS PAS MISSION RESIDENTE SOIT DOLLARS 1300. TOTAL
DOLLARS 9000 A QUOI DEVONS AJOUTER TRANSPORT AERIEN QUE COMME
CONVENU LAISSONS AUX SERVICES DU MINISTERE LE SOIN D'ESTIMER.

3. ENVISAGEONS POUR 80/81 CALENDRIER SUIVANT:

4-24MAI KNSHA CONGO RWANDA BURUNDI TROIS SEMAINES

8-21 JUIN YUNDE TCHAD RCA DEUX SEMAINES

13-26JUL ADDIS DJIBOUTI DEUX SEMAINES

A DETERMINER SAO TOME UNE SEMAINE

4. CHAQUE TOURNEE COMMENCERAIT AUPRES AMBASSADE RESPONSABLE DES

...2

PAGE DEUX XGAG0432 NONCLAS

PAYS A VISITER. PROPOSONS QUE VISITES AUX PAYS OU N'AVONS AUCUN
RESIDENT NE COINCIDENT PAS/PAS AVEC VISITES AMBASSADEUR OU
CHARGE D'AFFAIRES AFIN MULTIPLIER PRESENCE CANADIENNE ET RENTA-
BILISER DAVANTAGE TOURNEES. DATE DEFINITIVE CHAQUE TOURNEE SUJETTE
A L'ACCORD AMBASSADEUR CONCERNE. A NOTER CEPENDANT QUE NOMBRE DES
DEPLACEMENTS ET FONCTIONS A LBRVE REDUISENT CONSIDERABLEMENT
FLEXIBILITE CE CALENDRIER.

5. RECONNAISSONS DIFFICULTE APPROUVER IMMED EN ENTIER CALENDRIER
ET BUDGET POUR SIX PROCHAINS MOIS. CEPENDANT ESPERONS VIVEMENT
POURREZ PRENDRE DECISIONS ET MOBILISER RESSOURCES POUR PROGRAMME
D'ICI NOEL QUE SOUHAITONS ENTREPRENDRE DANS MOINS DE TROIS
SEMAINES.

6. POUR ACCRA ET DSLAM: RECONNAISSANT POUR TOUT COMMENTAIRE SUR
PROGRAMME PROPOSE D'ICI NOEL.

UUU/777 251050Z XGAG0432

(13) - Mini-posts.

Bridgetown, Georgetown, Port of Spain, Islamabad

Singapore

(Addis Ababa)

Helsinki (Prague)

The Vatican

New Orleans, San Francisco

~~Tananarive~~, Ouagadougou (Bamako/Niamey)

Melbourne Dusseldorf Hamburg

Rio

Manchester, Birmingham, Glasgow

Belfast, Philadelphia

Bordeaux

A-1
Britain,

France,

Germany,

United States

UNESCO, MBFR,

PERMISNY,

CAMISEUR

1-2-7

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21/9/79

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POSSIBLE CONVERSION OF CANADA-BASED POSITIONS ABROAD

At a meeting of the ICER on October 6, 1978, during a discussion of ways in which foreign service departments might reduce operational costs, Deputy Ministers instructed the Secretariat to undertake a study to determine whether missions abroad could further reduce operational costs by replacing Canada-based staff with locally-engaged employees. ICER Co-ordinators examined some of the basic characteristics of such a conversion exercise and, at their meeting of March 19, 1979, ADM's decided that missions abroad should be consulted. Missions were, accordingly, asked to identify positions that might be converted from Canada-based to locally-engaged staff. They made a number of proposals which are listed in Annex A. In some cases, however, while conceding that conversion was technically possible, missions expressed reservations about its advisability; these reservations included such considerations as the sensitive nature of personnel and consular matters, a likely increased burden on remaining Canada-based staff, the difficulty in locating qualified candidates and the limited savings which would be achieved.

On the basis of a paper prepared by the Secretariat which summarized the replies from missions, ADM's, at their meeting of June 26, agreed (1) that the paper should be examined by ICER departments and possible savings quantified and (2) that ICERIS, in the course of its regular visits, should make recommendations where Canada-based positions abroad might be converted. The paper was circulated to ICER departments, but they have been unable to support any of the proposed conversions at this time. They have pointed out that, in most cases, other factors offset the attractiveness of converting a position in order to achieve financial savings. Among the factors cited are the need to maintain a balance between Canadian experience and local expertise, the effect on recruitment, and career development, reduced flexibility, questions of confidentiality and security, the difficulty in finding suitable local candidates and the limited savings in many cases due to high local wage scales. Departments have, however, identified several positions which might be considered for conversion at a future date, and these are listed in Annex B.

It is the view of the Secretariat that:

- (1) there are no agreed possibilities for conversion at this time;
- (2) arrangements should be made to follow-up on the proposed conversions listed in Annex B at a later date;
- (3) as instructed by ADM's, ICERIS should examine the possibilities for conversion during its regular inspections.

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ANNEX A

MISSIONS' PROPOSALS FOR POSSIBLE CONVERSIONS FROM CANADA-BASED
TO LOCALLY-ENGAGED POSITIONS

A. Program Staff

<u>Post</u>	<u>Position</u>	<u>Classification</u>	<u>Department</u>
1. New Delhi	TCSN-0202	FS-1	ITC
2. Kingston	EAD-462	PM-4	CIDA
3. San Jose	TCSS-0202	FS-1	ITC
4. San Francisco	TCSS-0103	CO-2	ITC
5. San Francisco	OTM-1578	IS-2	ITC
6. Washington	TCSW-0210	FS-2	ITC
7. Washington	TCSW-0208	FS-2	ITC
8. Washington	TCSW-0209	FS-2	ITC
9. Washington	OTM-3714	CO-3	ITC
10. Washington	OTM-1596	CO-2	ITC
11. Seoul*	79354	FS-1	CEIC

* Position has been redeployed to South East Asia.

B. Support Staff

<u>Post</u>	<u>Position</u>	<u>Classification</u>	<u>Program</u>
1. Bonn	EXT-960	CR-4	TID
2. Brussels	EXT-8108	CR-3	Admin.

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Post	Position	Classification	Program
3. Brussels	EXT-3731	CR-4	Admin.
4. Brussels	EXT-1728	CR-3	Consular
5. Cairo	EXT-657	CR-7	Admin/Cons.
6. Dakar	EXT-3206	SCY-1	IDA
7. Jeddah	EXT-8498	SCY-2	TID
8. Kinshasa	EXT-2002	CR-6	Admin.
9. OECD Paris	EXT-3632	CR-5	Admin.
10. Port-of-Spain	EXT-8476	CR-6	Admin.
11. Pretoria	EXT-932	CR-6	Admin.
12. San Jose	EXT-5860	SCY-1	Consular
13. San Jose	EXT-1762	CR-6	Admin/Cons.
14. Stockholm*	EXT-8831	SCY-1	TID
15. Tokyo**	EXT-8284	SCY-3	ST&E
16. Tokyo	EXT-2009	CR-3	Admin.
17. Tokyo	EXT-6458	SCY-3	Public Aff.
18. UNESCO Paris	EXT-831	SCY-3	Admin.
19. UNESCO Paris	EXT-8574	CR-3	Admin.

* Position has been deleted.

** Conversion has been approved.

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ANNEX B

DEPARTMENTAL SUPPORT FOR POSSIBLE CONVERSIONS FROM CANADA-BASED
TO LOCALLY-ENGAGED POSITIONS

A. Program Staff

	<u>Post</u>	<u>Position</u>	<u>Classification</u>	<u>Department</u>	<u>Estimated Saving</u>
1.	San Francisco	TCSS-0103	CO-2	ITC	\$27,000
2.	San Francisco	OTM-1578	IS-2	ITC	\$25,000
3.	Washington	TCSW-0208	FS-2	ITC	\$13,420

B. Support Staff

	<u>Post</u>	<u>Position</u>	<u>Classification</u>	<u>Program</u>	<u>Estimated Saving</u>
1.	Bonn	EXT-960	CR-4	TID	\$ 4,400
2.	Jeddah	EXT-8498	SCY-2	TID	\$63,700
3.	San Jose	EXT-5860	SCY-1	Consular	\$ 4,100

CONFIDENTIAL

September 17, 1979.

file 1-2-7 W

DRAFT MEMORANDUM TO THE CABINET
COMMITTEE ON FOREIGN AND DEFENCE
POLICY

SUBJECT: BUDGETARY ENVELOPE FOR EXTERNAL AFFAIRS AND OFFICIAL
DEVELOPMENT ASSISTANCE

An application of a \$50 million reduction to External Affairs and to the ODA program is an operation which raises difficulties both politically and administratively.

Political difficulties will be domestic as well as international. Administrative difficulties are readily apparent from the fact that in External Affairs in excess of 60% of our costs are incurred abroad, where, on average, inflation rates are considerably higher than in Canada and where higher costs as a result of the devaluation of the Canadian dollar are felt directly and immediately.

Reductions in the administration of operations abroad are in effect reductions in personnel. In External Affairs there is only a very small margin that can be cut without automatically leading to layoffs. If the government policy of not incurring layoffs remains then it readily becomes evident that the greater part of the \$50 million reduction will have to come out of the ODA program.

This could be managed by a decision to reduce the level of our aid relative to the growth in GNP. Naturally, this would be a highly political action having political repercussions both at home and abroad, although it would take a while for the figures to become known and the calculation as a percentage of GNP to be made.

Another way to effect the necessary cuts is by specific retrenchments in certain countries. Given the political consequences which inevitably are drawn by countries that are affected, this operation is by nature a political one and must be planned as such. A third way would be to continue the review of the countries to which we provide development assistance to ensure greater concentration on those countries where we have ^{the} greatest interests. This, of course, would take into account the unfriendly actions of certain countries at the Havana Non-Aligned Conference where, for the first time, certain countries which are in receipt of Canadian development assistance not only agreed with but actually promoted direct attacks on Canada's reputation. The issue of greater concentration in the number of countries to which Canada provides development assistance has been the subject of a number of reviews throughout the Seventies but without any notable success having been achieved.

It should be appreciated that, in considering this Memorandum, a possible reserve has not been taken into account. While the Inner Cabinet's decision of August 30th recommended that a certain percentage should be withheld which might vary from $\frac{1}{2}$ to $1\frac{1}{2}$ % (in the case of External Affairs \$1.7 million to \$5.1 million) it is not possible to address the issue of establishing any reserve until such time as the severity of the reductions to be applied as a part of the overall \$50 million is known. Following that, of course, any reserve could only be established at the sake of further cuts. It should also be pointed out that the establishment of any reserve will also have to await the determination of the amounts required as a result of world-wide price increases and currency fluctuations abroad where there is a significant difference between the domestic projections built into the budgetary envelopes and the resources required for foreign operations. We will be consulting Treasury Board in the course of the preparation of the Main Estimates on this.

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As for the expenditure review process there are now 2 reviews underway -- a review of Foreign Policy as well as an Aid review. Once the reviews have set the objectives it will then be possible to review the administrative support and infra-structure required to meet those objectives.

SUMMARY

--- The attached documents for consideration outline the impact of reductions on the Department of External Affairs ranging from \$3 million to \$30 million; and the implications of reductions in Official Development Assistance Program from a level of \$1,276 million down to \$1,226 million to achieve the total \$50 million reduction. It should be noted that while reductions and their implications have been set out for both the administration and operations of the Department of External Affairs and in the budget for Official Development Assistance nothing has been included for CIDA administration. Ministers may wish to suggest proportionate reductions in the CIDA administration budget in considering the make up of the \$50 million reduction.

REDUCTIONS IN EXPENDITURES OF
 THE DEPARTMENT OF EXTERNAL AFFAIRS

The majority of the expenditures of the Department are of a personnel related nature and, in determining further budgetary reductions, if staff reductions are not to be considered as a first or even second option, the following appear to be the only areas where reductions could be applied.

	1979/80 Budget (millions)
Grants and contributions	\$83.7 *
Purchase/construction of real property	19.4
Information program (non-salary budget)	6.4
Cultural program (non-salary budget)	5.8

*While an amount of \$83.7 million was approved at the time of the 1979/80 Main Estimates, actual expenditures in 1979/80 will amount to approximately \$88.5 million, stemming from increases resulting from changes in assessments in international organizations, namely the United Nations.

It is within these areas where we have looked first in arriving at the following options.

Grants and Contributions represent \$88.5 million or 26% of the total budget. Most of these are assessments due to the UN family of organizations, or to other organizations to which Canada belongs, such as the Commonwealth and la Francophonie. In the case of the UN assessments, non-payment or reduction of the amounts would lead to a loss of vote penalty in the Assemblies concerned and Canada's membership would become redundant. Canada, in concert with the other countries involved will continue to press for reductions and a slowdown in budgetary growth, however, our influence is limited because many member countries are the recipients of the benefits and they will not be overly receptive to decreases. In the case of non-U.N. organizations such as the Commonwealth, Canada pays 30% or more of the costs of certain programmes and could decide arbitrarily to reduce its share. This would tend to reduce Canada's influence in the organization and reduce their effectiveness unless other members agreed to meet the deficit. In a sense these costs are foreign policy obligations. They are part of the rent-all states pay to maintain the structure of international co-operation. One case however that is exceptional is the UN Fund for the Environment which is financed by voluntary payments and Canada's annual share of about one million dollars might be reduced or eliminated.

In addition, Canada makes some 19 voluntary grants and contributions to organizations in Canada and abroad which help to promote Canadian foreign policy objectives or to foster Canadian studies. Some of these are of very long standing e.g. C.I.I.A., UNA, Atlantic Council (NATO) and their abolition would raise serious questions in the minds of many Canadians about our support for research and information activities related to foreign policy. None of these grants is more than \$80,000 with the exception of a contribution to Defence Support Assistance to Non-NATO Countries, mainly in Africa, of about \$440,000 annually.

As requested, we have grouped reductions in programs at several possible levels by applying our judgement of priorities. If it be felt that some of the reductions proposed here should be applied at an earlier level, this of course can be done.

IMPACT OF REDUCTIONS

1. Reduce by \$3 million

A ½ of 1% general operating reduction. These reductions would be applied against travel, training, conferences, hospitality, etc. With a \$16.6 million reduction already applied in the current year, we have reached the point where there is little, if any, flexibility. \$1.1 M

Eliminate the \$1.1 million voluntary contribution to the United Nations Voluntary Fund for the Environment. 1.1

Eliminate the on-going program of conversion from private leased and furnished accommodation to crown leased and furnished accommodation. This would result in long-term increased costs of \$30,000 annually as we would have to continue to rent furniture abroad as well as costs associated with the shipping of personal effects abroad. .6

Postpone 75% of the purchase of works of art program. Chanceries and official residences would continue with the absence of representative Canadian art. .1

Furnish only representational portions of the Official Residences to current standards. .1

\$3.0 M

*is that all
0.3 M
surely it
would be
more.*

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2. Reduce by \$5.5 million

All items identified in number 1. \$3.0 M

Reduce the Information program.
(This years non-salary budget totals \$6.4 million).
This would reduce the impact in the information and media field in higher priority countries. .5

No new commitments for the purchase/ construction of property. Departmental rental costs of \$33.5 million have been escalating by 20% per year and both substantial short and long term diseconomies would result through rental increases affecting the Department's ability to maintain staff abroad. This could also mean the Department would not be capable of correcting certain leasing irregularities which presently exist at some posts. 1.7

Postpone Chancery moves such as Budapest, Athens, Rio de Janeiro, Frankfurt and Seoul. The present budget of \$1.1 million has been severely reduced by \$700,000 over the past two years and provision would not be available if forced evacuation is necessary. .3

\$5.5 M

3. Reduce by \$10 million

All items identified in number 2. \$5.5 M

Do not press for an agreement this year with the Soviets to permit the construction of the Chancery in Moscow to proceed. In addition to not having a secure chancery in Moscow, staff would continue to be exposed to appalling working conditions which makes this post very unattractive and difficult to staff. 3.3

Additional reduction in the Information program. .5

Reduce the Cultural program.
(This years non-salary budget totals \$5.8 million).
This would result in a reduction in the Canadian studies, academic exchange and cultural activities programs. .5

\$9.8 M

NOTE: While we are unable to specifically identify, at this time, the effect Tranches 1, 2 or 3 would have on personnel it must be pointed out that reductions in personnel may nevertheless be required because of insufficient support resources. We would expect that this could be the case when we move to Tranche 2. While we have attempted to address the reduction of staff starting at Tranche 4 we doubt very much whether many of these reductions could be reasonably attained without post closings.

4. Reduce by \$15 million

A general across the board staff reduction would not be workable. Specific activities would have to be identified and terminated including considering the closing of posts. The posts to be considered would be:

- a) Reduce London to the size of Paris or Bonn. While this is a logical move, a large number of Canadian officers at this post belong to other government departments and this move would create problems with other programs.
- b) Close consulates such as New Orleans, Philadelphia, San Francisco, Melbourne, Rio de Janeiro, Dusseldorf, Hamburg, Bordeaux, Birmingham and Glasgow.

While closing these posts would not directly affect Canadian foreign policy, these closures would reduce the effectiveness of other programs, namely Trade and Immigration.

- c) Reduce the/number of missions in France, Germany and the United States.

The most logical ones are identified in (b) and the implications would be the same.

- d) Reduce to mini-post status, consolidate activities, or close the following embassies: Bridgetown, Georgetown, Port of Spain, Singapore, Addis Ababa and Helsinki.

This would create serious difficulties in bilateral relations with each country identified and definitely affect Canadian foreign policy.

This could be considered in one of the previous tranches, but the savings would be minimal and not immediate.

- e) Close UNESCO, MBFR, Ouagadougou (Bamako and Niamey included) and the Vatican. These are small missions with *great variety* importance domestically as well as in foreign relations.

Any combination of these would be required to produce staff reductions of approximately 100 person-years abroad and 50 person-years at headquarters.

All items identified previously. \$ 9.8 M

Reduce by 25 Canada-based officers abroad at an approximate cost of \$80,000 per officer. The department presently has about 436 officers abroad and this represents a 5.8% decrease. This would require lay-offs. 2.0

Reduce by 25 Canada-based support staff abroad at an approximate cost of \$50,000 per. The department presently has approximately 860 Canada-based support abroad, however, it must be recognized that these resources are in support of all government departments' programs abroad. Lay-offs would be required. 1.3

Reduce by \$15 million

All items identified previously.

\$9.8 M

A general across the board staff reduction would not be workable. Specific activities would have to be identified and terminated including considering the closing of posts. The posts to be considered would be:

a) Reduce London to the size of Paris or Bonn. While this is a logical move, a large number of Canadian officers at this post belong to other government programs and this move would create problems with other departments. As this move would affect departments in other Policy Committees it would require direction from the Prime Minister for them to make reductions.

b) Close consulates such as New Orleans, Philadelphia, Melbourne, Rio de Janeiro, Dusseldorf, Bordeaux, Birmingham and Glasgow.

While closing these posts would not directly affect Canadian foreign policy, these closures would reduce the effectiveness of other programs, namely Trade and Immigration.

c) Reduce the size and number of missions in France, Germany and the United States.

The most logical ones are identified in (b) and the implications would be the same.

d) Reduce some lesser important posts to a mini-post status, however, the savings would be minimal and not immediate.

e) Consolidate embassy activities in certain geographical areas, for example Bridgetown, Port of Spain and Georgetown which would result in a closing of one or more of these embassies and/or closing such embassies as Singapore, Addis Ababa and Helsinki.

This would create serious difficulties in bilateral relations with each country identified and definitely affect Canadian foreign policy.

f) Close UNESCO, MBFR, Ouagadougou (Bamako and Niamey included) and the Vatican. These are small missions with varying importance domestically as well as in foreign relations.

Any combination of these would be required to produce staff reductions of approximately 100 person-years abroad and 50 person-years at headquarters.

Reduce by 25 Canada-based officers abroad at an approximate cost of \$80,000 per officer. The department presently has about 436 officers abroad and this represents a 5.8% decrease. This would require lay-offs.

2.0

Reduce by 25 Canada-based support staff abroad at an approximate cost of \$50,000 per. The department presently has approximately 860 Canada-based support abroad, however, it must be recognized that these resources are in support of all government departments' programs abroad. Lay-offs would be required. 1.3

Reduce by 50 locally-engaged support staff abroad at an average cost of \$12,000 per. The department presently has approximately 2,350 local employees on strength and a reduction such as this would require lay-offs affecting all government departments' operations abroad. .6

Reduce headquarters by 25 officers at \$30,000 each. The department presently has about 625 officers on strength at headquarters. Lay-offs would be required. .7

Reduce headquarters by 25 support at \$15,000 each. The department presently has approximately 890 support on strength at headquarters. Lay-offs would be required. .4

\$14.8 M

5. Reduce by \$30 million

In order to reduce by \$30 million, staff reductions of approximately 200 person-years abroad and 100 person-years at headquarters would be required. It is in this dollar reduction area where serious consideration would have to be given to items such as the elimination of the Cultural Affairs program with the hope that the Canada Council would be able to maintain the program. The transfer of the property management function to Public Works would reflect decreases in the budget of External Affairs, but no overall governmental savings would result.

All items identified previously. \$14.8 M

Reduce the Information program. This reduction together with the \$1 million previously identified in number 2 would effectively cut in half the present \$6.4 million budget. 2.0

Reduce the Cultural program. This reduction together with the \$1 million identified in number 2 would effectively cut in half the present \$5.8 million budget. 2.0

Cancel the purchase/construction capital projects for chanceries in Belgrade, Lagos, Peking and Washington. Sub-standard insecure accommodation in Belgrade and Peking would continue and we would have to cancel government-to-government agreements and doubling of the already exorbitant rent in Lagos would continue. In Washington, non-utilization of the site, purchased at a cost of \$5 million, would result. The medium to long-term implications would be serious. 6.7

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Additional staff reductions over and above those outlined in number 4.

25 Canada-based officers abroad	2.0	
25 Canada-based support abroad	1.3	
50 Locally-engaged employees	.6	
25 Headquarters officers	.7	
25 Headquarters support	<u>.4</u>	5.0
		<u>\$30.5 M</u>

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MEMORANDUM TO CABINET

Expenditure Reductions and Re-allocations:
Budgetary Envelope for External Affairs and
Official Development Assistance (ODA)

Purpose

The object of this memorandum is to seek decisions on the allocation of resources within the External Affairs and ODA envelope.

Background

At its meeting in Jasper on August 30, 1979, the Inner Cabinet agreed that the expenditure limit for Foreign and Defence Policy should be set at \$6,576 million for fiscal year 1980/81, to be divided into an envelope for External Affairs, Aid administration and Official Development Assistance (ODA) set at \$1,640 million and an envelope for National Defence set at \$4,936 million.

2. On September 17 the Cabinet Committee on Foreign and Defence Policy agreed that to achieve the \$50 million reduction the External Affairs budget should be reduced by \$5 million and the ODA budget by \$45 million. CIDA administration would not be cut. As will be discussed below the reduction from CIDA planned ODA figures will in fact be more than twice this figure.

External Affairs

3. The reduction of \$5 million will be taken from a base to be set out in the 1980/81 Treasury Board reference point for "A" base spending within policy areas, that base already having been reduced to take into account the 2% reduction in person/years. It is understood that further increases will be provided to the base to take account of price increases and currency fluctuations as estimated in October 1979.

4. The reduction in the administrative budget will be achieved in the following manner:

	<u>million of \$</u>
- a 0.75% general operating reduction	1.5
- a slowing in the programme of conversion from private leased and furnished accommodation to crown property	.4
- postponing 75% of the purchase of works of art programme	.1
- a reduction in the standard of furnishing of official residences	.1
- a 10% reduction in the Information Programme (audio-visual equipment for posts)	.5

	<u>million of \$</u>
- a postponement of chancery moves	.3
- a reduction in the \$1.1 million contribution to the UN Voluntary Fund for the Environment	.35
- a reduction in funds to undertake major renovation programmes at posts abroad	.5
- the discontinuation of the personal safety programme abroad which will be completed in 1979/80	.5
- other reductions in foreign operations which will entail return of staff now posted abroad (this will in many cases affect programmes of other departments)	.75
	<hr/>
TOTAL REDUCTION	5.0

5. This is a best estimate of how the reductions can be achieved, but it may be necessary to make some alteration in these figures as further work progresses.

6. It is expected that some funds, perhaps in the neighbourhood of \$2 to 3 million, would be adequate to constitute a reserve for still as yet unforeseen adverse currency fluctuations and inflation abroad, and if further money is required because of these factors, it is accepted this will require additional cuts in the administrative budget of the Department of External Affairs. New initiatives that would require expenditure of significant unforeseen sums can not be provided for in 1980/81.

7. In selecting which elements of the External Affairs budget would have to be reduced in order to meet the \$5 million target, an effort was made to minimize adverse political impact (resulting from the closure of diplomatic posts or failure to meet financial commitments to international organizations) and to minimize negative effects on staff morale. The majority of the expenditures of the Department of External Affairs are of a personnel-related nature and any major cuts must necessarily result in lay-offs. An earlier analysis of the possible impact of a reduction in excess of \$5 million indicated that posts would have to be closed and personnel laid off. The components designated for reduction are those where immediate savings could be realized.

8. Grants and Contributions this year represented \$88.5 million or 26% of the total budget. Most of these are assessments due to the UN family of organizations, or to other organizations to which Canada belongs, such as the Commonwealth and la Francophonie. In the case of the UN assessments, non-payment or reduction of the amounts would lead to a loss of vote penalty in the Assemblies concerned and Canada's membership would become redundant. Canada, in concert with the other countries involved, will continue to press for specific reductions and a general slowdown in budgetary growth. However, our influence is limited because many member

countries are the recipients of the benefits and they will not be overly receptive to decreases. In the case of non-UN organizations such as the Commonwealth, Canada pays 30% or more of the costs of certain programmes and could decide arbitrarily to reduce its share. This would tend to reduce Canada's influence in the organization and reduce the effectiveness of programmes unless other members agreed to meet the deficit. In a sense these costs are requisite foreign policy obligations. They are part of the "rent" all states pay to maintain the structure of international cooperation. One case, however, that is exceptional is the UN Fund for Environment which is financed by voluntary payments, and Canada's annual share of about one million dollars could be reduced somewhat.

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9. Notwithstanding the above, a review will be conducted into the effectiveness of the Canadian contributions to international organizations. As noted above, the size of most contributions to international organizations is established by the organizations themselves on the basis of an exhaustively negotiated assessment formula and is not, therefore, subject to individual national discretion. Nevertheless the benefits to Canada of such contributions, the role and the efficiency of each of the organizations to which Canada contributes and the feasibility of unilateral reductions in the scale of our contributions will be examined.

10. The small information and cultural programmes have been subject to a variety of cuts in recent years and there is little room for further reduction short of elimination of the programmes themselves which would have an immediate impact on the way Canada and Canadians are perceived abroad. At a time when the referendum in Quebec is not far off and the Government is trying to promote Canadian exports this would not be wise.

11. The present reductions will reduce somewhat the services External Affairs provide to Canadians and to other departments abroad. It is clear that if we took a longer term view of the pattern, structure and role of Canadian representation abroad, longer term savings could be achieved. To this end three reviews have been begun within the Department of External Affairs to look into:

a. Consulates and Consulates General

- Their role in support of Canadian Government priorities and objectives
- Their staffing and administrative needs
- The pattern of administrative support; to consider administration directly from Ottawa or from a centrally-located regional base
- Possible sharing of staff among missions in a region
- Possible closure of Consulates and Consulates General

2.

b. Small Posts

- Their role in support of Canadian Government priorities and objectives
- The services provided to Canadians
- Whether further "miniaturization" could be achieved through pooling of resources with larger posts and among departments
- An examination of the tasks they are asked to perform with particular emphasis on administrative requirements.

3.

c. Large Posts

- Their role in support of Canadian Government priorities and objectives
- A close examination of representation from all departments in posts such as London, Paris, Brussels, Tokyo, Hong Kong and Washington, with a view to reducing to the absolute minimum the number of Canada-based employees at each location, and related to this
- Consideration of regional redistribution of tasks and functions among Consulates on the one hand and Embassies and High Commissions on the other.

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11. As a general comment a very substantial portion of External Affairs personnel is employed to support the programmes of other departments. Reductions in the number of employees from other departments who serve abroad would therefore permit immediate reductions in the number of External Affairs employees. If significant savings are to be achieved from the reduction in the number of Canada-based employees serving abroad, it will be important to ensure that these reviews are able to examine all aspects of effective personnel utilization and to make recommendations affecting the programmes and personnel of all departments represented abroad. External Affairs will lead this process and have authority to report to Ministers, in consultation with the existing interdepartmental machinery.

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12. These administrative reviews will be guided by the objectives provided by the general policy review which is now underway. Because of their nature the reviews are best undertaken within Government in the first instance and, in fact, all are already underway. There may then be scope for review by Parliamentary committees or task forces, but Ministers should first establish the basic context for such reviews. The end result will be a clearer identification of objectives and priorities, and consequently an opportunity to ensure that administrative support is properly designed to match them.

Official Development Assistance

13. The process of reducing expenditures and re-allocating resources in the ODA field has reached the stage where specific proposed cuts can be put before Ministers. However, to fully understand both the magnitude of the proposed expenditure reductions and the procedure for achieving them, it is necessary to recall the relevant Cabinet decisions affecting the basic figures about to be considered, as well as the earlier history of some of those figures. Four points are worthy of mention:

- a) At its August 30 meeting in Jasper, the Inner Cabinet directed a reduction of \$50 million from a base of \$1,690 million for 1980/81 for the External Affairs/CIDA envelope.
- b) The Cabinet Committee on Foreign and Defence Policy decided on September 17 to allocate \$45 million of that reduction to ODA expenditures. The overall Program Forecast for ODA for 1980/81, based at 0.45% of the most recent GNP estimate from the Department of Finance, less the \$45 million reduction decided by Cabinet, will be \$1,231 million.
- c) For planning purposes, however, CIDA had been authorized to use a Program Forecast based on an earlier and more optimistic GNP estimate which, at 0.45% of GNP, came out at \$1,327 million. The program was planned against this figure and the difference between the two Program Forecasts entails a considerably larger reduction in planned expenditures than \$45 million.
- d) ODA expenditures are funded from two different government accounts, the Exchange Fund Account (EFA), which finances the purchase of foreign currencies, and the Consolidated Revenue Fund (CRF). When the reductions in ODA were made in FY 1978/79 and 1979/80, the previous Government publicly pledged that a specified amount would be cut from Government spending as reflected in the Estimates. EFA transactions are not included in the CRF totals in the Main Estimates. It followed that EFA cuts, i.e. those taken from the World or regional Banks, would not have affected these amounts. It was therefore decided that all ODA cuts would have to be from CRF elements, i.e. Bilateral, Food Aid, Special Programs (including Non-Governmental Organizations), non-bank Multilateral, etc.. It was also agreed by Cabinet at that time that future reductions ought to affect all program elements, as the total ODA balance was swinging too much to the multilateral.

14. On September 17 Cabinet Committee decided in connection with the IDA decision that the EFA should be set at \$280 million. ✓ This leaves \$951 million for programs funded from the CRF, compared to the earlier Program Forecast of \$1,052 million. Of this reduction of \$101 million, \$51 million is made necessary by the reduction in the GNP estimate, \$45 million from the decisions by Inner Cabinet and Cabinet Committee to reduce planned expenditures, and \$5 million to make up for the EFA slight increase from a Program Forecast level of \$275 million to \$280 million. This information is summarized in Table "A".

Table "A"EFA/CRF Shares of Original and Revised ODA Program Forecasts

	<u>\$ M</u>		
	<u>1980/81 Original Program Forecast</u>	<u>1980/81 Revised* Expend. Ceiling</u>	<u>1979/80 Main Estimates</u>
CRF share	1,052	951 (- 101)	929.4
EFA share	275	280 (+ 5)	280.7
TOTAL	1,327	1,231	1,210.1

* Based on the most recent GNP estimate, and including the effects of the \$45 million reduction and the IDA Sixth Replenishment decisions both taken by Cabinet on September 17.

ODA Reserve

15. The problem of identifying reserves to cover those expenditures which cannot be foreseen prior to the start of the fiscal year does not have the same impact for ODA activities as for other government activities. This is because, in contrast to other government departments or agencies, CIDA did not, under the former budgeting and accounting system, ask for supplementary estimates to cover cost overruns on statutory or operational programs, or unforeseen crises. Rather, these unforeseen expenditures were absorbed through re-allocation within the global ODA limit. In the case of emergency relief monies, 1% (approximately \$12 million) of the total ODA Program Forecast is normally earmarked for that purpose and found under the non-Bank multilateral item (UN, Humanitarian and Emergency Relief (HERU), Common Fund (CF) shown in Table "B" below). For the less easily anticipated Balance of Payment (BOP) support monies which may or may not be needed in the coming fiscal year, and which the best informed guess at this time would be up to \$25 million for 1980/81, it has been agreed inter-departmentally to suggest to Ministers that for this year only CIDA be given the responsibility of drawing up contingency plans to re-allocate funds within its budget to make BOP support funds available if needed. This approach was accepted by Treasury Board Secretariat. It is recognized that this is not a satisfactory way of dealing with this problem and a more permanent way will have to be developed to provide for emergency BOP support.

Analysis of proposed ODA reductions

16. In trying to arrive at a reasonable and balanced ODA profile, i.e. in distributing the cuts among the various elements of the Program Forecast, a number of principles, stemming largely from specific ministerial guidance, have been kept in mind:

- a) The need to shield in the broadest measure possible the NGOs from the proposed cuts;
- b) The need to maintain adequate resources for emergency relief assistance;

c) On the bilateral side, the degree of commitment that Canada has to recipient countries, the effect of reductions in FY 1980/81 on future plans, the effects on our overall bilateral relationships and, last but not least, the consequences of the proposed reductions on Canadian business as potential or actual suppliers to foreign recipients. Careful regard must be paid to the risk of liabilities incurred for breaches of contracts.

17. In addition to these guiding principles, a number of other domestic and international realities have also been taken into account, which would afford the opportunity to the Canadian Government if it so desires to reflect in its decisions the evolution of Canada's relationships with the country concerned and Canadian views of its policies and practices.

18. After interdepartmental discussions, a measure of agreement has been reached among officials on some elements of the ODA Program Forecast. These are the multilateral CRF-funded item (United Nations, Humanitarian Emergency Relief, Common Fund), Special Programs (including Non-Governmental Organizations), Others (Commonwealth Scholarships and the International Development Research Centre (IDRC). (The EFA-funded multilateral item was not up for consideration). Agreement was not, however, reached on the two largest elements under consideration, the Bilateral Program and Food Aid which, if only because of their size relative to the reduction being sought, have to be judged in relation to one another.

Table "B"

Suggested Reductions and Recommended Alternatives
for Reductions in ODA Expenditure

	\$ M			
	1979/80 Main Estimates	1980/81 Original Program Forecast	1980/81 Revised Expenditures Ceiling	
Non-Bank Multi-lateral (UN, HERU, CF)	105.2	134.0	101.5	
Special Programs	70.6	86.8	80.9	
IDRC	36.9	40.6	42.0	
Others	2.6	3.4	3.2	
			<u>Option A</u>	<u>Option B</u>
Bilateral Program	521.1	587.2	543.4	523.4
Food Aid	193.0	200.0	180.0	200.0
Sub-Total CRF	929.4	1,052.0	951.0	951.0
EFA (IFIs ⁽¹⁾ and IDA)	280.7	275.0	280.0	
TOTAL ODA	1,210.1	1,327.0	1,231.0	

(1) International Financial Institutions

19. To examine in more detail each agreed item:

a) Non-Bank multilateral (UN, HERU, CF): Our inability to reduce this EFA-funded multilateral program as noted above implied additional pressure to cut back on CRF-funded multilateral programs, so as to maintain the balance between the bilateral and multilateral shares of ODA. This has been done to the greatest extent possible by cutting 24.3% or \$33 million from CIDA forecast expenditure levels. This would be accomplished by a broad range of reduction from planned program levels, the most important of which are:

- The Common Fund⁽¹⁾ contribution for 1980/81 \$4 m.
- The contribution to the International Fund for Agriculture and Development⁽²⁾ for 1980/81 \$11 m.
- A number of minor programs \$2 m.

b) EFA (IFIs and IDA): The reason for the virtual impossibility of reducing these expenditures has been explained above.

c) Special Programs (including NGOs) would increase by more than any other part of the ODA program, except IDRC.

d) IDRC: The IDRC was completely frozen in 1979/80 at a time of very high rates of currency fluctuations and foreign inflation. IDRC estimated its "A" base needs at \$43.4 million while the \$40.6 million estimate shown in the ODA Program Forecast by CIDA was obtained by adding 10% to the 1979/80 Main Estimates. It should be noted here that \$42 million could still result in program reductions and lay-offs. IDRC's Program Forecast, because of time constraints, did not take into account the mandate for coordinating R and D given to the Centre by the Government as part of our contribution to the UN Conference on Scientific and Technological Development (UNCSTD) this summer. Ministers will wish to consider whether IDRC is to discharge this mandate within a ceiling of \$42 million.

e) Others: This item covers a number of Commonwealth scholarships. The planned increase from 1979/80 \$2.6 million to \$3.4 million for 1980/81 was to keep the same number of scholarships in the face of higher costs.

20. For the remaining parts of the program, Food Aid and the Bilateral Program, a reduction of \$63.8 million is to be effected. The range shown in Table B provides a framework for considering the balance between these two:

- Option A would see the Bilateral Program reduced by \$43.8 million and Food Aid by \$20 million.

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(1) Although agreement in principle to establish a Common Fund to assist in financing commodity agreements has been reached, detailed negotiations may not in any case be concluded soon enough to require a Canadian contribution in 1980/81.

(2) A contribution to IFAD may not be required until 1981-82.

- Option B would see the Bilateral Program reduced by more than \$43.8 million, and the Food Aid reduced by a correspondingly lesser amount than \$20 million, so that both cuts add up to \$63.8 million. Four illustrative ways of going deeper into the Bilateral Program are offered.

Option A

List of Projects* to be cut

	<u>1980/81</u>	<u>future years</u>
Pakistan - Oil and Gas (planned)	3.0	65.0
- Rural Electrification (operational, not contracted)	4.5	--
- Fertilizer (operational, not contracted)	12.0	--
- Line of Credit (operational, not contracted)	6.2	6.4
Ghana - Northern Region Development Plan (planned)	4.0	5.0
India - Fertilizer Line of Credit (planned)	4.0	8.0
- Mining Line of Credit (planned)	1.0	14.0
- One-half of Agricultural Rural Development Credit - ARDC (planned)	10.0	10.0
Afghanistan - Program of Assistance (suppliers' contracts signed)	3.1	--
	<u>43.8</u>	<u>100.4</u>

21. There is broad interdepartmental agreement on the specific projects to be cut to fulfill Option A if it is the chosen route, but it should not be inferred that it is a painless solution. On the domestic side, the Minister of Agriculture has already requested that the planned Food Aid level be kept at \$200 million. Because of our international commitments in wheat with the World Food Program and Food Aid Convention, the Food Aid cut would have to be accomplished by dropping \$20 million in planned rapeseed oil deliveries. Since rapeseed oil goes only to India, this would further damage our bilateral relationship. It is unfortunately yet another consequence of the sheer importance of our ODA link with that country.

22. As for our bilateral relationship with Pakistan, it would mean that all our planned projects in that country would be eliminated. However operational projects totalling some \$140 million would continue, of which \$54 million would be disbursed in 1980/81.

23. As for India, the only valid reason to reduce our aid posture there is because we cannot do otherwise because of the large numbers involved in planned expenditures for that country. The cuts would include all projects not yet in full operation except a planned line of credit for

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* Explanation of Project status:

Planned: No formal commitments with the recipient country as yet, nor with Canadian suppliers

Operational, not contracted: Formal commitments with the recipient country, but no contract with Canadian suppliers. However, discussions with Canadian suppliers may be underway.

telecommunication equipment, which is of commercial interest to Canada, and the remaining half (or \$10 million) of the Agricultural Rural Development Credit (ARDC) project. This is a joint project with IDA, untied, and therefore of limited commercial benefit to Canada.

24. Cutting the Afghanistan program would go a long way toward ending the Canadian aid presence in that country; there would however be projects valued at roughly \$3 million left for disbursement in 1980/81. Although the projects in question are fully operational, they are nevertheless recommended for cutting because the deteriorating security conditions may force the evacuation of Canadian aid personnel in the near future. Those same conditions may also justify invoking "force majeure" in breaking our contracts.

Option B

This option will generate an increasing degree of political difficulty on the bilateral side and could entail financial and legal liabilities for breaches of contracts. The groups of projects enumerated below are intended to be illustrative and not of course mutually exclusive.

Group 1

	<u>1980/81</u>	<u>future years</u>
Projects:		
Pakistan - Energy Transmission (suppliers' contracts signed)	5.0	--
El Salvador - Energy Transmission (suppliers' contracts signed)	6.4	3.9
Zaire - Produits de base (suppliers' contracts signed)	3.1	--

Comment:

Cancelling projects in this category could involve significant political and financial costs to Canada because numerous Canadian supplier companies and technical personnel would have their contracts broken. It also would have damaging consequences on the credibility of the aid program in Canada. These considerations have to be balanced against foreign policy considerations.

Group 2

	<u>1980/81</u>	<u>future years</u>
Project:		
India - Second half of ARDC (planned, joint project with IDA)	10.0	--

Comment:

This would eliminate all planned ^{and Fertilizer} projects for India, except for the Telecommunications ~~Lines~~ of Credit included in Group 3 below. This would leave on-going projects in the non-food area of less than \$6 million, of which about \$3.5 million will be disbursed in 1980/81.

✓
X X

65 India
25 Food
20 ARDC

Group 3

1980/81 future years

Projects:

Trinidad & Tobago - Piarco Airport (operational, not contracted)	1.7	8.5
Senegal - Polytechnique (operational, not contracted)	3.7	14.5
Ivory Coast - FRAR Well-drilling (planned - in cooperation with the Quebec Government)	4.9	6.9
India - Telecommunications Line of Credit (planned)	2.0	28.0
Comment: - <i>rest of line of credit (planned)</i>	4.0	8.0

These projects are all of significant (commercial) interest to Canada, either through the direct benefits they offer to potential Canadian suppliers // or because they are expected to be part of larger commercial packages involving Canadian countries.

or they because of Canadian suppliers are in cooperation with Quebec

Group 4

Companies

1980/81 future years

Projects:

Kenya - Rural Development (planned)	1.0	N/A
- Locomotive Spares (planned)	2.0	N/A
Indonesia - Lower Solo Irrigation (planned)	6.3	6.3
Ghana - Upper Region Water (planned)	14.0	14.0
Northern Regional Development (planned)	4.5	4.5
- Upper Region Health (planned)	2.9	2.0
Egypt - Rural electrification (operational, not contracted)	5.0	--
Tanzania - Ballast wagons (planned)	2.3	2.3
- Quarry equipment (planned)	1.5	--
Sudan - Simsim Agriculture (planned)	0.5	11.5
- Forestry (planned)	0.4	11.6

Comment:

These projects are all of high developmental merit. Furthermore, most of them are in countries which are considered to be friendly to Canada and which have made determined efforts to use external assistance responsibly. *The new hydro. electric irrigation project Sri Lanka*

is not included because of inter-departmental consensus that it should proceed in this list

25. If the bilateral program is to be kept at \$543.4 million, only the cuts listed in option A are required, although elements from option B could be substituted if Ministers prefer. To the extent Ministers may decide to cut the bilateral program over and above the figure of \$543.4 million, directions are required about the projects listed in option B.

26. In addition to the projects suggested in Group 1 above, there are numerous other operational projects (approximately 1,900) which have not been recommended to Ministers for reduction. This list has not been included for obvious practical considerations.

27. Unfortunately, the time pressure is such that these cuts must be decided before the aid strategy review is completed. The review will provide a basis for setting the level and structure of ODA for future years.

Conclusion

28. It is possible to set the budgetary envelope at \$1,640 million, although there will be political costs both domestic and international, economic consequences for Canadian industry and reductions in services provided to Canadians abroad. There have been severe time pressures in preparing this memorandum and possibly there may be errors in calculation in some cases. I strongly recommend that the Cabinet decision provide for flexibility to adjust these numbers and clear authority for me, in consultation with my colleagues, to effect the final choices both on the administrative cuts, and in collaboration with Senator Asselin, the aid cuts. It will also be necessary to consider with great care how these cuts are to be explained publicly both to Canadian and foreign audiences.

29. The figures for the envelope, bearing in mind the need for a further increase to take account of currency fluctuations and salary and price increases are as follows:

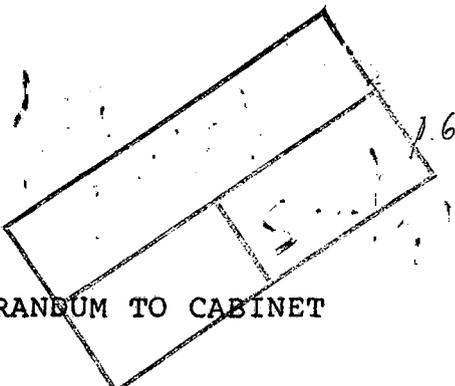
	<u>\$ millions</u>		
	<u>"A" Base Reference Point</u>	<u>Reductions</u>	<u>Envelope</u>
External Affairs Administration	\$356.3	\$5.0	\$351.3
CIDA Administration	36.2		36.2
International Joint Commission	2.2		2.2
Official Development Assistance	1,276.0	45.0	1,231.0
	<u>1,670.7</u>	<u>50.0</u>	<u>1,620.7</u>
Treasury Board Projection to maintain Status Quo*	19.1		19.2
	<u>\$1,689.8</u>	<u>\$50.0</u>	<u>\$1,639.8</u>

.../13

* Treasury Board's estimate to take account of price increases and currency fluctuation based on domestic projections which is significantly below the Department's projection of its requirements.

30. This memorandum has been agreed by officials of the Department of External Affairs and CIDA.

The Secretary of State
for External Affairs
Chairman Cabinet Committee
on Foreign and Defence
Policy



DRAFT MEMORANDUM TO CABINET

FOREIGN AND DEFENCE POLICY COMMITTEE
ENVELOPE MANAGEMENT

OBJECT

To report on the Committee's approach to meeting the limits set for the External Affairs and Aid envelope and the Defence envelope in FY 80/81 and to provide an assessment of the longer term implications for both envelopes including specific expenditure areas which might be studied by Parliamentary Committee or task force.

BACKGROUND

At its meeting in Jasper on August 30, 1979, the Inner Cabinet agreed that the expenditure limit for FY 80/81 for Foreign and Defence Policy be \$6,576 million, made up of \$1,640 million for the External Affairs and Aid envelope and \$4,936 million for the Defence envelope.

This memorandum reflects in its object the further direction of Inner Cabinet which requires response by the Committee. The results of this examination by the Committee will be presented envelope by envelope beginning with the External Affairs and Aid envelope, followed by the Defence envelope.

EXTERNAL AFFAIRS AND AID ENVELOPE

The Committee agreed that to achieve the \$50 million reduction required to bring this envelope to its limit of \$1,639.8 million, the Department of External Affairs budget should be reduced by \$5 million and the ODA budget by \$45 million. (CIDA administration would not be cut) No reductions are to be made in the small budget of the International Joint Commission, the third agency included in this envelope.

The discussion which follows will be divided in two main parts, the approach taken to meet the expenditure limit and an assessment of the longer term situation, each subdivided between External Affairs and CIDA.

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- 2 -

I Approach taken to meet expenditure cuts

A. Programme Reductions and Rationale

External Affairs

1. Programme Reductions

The 1980/81 expenditure limit for the External Affairs administrative budget will be met through a reduction of \$5 million from the "A" base spending reference point of \$356.36 million set by Treasury Board. (Details in Annex "A"). Most of the reductions will be taken from general departmental administration and from the operations of Canadian missions abroad, as well as from a reduction in the Canadian contribution to the UN Voluntary Fund for the Environment.

2. Criteria

In selecting which elements of the External Affairs budget would have to be reduced, an effort was made to minimize adverse political impact which would have resulted from the closure of posts abroad or failure to meet financial commitments to international organizations, and to minimize negative effects on staff morale. The majority of the expenditures of the Department of External Affairs are of a personnel-related nature and cuts much in excess of \$5 million would require that posts be closed and personnel laid off. The components designated for reduction are those where immediate savings could be realized.

General reductions in departmental and foreign operations will reduce somewhat the services External Affairs provides abroad to Canadians, to other departments and to provincial governments. Cuts in the already small information programme will reduce the ability of missions abroad to project a favourable image of Canada and Canadians to foreign audiences at a time when the Quebec referendum is not far off and the government is trying to promote Canadian exports. To the extent funds are found in the capital budget, there will be a slowing in the programme of converting accommodation holdings from a high-inflation rental basis to one of ownership.

Official Development Assistance (ODA)

1. Background

CIDA was originally authorized to use a Program Forecast figure of \$1,327 million to plan its 1980/81 programmes (based on 0.45% of estimated GNP for 1980/81). However, more recent GNP estimates yielded a lower Programme Forecast figure of \$1,276 million at Jasper, which required a reduction from the \$1,327 million of \$51 million in planned expenditures. The \$45 million reduction decided by Committee in turn brings the 1980/81 ODA ceiling down to \$1,231 million.

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- 3 -

ODA expenditures are funded from two different government accounts, the Exchange Fund Account (EFA), which finances the purchase of foreign currencies, and the Consolidated Revenue Fund (CRF). The EFA is used to pay for contributions to some international financial institutions like the World Bank, the International Development Association (IDA), and regional development banks. However, since foreign exchange transactions are not included in total government expenditure outlays, reductions in EFA do not necessarily contribute to reductions in government expenditures.

On September 17 Cabinet Committee decided that the EFA component of ODA should be set at \$280 million, i.e., a \$14 million reduction from the proposed \$294 million figure for the EFA. This left \$951 million for programs funded from the CRF, compared to the earlier Program Forecast of \$1,052 million. Of this reduction of \$101 million, \$51 million was made necessary by the reduction in the GNP estimate, \$45 million from the decisions by Inner Cabinet at Jasper, and \$5 million to make up for the EFA slight increase from a Program Forecast level of \$275 million to \$280 million. This information is summarized in the Table I of Annex 'B'.

2. Program Reductions

The total reduction of \$101 million in planned expenditures from CRF-funded ODA will be achieved by:

- a) reducing Multilateral grant programmes (UN, Commonwealth and Francophone institutions, Humanitarian and Emergency Relief) to \$101.5 million, mainly by delaying contributions to the International Fund for Agricultural Development and to the Common Fund until 1981/82;
- b) holding growth in Special Programmes (Non-Governmental Organizations) and the International Development Research Centre (IDRC) to \$80.9 million and \$42 million. These represent the greatest increases in ODA, 14.5% and 13.8% respectively, although still less than the original Programme Forecast figures that CIDA had planned on in these areas;
- c) 'Other' programmes (Commonwealth scholarships) increased slightly over 1979/80 to \$3.2 million;
- d) The two largest CRF components remain Food Aid and Bilateral Programmes. Any substantial increase in the one could only be at the expense of the other. Bearing in mind the concerns expressed by the Minister of Agriculture and the Department of Industry, Trade and Commerce, Committee decided
.....

(to be filled in)

This information is summarized in Table II of Annex 'B' which also outlines the specific reductions in Bilateral programmes on a country basis.

3. Criteria

In trying to arrive at a reasonable and balanced ODA profile, i.e. in distributing the cuts among the various elements of the Program Forecast, a number of principles have been kept in mind:

- a) The need to shield in the broadest measure possible the NGOs from the proposed cuts;
- b) The need to maintain adequate resources for emergency relief assistance (set at 1% of total ODA);
- c) On the bilateral side, the degree of commitment that Canada has to recipient countries, the effect of reductions in FY 1980/81 on future plans, the effects on our overall bilateral relationships and, last but not least, the consequences of the proposed reductions on Canadian business as suppliers to foreign recipients. Careful regard must be paid to the risk of liabilities incurred for breaches of contracts.

In addition to these guiding principles, a number of other domestic and international realities have also been taken into account, which would afford the opportunity to the Government if it so desires to reflect in its decisions the evolution of Canada's relationships with the country concerned and Canadian views of its policies and practices.

There is some concern that the cumulative effect of three consecutive years of cuts and rollovers in project planning and implementation will be to tarnish Canada's image as a serious partner in development assistance, to undermine morale in CIDA, and to weaken Canada's ability to compete for commercially attractive projects.

The major implications of the programme reductions required in Bilateral and Food Aid programmes are outlined in Annex 'B'.

B. Reserves and Initiatives

It is not proposed to provide a general envelope reserve for 'new initiatives' because:

- a) External Affairs believes it is unable to make such a contribution in FY 80/81 and will absorb new initiatives from within existing resources.
- b) CIDA already has an established procedure for absorbing unforeseen expenditures and new programme requirements through reallocation of funds within the global ODA limit. CIDA proposes making specific arrangements for:

.../5

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- 5 -

- i) Emergency relief: by earmarking, in line with past practice, 1% of ODA (about \$12 million) within the budget of the non-bank Multilateral sector; and
- ii) Balance of Payments Support: by preparing a contingency plan to re-allocate already budgetted funds to provide up to the \$25 million which, it is estimated, may be needed for this purpose in FY 80/81. (This arrangement is recognized to be unsatisfactory and it is being proposed for this year only. A proposal for a more permanent way to deal with this problem will be put to Ministers in the near future.)

It is proposed to deal with program overruns in the following ways:

- a) CIDA would absorb such cost increases by re-programming;
- b) External Affairs, after revisions to departmental allocations based on the Main Estimates have taken account of salary and price increases and known increases in Grants and Contributions, will deal with cost overruns in the following ways:
 - i) by absorbing the inflationary component by further reductions in its administrative budget; and
 - ii) by seeking relief from the Inner Cabinet reserve for increases arising from currency fluctuation, for salary increases above those provided for in Estimates, and to cover increases in grants and contributions.

II Assessment of Longer Term Situation

Both External Affairs and CIDA have relatively limited budgetary flexibility, the former because its resources are people and real estate, the latter because of the time required for planning and implementing aid projects. As a result, short term cuts are largely determined by their relative availability. They can, however, have long term costs, both in the budgetary sense of deferring desirable or necessary expenditures to a more expensive future and in less easily measured effects on Canadian relations with the countries affected. Finally, they may be quite different from those which would be considered desirable were a longer planning horizon possible. Long term planning for the envelope is difficult as so many of its activities are sensitive to international political and economic events. It may be possible to define Canada's international interests and goals and to design our institutions so as to achieve them, however it is very difficult to predict how they will respond to or be affected by the situation prevailing at any given time in the future.

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A balance, therefore, needs to be struck between providing certainty in budgetary and person-year ceilings for institutional planning purposes and allowing policy flexibility to respond to uncertain events. It is hoped that the former will be achieved through implementation of the four-year budgetary planning cycle. The context for the latter will be provided by broad reviews in each of the foreign policy and aid sectors, each in turn supported by internal reviews at the official level. These are outlined below, treating first foreign and then aid policy.

A. Foreign Policy

A general review of foreign policy is now underway at the official level and its results will be considered by the Committee at a meeting in mid-October. The Committee will at that time consider possible follow-up action, including how Parliamentary and other non-governmental insights can be brought to bear, and report its conclusions to Inner Cabinet. Officials have also begun internal administrative reviews in two areas (described below) which could produce long-term savings or funds for new initiatives. The Committee will report to Inner Cabinet, within the context of the general foreign policy review, ways in which Parliamentary and non-governmental views can be solicited in these two areas.

The first administrative review will be of Grants and Contributions, which this year represented \$88.5 million or 26% of the total budget. Most of these are assessments due to international organizations to which Canada belongs and their size is generally not subject to individual national discretion. In concert with the other countries involved, Canada will, however, continue to press for specific reductions and a general slowdown in budgetary growth. More generally, a review will be conducted into the ¹effectiveness of the Canadian contributions to international organizations, ²benefits to Canada of such contributions, ³the role and the efficiency of each of the organizations to which Canada contributes and the ⁴feasibility of unilateral reductions in the scale of our contributions.

The second area in which it is clear longer term savings could be achieved is in the pattern, structure and role of Canadian representation abroad. Three reviews have begun within the Department of External Affairs into ¹consulates and consulates general, ²small posts and ³large posts. As a general comment, a very substantial portion of External Affairs personnel is employed to support the programmes of other departments.

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Reductions in the number of employees from other departments who serve abroad would therefore permit immediate reductions in the number of External Affairs employees. If significant savings are to be achieved from the reduction in the number of Canada-based employees serving abroad, it will be important to ensure that these reviews are able to examine all aspects of effective personnel utilization and to make recommendations affecting the programmes and personnel of all departments represented abroad. External Affairs will lead this process and have authority to report to Ministers, in consultation with the existing interdepartmental machinery.

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B. Aid Policy

The future of the aid programme will be the subject of an Aid Policy Review which the Prime Minister has indicated that he will assign to a House Committee. Considerable work has already been done on an interdepartmental aid strategy review and a Discussion Paper outlining the interim findings will be examined by Cabinet Committee in late October.

The main areas under consideration are directly affected by the decisions before Cabinet on ODA for 1980/81. The most immediately pertinent issue concerns the direction ODA volume should take beyond 1980/81 and its relationship to GNP percentage. Other questions involved are: major aid policy and programme objectives; relative programme shares between Bilateral, Multilateral, Special Programmes, IDRC and Food Aid; new programme initiatives and mechanisms; and the criteria and selection of countries eligible to receive Canadian aid. This review could produce long-term savings or funds for new initiatives.

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The medium and long term implications of the recommended reductions will be affected to a large extent by the government's decision on future ODA levels. There is much to be said for retaining the present basis for calculating those levels until such time as the government has decided in its Aid Policy Review on future directions, in order to facilitate the planning and management of existing aid programmes.

Ministers should be aware of some of the more direct financial implications of the proposed reductions:

- 1) In addition to saving \$40-60 million in 1980/81, the cessation of planning for such a significant portion of the Bilateral programme means that the level of committed funds will be lower in 1981/82 - 1983/84 than would otherwise have been the case. This offers the government more flexibility for moving the aid programme in new directions after the Aid Policy Review; it may also, of course, offer an area for further reductions in future years.
- 2) Up to \$15 million will be required in 1981/82 for the IFAD and Common Fund contributions rolled over from 1980/81.
- 3) Cabinet decided, as part of our position at the Conference on Science and Technology for Development that IDRC should receive resources additional to its regular budget in order to act as focal point for a special program to make greater use of Canadian research and development capacities in promoting Third World Development. Ministers will wish to consider whether IDRC should be requested to discharge this function within a ceiling of \$42 million.
- 4) The Cabinet decision to move the funding of international financial institutions from the EFA to the CRF will result in a total increase of government expenditures because of the way in which such foreign exchange transactions have been accounted for to date. However, from the Committee's point of view, it will not limit envelope expenditure management. On the contrary, it will simplify management thereafter by putting all components of ODA on the same basis of comparison.

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DEFENCE ENVELOPE

Approach taken to meet the expenditure limit for FY 80/81

The principal criterion applied to the management of the Defence envelope has been to make readjustments to allow the government's international commitments and pre-election platform to be achieved to the greatest extent possible.

The key commitment - 3% real growth in defence expenditures - should come reasonably close to being achieved in FY 80/81 by virtue of the \$4936 million level set for the envelope. This level of defence effort will be welcomed by our allies, particularly if accompanied by decisions to proceed with the New Fighter Aircraft (NFA) and the Canadian Patrol Frigate (CPF) programmes on their announced schedules. The contribution these programmes are expected to make to economic development supports the intention to afford them high priority in planning the management of defence resources. Clearly, decisions to proceed with major re-equipment programs spanning nearly a decade have to be based on more than a forecast funding level for a single year. While this topic will be addressed in the next section, it should be noted here that plans for FY 80/81 have been adjusted to provide a foundation for future years with defence expenditures continuing to grow, in accordance with the NATO goal, at about 3% in real terms to 1986.

Readjustments in Defence plans in FY 80/81 will be required for two main reasons:

- a) The need to find some \$100 million out of the envelope in FY 80/81 for NATO common funded programmes, principally the NATO Airborne Early Warning (AEW) programme. (The assumption has been made that the \$60 million required in FY 79/80 for this commitment, whose funding was left 'up in the air' by the previous government, will be provided by Supplementary Estimates.)
- b) The need to recover from the dangerously low operational and logistic activity levels accepted as a temporary expedient in FY 79/80 to absorb the \$150 million cut with minimum effect on the capital reequipment program.

These readjustments in FY 80/81 will involve the following changes which Ministers will wish to consider:

- a) slowing the pace of planned re-equipment (other than the NFA and the CPF) involving about a year's slippage in other programmes;
- b) restoring 50% of the cuts imposed on this year's operational activity levels and replenishing the logistic support levels and inventories which are being 'lived off' this year;

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- c) holding the strength of the armed forces more or less constant in FY 80/81 - this deferral of needed growth will be borne more easily thanks to the phase-out of the commitment to the United Nations Emergency Force in the Middle East; and
- d) deferring implementation of the full military official languages plan (by maintaining the current level of effort) with consequent delay in achieving functional bilingualism in the armed forces.

In addition, the following provisions are proposed for envelope reserves:

- a) earmarking within the envelope and departmental estimates \$50 million against cost increases to protect, primarily, the capital equipment programme; and
- b) providing no reserve for 'new initiatives' in recognition of the need to plan the use of every available dollar to support existing commitments.

In summary, the proposed FY 80/81 funding level for defence will permit major commitments to be met and progress, albeit at a reduced rate, to be made towards other objectives. While the described readjustments indicate that the level proposed is a frugal minimum, in the climate of general restraint and in comparison with the sizeable reductions intended for other areas of government, the reasonableness of the defence funding level can be upheld - particularly if associated with confirmation of the government's commitment to growth in defence expenditures in future years.

Assessment of the longer term situation

The relationship between defence planning for FY 80/81 and the longer term will be clear from the above analysis: short term planning has been adjusted to mesh with longer term plans based on the government being prepared to confirm a commitment to the NATO goal of increasing defence spending by 3% p.a. in real terms to 1986. A decision on this matter will be required, in any event, before NATO Ministerial meetings in November, but it is equally important for domestic reasons, that defence planning be based on a reasonably firm expectation of the resources that will be made available.

While such a commitment would move defence spending against the trend of most government expenditures, this does not imply that longer term economies are not possible. Indeed, from a defence viewpoint, some are most desirable for reasons of efficiency and to free resources for more worthwhile purposes.

The main topic which lends itself to study by a Parliamentary Committee is the infrastructure of the armed forces. Some 24 or so stations and bases are required for military purposes in comparison to 32 which are currently maintained. While factors other than efficiency would have to be considered, potential savings of some \$100 million would be possible if political and other considerations were to allow rationalisation of defence infrastructure.

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The Committee has previously recommended that the NORAD agreement renewal be referred to the Parliamentary Committee. Similarly it might be useful if that body were to review Canada's role in UN Peacekeeping operations. In neither case would the primary motivation be the removal of 'roadblocks' to make economies possible, but should these reviews indicate a need for modification of present policy, such changes might offer opportunities for more efficient overall use of defence resources.

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CONCLUSIONS

The level of the Defence envelope for FY 80/81 will allow Canada to meet its international defence commitments and to allow major capital procurement to proceed on schedule. Reallocations will be necessary to achieve this and, while these will show a reduced pace in moving towards some policy goals, such measures are judged to be acceptable particularly in a climate of restraint when other government programs are being severely reduced.

The government's degree of commitment to the NATO goal of striving to increase defence expenditures by 3% p.a. in real terms to 1986 must clearly be made known soon to NATO and to confirm the foundation for longer term plans provided by the described FY 80/81 reallocations.

Review by Parliamentary Committee of defence infrastructure is merited by its potential for longer term economies. Similar reviews of the NORAD agreement before its renewal and of Canada's role in UN peacekeeping operations are judged appropriate but with an emphasis on policy considerations rather than an expectation of economies.

The \$50 million reduction in the External Affairs and Aid envelope can be met. \$5 million can be found through selective administrative cuts in the Department of External Affairs. \$45 million can be found in ODA by the measures that have been proposed to cut \$101 million from the planned expenditure for 1980/81, without breaking major contractual or international commitments. In addition, it is proposed that there be no reserve for cost increases not covered by the Inner Cabinet reserve and new initiatives.

The most important repercussions of the reductions will be felt in the servicing of Canadian interests abroad, in Canada's bilateral political relations with developing countries where planned projects have been dropped, and in Canada's image and influence in international institutions as its contributions are reduced and it moves further away from the internationally accepted aid target of 0.7% of GNP. Ultimately, those most severely affected by aid cuts will be the poor of the developing countries whose social and economic well being the projects were aimed at improving.

Longer term expenditure patterns should only be considered in the light of the results of the foreign and aid policy reviews now underway. At all times, however, the External Affairs and Aid envelope will, more than most, be subject to changing international political and economic pressures which make forecasting of what can or should be achieved all the more difficult.

RECOMMENDATIONS TO BE DISTRIBUTED AT THE MEETING

Annex 'A'

EXPENDITURE REDUCTIONS FOR THE DEPARTMENT OF EXTERNAL AFFAIRS

	<u>million</u> \$	
- a 0.75% general operating reduction	1.5	<i>Not control of Rep. all. for other Depts</i>
- a slowing in the programme of conversion from private leased and furnished accommodation to crown property	.4	
- postponing 75% of the purchase of works of art programme	.1	
- a reduction in the standard of furnishing of official residences	.1	
- a 10% reduction in the Information Programme (audio-visual equipment for posts)	.5	
- a postponement of chancery moves	.3	
- a reduction in the \$1.1 million contribution to the UN Voluntary Fund for the Environment	.35	
- a reduction in funds to undertake major renovation programmes at posts abroad	.5	
- the discontinuation of the personal safety programme abroad which will be completed in 1979/80	.5	
- other reductions in foreign operations which will entail return of staff now posted abroad (this will in many cases affect programmes of other departments)	.75	
TOTAL REDUCTION	5.0	

*Pakistan
India*

*No
}*

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Annex B

ODA REDUCTIONS

1. As explained on p. , to achieve the Jasper reductions, it has been necessary to cut \$101 million from the original Programme Forecast figures upon which CIDA planned its programme expenditures for 1980/81. This has yielded a total ODA of \$1,231 million, of which \$280 million is funded from the Exchange Fund Account (EFA) and \$951 million from the Consolidated Revenue Fund (CRF).

EFA/CRF Shares of Original and Revised ODA Program Forecasts

	<u>\$ M</u>		
	<u>1980/81 Original Program Forecast</u>	<u>1980/81 Revised* Expend. Ceiling</u>	<u>1979/80 Main Estimates</u>
CRF share	1,052	951 (- 101)	929.4
EFA share	275	280 (+ 5)	280.7
TOTAL	1,327	1,231	1,210.1

* Based on the most recent GNP estimate, and including the effects of the \$45 million reduction and the IDA Sixth Replenishment decisions both taken by Cabinet September 20.

2. The \$101 million reduction has been allocated among major programmes in the following manner:

Table II

Recommended Reductions in ODA Expenditure

	<u>\$ M</u>		
	<u>1979/80 Main Estimates</u>	<u>1980/81 Original Program Forecast</u>	<u>1980/81 Revised Expenditures Ceiling</u>
Non-Bank Multi-lateral (UN, HERU, etc.)	105.2	134.0	101.5
Special Programs	70.6	86.8	80.9
IDRC	36.9	40.6	42.0
Others	2.6	3.4	3.2
Bilateral Program	521.1	587.2	"A"
Food Aid	193.0	200.0	
Sub-Total CRF	924.4	1,052.0	951.0
FA (IFIs (1) and IDA)	280.7	275.0	280.0
TOTAL ODA	1,210.1	1,327.0	1,231.0

(1) International Financial Institutions

3. The following specific projects have been dropped or cut back in order to achieve the \$ reduction in Bilateral programmes.

(to be filled in)

- 15 -

4. The prominence of the aid programme in Canadian relations with many of the countries in question makes it likely that Canada's bilateral political relations will suffer with the countries most seriously affected. In certain cases, the cuts may be seen as a retaliation for their policies in other areas. During the Aid Policy Review, the government may wish to examine the merits of the continued eligibility of some of these countries for Canadian aid.

The implications of these specific project cuts may be summarized as follows:

(to be filled in)

5. The downstream effect, in financial terms, will be to decrease the anticipated level of committed funds for the aid programme in future years. Presuming that future ODA levels are not cut back accordingly, this could allow for a greater degree of latitude in opening new programme initiatives or in expanding in certain areas.

6. Reductions in the multilateral programmes will likely be interpreted, in the light of other declarations, as a sign of Canadian dissatisfaction with the United Nations system. While this will underline the concern that Canada has expressed about improving the efficiency and effectiveness of the UN development system, it may also weaken the influence which Canada is able to exercise in some multilateral institutions upon both management and policy issues.

...st the thesis that an Ambassador who is involved in
... is in a far better position to report with greater
... on economic and political matters and to recom-
... courses of action for Canada that take into account
... our trade interests. It seems to me, therefore, that the
... is not one of acceding to the continued prevalence of
... separatism in order to satisfy the demand for high quality
... service but quite the reverse. The idea that the needs of
... modern trade promotion could be met by quotas of Ambassadors
... with trade experience while others had none is untenable.
All or nearly all Ambassadors must have political and
economic experience as well as training in trade problems.
However, while the argument for full and immediate consoli-
dation at the executive levels is unassailable, there is
good reason to maintain the Trade Commissioner Service opera-
ting out of the Department of Trade. If the officers of the
Trade Commissioner Service and the officers in the political
and economic streams in External are regularly cross-
transferred for training and development, consolidation can
be achieved while the discipline of special export trade
programmes is maintained. This should satisfy the real needs
of the business community without realizing their fears. In
addition, by broadening the scope of TCS work by introducing
bilateral and multilateral and domestic economic considera-
tions to trade promotion, the Canadian economy as a whole
will be better served.

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Among the problems with which foreign service re-
organization will cope are the following:

- a) while the demands on our foreign service by all levels of government and by the public are ever increasing, the resources which are available for all of the government's foreign operations are limited, with no prospect of significant increase;
- b) the management of our foreign service resources is fragmented and, consequently, they cannot be deployed or utilized with the required degree of effectiveness and efficiency;
- c) the training of Foreign Service Officers is narrowly departmental in focus and, consequently, Foreign Service Officers' appreciation of non-departmental government-wide objectives and rationales is deficient and can lead to less than effective or even counter-productive representation of Canadian interests;

- d) our foreign operations tend to compartmentalize activities related to economics and financial concerns or trade problems and promotion rather than pulling all of these together, i.e., they do not necessarily give expression to the conviction that our foreign policy and the state of our economy must be seen as inextricably joined;
- e) our posts abroad don't necessarily function, and are not always perceived as functioning, as representative of the whole of the Canadian Government rather than as collections of individual representatives of individual departments;
- f) the difficulties associated with secondments and lateral transfers from the domestic service to the foreign service and from one branch of the foreign service to another in order to eliminate artificial barriers to the best use of scarce resources and to ensure cross-fertilization between the domestic and foreign services at the level of potential and actual senior managers;
- g) Heads of Post, who should be the unifying and cohesive force in their missions, have been given authority over all post operations, but, because their control of post personnel is incomplete and because their own career development has usually not provided them with sufficiently broad experience either at home or abroad, they are not often capable of fulfilling this function as effectively as should be the case.

The context in which these problems have been addressed takes into account the complementary requirements for a solution

- which does not interfere with the mandates of the existing foreign service departments and agencies, but;
- which takes account of new mechanisms now being put in place for deciding resource allocation questions;

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ineffective; 2) our concern that the Secretariat would be a waste of financial and human resources in a time of restraint; and 3) the model would involve the establishment of a new Foreign Service in CIDA (using positions and person-years from this Department), which is in direct conflict with the principle of consolidation.

...

Accordingly, at the last meeting of the Task Force, we tabled a proposal (copy attached) that all Foreign Service personnel, together with their positions and person-years, be consolidated in the Department of External Affairs. This proposal would achieve consolidation while addressing and surmounting the various problems raised by other options. There was, however, strong resistance to the proposal, due to the interests of existing Foreign Services and various trade oriented lobbies in the community at large, who will work toward defeating it. At the end of the meeting, the representative of the Privy Council Office summarized the discussion, and outlined six different options ranging from the creation of a super-Ministry in which all policy and programme responsibilities and personnel would be consolidated, to a recommendation to the Prime Minister that consolidation was not advisable. Neither of these extreme options is a starter. Our proposal and a variant of the one developed by the Task Force Chairman were among the options. These will be presented soon to the Prime Minister by Mr. Steers.

Your Department has the largest complement of Foreign Service personnel and operations, and of course has the most to concede if a one-sided solution emerges. We are especially concerned to prevent this Department accepting administrative responsibility for personnel abroad without some corresponding control. This has already occurred in regard to Foreign Service support staff, and our experience with that situation to date is far from satisfactory.

A new draft report is expected from the Chairman soon. We will examine its proposals to determine their effects on 1) the Foreign Service career; 2) the orderly conduct of Canada's foreign relations, and 3) the interest of the government (and the Department) in an efficient, well-managed Foreign Service. I shall report to you accordingly as soon as we have received and examined the latest draft.

We shall also be pleased to provide more detailed briefings, should you so desire, if and when this issue arises for discussion with your Cabinet colleagues. Our concern is that the national interest in an efficient Foreign Service may be jeopardized by inter-departmental conflicts, but on the other hand agreement for some advance may only be possible through compromise.

A.E.G.

PROPOSED REDUCTIONS IN EXTERNAL AFFAIRS ESTABLISHMENT ABROAD

August 1979 1-2-7
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The object of the present examination and reduction of positions at posts abroad is to distribute the person-years available to the Department of External Affairs after the 2% cut imposed by the government in accordance with the needs of posts. By way of background it should be explained that over the last four years the Department of External Affairs has suffered a reduction of 392 person-years and heavy budgetary cut-backs. During the first two years most of the necessary reductions were made by cutting External Affairs programme and direct support positions abroad, and some general post administration positions as well. Additional positions were transferred from posts to Ottawa to achieve further budgetary savings.

At the beginning of the present fiscal year, the establishment of the Department still exceeded the person-year allocation despite the reduction of 140 positions abroad as of April 1. The number of vacant positions, particularly at Headquarters, increased with the imposition of a hiring freeze in June. In August, the Treasury Board ordered that all positions vacant six months or more be abolished. This resulted in the elimination of 58 positions at Headquarters and 17 abroad. The next step was the imposition of a 2% reduction in person-year consumption. This reduced the available person-years for 1980-81 to 5037. To bring the Departmental establishment to a level coinciding with its person-year allocation required the deletion of 180 positions. It was decided that since posts had suffered heavily during earlier reductions, Departmental Headquarters would have to bear a disproportionate share of the new round of reductions. After a thorough review of the requirements of all Headquarters units, a total of 108 positions were identified, representing a cut of 7%. Although other departments with large domestic establishments were able to absorb their entire 2% cuts in Canada this was not, unfortunately, possible for External Affairs, with over two-thirds of its establishment abroad.

This left 72 positions to be found abroad to provide the balance, which would correspond with a 2% cut in the Department's establishment abroad. In addition, however, 25 person-years are utilized each year to engage emergency replacement personnel for LES supporting all post programmes and require off-setting reductions in positions. Finally, 28 person-years and corresponding positions are required to provide support to the refugee immigration programme in South East Asia.

The Department of External Affairs has tentatively identified for deletion the 125 positions in the attached list. The list was arrived at through a post-by-post examination of establishments by all concerned bureaux of the Department. The advice of posts was sought in some cases. The list produced by this process was examined thoroughly by senior management in relation to equitable distribution by region and by programme. It was concluded that the attached list represented the Department's best judgement on the positions which could be dispensed with while minimizing effects on post operations. Position numbers are identified where available; in other cases posts will have to be consulted. It is intended that posts will have some discretion in which positions are cut and, where necessary, what employees will be laid off.

It is expected that the staffing freeze will be lifted as soon as the number for each post is agreed on and that missions will be allowed to staff any other vacant positions. Authority to hire under emergency employment will not be delegated at this time.

The distribution of position cuts among post programmes indicated on the attached summary sheet has been approached from the premise that positions required to cover support staff for the refugee programme should be drawn from positions supporting immigration and related functions at other posts. Other proposed cuts were considered in view of the objective of achieving a distribution as nearly as possible proportional to the total External Affairs staff associated with each programme. For External Affairs programmes this includes both programme and support staff. (A shortfall in External Affairs programme staff cuts has more than been compensated for by proposed cuts in support staff positions for these programmes).

The objective of a proportional reduction has very nearly been achieved. It should be noted that every programme has absorbed more than its proportion of the 97 basic positions to be found, since not all of the 28 refugee programme positions, in addition to its proportional reduction of 10, could be found from immigration programme support positions. The combined shortfall of 12 positions has been distributed equitably among other programmes, with the heaviest burden falling on post administration which, of course, supports all programmes.

A number of proposed reductions of support staff are put forward on the assumption that related programme positions are also cut. These positions will be discussed during the country programme meetings.

REDUCTIONS IDENTIFIED BY REGIONS AND PROGRAMMES

PROGRAMME	LATIN AMERICA & CARIBBEAN						TOTALS	PROPORTIONAL REDUCTI
	AFRICA & MIDDLE EAST	ASIA & PACIFIC	EUROPE	U.S.A.	DELEGATIONS			
EA Programmes (GR/Cons/PA)	5.5	5.0	9.0	2	2	1.5	25.0	24
Manpower & Immigration (incl. NHW & RCMP Immig. Support)	5.0	-	11.0	6	4	-	26.0	10 (+28)
Trade & Int. Development	.5	-	4.5	1	3	.5	9.5	8
Int. Dev. Assistance	-	.5	-	1	-	-	1.5	2
Customs & Excise	-	-	-	-	-	-	-	1
Defence Relations	-	1.0	3.0	-	-	-	4.0	3
Police Liaison	.5	-	-	-	1	-	1.5	1
Tourism	-	1.0	-	-	-	-	1.0	1
TOTAL	11.5	7.5	27.5	10	10	2.0	68.5	50
Post Admin	5.5	15.5	22.5	5	5	3.0	56.5	47
TOTAL ALL PROGRAMMES	17.0	23.0	50.0	15	15	5.0	125.0	97
								28
								125

Refugee Programme P.Y.

*Proportional reduction determined on basis of EA Programmes and all Support Staff P.Y. abroad, excluding the 28 positions in support of the Immigration Refugee Programme.

Africa and Middle East

Accra

EXT-4756X	Driver	Post Admin.	(reserved for Salisbury)
-2017X	"	" "	(transfer to Lusaka for Admin Asst)
-0102M	Guard	" "	

2 driver positions and vehicles to transfer to CIDA project funds.

Nairobi

EXT-3245X	Info. Asst.	Public Affairs
or-6425X	Info. Clerk	" "
-5513X	Secretary	.5 NH&W; .5 TID
-6423X	Secretary	.5 RCMP; .5 EANDI

Lagos

EXT-7109	FS	General Relations	(reserved for Salisbury)
-3005	Secretary	General Relations	(convert to Maint. Mgr.)

Pretoria

EXT-2071X	Clerk/Typist	.5 EANDI; .5 Post Admin.	(Salisbury)
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Yaounde

EXT-7124	FS	.5 P.A.; .5 Gen. Rels.	(convert to SCY for Salisbury)
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Conditional on ITC transfer in.

Abidjan

EXT-5646X	Secretary	NH&W
-8581X	Secretary	EANDI

Dakar

EXT-7098	FS	.5 P.A.; .5 Gen. Rels.
-3210X	Clerk/Typist	Public Affairs (Salisbury)

Cairo

EXT-7093	FS-1	Gen. Rels./Cons.
EXT-8488X	LEIO	Public Affairs

Tehran

EXT-1062X	Clerk/Typist	Post Admin. (Salisbury)
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Africa and Middle East (cont'd)

Baghdad

EXT-8518X Clerk/Typist Post. Admin. (Salisbury)

Tel Aviv

EXT-4882X Secretary EANDI

Beirut

EXT-8267X Secretary , Public Affairs
 -5004X Receptionist EANDI

Plus 5 Security Guard positions to be identified (Post Admin.)

Summary

	P.	S.
Consular	.5	-
General Relations	2.0	-
Public Affairs	1.5	2.0
Post Admin.	-	6.0
TID	-	.5
EANDI	-	3.5
RCMP	-	.5
NH&W	-	1.5
Total	3.0	14.0

Asia and Pacific

Colombo

EXT- ?	Film Clerk	Public Affairs
EXT- ?	Secretary	.5 Admin; .5 IDA

Jakarta

EXT-131X ?	Info. Clerk	Public Affairs
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Canberra

EXT-8529X ?	Secretary	Public Affairs
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Wellington

EXT-485X ?	Secretary/Clerk	.5 P.A.; .5 Cons.
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New Delhi

EXT- ?	Film Clerk	Public Affairs
EXT- ?	Clerk	Post Admin.

Tokyo

EXT- ?	Cda-Based SCY	Defence Relations
EXT- ?	Post to identify	CGOT
EXT- ?	Night Watchman	Post Admin.

Plus 13 Post Admin. to be identified

Summary

	<u>5</u>
Post Admin.	15.5
Public Affairs	4.5
Consular	.5
Tourism	1.0
Defence Rels.	1.0
IDA	<u>.5</u>
Total	23.0

Europe

Bonn

EXT- ?X	Clerk/Typist	.5 Cons.; .5 NH&W
EXT- ? C.B.	Secretary	General Relations
EXT- ?X	Asst. Social Sec. (Post to identify)	Post Admin.

Bordeaux

EXT- X	Receptionist	EANDI
EXT- X	Immig. Asst.	EANDI
EXT- X	Secretary	EANDI
EXT- X	Driver	Post Admin.

Brussels Emb.

EXT-67X	Receptionist	Post Admin.
EXT-4700X	Clerk	Post Admin.
EXT-4627	SCY2	General Relations

Brussels BREEC

EXT-8001X	Driver	Post Admin.
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Copenhagen

EXT-123X	Telephonist	Post Admin.
EXT-5355X	Secretary	TID

The Hague

EXT- ?X		Post. Admin (to be identified)
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Marseille

EXT-5145X	Receptionist	Post Admin.
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Paris

EXT-1584	CR-3	Post Admin.
EXT-5193X	Clerk	EANDI
EXT-5930X	Typist	NH&W
EXT- ?X	Cultural Centre	Public Affairs
EXT-4871X	Secretary	EANDI

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Europe (cont'd)

Rome/Milan

EXT-4875X	Clerk	Post Admin.
EXT-0241M	Maintenance	Post Admin.
EXT- ?X	Support	NH&W (to be identified)
EXT- ?X	Support	EANDI (to be identified)
EXT- ?X	Support	TID

Strasbourg

EXT-8567X	Chauffeur	Post Admin.
EXT-8566X	Senior Servant	Post Admin. .5

London

EXT- ?X	Post to identify	
EXT- ?X		
EXT- ?X	Pro-rated reduction on basis of %	
EXT- ?X		
EXT- ?X	Gen. Rels.	1
EXT- ?X	Public Affairs	1
EXT- ?X	Post Admin.	6
EXT- ?X	EANDI	1
EXT- ?X	TID	1
EXT- ?X		
Plus 3 in CLDS	To be identified	

Moscow

EXT-8557	SCY-2	TID
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Belgrade

EXT- ?X	Assistant	EANDI
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Warsaw

EXT- ?X	Maintenance	Post Admin.
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Prague

EXT-6265X	Maintenance	Post Admin.
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Europe (cont'd)

Athens

EXT- ?X

Post Admin. - to be identified

Ankara

EXT- ?X

Public Affairs

Berne

EXT-5281X
 EXT-35X

Secretary
 Secretary

.5 CEIC; .5 TID
 Consular

Lisbon

EXT- ?X

.5 P.A.; .5 Admin.

Oslo

EXT-326X

Film Clerk

1 P.A.

Vienna

EXT-262M

Maintenance

Post Admin. .5

Summary

	<u>P.</u>	<u>S.</u>
General Relations	-	3.0
Consular	-	1.5
Public Affairs	-	4.5
EANDI	-	8.5
NH&W	-	2.5
TID	-	4.5
Defence Rels.	-	3.0
Post Admin.	-	22.5
Total	-	50.0

Latin America and Caribbean

Buenos Aires

EXT- ?X Support EANDI

Santiago

EXT-590X Clerk/Typist Public Affairs
 -8754X ? Typist EANDI
 -420X Secretary Post Admin.

Bogota

EXT-8376X Clerk .5 P.A.; .5 Post Admin.
 EXT-6202X or 8175X IDA

Havana

EXT-808 FS .5 P.A.; .5 Post Admin.

Port of Spain

EXT- ?X Support EANDI
 EXT- ?X Support EANDI
 EXT- ?X Support NH&W
 EXT- ?X Admin. Asst. Post Admin.

Kingston

EXT-5088X Clerk EANDI
 -4349X Driver Post Admin.

Mexico

EXT-549X Clerk/Secretary TID
 -276X Secretary Post. Admin.

Summary

	<u>P</u>	<u>S</u>
IDA		1.0
Public Affairs	.5	1.5
EANDI	-	5.0
NH&W	-	1.0
TID	-	1.0
Post Admin.	.5	4.5
Total	1.0	14.0

United States

Atlanta

EXT-5527X Secretary TID

Los Angeles

EXT-8071X Secretary EANDI

New Orleans

EXT-784 Secretary General Relations

New York

EXT-5178X Clerk EANDI
 EXT-5179X Clerk EANDI
 EXT-5535X Secretary TID

San Francisco

EXT-5225X Clerk EANDI

Seattle

EXT-9183X Secretary Post Admin.

Washington

EXT-3917X Messenger Post Admin.
 EXT-0270X Maintenance Post Admin.
 EXT-5790X Secretary RCMP
 EXT-5639X Clerk TID
 EXT-5973X Secretary General Relations

Plus 2 in Communications in region.

Summary

General Relations	4
Post Admin	3
Trade	3
EANDI	4
TCMP	<u>1</u>
Total	15

Delegations

Brussels NATO

EXT-1149 SCY-2 General Relations

Geneva

EXT-8237X Secretary .5 P.A.; .5 Post Admin.

Paris OECD

EXT-1148 Secretary .5 TID; .5 Post Admin.

Plus 2 in communications

Summary

	<u>P.</u>	<u>S.</u>
General Relations	-	3.0
Public Affairs	-	.5
TID	-	.5
Post Admin.	-	<u>1.0</u>
Total	-	5.0

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EXTERNAL AFFAIRS

AFFAIRES EXTÉRIEURES

ADMINISTRATIVE NOTICES - AVIS ADMINISTRATIFS

Number 29

July 16, 1979

Numéro 29

16 juillet 1979

DUTY ROSTER

July 17 to July 24

Senior Duty Officer

C.E. Garrard (EBS)
272 Fairmont Avenue, Ottawa
Tel. 728-1655; 992-9304

Regular Duty Officer

E.H.J. Rice (GPO)
404 Laurier East, Apt. 220, Ottawa
Tel. 232-4722; 995-7575

NOTE: Callers from posts wishing to communicate with a Duty Officer are advised to use the departmental number: 996-9134.

OFFICE OF INTERNAL EVALUATION AND AUDIT (EAP)

The Under-Secretary announces the appointment of Mr. Keith W. MacLellan as Head of the Office of Internal Evaluation and Audit, (departmental symbol: EAP), effective July 9. This Office will be responsible for audits and evaluation of headquarters and will provide financial auditors for ICER Inspection Teams.

An Audit and Evaluation Committee has also been formed to review all internal and external audit and evaluation reports, safeguard the independence of the Internal Audit and Evaluation staff and promote good management throughout the Department. This Committee will be chaired by the Under-Secretary with the Deputy Under-Secretary (Administration) as Alternate Chairman.

AGENTS DE SERVICE

17 au 24 juillet

Agent de service supérieur

C.E. Garrard, (EBS)
272 ave Fairmont, Ottawa
Tél. 728-1655; 992-9304

Agent de service ordinaire

E.H.J. Rice (GPO)
404, rue Laurier est, app. 220, Ottawa
Tél. 232-4722; 995-7575

N.B.: Pour communiquer par téléphone avec l'agent de service, les missions doivent composer le numéro 996-9134.

BUREAU DE L'ÉVALUATION ET DE LA VÉRIFICATION INTERNE (EAP)

Le Sous-secrétaire annonce la nomination de M. Keith W. MacLellan au poste de chef du Bureau de l'évaluation et de la vérification internes (EAP) à compter du 9 juillet. Ce Bureau sera chargé des activités d'évaluation et de vérification de l'Administration centrale et fournira les services de vérificateurs financiers aux équipes d'inspection du CIRE.

Un Comité de l'évaluation et de la vérification a également été constitué pour revoir tous les rapports d'évaluation et de vérification internes et externes, préserver l'autonomie du personnel chargé de l'évaluation et de la vérification internes et promouvoir l'exercice d'une bonne gestion dans tout le Ministère. Ce Comité sera présidé par le sous-secrétaire, le sous-secrétaire suppléant (Administration) faisant fonction de président suppléant.

APPRAISAL TRAINING

The appraisal system is one of the most important aspects of personnel management in the Department of External Affairs. Appraisal reports are used for promotion purposes as well as a source of information for manpower planning and development activities, for employees' assignments, etc..

Because of its widespread objectives, the system is becoming more and more complex, requiring from managers higher knowledge and skills to adequately function within this context.

APO considers appraisal training as an intrinsic part of the training given to departmental managers and different courses will be designed for each occupational group, i.e. FSOs, CRs, CMs, etc..

Before these courses are offered to the larger posts, they will be given to employees in Ottawa. Tentative dates have been established for three of these courses:

CR group - August 29-30
CM group - September 11-12
FS group - September 25, 26, 27

All employees interested in registering for one of these courses, or any manager who wishes to nominate an employee, should send a memorandum to APOD, specifying the title and date of the course by August 1. In the case of an employee registering for a program, the memorandum must be signed by his/her supervisor.

For further information, please contact Linda Landry in the Training and Development Section (APOD) at 5-8708.

FORMATION RELATIVE AUX APPRÉCIATIONS

Le système d'évaluation est l'un des plus importants éléments de la gestion du personnel au ministère des Affaires extérieures. Les rapports d'appréciation servent aussi bien à l'avancement que comme source de renseignements pour la planification de la main-d'oeuvre, l'organisation des activités de formation et de perfectionnement, les affectations futures des employés, etc..

A cause de ses objectifs très divers, le système devient de plus en plus complexe et exige des gestionnaires plus de connaissances et de compétence.

APO estime la formation relative aux appréciations fait partie intégrante de la formation donnée aux gestionnaires du Ministère. Divers cours seront conçus en fonction des besoins des divers groupes d'occupation, c'est-à-dire FSO, CR, CM, etc..

Ces cours seront donnés aux employés à Ottawa avant d'être offerts dans les missions importantes à l'étranger. Des dates provisoires sont déjà fixées pour trois cours:

Groupe CR - 29-30 août
Groupe CM - 11-12 septembre
Groupe FS - 25, 26, 27 septembre

Tous les employés qui souhaitent s'inscrire à l'un de ces cours ou tout chef de service qui souhaite y inscrire un employé doit envoyer à APOD une note de service précisant le titre et la date du cours, d'ici au 1er août. Veuillez noter que dans le cas d'un employé s'enregistrant pour un programme, la note de service devra être signée par le surveillant de l'employé.

Pour de plus amples renseignements, téléphonez à Linda Landry, Section de la formation et du perfectionnement (APOD), au numéro 5-8708.

COLLECTIVE BARGAINING

Purchasing and Supply Group (PG). A new collective agreement covering employees in the PG Group has been signed by Treasury Board and the Public Service Alliance of Canada. The agreement incorporates the arbitral award described in Administrative Notice No. 22 of May 28.

Further details will be provided to divisions and posts concerned when available.

EARO COUNTERWEIGHT PROGRAM

Since its inception at the end of April 1978, the Counterweight group has shed over 933 lbs. collectively, painlessly and nutritiously. Now's the time to join and be in trim for the new Fall fashions!

Date: Every Tuesday
Weigh In: 11.00 a.m. - 12 noon
Pep Talk: 12 noon to 12.30
Place: Room 154 (C-3)
(Opposite the elevator)
Contact: Win Finnie/AFSA, 2-0258

NÉGOCIATION COLLECTIVE

Groupe de l'achat et de l'approvisionnement (PG). Le Conseil du Trésor et l'Alliance de la Fonction publique du Canada ont signé une nouvelle convention collective concernant les employés du groupe PG. La convention est le résultat de la décision arbitrale décrite dans le n° 22 du 28 mai des Avis administratifs.

On fera parvenir, quand ils seront disponibles, de plus amples renseignements à ce sujet aux directions et missions concernées.

ORAE - PROGRAMME "PERTE DE POIDS"

Depuis sa mise sur pied à la fin d'avril 1978, le groupe qui s'occupe du Programme "Perte de poids" a perdu dans l'ensemble plus de 933 livres, sans douleur et sans se priver de manger. C'est le temps de vous joindre à nous et de bénéficier de la nouvelle mode pour l'automne!

Date: tous les mardis
Prise de poids: de 11 h à midi
Discussion: de midi à 12 h 30
Endroit: salle C-2-154
(près de l'ascenseur)
Communiquez avec: Win Finnie/AFSA,
2-0258

STAFF CHANGES / MUTATIONS

All Dates are for 1979 Unless Otherwise Indicated

Tous changements qui ont eu lieu en 1979 à moins d'indication contraire

POSTINGS / AFFECTATIONS À L'ÉTRANGER

<u>Name</u> <u>Nom</u>	<u>From</u> <u>de</u>	<u>To</u> <u>à</u>	<u>Effective Date</u> <u>à compter du</u>
Bélair, R. (CR)	Marseille	T & L	July 6
	T & L	APRE	July 9
Bénard, M. (CM)	ACT	Brussels (Emb)	May 24
Bérubé-Pypops, M.F. (CR)	Brussels (NATO)	T & L	June 29
Chambers, P. (FS)	APO	Guatemala	July 3
Daigle, L. (FS)	Port-au-Prince	GEA	July 5
Dugal, L. (CR)	AFF	T & L	July 3
	T & L	Marseille	July 4
Dunseath, R. (CR)	Rome	T & L	June 30

POSTINGS (CONT'D)/ AFFECTATIONS À L'ÉTRANGER (SUITE)

<u>Name</u> <u>Nom</u>	<u>From</u> <u>de</u>	<u>To</u> <u>à</u>	<u>Effective Date</u> <u>à compter du</u>
Edwards, J. (SCY)	APRF	T & L	June 29
Ellis, R.W. (CR)	Jakarta	T & L	July 4
Farrell, H. (CR)	Washington	T & L	June 25
Fink, J. (CR)	T & L	San Jose	June 30
Gervais, J.A.D. (CR)	Lagos	T & L	June 29
Hagemayer, J. (CM)	ACT	Havana	May 20
Hepburn, L.K. (CR)	New York (ConGen)	T & L	June 29
Katona, A. (FS)	Kingston	PCO (secondment)	June 18
Lafortune L. (CR)	Moscow	T & L	July 5
	T & L	APRO	July 9
Lance, D.G. (CR)	Nairobi	T & L	June 29
Légaré, J. (CR)	T & L	Bridgetown	June 30
McDonough, J.I. (CR)	Tokyo	T & L	July 8
Nadeau, C. (CR)	T & L	Rome	July 1
Picard, S. (CR)	Geneva (MTN)	Moscow	June 29
Roy, D. (FS)	Rome	T & L	June 22
Shaw, M.D. (CR)	AFF	T & L	June 28
	T & L	Washington	June 29
Shorkey, B. (CR)	Bridgetown	T & L	June 29
Shorkey, E. (CR)	Bridgetown	T & L	June 29
Stainforth, P. (FS)	Pre-posting Trg.	Bogota	June 25
Thibert, M.A. (CR)	ACI	T & L	June 28
	T & L	Teheran	July 3
Zinni, J. (CR)	T & L	Bonn	June 27

ASSIGNMENTS / AFFECTATIONS

<u>Name</u> <u>Nom</u>	<u>From</u> <u>de</u>	<u>To</u> <u>à</u>	<u>Effective Date</u> <u>à compter du</u>
Cann, R. (CR)	AFF	ARC	July 3
Choquette, G. (FS)	Leave	FLA	July 3
Clark, R.W. (FS)	ICER	HBR	June 1
Desgagnés, L. (CR)	MIN	APRT	July 3
Hamilton, R. (CR)	ARB	AFF	Aug. 13
Letendre, R. (FS)	LWOP	FIA	June 4
Salaberry, M. (FS)	GAF	MIN	July 16
Willson, R. (FS)	APR	GNG	July 9

PROMOTION - NON-ROTATIONAL EMPLOYEE/PROMOTION - EMPLOYÉ NON-PERMUTANT

<u>Name</u> <u>Nom</u>	<u>From</u> <u>de</u>	<u>To</u> <u>à</u>	<u>Effective Date</u> <u>à compter du</u>
Martel, A. (FPO)	CR 5	PM 2	May 27

NEW APPOINTMENT / NOUVELLE NOMINATION

<u>Name</u> <u>Nom</u>	<u>Grade</u> <u>classe</u>	<u>Assigned to</u> <u>affecté(e) à</u>	<u>Effective Date</u> <u>à compter du</u>
Weatherley, S.	CR 2 (1)	FPOR-VAN	June 19

SEPARATIONS / CESSATIONS D'EMPLOI

<u>Name</u> <u>Nom</u>	<u>Grade</u> <u>classe</u>	<u>Div./Post</u> <u>Dir./mission</u>	<u>Effective Date</u> <u>à compter du</u>
Busby, S.	CR 2 (1)	FPOR-WIN	June 29
Cawley, S.	CR 3 (1)	FPOR-TOR	July 6
Chénard, L.	CR 4 (1)	FPOR-MTL	July 6
Cléroux, M.	CR 2 (1)	FPOR-MTL	June 29
Demers, C.	CR 3 (1)	FPOR-TOR	July 6
Durocher, L.	CR 3 (1)	FPOR-MTL	July 6
Johnson, D.	CR 4	FPOR-VAN	June 29
Lynne, J.	CR 3 (1)	FPOR-TOR	July 6
Spear, J.	CR 3 (1)	FPOR-TOR	July 6

(1) Term/ à titre temporaire

PERSONAL NOTICES / AVIS PARTICULIERS

FOR RENT: Apartment. 20 The Driveway. Delightful, 12th floor, 2 bedrooms, 2 bathrooms, large living room, L-shaped dining room, 3 appliances in kitchen, large balcony facing Parliament Buildings. Approx. 11,000 square feet. Indoor parking, locker, indoor, heated swimming pool, games room, entertaining room, guest room. August 10. Call 745-4562.

MAISON À LOUER: Côte d'Azur, Touraine, 10 min. de Lester B. Pearson, 4 ch. à coucher, bureau, salon, salle à manger, cuisine, dinette, dépense, salle de séjour, garage double, piscine chauffée, disponible fin août pour 2 ans, prix \$800. (négociable pour personne fiable). Téléphone 568-7979.

AUTO À VENDRE: Buick Regal LTD 1978, équipement complet incluant acc. électriques, climatiseur, radio AM/FM stéréo, pneus Michelin; en parfaite état, 30,000 KM; disponible fin août, prix \$7,500. Téléphone 568-7979.

FOR SALE: House in Parkwood Hills, 4-bedroom, semi-detached, 1½ baths, living room with fireplace, dining room, California kitchen, carpet throughout, rec. room with bar, private, fully hedged garden. Close to schools, sports facilities and public transportation. Telephone 224-3357 (evenings).

FOR SALE: 1974 one-owner FIAT 128. 45,000 miles. Very good condition. Available July 31. Call 6-6324 (day) or 729-8325 (evening).

FOR SALE: Clairtone stereo, French Provincial, walnut, with storage area for TV or tape. Hook up for external speakers, simultaneous programmes feature. \$175. Call 6-1207 or 233-2058.

FOR SALE: 1976 Honda wagon, 31,000 miles. Automatic, radio, plus snow tires. Fully rustproofed. Excellent condition. Available Aug. 8 \$3,000. Call 6-5803 or 741-2306.

27/7 IM *filed*
EXTERNAL AFFAIRS



JK
AFFAIRES EXTERIEURES
22/7
Tel que demandé

MEMORANDUM

TO
A
FROM
De
GAP
GAA
See below

SECURITY
Sécurité
DATE
June 22, 1979

RESTRICTED

NUMBER
Numéro
GAA-1224

Our Memorandum GAA-0094 January 15, 1979

SUBJECT
Sujet
CIDA Proposal for a "Project Supervisor" - Malawi

file W

FILE	DOSSIER
OTTAWA	1-2-7
MISSION	

ENCLOSURES
Annexes

DISTRIBUTION

APP
CC: EBD
ATI M. M. B.
M. G. B. C. N.

Mr. Johansen asked me for views on this proposal to post a project supervisor to Lilongwe to permit more efficient and effective operation of the Canadian development assistance programme in Malawi.

2. As you will see from the attached draft submission, the establishment will be a PM with typist and driver for a two-year "trial" period at a cost of \$220,000, all taken from aid funds with the PM under FSDs. The High Commission's overall responsibility for the programme is confirmed and in justification CIDA notes that aid administration in Malawi was criticized in the A.G. (Spice) exercise and that this proposal is second best to an ICER solution but is advanced because this Department is unable to provide a "mini post" in Malawi, a country with \$103 million in current projects and an IPF of \$80 million.

3. I will not rehearse my views on this general subject (see memorandum) but I have told Johansen I am personally opposed in principle to this type of solution while recognizing that this Department would not be in a strong position to stop the action in view of the circumstances. If you agree, I propose to restate this in writing to Johansen and to ask him before final presentation to Mr. Dupuy to consult the post - particularly on the terms of reference - (which on the whole are not bad, but should be tightened up to affirm the post as the link in communications with Ottawa). Incidentally, I can find no evidence that CIDA raised the question of additional aid staffing at the CP, nor the matter of a mini post - at least recently.

So done

This is an important precedent and thus it should be submitted with recommendations to the Jth / for decision. Please work out an approach with EBD -

Robert M. L.
African Affairs
(Anglophone) Division

MS. 25/6/79

PRC		From / De Director General - CAD	Date / Date
<input type="checkbox"/> Information Information		<input checked="" type="checkbox"/> Decision Décision	Project File No. / N° dossier
Name of Project / Nom du projet Program Supervisor		Duration / Durée 2 Years	Sector Code / Secteur & code
Title / Titre MALAWI	Amount (\$M) / Montant (\$ Million)	Data Received / de réception	PAM No. / MIP n°
Total of Project / total du projet 0.22		Policy Issues / Questions spéciales a) Aid / Coopération Answer a need for greater field monitoring identified by the Auditor-General SPICE Group. b) Commercial/Political / Commercial/Politique Problem of inadequate supervision raised in recent CPU. c) C.P.R. Context / Programme par pays d) Canadian Resources / Ressources canadiennes	PAM No. / MAP n°
Beneficiary Contribution / contribution du pays bénéficiaire			
Beneficiary Contributions / participations			
Grant from CIDA / Montant de l'ACDI 0.22			
Total Grant / Montant totale de l'ACDI			
Other CIDA Unfunded / autre participation non liée			
Other CIDA Local Cost / autre participation de l'ACDI aux locaux			

PAYMENT SCHEDULE - PLANIFICATION DES DÉBOURSES

79/80	SM	FY-AF	80/81	SM	FY AF	81/82	SM	FY-AF	SM	FY-AF	SM
0.087			0.073			0.063					

PROJECT SUMMARY - SOMMAIRE DU PROJET

Purchases / Achats Construction / Construction Services / Services Experts / Experts Trainers / Formateurs	Goal, Purpose, Outputs and Critical Assumptions / Objectif, but, extrants et suppositions critiques Goal: To assist Malawi's development efforts in transportation and agriculture/rural development. Purpose: To permit more efficient and effective operation of the Canadian development assistance program in Malawi. Outputs: Program supervisor established in Malawi. Critical Assumptions: Satisfactory working arrangements with Canadian High Commission established.
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Recommendations / Recommandations
 Division / Direction (Géographique)

It is recommended that the request be submitted to the President for approval.

Project Team and Division / Équipe de projet et division

A. Smith - CAD
 C. McMaster - CAD
 Jean-Jacques Bastien
PERSONNEL

Comments / Commentaires:

DRAFT
ESB/RSB

MEMORANDUM TO THE PRESIDENT

SUBJECT: Grant for Bilateral Development Assistance

PROPOSAL: To authorize expenditure of \$220,000 Grant for a ^{project} Program Supervisor as Canadian Bilateral Development Assistance to Malawi.

To authorize certain administrative and financial arrangements conforming with those criteria terms and conditions approved by the Treasury Board for the Canadian International Development Agency's programs.

COST:	<u>CY</u>	<u>CY # 1</u>	<u>CY # 2</u>
	1979/80	1980/81	1981/82
VOTE 30	83,850	73,300	62,850

SUMMARY: Malawi, a landlocked LLDC, with a GNP per capita of \$140, has been treated as a program country since the presentation of a country program review in 1977, although it does not have full program status. The approved sectors of concentration are transportation, and agriculture/rural development. Ten projects with a total value of \$103 million are now being completed, and four more, with a value of \$31.7 million, are in the planning stages. Twenty-seven Canadians are working in Malawi on the aid program and by 1981 there will be forty.

The Canadian High Commission in Lusaka has responsibility for Malawi and Mozambique. Until 1978, only one field representative covered all three countries. The addition of a second manyear in 1978 assigned previously to the aid program has improved the situation, but with communication difficulties between Zambia and Malawi, and the demands of program and project planning, have little time for adequate supervision and monitoring of on-going projects. This problem was highlighted by the Auditor-General's SPICE group.

The proposed project would place a ^{project} program supervisor in Malawi for a two year trial period to facilitate operational matters. The Canadian High Commissioner would have ultimate responsibility for all aid matters, and would retain direct control over important government discussions and policy issues, including matters relating to country programming and negotiation of project agreement. The ^{project} program supervisor would supervise and monitor projects already being implemented and be in a position quickly to resolve problems. It is proposed that the ^{project} program supervisor be fielded under the Foreign Service Directives. Similar positions have been established in Francophone Africa.

D R A F T

Background

Malawi, a landlocked LLDC with a per capita GNP of \$140, does not yet have full program status, but during the 1978/79 country program review round, the desk was instructed to proceed with the development of projects using the full range of mechanisms available to a program country, and it was accorded a notional IPF of \$80 million. Before that time, Canadian assistance was concentrated in the railway sector, through the provision of locomotives and a project, in two phases, to construct 144 miles of track and upgrade 56 miles. The development of new projects for Malawi has taken place within the framework of the program goal proposed in the 1978/79 country program review, namely, to assist Malawi to overcome the constraints imposed by its landlocked position in particular as they affect the country's foreign exchange earning capabilities, and to support efforts to raise rural incomes and living standards. Because of the importance of an efficient transportation system for Malawi, the largest proportion of the program is still devoted to projects in the railway sector but a number of projects in the area of agriculture/rural development have been approved in the last two years. Ten projects are now being implemented with a total value of \$103 million, and four additional projects, with a value of \$31.7 million, are in the planning stage. There are twenty-seven Canadians now working in Malawi on the railway project and ten more will be associated with the dairy project. (See Table I for project details)

Malawi is covered from the Canadian High Commission in Lusaka which is also responsible for relations with Mozambique. Until mid-1978, only one field representative was responsible for the aid program in all three countries; since

then an additional .75 of a man-year has been assigned to aid matters. Although the increased manpower represents an improvement over the previous situation, it is still apparent that the difficulties of communication between Zambia and Malawi, and the demands of programming and project planning mean that project supervision and operational concerns are neglected or deferred.

Objective

The objective of this project is to place in Malawi a ^{project} ~~program~~ supervisor on a two-year trial basis to facilitate the implementation of the aid program and permit rapid handling of operational matters.

Justification

The desk has recognized for some time that there is a need for on-the-spot program supervision in Malawi, and that this need will grow more compelling as the number of projects increases. After visits to various countries, including Malawi, the Auditor-General's Spice group commented unfavourably on CIDA's field management capacity, and strongly recommended increased project supervision by field representatives. In addition, the ICERDC has suggested that there be "some form of local representation in order to facilitate the implementation of the program ... in priority units where there is currently no resident Canadian mission". Malawi was put forward as a priority unit in the recent eligibility round.

The addition of one man year in Lusaka in 1978, of which .75 is assigned to the aid program, has provided some relief, but still does not permit adequate program supervision in either Malawi or Zambia, given the size of the total aid effort in the three countries coming under the mission and the difficulties of travel and communication in the region. In comparison with other posts in Commonwealth Africa, Lusaka is still seriously understaffed on the aid side. Nairobi, for example had 3.6 officer man-years for the aid program in 1978/79, and Dar es Salaam had 3.1, while Lusaka had only 1.9 .

Not only, we would have looked to the ICER process to meet our program management requirements in the field. With the recent cutbacks in Canadian operations abroad, and the Department of External Affairs' reluctance to sanction the establishment of official mini-posts outside regular Embassies, however, it is highly unlikely that the ICER framework can meet our increasingly urgent program supervision needs in Malawi, either through increased staff in Lusaka or through the establishment of a mini-post in Malawi. This proposal put forward here, therefore, is for the fielding of a program supervisor in Malawi to deal solely with CIDA affairs. The possibility has not yet been discussed with the Government of Malawi, however, various Government officials have strongly urged CIDA to consider placing a representative in Malawi to deal with operational matters quickly.

Description

The proposal for a ~~program~~^{project} supervisor is based on the principle that the Canadian mission must remain paramount in all matters relating to the development assistance program, and that important government to government discussions or matters with policy implications must be seen to be the responsibility of the mission. This includes all matters relating to country programming, negotiations of terms of reference for projects and of project agreements and decisions relating to project policy. The role of the ~~program~~^{project} supervisor is that of a facilitator responsible to CIDA through the Canadian High Commission. He would provide CIDA with continuous on-the-spot supervision of operational activities, and report on the progress of projects. At the same time, to provide the necessary linkages among all participants in programming and project implementation, he would be involved in discussions relating to terms of reference and project documents.

Draft terms of reference for the position based on the principles outlined above are attached as Annex B.

The ~~program~~^{project} supervisor would be fielded under the Foreign Service Directives. He would establish a small office in Lilongwe, the capital of Malawi with a staff of

two - secretary and driver/messenger.

Cost and Financial Status

The anticipated cost for a two-year period is \$220,000, which includes a contingency of 10%. A detailed breakdown of the cost is given in Table II.

The IPF for Malawi is \$80 million.

Covering Agreement

The project will be covered by the Memorandum of Understanding with the Government of Malawi clarifying the role and status of the program supervisor... The ~~program~~^{projects} supervisor would not have diplomatic status. It is possible, however, that the Government might award him duty-free priveleges, as has been the case with one of the Conseillers Administratifs et Techniques in Francophone Africa.

Anticipated Problems

The only problem which can be anticipated would arise if the ~~program~~^{project} supervisor began to assume, without being so delegated, some of the responsibilities of the CIDA field representatives, or if the Malawi Government attempted to by-pass the High Commission on policy matters. While recognizing this danger, the desk feels that clear terms of reference and careful briefing of the ~~program~~^{project} supervisor and the relevant Malawi Government officials will do much to prevent misunderstandings of the program supervisor's role. It is also proposed that the ~~program~~^{project} supervisor spend at least a week in Lusaka en route to Malawi to discuss division of responsibilities and a work and travel plan for the year.

MALAWI PROGRAM

Name	Components	Duration	Canadian Contribution (\$M)	Local Cost (\$M)	No. of Canadians involved in Malawi
a) <u>COMMITTED PROJECTS</u>					
Malawi Railway Development Project, Phases I and II	Construction equipment, Technical assistance training	1973-1981	71.48	27.80	
Locomotives	12 locomotives	to be delivered in 1979	10.0	0	0
Dairy Development	Technical assistance, equipment, construction, heifers.	1979-1984	6.8	3.06	10
Natural Resources College	Construction, equipment, services, training	1979-1984	12.0	6.6	1 project director, plus Canadian architectural firm.
Rural Health Clinics	Construction, technical assistance	1978-1982	1.72	1.68	1
Rural Piped Water	Construction, equipment, labour	1978-1982	1.38	1.38	0
National Research Development Program (co-financed with IDA)	credit funds, services, markets, roads, health units.	1979-1984	3.0	3.0	0
Miscellaneous training	3rd country and Canadian training.	1970-1981	1.2	0.48	0
Third Country Training	90 man-years of training	1979-1985	0.665	0.665	0
Mission Administered Fund	services and equipment	open-ended	0.05 per annum	0.05	0

Name	Components	Duration	Canadian Contribution (\$M)	Local Cost (\$M)	No. of Canadians involved in Malawi
b) <u>PLANNED PROJECTS</u>					
Malawi Railway Development Project, Phase I Cost Over-run	Construction equipment, Technical assistance training.	1980-1981	3.5	3.5	
Mchinji-Zambia Link	Construction equipment, Technical assistance training	1979-1981	3.0	1.0	
Karonga-Chipata Feasibility Study	Consultant Sources	1979-1980	0.20	Ø	up to 6
Rural Roads and Bridges	equipment, technical assistance training, construction	1980-1986	2.5	5.0	10

TABLE II

PROPOSED BUDGET FOR PROGRAM SUPERVISOR

	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	
Salary (1)	16,000	33,000	17,000	
Allowances (2)	2,250	4,500	2,250	
Removal & Storage	3,450	900	3,450	
Travel to & from Malawi	3,500		3,500	
Housing (3)	1,800	3,600	1,800	
Furniture	20,000			
Vehicle (4)	12,000			
Vehicle Operating Cost (5)	1,500	3,000	1,500	
Office Rental	2,700	5,400	2,700	
Office Furniture	10,000			
Office Operating Costs	3,500	7,200	3,600	
Secretary	3,000	6,000	3,000	
Driver/Messenger	1,000	2,000	1,000	
Telex	1,800	3,600	1,800	
Hospitality	500	1,000	500	
Assisted Leave		3,600		
In-country travel (6)	750	1,500	750	
Contingency			20,000	
TOTAL	<u>83,850</u>	<u>73,300</u>	<u>62,850</u>	220,000

NOTES:

- 1) Based on PM 6 salary
- 2) Under FSDs with two dependents
- 3) Assumes rent share to be paid by program supervisor
- 4) Landrover
- 5) 35¢/mile vehicle operating costs to cover P.O.C. depreciation, maintenance repairs and insurance. Assumes annual mileage of 12,000 with program supervisor paying \$100 per month for personal use of vehicle.
- 6) Assumes 6 return trips to Blantyre by air and 3 to Karonga per annum, average duration 3 days.

Project: Supervisor

Terms of Reference

The position of Projects Supervisor is established to ensure bilateral development assistance projects are subject to continuous indepth monitoring, particularly in relation to their efficient and effective implementation.

In Malawi, CIDA is responsible for implementing a complex, multi-sector program. Malawi has a good public sector capacity to plan and implement programs and projects and CIDA's program is designed to take full advantage of this capacity. However a project monitoring service located outside the usual Malawi lines of authority/responsibility, but providing regular formal and informal contact and liaison with Malawi government officials, will enhance Malawi's own development efforts by speeding up the implementation of projects by assisting in the identification and resolution of operational bottlenecks and by reviewing project progress in relation to agreed bilateral project frameworks.

From CIDA's perspective the position of Projects Supervisor is based on the principle that the Canadian mission must remain paramount in all matters relating to the development assistance program in the country to which it is accredited. This means that activities which are important on a government to government basis or matters which have policy implications must be seen to be the responsibility of the Canadian mission in relation to the designated channels of the Malawi government. This includes all matters relating to country programming, the major responsibilities for project planning, negotiation of terms of reference for program or project purposes and basic project documents, and questions relating to project policy or other important project matters. On the Malawi side, the appropriate government ministries would retain the authorities which they usually carry.

-2-

The Projects Supervisor is a facilitator. He would provide CIDA and Malawi with the continuous on the spot supervision of operational activities relating to the Canada/Malawi bilateral assistance program. He is responsible of keeping CIDA informed of the progress of projects. He acts as a direct conduit between CIDA and the Malawi Government on technical matters relating to project implication. At the same time, and to provide necessary linkages between the Malawi Government, the Canadian mission and CIDA, the Projects Supervisor would participate in discussions relating to terms of reference and project documents.

More particularly the following are the general and specific terms of reference for the position of Projects Supervisor.

Summary

Supervise the operational activities of the Malawi bilateral development assistance program; monitor the implementation of projects and recommend corrective action to CIDA through the Canadian High Commission; inform the High Commission and CIDA of possible new projects and on request carry out initial project identification studies; participate in the formulation and negotiation of terms of reference for project reconnaissance and feasibility studies; supervise locally engaged employees, maintain effective liaison with Malawi Government officials in relation to the requirements of the position.

The occupant of the position reports to CIDA through the Canadian High Commission.

General Duties

1. Supervise the operational activities of the Malawi bilateral development assistance program.

- by advising on all aspects of the program which bear upon its implementation.

-3-

- by carrying out administrative services related to the implementation of the technical assistance component of the program under the authority of the CHC.
- by advising the CHC generally on aspects of the planning of the bilateral development assistance program.

Specific Duties

2. Monitor the implementation of ongoing projects and recommend corrective action to CIDA through the CHC and to Malawi as required.
 - by commenting on draft plans of operations.
 - by participating, under the direction of the CHC, in the formulation and negotiation of project documents such as memoranda of understanding and plans of operation.
 - by assessing the progress of projects in relation to agreed plans of operation, particularly the performance of Canadian consultants and technical assistance, through the study of reports, regular visits to the projects, project meetings, etc.
 - by reporting all problems relating to the execution of projects and by recommending solutions.
 - by ensuring that the necessary progress and financial reports are prepared and by evaluating them.
 - by seeking the comments of the Malawi Government on all technical matters, and on the request of CHC, on project policy matters.
 - by making recommendations on contract matters, modification to terms of reference, modifications to the financing, organization, scheduling of personnel/material/equipment of all projects to meet deadlines and/or to improve the efficient utilization of resources.
 - by ensuring that all project activities are carried out in

-4-

- accordance with the relevant regulations and guidelines.
- by monitoring the training component of projects and by reporting on the summer training programs of students.
 - by assisting in the formulation of terms of reference for end of project evaluation, by participating in their negotiation, and by participating in the evaluation as required.
 - by reporting at least quarterly on the status of each project in relation to the plan of operations.
3. Provide a continuous administrative and advisory service to Canadian personnel working as technical advisers in the recipient country.
- by assisting contractors, consultants, engineers and surveyors entering the country to carry out investigations or construction of capital assistance projects.
 - by dealing with day-to-day problems of cooperants assigned to the country in such matters as accommodation, medical facilities and transportation.
 - by taking the required administrative steps on the arrival and departure of Canadian cooperants.
 - by assisting cooperants, in discussions with local authorities, in resolving problems of a technical/professional nature and to ensure that they are receiving the necessary support and cooperation to enable them to make an effective contribution.
 - by ensuring that necessary material brought in from Canada to support experts and projects is cleared through recipient country customs as quickly as possible.
 - by improving coordination in the supply of locally provided materials, equipment and warehousing.

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-5-

4. Inform the High Commission and CIDA of possible new projects and on request of CIDA and the CHC participate in the planning of new projects;
 - by understanding the bilateral program framework and studying in depth those sectors of the Malawian economy within the country program framework in which Canadian assistance might best be concentrated.
 - by bringing to the attention of CIDA through the CHC new project opportunities which are consistent with the country program framework.
 - by carrying out initial project identification studies of new projects requested by Malawi at the request of the CHC, by assessing their priorities, proposed method and schedule of implementation.
 - by participating in the formulation and negotiation of terms of reference for reconnaissance and feasibility studies and by commenting on the findings of these studies.
 - by recommending to the CHC suitable projects for financing from the MAF.
5. Maintain effective relationships with Malawian officials in supervising the operational activities of the program.
6. Supervise locally engaged employees and efficiently manage the administration of the Lilongwe office with the human and financial resources made available and in accordance with established accounting procedures.
7. Perform other duties at the request of the CHC and as agreed to by CIDA.

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PROJECT PLANNING AND MONITORING

<u>Project</u>	<u>Project Supervisor</u>	<u>High Commission</u>	<u>CIDA</u>
a) Project Requests			
- Nil	- at the request of the CHC/CIDA obtain additional information necessary for project appraisal/ approval	- discuss new projects with GOM in context of broad program goals - forward new project request to CIDA with appropriate recommendations	- form a project team - organize where necessary, appraisal team, reconnaissance on feasibility study - prepare project approval documents including plan of operations.
b) Field Trips			
- Nil	- <u>terms of reference with GOM at comment on and negotiate on request of CHC</u> - arrange accommodation and schedule meeting for team. - meet team at airport - attend meetings with team if necessary (more likely for project review and planning visits). - provide secretarial services to the team - maintain a file of all terms of reference and reports.	- meet with team for briefing and debriefing and participate as necessary.	- preparation and/or approve of terms of reference for reconnaissance trips, appraisal and feasibility studies and review visits - select and hire Canadian consultants.

<u>Project</u>	<u>Project Supervisor</u>	<u>High Commission</u>	<u>CIDA</u>
c) Preparation of Memorandum of Understanding and Plan of Operation			
- Nil	- participate in negotiation of MOU and Plans of Operation	- negotiate and sign MOU and Plans of Operation	- approve all official documents for signature of the two governments.
d) Project Monitoring			
- propose revision to plan of operations as necessary, at a minimum annually, in accordance with established project monitoring procedures	- assist project in reviewing POP and make recommendations to CIDA through CHC	- negotiate POP	- review and approve revisions to POP and annual cash forecast.
- prepare annual cash forecasts	- assess the progress of projects in relation to the agreed POP	- negotiation amendments to POP.	
	- report quarterly on project progress and problems to CIDA via CHC and recommend corrective action.	- progress reports and follow-up with GOM and CIDA as required.	
		- lead/participate with CIDA in formal project review mechanisms	
e) Purchases from Outside recipient country.			
- prepare specifications	- recommend specification for CIDA through CHC	- direct interaction with the government in exceptional cases	- place order (if CIDA/DSS doing purchasing)
- place order (depending on project organization)	- notify CIDA of the arrival of goods		
- clear through customs equipment and material for Cdn projects			
- check condition of goods and institute damage claims			

<u>Project</u>	<u>Project Supervisor</u>	<u>High Commission</u>	<u>CIDA</u>
<p>f) Local Purchases (Construction Services)</p> <ul style="list-style-type: none">- prepare tender documents and call tenders as approved- analyse proposals- negotiate and sign contracts as approved- supervise work	<ul style="list-style-type: none">- assist project in establishing and administering a system for local contracts taking account of CIDA regulation- verify the statement of expenditures from advances and recommend to the CHC a CIDA payment of the next advance	<ul style="list-style-type: none">- forward advances on the recommendations of the projects supervisor (advances may go directly to Malawi, not through CHC)	<ul style="list-style-type: none">- approve advances on the recommendation of CHC or project supervisor
<p>g) Local Purchases (Materials and Equipment)</p> <ul style="list-style-type: none">- draw up lists and specifications of articles needed on accordance with POP- call tenders where applicable, analyse bids and make purchases- prepare disbursements forecasts as required- report monthly on purchases made in previous month	<ul style="list-style-type: none">- advise project on regulations (CIDA and GOM) governing procurement of materials and equipment- monitor purchases to insure that purchases of materials and equipment are carried out in a manner consistent with CIDA practice- review specifications, tenders, bids and make recommendation to CIDA through CHC- review disbursement forecasts and make recommendation to CIDA through CHC.	<ul style="list-style-type: none">- approve expenditure forecasts- officially review specifications, tenders, bids with Malawi Government when required.	<ul style="list-style-type: none">- approve specifications, tenders, bids.

CO-OPERANTS

Project

- Make necessary arrangements for arrival and housing of co-operant
- integrate cooperant into project work
- monitor liaison forms

Projects Supervisor

- Ensure that arrangements have been made (by GOM, project or if necessary, by PS) for:
 - meeting new cooperants
 - temporary accommodation
 - permanent accommodation
- Customs clearance of personal effects
- Contact point between co-operant and CIDA/High Commission on administration questions - allowances, duty free privileges leaves, etc.
- Assist co-operant in obtaining necessary permits and visas e.g. drivers licence, exit visas etc.
- Forward to High Commission/CIDA necessary contract administration reports from co-operants. (arrival reports etc.)
- Provide to CHC and CIDA annual evaluation of each co-operant.

High Commission

- Consular services
- Special interventions in problem areas, e.g. provision of local support by the recipient government.

CIDA

- Selection, briefing, contracting, travel arrangements.
- Approval of contract amendments.

cc ✓ 5-1-8 GAA
BAA/R.W. MOORE/25079/8

FILE
DIARY
CIRC
DIV
MEMORANDUM

DATE	790123	REF
ACC	11965	
38-1-C10A		

ANNEX B

GAP

GAA

RESTRICTED

January 15, 1979

file W

GAA-0094

Management of the Development Assistance Programme at Posts

In Mr. Dorais' ICER presentation of January 10 important points were made which should be given serious consideration by the Department in the context of this year's Country Programme exercise.

2. He implied very clearly that there are insufficient resources abroad to handle an aid programme which has grown to such proportions that the person-year/dollar ratio is now 1: \$13 million. Mr. Dorais indicated that the "temporary" arrangement to share the 120 formal aid person-years between CIDA and the Department was unsatisfactory from the former's point of view and gave as one factor in this the "fragmentation" of the non-CIDA held positions (citing an average staffing of .3 of a person-year or put another way, the programme person-year, on average, is scattered over 3.3 officers). I presume from his other remarks that the Agency plans to meet the first problem outside of the ICER context through the use of contract personnel and "interdisciplinary teams" and the second problem by influencing the Department and Posts to either curtail this person-year "fragmentation", or to give up some of the 60 FS aid positions in favour of CIDA PM staffing.

3. In this time of restraint and pressure on posts the anti-"fragmentation" step may be neither in the interests of the Development Assistance programme, nor of good management in terms of the flexibility the present arrangement gives our posts abroad. While I have had no direct experience of "interdisciplinary teams" I suspect this concept should be examined more fully before being applied on a wholesale basis and the examination should be in terms not only of its effect on bilateral relations and programme management, but also in the context of its linkage to the concept of an aid programme administered outside the ICER framework.

...2

en/38/POM

4. My view that these two initiatives should be approached cautiously is based on the following considerations:

(a) "Fragmentation"

The argument against fragmentation is understandably one against shallowness of experience, and is illustrated by Dorais' statistic that on average one aid person-year is spread over 3.3 happy generalists who have not before, and are unlikely again, to have an aid assignment and that they should therefore be less effective than a full time aid person. This argument ignores several imperatives - one is the requirement for flexibility and the use of human resources, particularly at small posts - which most aid posts are. The ICER instruction to HOPS in 1972 to use personnel flexibly so that they will gain experience in other program areas allows the CPM the option of deploying resources where they are needed. A further element overlooked in Dorais' presentation is the division of labour and level of differentiation in aid administration. Characteristically CIDA's PM's are at the Counsellor/First Secretary level - and a significant proportion of the 120 formal aid positions are more or less considered to be at that level. The aid programme abroad is made up of many elements - from small projects under MAAF, through NGO projects and technical assistance to complex bilateral infrastructure projects and programmes. Many components and indeed projects are susceptible to management at the Third Secretary/Second Secretary level and are often more thoroughly done at that level than by senior personnel.

On the more general point it is useful to have a maximum involvement of the post's personnel in the Development Assistance programme particularly when that programme is the priority (or major one) at the post. Where this is the case it is usually the most significant element in our bilateral relationship with the host country and it is important from the point of view of the morale and training for the future not to deny involvement in it to career foreign service personnel, particularly as it provides them with otherwise not available opportunities for contact with host governments and for travel within the post area. During assignments at two aid posts I can state that in my view "fragmentation" has not hindered the Development Assistance programme and further that

...3

I never found a good FS, at any level, to be at a disadvantage in terms of learning the effective management of an aid project, nor for the most part other than fully prepared to report to the senior aid programme manager on these elements of the Development Assistance programme delegated to him/her.

Accordingly, from the point of view of integration of the post's programmes, flexibility, effectiveness of management, and morale and training, I find it difficult to accept the argument against fragmentation and feel that the present departmental plans for "streaming" weaken further the perceived future harmful effects. The other side of the coin should not be ignored either - small posts in particular, but also more generally, the ICER concept of cross-programme ~~and~~ experience should receive more emphasis. In particular, CIDA PM's should be encouraged to undertake much more in the way of economic (and even political) reporting than is now the case in those posts where their travel patterns, levels of access and training give them a unique opportunity to contribute to other post programmes.

(b) "Interdisciplinary Teams"

I submit that the case for use of non-ICER controlled resources in administration of the Development Assistance programme should be accepted with extreme caution. What Dorais was telling us to my mind is that lacking additional resources or additional man-years and greater control of those already available to the Development Assistance programme, CIDA will work towards having specific bilateral projects (and ultimately I would expect the Development Assistance programme itself) administered outside of post management's control. Therefore, a programme which is often the major Canadian interest in that country would be distanced from our official representation. Control and management of the programme through this indirect type of linkage wherein contract personnel can be expected to be more responsive to headquarters than to the post can also present an ambiguous situation. Under this arrangement we would have Canadians employed by the Government from aid funds on what is essentially the same task as their

...4

- 4 -

RESTRICTED

colleagues at the official post but serving under different terms and conditions and having different relationships and status with the host government.

Accordingly, in terms of the integrity of the ICER concept, the flexibility of post operations and the effective management of an important element of our bilateral relationship, the Department, in its role as a "central agency" may well wish to consider a special effort during the current Country Programme exercise to support the notion of (a) "fragmentation" and (b) management of the Development Assistance programme within an ICER and post context. Despite projected levelling off of disbursements for the next few years, the Development Assistance programme has been a growth programme which on objective criteria is under-supplied with human resources overseas. The Department will need to show a certain amount of flexibility in matters of staffing and designation in order to give expression to this support and may even have to re-examine the relationship between itself and CIDA in order to both open opportunities for career FS personnel within the Development Assistance programme, and to keep this programme wholly managed by posts in an ICER context.

ORIGINAL SIGNED

BY

R. W. McLAREN

R. W. McLaren
Director
African Affairs
(Anglophone) Division

GAA/R.W. McLaren/EBD/J. R. Morden/6-2391/KK/ej

File ✓
Diary
Circ.
Div.

ANNEX C

GAA-1323

DATE	7/907/17
	32646
BY HAND	38-7-1-MALAWI
ATTN:	

RESTRICTED

Ottawa, Ontario
K1A 0G2.

July 10, 1979.

Dear Karl,

You have asked for this Department's views on the possibility of stationing a "Project Supervisor" in Malawi to handle the day-to-day administration of the CIDA programme for that country.

I recognize that there may be operational requirements calling for increased supervision of the programme in Malawi, but our notes for the CP review of this year indicate that neither the post nor CIDA indicated that this was a requirement. Moreover, your proposal raises important questions with respect to the management of bilateral relationships abroad which fall within the mandate of ICER. For these reasons, I believe that your suggestion should be considered within the ICER system before any ad hoc arrangements are made. In addition, I think that ICER consideration should include an examination as to whether your operational needs can be met by increasing the staff and travel capacity of the post in Lusaka.

Yours sincerely,

M. Shenstone,
Director-General,
Bureau of African and
Middle Eastern Affairs.

Mr. Karl Johansen,
Director, Commonwealth Africa Division,
Canadian International Development Agency,
Place du Centre,
rue Principal,
Hull, P.Q.

has clearance in the ICER.

FILE
DIARY
CIRC
DIV

GAA/R.W.MCLAREN/2-5079/81

MEMORANDUM

GAP

GAA

DATE:	790813
ACC:	34508
FILE:	38-7-1-MALAWI
BY HAND:	<i>[Signature]</i>
ATTN:	

RESTRICTED

June 22, 1979

GAA-1224

Our Memorandum GAA-0094 January 15, 1979

CIDA Proposal for a "Project
Supervisor" - Malawi

APP

Mr. Johansen asked me for views on this proposal to post a project supervisor to Lilongwe to permit more efficient and effective operation of the Canadian development assistance programme in Malawi.

2. As you will see from the attached draft submission, the establishment will be a PM with typist and driver for a two-year "trial" period at a cost of \$200,000, all taken from aid funds with the PM under FSDs. The High Commission's overall responsibility for the programme is confirmed and in justification CIDA notes that aid administration in Malawi was criticized in the A.G. (Spice) exercise and that this proposal is second best to an ICER solution but is advanced because this Department is unable to provide a "mini post" in Malawi, a country with \$103 million in current projects and an IPF of \$80 million.

3. I will not rehearse my views on this general subject (see memorandum) but I have told Johansen I am personally opposed in principle to this type of solution while recognizing that this Department would not be in a strong position to stop the action in view of the circumstances. If you agree, I propose to restate this in writing to Johansen and to ask him before final presentation to Mr. Dupuy to consult the post - particularly on the terms of reference - (which on the whole are not bad, but should be tightened up to affirm the post as the link in communications with Ottawa). Incidentally, I can find no evidence that CIDA raised the question of additional aid staffing at the CP, nor the matter of a mini post - at least recently.

ORIGINAL SIGNED

BY

R. W. McLAREN

African Affairs
(Anglophone) Division

ANNEX D

5-1-3 GAA LSAKA

GA
CA

INFO

C C N F I D E N T I A L PERS INFO

PERS INFO/RENS PERS

FM LSAKA XPGR1866 24AUG79

TO CIDA HULL/DUPUY

INFO EXTOTT L GAA APO APR AFPC GAP

DE MORE

Handwritten circled initials "fc" and signature "John W."

---MISSION STAFFING-MALAWI PROGRAM

DURING YOUR JAN VISIT TO MALAWI WE DISCUSSED WAYS AND MEANS OF
SLOTING IN SOME KIND OF CDN PRESENCE AT LILONGWE. THIS WAS FOLLOWED
UP BY FINNEGANS DISCUSSIONS WITH ME IN FEB AND MORE RECENTLY WITH
YOU AND SENATOR ASSELIN BEFORE YOUR VISIT TO MALAWI DURING THIS
MONTHS CHGM.

.I AGREE, SO DO ALL AT THIS MISSION, ON DIFFICULTIES DERIVING FROM
LACK OF PRESENCE IN MALAWI. THERE IS GREAT NEED FOR OFFICE THERE
IN TERMS OF DEVELOPMENT PROJECTS AND ALSO IN ABSENCE OF OFFICIAL
CONTINUITY IN GENERAL AND PUBLIC RELATIONS. OFFICIALS PRIME FUNCTION
WOULD BE PROJECT COORDINATION, RESPONSIBLE TO HIGHCOMER IN LSAKA
HE WOULD ALSO SERVE QUITE WIDE FUNCTION IN PREPARING FOR VISITS,
MAINTAINING SOME BASIC FILES OF MORE GENERAL NATURE AND
FACILITATING PUBLIC AFFAIRS ENQUIRIES, DISTRIBUTION OF CONSULAR AND
IMMIG FORMS, ETC. THIS WOULD BE DESIRABLE IN PRINCIPLE. IN ANY CASE,
SIMPLY THROUGH HIS KNOWN PRESENCE THERE, HE WOULD BE OBJECT OF
ENQUIRIES, ETC, AS ONLY CDN OFFICIAL RESIDENT IN MALAWI. HE WOULD
THEREFORE HAVE TO BE BRIFFED AND SUPLIED WITH INFO MATERIAL AND
FORMS BY LSAKA. THESE FUNCTIONS ARE NOW CARRIED OUT SIMPLY THROUGH

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PAGE TWO XPGR1866 CONFD PERS INFO

MRDP AVAILABILITY BY MALAWI RAIWAYS DEVELOPMENT PROJECT HEAD AND HIS SPECIAL ASSISTANT. IN BLANTYRE SOME USEFUL FUNCTIONS, VIS-A-VIS PUBLIC ARE CARRIED OUT ON HIS MISSIONS BEHALF BY DESIGNATED DOCTOR THERE. SIMILARLY MRDP PROVIDES HOME TO SPOT COORDINATION FOR OTHER DEVELOPMENT PROJECTS BUT ONLY ON TOP OF ALL THEIR OTHER WORK AND SIMPLY AS POINT OF CONTACT. THEY HAVE BEEN ABLE TO PROVIDE OFFICE FOR WORKING VISITS FROM LSAKA (WHETHER BY DEVELOPMENT OFFICER RESPONSIBLE FOR MALAWI PROJECTS AND REPORTING ON MALAWI DOMESTIC SITUATION, OTHER OFFICERS ON THEIR SPECIALIZED BUT MULTI PURPOSE VISITS AND ME). THEY ARE PROVIDING THIS OFFICE SPACE IN NEW BLS WHICH THEY WILL SHORTLY MOVE TO (INCLUDING TELEX AND TELEPHONE FACILITIES).

3. MOST PRACTICAL IDEA TO EMERGE FROM OUR DISCUSSIONS WAS SETTING UP QUOTE COORDINATING PROJECT UNQUOTE IN LILONGWE. THIS WOULD NOT INVOLVE ICER POSITIONS NOR WOULD SMALL OFFICE HAVE DIPLO STATUS AS SUP-OFFICE OF LSAKA. IT WOULD BE UNDERSTOOD BE MANNED AT CIDAS EXPENSE BY COORDINATOR OR FIELD PROJECT SUPERVISOR WITH LES (AGAIN NOT/NOT ICER POSITION). IT WOULD BE RESPONSIBLE FOR PROJECT COORDINATION DIRECT TO AND THROUGH HIGHCOM LSAKA. LATTER POINT WOULD MAINTAIN VITAL PRINCIPLE WHICH WE HAVE ESTABLISHED OVER PAST THREE YEARS THAT LSAKA MISSION BE USED AS CHANNEL FOR ALL AID COMMUNICATIONS TO AND FROM MALAWI; SHOULD THERE BE ROUTINE BUT URGENT MSGS,

...

PAGE THREE XPGR866 CONFD PERS INFO

INSTRUCTIONS(EG,ROUTINE FINANCING OF PROJECTS,PERSONNEL RECRUITMENT,ETC),THIS IS DONE DIRECT TO MRDP(FOR EXAMPLE)BUT ALWAYS WITH INFO COPIES TO LSAKA MISSION.WE AGREED THAT SA^mE PRINCIPLE COULD APPLY TO ANY QUOTE COORDINATING OFFICE UNQUOTE A ENVISAGED ABOVE.

4.OTHER ARRANGEMENTS APPEAR TO HAVE INSURMOUNTABLE DIFFICULTIES. CDA AT PRESENT IS NOT/NOT HIGHLY GEARED TO UTILIZING HONORARY CONSULS OR HONORARY TRADE REPS.NOR/NOR WOULD IDEAL SOLUTION PROBABLY BE ACHIEVABLE PARTICULARLY AT THIS TIME OF AUSTERITY: ESTABLISHING DIPLO OFFICE MANNED BY CHARGE D AFFAIRES.FOR SAME REASONS(BUT TO LESSER DEGREE)ESTABLISHING OF DEVELOPMENT SUB-OFFICE OF LSAKA MISSION IN LILONGWE IN SAME WAY LSAKA FIRST OPENED AS SUP(NON/NON DIPLO)OFFICE OF HIGHCOM DSLAM AS STILL IS DONE HERE BY NORWEGIANS.NORWEGIAN AMB DSLAM IS ACCREDITED NON/NON REP TO ZAMBIA;OFFICE HERE IS MANNED HCWEVER EXCLUSIVELY BY DEVELOPMENT OFFICIALS WHOSE HEAD IS DESIGNATED HONORARY CONSUL IN CONSULAR LIST AND WHOSE NAME APPEARS AGAIN IN SAME LIST AS RESIDENT REP NORWEGIAN AGENCY FOR INNTL DEVELOPMENT.HIS NAME AND THOSE OF HIS STAFF DO NOT/NOT APPEAR IN DIPLO LIST WHICH LISTS EXCLUSIVELY AMB AND OFFICIALS RESIDENT IN DSLAM.

5.THERE WAS LITTLE TIME AT PMS AIRPORT DEPARTURE TO DISCUSS FURTHER POINT YOU RAISED THEN,NAMELY HAVING PRIMEAU TAKE ON SUCH

...4

PAGE FOUR XPGR1866 CONFD PERS INFO

POSITION IN LILONGWE. HE WOULD INDEED BE WELL SUITED TO THIS HOWEVER I BELIEVE I WAS ABLE TO MAKE FOLLOWING POINTS: (A) THERE COULD BE NO/NO QUESTION OF MOVING LSAKA POSITION HE OCCUPIES TO LILONGWE GIVEN FACT THAT EACH OF FOUR SPECIALIZED OFFICER POSITIONS HERE IS INDESPENSABLE IN BACKUP FOR OTHER AREAS OF WORK TO KEEP MISSION FUNCTIONING. IF POSITION WERE MOVED FROM LSAKA, THIS MISSION WOULD CEASE TO FUNCTION IN NUMBER OF WAYS, SOME OF DIRECT CONCERN TO CIDA AND THERES OF CONCERN TO GOVT AS WHOLE. IN SMALL MISSION, PARTICULARLY WITH ACCREDITATION TO THREE ADJACENT COUNTRIES, EACH POSITION MUST SHARE OTHER LOADS IN ADDITION TO ITS PRIME PURPOSE IN ROUTINE WORK IN LSAKA; SIMILARLY WORKING VISITS TO OTHER COUNTRIES OF ACCREDITATION MUST BE MULTI PURPOSE WHENEVER MADE BY WHICHEVER POSITION. THIS MEANS THAT EVERY OFFICER MUST COVER OFF FOR EVERY OTHER ONE AND BE ABLE TO CARRY VARIED LOADS IN ADDITION TO HIS PRIME FUNCTION. THIS APPLIES EQUALLY TO OCCUPANT OF DEVELOPMENT POSITION NOW HELD BY PRIMEAU. APART FROM HIS WORK ON WHAT MIGHT BE CALLED STRAIGHT CIDA WORK OR WORK WITH SOME DIRECT RELEVANCE TO THAT, BALANCE OF TIME IS DEVOTE TO FIELDING WORK IN OTHER AREAS WHICH FLOAT TO TOP OF PRIORITIES OR WHICH HAVE TO BE DONE BY WHOEVER IS AVAILABLE IN ABSENCE THROUGH SICKNESS, LEAVE OR COUNTRY VISITATION BY OTHER OFFICERS. I HOPE IT WAS NOT/NOT YOUR INTENTION TO PROPOSE MOVING OF POSITION. FROM THIS MISSIONS POINT ...5

PAGE FIVE XPGR1866 CONF D PERS INFO

OF VIEW MY RECOMMENDATION CAN ONLY BE THAT MOVING POSITION FROM
LSAKA IS NOT/NOT PRACTICABLE, IF CDN REPRESENTATION IS TO BE
CONTINUED IN LSAKA (AND MOZAMBIQUE AND MALAWI); (B) IF PRIMEAU WERE
TO BE MOVED TO THIS PROJECTED MALAWI OFFICE, IT WOULD BE NECESSARY
TO HAVE REPLACEMENT FOR HIM IN LSAKA. IF THIS IS WHAT IS IN MIND,
YOU MAY FIND IT TIMELY TO PURSUE IT INTER-DEPARTMENTALLY, POSSIBLY
WITH OBJECTIVE OF DETACHING HIM FOR PROJECT ASSIGNMENT IN LILONGWE,
THUS CLEARING WAY FOR HIS REPLACEMENT ON BASIS OF ICER EXERCISE.
6. IN SUMMARY YOU HAVE MY FULL SUPPORT FOR ESTABLISHING PROJECTS
OFFICE IN LILONGWE AS OUTLINED IN PARA 3 ABOVE.

CCC/173 271130Z XPGR1866

ANNEX E

INFO

~~GAPR~~
C.C. APP
ICER.
EBD
APPC

file in

GAA to work closely with APPC
you'd want

UNCLASSIFIED

FM CIDA HULL CAD4670 13OCT79
TO LSACA IMMED
INFO EXTOTT GAA
DE MCGRATH

---POSTING AID MANYEAR IN MALAWI

REQUEST UPDATE ON ARRANGEMENTS TO TRANSFER AID MANYEAR TO LILONGWE AS DISCUSSED DURING CHGM IN JULY. CIDA MINISTER INFORMED HIGH COMMISSIONER THAT ONE/ONE LSACA AID MANYEAR SHOULD BE LOCATED IN MALAWI. AT DEBRIEFING MTG AT CIDA HULL AFTER CHGM, EXTERNAL AFFAIRS WERE NOT OPPOSED TO THIS MOVE.

to ensure any extra costs are minimized.

CURRENT PROBLEMS WITH MRDP VIVIDLY ILLUSTRATES IMPORTANCE OF HAVING CIDA REP IN MALAWI. PROBLEM COULD PROBABLY HAVE BEEN DEFUSED IF CIDA HAD REP IN MALAWI. INADEQUATE COMMUNICATIONS BETWEEN LSACA AND MALAWI PREVENT RESPONSIBLE PROJ MANAGEMENT. PROBLEM WILL TAKE ON ADDED IMPORTANCE THIS YR DUE TO START UP OF ADDITIONAL LARGE SCALE COMPLICATED PROJECTS LIKE THE NRC AND THE DAIRY PROJ.

This tel. shd have been clear with this Dept.

M.S.

IF YOU HAVE NOT ALREADY DONE SO SUGGEST YOU RAISE TOPIC WITH NGWIRI AT YOUR MTG TOMORROW AND REQUEST GOVT MAKE A HOUSE AVAILABLE FOR CIDA REP IN MALAWI. SINCE ONE LESS HOUSE WILL BE REQD IN LASACA THIS WILL NOT INCREASE ADMIN COSTS OF POST. TELEX INSTALLATION IN REPS HOUSE COULD ALSO BE USED BY ALL CIDA PROJECTS IN MALAWI.

UNDERSTAND YOU DISCUSSED THIS TOPIC WITH CIDA PRES PRIOR

PAGE TWO CAD4670 UNCLAS

TO TAKING UP LSAKA POST.CIDA PRES RRFQUESTS THAT THIS MOVE
BE FACILITATED ASAP.

UUU/294 181557Z CAD4670

ANNEX 1

Miller

file w

ACTION
SUITE A DONNER

C O N F I D E N T I A L

FM LSAKA XFGR2409 19OCT79

TO EXTOTT/GAA/APP/APO/APR/AFPC/GEB/ERD CIDA HULL/PRES

REF YOURTEL CAD4670 18OCT

---POSTING AID MANYEAR IN MALAWI

I HAVE BEEN ON POST IN LSAKA FOR EXACTLY 24DAYS, I HAVE NOT/NOT PRESENTED CREDENTIALS IN MALAWI AND I AM ASKED WHAT ACTION HAS BEEN TAKEN TO TRANSFER ONE AID MANYEAR TO LILONGWE. PRIOR TO MY ARRIVAL AND SUBSEQUENT TO MY DISCUSSIONS IN OTT MY PREDECESSOR COMMENTED ON THIS PROPOSAL IN HIS TEL XFGR1866 24AUG. IN PARA 5 OF THAT TEL HE MAKES NUMBER OF OBSERVATIONS ON WHICH TO DATE THAT THERE HAS BEEN NO/NO COMMENT FROM HQS. I WILL NOT/NOT REPEAT THESE POINTS BUT ONLY ASK WHAT ARRANGEMENTS ARE BEING MADE IN OTT TO REPLACE PRIMEAU IF HE TRANSFERS TO MALAWI? I WOULD POINT OUT ALSO ACCORDING TO OUR RECORDS NO/NO FORMAL INSTRUCTIONS HAVE BEEN ISSUED UNTIL YOUR REFTEL TO PROCEED WITH THIS MOVE.

2. IN MY DISCUSSION WITH CIDA PRES HE OUTLINED TO ME PROPOSAL TO PUT SOMEONE ON GROUND IN MALAWI. WE ALSO DISCUSSED POSSIBLE WAYS TO FILL GAP THIS WOULD CREATE IN LSAKA, SUCH AS ASSIGNING PROJECT SUPERVISOR TO LSAKA WHILE SEEKING ESTABLISHMENT OF NEW POSITION THROUGH ICER. I WAS ALSO INFORMED BY PRES THAT HE FORESAW PRIMEAUS MOVE BEING MADE NOT/NOT IMMEDLY BUT RATHER

...2

PAGE TWO XPGR2409 CONFD

NEXT SUMMER, IE, 1980. ALTHOUGH THIS TIMETABLE APPRANTELY HAS BEEN OVERTAKEN BY DECISIONS OF WHICH I HAVE NO/NO KNOWLEDGE, THAT WAS MY UNDERSTANDING AND I HAVE BEEN OPERATING ON THAT BASIS.

3. DURING MY TIME HERE PRIMEAU HAS BEEN TO MALAWI TWICE FOR APROX TEN AND FIVE DAYS RESPECTIVELY. I ALSO UNDERSTAND THAT HE HAS VISITED LILONGWE APROX FOR TEN DAYS JUST PRIOR TO MY ARRIVAL. PRIMARY PRUPOSE FOR EACH OF THESE VISITS WAS TO ADDRESS PROBLEM THAT HAD DEVELOPED ON DIVISION OF RESPONSIBILITY BETWEEN PROJ DIRECTOR AND PROJ ADMINISTRATOR. PRIMEAU WAS THEREFORE ON TOP OF THIS PROPLEM ALL OF WAY AND HAD NUMEROUS MTGS WITH PRINCIPALS CONCERNED TO TRY TO IRON OUT DIFFICULTIES. WHETHER OR NOT/NOT PRESENT SITUATION COULD HAVE BEEN AVOILED HAD HE BEEN IN LILONGWE ON PERMANENT BASIS IS DFBATABLE. I UNDERSTAND THAT KACHIPANDE, PROJ ADMINISTRATOR SEEMS INTENT ON MAKING DIFFICULTIES. HAVING NEVER MET THE MAN I CAN ONLY RELY ON WHAT HAS BEEN TOLD TO ME BY PRIMEAU AND VIGRASS AND I HAVE NO/NO REASON TO QUESTION WHAT THEY HAVE SAID. AS I UNDERSTAND IT SOME MISINTERPRETATION OF MOU IS INVOLVED AND ACTION AT APPROPRIATE LEVEL IS REQUIRED TO PUT MATTERS STRAIGHT. UNTIL I PRESENT CREDENTIALS I PERSONALLY CANNOT/NOT BE ENGAGED. DESPITE PRIMEAUS OBVIOUS TALENTS AND EXPERTISE, I WOULD THINK IT UNFAIR TO EXPECT HIM TO TAKE ON THIS TAKS; HENCE PROPOSAL IN OURTEL XPDA2382 18OCT PARA 4(B).

...3

PAGE THREE XPGF2409 CONF D

4. I ACKNOWLEDGE SOMETHING HAS TO BE DONE TO COPE WITH EXPANDING AID PROGRAMME IN MALAWI. I ASSUME FROM YOUR REFTEL THAT NO/NO CHANGES ARE CONTEMPLATED IN LIGHT OF GOVTS FOREIGN AID POLICY REVIEW AND IN LIGHT OF RECENT MINISTERIAL STATEMENTS. SINCE THIS IS ASSUMPTION, I WOULD APPRECIATE YOUR CONFIRMATION THAT IT IS CORRECT ONE.

IRONICALLY WE ARE TO SOME EXTENT CURTAILING OUR PROGRAM IN ZAMBIA WHERE WE HAVE REPRESENTATION AND EXPANDING IT IN MALAWI WHERE WE DO NOT/NOT. I AM NOT/NOT YET IN POSITION TO JUDGE BUT I FEEL BOUND TO ASK IS THIS REALLY CONSISTENT WITH OVERALL CDN INTERESTS.

5. AS CIDA PRES HAS NOW INSTRUCTED THAT I MOVE AHEAD ON TRANSFER OF PRIMEAU TO LILONGWE ASAP, I WILL ACT ACCORDINGLY. CERTAIN PREPARATORY WORK CAN BE DONE AND I WILL RAISE QUESTION OF HOUSING WITH NGWIRI WHEN I SEEM HIM TODAY. GIVEN PROBLEMS THIS MOVE WILL CREATE FOR LSAKA OFFICE AS OUTLINED BY MR PREDECESSOR IN HIS TEL OF 24AUG BEFORE ANY ACTUAL MOVE COULD TAKE PLACE ACTION SHOULD BE TAKEN TO ENSURE THAT WE HAVE MEANS TO CARRY ON DIVERSE FUNCTIONS OF LSAKA HICOM. YOUR COMMENTS ON THIS ASPECT OF ESTABLISHMENT OF THIS MISSION WOULD BE MUCH APPRECIATE

BACON

CCC/016 191305Z XFGR2409

EXTERNAL AFFAIRS



AFFAIRES EXTÉRIEURES

TO
À All Directors-General
and all directors

FROM
De The Under-Secretary of State
for External Affairs

REFERENCE
Référence

SUBJECT
Sujet LETTER TO HEADS OF POST

file w

SECURITY CONFIDENTIAL
Sécurité (with attachment)

DATE May 7, 1979

NUMBER
Numéro SER-177

FILE	DOSSIER
OTTAWA	1-2-7
MISSION	

ENCLOSURES
Annexes

DISTRIBUTION

...

Attached is a copy of my April 2 letter to Heads of Post. This is the second of a series whose purpose is to develop a more personal link with Headquarters and to thus keep our colleagues abroad informed of recent developments affecting the Department and the Foreign Service. Many of the points which I have raised are directly relevant to post operations and the role of the head of post. In view of your present managerial responsibilities I thought you would find my comments of interest.

A E Gottlieb

The Under-Secretary

SER/H.P.G. FRASER/5.6224/hag

EXTERNAL AFFAIRS

AFFAIRES EXTÉRIEURES



TO
À
Tous les directeurs généraux
et tous les directeurs

SECURITY CONFIDENTIEL
Sécurité (avec pièces jointes)

FROM
De
Le Sous-secrétaire d'Etat
aux Affaires extérieures

DATE Le 7 mai 1979

REFERENCE
Référence

NUMBER
Numéro SER-177

SUBJECT
Sujet LETTRE AUX CHEFS DE MISSION

FILE	DOSSIER
OTTAWA	
MISSION	

ENCLOSURES
Annexes

DISTRIBUTION

... Vous trouverez ci-joint une copie de ma lettre du 2 avril aux chefs de mission. Il s'agit de la deuxième d'une série ayant pour but d'établir un lien plus personnel avec l'administration centrale et, partant, de tenir nos collègues à l'étranger au courant des derniers événements touchant le Ministère et le service extérieur. Nombre de points soulevés ont directement trait aux activités de la mission et au rôle du chef de mission. Etant donné vos responsabilités actuelles en tant que gestionnaire, j'ai cru que mes observations pourraient vous intéresser.

Le Sous-secrétaire

A E Gottlieb

Office of
The Under Secretary of State
for External Affairs



Cabinet du
Sous-Secrétaire d'Etat
aux Affaires extérieures

CONFIDENTIEL

OTTAWA, K1A 0G2
Le 2 avril, 1979

file w

Cher collègue,

Depuis mon retour au ministère, j'ai beaucoup pensé à l'avenir du service extérieur. L'an dernier, au cours d'une fin de semaine à Annprior et d'une autre à Touraine, j'en ai discuté avec plusieurs agents du ministère. Plus récemment, lors de mes voyages en Europe de l'Ouest et au Sud-est asiatique, j'ai pu en parler avec certains d'entre vous. J'aimerais vous soumettre certaines conclusions préliminaires de ce dialogue et aborder les récents changements qui affectent tant le CIRE que nous tous.

Comme tout autre Service extérieur, le nôtre doit aussi refléter le pays qu'il dessert et le milieu international dans lequel il évolue. Institution progressiste, le Service s'est considérablement transformé au cours des 50 dernières années, et ce à l'instar de notre politique extérieure. Cette évolution devrait se poursuivre et affecter chacun de nous.

Ces 20 dernières années, plusieurs d'entre nous ont été témoins des développements qui ont affecté la plupart des services extérieurs occidentaux y compris le nôtre. Lors d'une rencontre avec l'Association de la communauté du service extérieur, j'en citais quelques-uns dont:

.../2

M.
Ambassadeur du Canada

- 2 -

- l'influence grandissante des événements internationaux sur les politiques internes et la complexité croissante des interrelations entre politiques intérieures et extérieures;
- la prolifération de nouveaux Etats et d'organisations internationales;
- l'extension des activités du Service dans de nouveaux domaines tels le droit spatial, l'environnement, l'énergie, la diplomatie publique et la science et la technologie;
- l'implication et l'intérêt grandissants d'autres ministères et agences et des provinces dans les questions internationales;
- l'accroissement des aspirations de carrière pour les femmes au sein du Service;
- la sophistication accrue des moyens de communications qui, tout en réduisant l'isolement des missions, accroît malheureusement le flot d'information à un niveau presque incontrôlable; et
- le défi d'une vie familiale changeante, incluant les conjoints sur le marché du travail.

Le contexte canadien présente des problèmes et des défis uniques. Les récentes restrictions budgétaires nous privent de 100 années-personnes et le recrutement est pratiquement arrêté. Bien que l'austérité sera le mot d'ordre durant les années 80, je n'entrevois aucune diminution de la demande de nos services. Nos agents doivent donc opérer efficacement dans un environnement de plus en plus complexe.

De plus, le rôle du ministère comme agence centrale moderne a été redéfini. Tel qu'expliqué dans ma lettre circulaire du 15 novembre, le ministère a, comme responsabilité fondamentale, à aviser de façon globale et cohérente les autres ministères et organismes sur l'ensemble des relations internationales du Canada. Nous ne pourrions nous acquitter de cette tâche que si nous adoptons un rôle dynamique et leur fournissons des avis et conseils indispensables et opportuns.

Jusqu'à présent, le ministère et les membres du Services ne m'ont pas semblé en mesure de réagir positivement aux changements, surtout sociaux, découlant du réel défi auquel nous faisons face. Pour atteindre nos objectifs politiques des années 80, nous devons oser et innover dans la gestion du personnel et faire paître certaines de nos "vaches sacrées". L'an dernier, la spécialisation en cours de carrière et les détachements ont beaucoup fait en ce sens.

Nous continuerons d'encourager les agents, qui le désirent, à se spécialiser dans des secteurs géographiques et fonctionnels et, plus que par le passé, à travailler dans un nombre restreint de secteurs. En

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pratique, un agent pourra donc avoir de plus longues mais moins nombreuses affectations, à la centrale et à l'étranger, afin que l'agent et le ministère en profitent au maximum. Cependant, la spécialisation ne se fera pas au détriment d'une compréhension globale et générale de la politique du ministère et du gouvernement dans d'autres secteurs. Un judicieux mélange de ces formations constitue, selon moi, la base du professionnalisme de nos agents.

L'accroissement des échanges entre les Affaires extérieures et les autres ministères et organismes du gouvernement, au pays et à l'étranger, demeure l'une de mes priorités. Nous ne négligeons pas non plus les échanges avec les gouvernements provinciaux et les institutions privées. Autant que possible, le programme de détachements particuliers sera accéléré alors que les changements envisagés pour le groupe de la haute direction de la Fonction publique devraient resserrer les liens avec le groupe SE. Je suis convaincu que, tout en renforçant le Service, des détachements planifiés peuvent améliorer et consolider nos relations avec d'autres organismes gouvernementaux.

Dans l'avenir, nous devons peut-être changer la nature de notre représentation à l'étranger: soit en privilégiant l'établissement de plus petites missions aux programmes bien circonscrits; soit en se concentrant sur des programmes régionaux, possibilité actuellement à l'étude par un groupe de travail du CIRE; soit en utilisant davantage le personnel local, en repensant l'accueil officiel ou en acceptant que certains services et activités ne soient tout simplement plus mis de l'avant.

Ces changements s'appliquent au personnel de soutien et aux agents. Par exemple, je ne vois pas pourquoi la spécialisation dans les affaires consulaires ou publiques ne s'appliquerait pas aussi bien au personnel de soutien qu'aux agents. L'actuelle application des conclusions des importantes études sur les secrétaires, commis et communicateurs permutants devrait les aider à jouer un rôle plus substantiel dans la poursuite de nos objectifs de politique étrangère. Enfin, nous nous attaquons à la conversion AS/SE afin d'établir une nouvelle formule nous permettant de faire de l'administration une spécialité plus attrayante.

Dans ma dernière lettre, je mentionnais certains changements au sein du CIRE. Des progrès ont été réalisés et certains vous sont déjà connus. Ainsi, suite aux discussions du CIRE, mes collègues et moi-même avons récemment diffusé un document interministériel sur le rôle et l'autorité du chef de mission. Ce document énonce clairement la politique du gouvernement quant à votre autorité et à vos responsabilités sur tous programmes et activités de la mission. Diverses autres mesures et décisions du CIRE reposent sur cette politique. Bien que les initiatives ne soient pas toutes au même stade, leurs effets sur les activités des missions seront considérables.

De toute évidence, si vous avez autorité sur tout programme et si vous devez en être tenu responsable, dans le sens le plus large du

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mot, devant le Ministre et les sous-ministres concernés, un meilleur mécanisme d'évaluation des activités peut être d'une grande valeur. Ainsi les sous-ministres du CIRE ont accepté, pour cette année, le renforcement d'un nouveau service d'inspection interministériel. Ses mandats et fonctionnement sont actuellement à l'étude et leurs détails vous seront communiqués le plus tôt possible. Des mesures seront prises afin que chaque mission soit visitée au moins à tous les trois ans.

Dans le même ordre d'idées, il est nécessaire d'améliorer et d'uniformiser l'évaluation des administrateurs de programme. Dès la prochaine période d'appréciation, le CIRE vous demandera d'évaluer chacun de vos administrateurs de programme. Des modalités interministérielles assureront l'amalgamation de ces appréciations avec celles de chaque ministère. Parallèlement, le CIRE a convenu d'instaurer un système commun d'appréciation des chefs de mission. L'actuelle élaboration de ses normes et critères permettra l'entrée en vigueur prochaine de ce système.

Nous avons également décidé de standardiser l'administration des missions du CIRE et de celles qui en sont exclues. Comme vous le savez, suite aux premières mesures d'intégration prises au début des années 70, plusieurs missions avaient conservé un statut administratif particulier. Des consultations interministérielles sur les implications de cette décision, pour le personnel et les finances, se poursuivent afin de standardiser d'autres aspects de l'administration de tous les chefs de mission et de supprimer les anomalies qui subsistent. Ceci est évidemment important pour les quinze missions directement visées mais toutes les autres s'en ressentiront.

Nous avons réactivé et accentué le rôle du CIRE comme guide de l'intégration. Il en résultera des changements dans la façon traditionnelle de conduire nos activités à l'étranger. Je les considère toutefois indispensables si nous devons fournir au gouvernement les services qu'il est en mesure d'attendre de nous. Cependant un fait demeure: le Service a constitué un milieu inégalé dans la poursuite de l'excellence. Grâce à l'adaptabilité, l'imagination et la détermination de ses membres, notre Service peut devenir un outil encore plus dynamique et plus efficace.

Le Sous-secrétaire,

Allan Gottlieb

Office of
The Under Secretary of State
for External Affairs



Cabinet du
Sous-Secrétaire d'Etat
aux Affaires extérieures

CONFIDENTIAL

OTTAWA, K1A 0G2
April 2, 1979

file W

Dear Colleague,

Since returning to the Department I have devoted a considerable amount of thought to the future direction of our Foreign Service. Last year I spent a weekend at Arnprior and another one at Touraine with a group of Departmental officers discussing this subject. I have also had an opportunity to discuss these questions with some of you during my recent travels to Western Europe and Southeast Asia. I would like to share with you some of the preliminary conclusions of this dialogue as well as to highlight recent developments within the ICER which affect us all.

As with other Foreign Services, ours must reflect the country which it serves and the international environment in which it must operate. It is not a static institution and, like our foreign policy, has changed significantly over the past half century. In my view the Foreign Service will continue to undergo far-reaching change and the outcome will have implications for all its members.

Over the past 20 years many of us have witnessed developments which have affected most Western foreign services, including our own. Here are a few examples which I outlined in a discussion with the Foreign Service Community Association:

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Mr.
Ambassador of Canada

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- The increasing impact of international events on domestic policies and the growing complexity of the interrelationship between domestic and foreign policies;
- the proliferation of independent states and international organizations;
- the growth of such new areas of Foreign Service activity as space law, the environment, energy, public diplomacy, and science and technology;
- the increased interest and involvement of other departments and agencies and provincial governments in international affairs;
- the increased career aspirations of women in the Foreign Service;
- the greater sophistication of communications facilities which have reduced the isolation of posts while concurrently (and unfortunately) increasing the flow of information to near unmanageable proportions; and
- the challenge of changing family life-styles, including working spouses.

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Domestically there are unique problems and challenges. The recent restraint measures have resulted in a loss to the Department of 100 person years; recruitment is virtually at a standstill. Austerity will be the watchword of the Eighties but I have seen no evidence which would suggest that the demands placed on the Department will diminish. We are, therefore, required to operate efficiently in an increasingly complex environment.

The role of the Department as a modern central policy agency has also been redefined. As I outlined in the Circular Document of November 15, the Department has a basic responsibility to provide other departments and agencies with comprehensive and coherent policy guidance encompassing the full range of Canada's international relations. This responsibility can only be met if the Department adopts an activist approach and makes indispensable to other government institutions its timely advice and guidance.

The challenge facing the Department and members of the Foreign Service is real. But it seems to me that we are not, as yet, fully equipped to react positively to these changes, particularly in their human dimension. Innovative approaches to personnel management must be implemented boldly and some of our "sacred cows" must be put out to pasture if our policy goals are to be achieved in the Eighties. Much headway has been made with the implementation of mid-career streaming and secondments in the past year.

Officers will continue to be encouraged to specialize, if they wish, in geographical and functional areas and to spend a significant portion of their careers in fewer areas of Departmental operations than has been the case in the past. In practical terms this means that an officer may well be required to undertake longer and fewer assignments

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at headquarters and abroad to allow both the employee and the Department to extract maximum advantage from this situation. Career streaming will not, however, be accomplished at the expense of acquiring a broad basic understanding of both departmental and governmental policy in other areas. A judicious blend of these two elements is, in my mind, the essence of a professional Foreign Service Officer.

Greater interchange between External Affairs and other departments and agencies of government at home and abroad continues to be one of my priorities. Exchanges with provincial governments and private institutions are not being overlooked. The programme of select secondments of departmental officers will be accelerated, whenever practicable, while proposed changes to the senior management group within the Public Service should also lead to closer links with the FS group. I am convinced that a planned system of secondments can enhance and bolster our relations with other government institutions while, at the same time, strengthening the fabric of the Foreign Service itself.

Looking to the future we might be obliged to change the nature of our representation abroad by giving more emphasis to the establishment of smaller missions with a carefully selected range of programs, possibly concentrating program activity on a regional basis, now the subject of an ICER task force, perhaps relying more heavily on locally-engaged staff, re-thinking official hospitality, and accepting that some of the past services and activities simply cannot be continued.

The changes I envisage apply equally to officers and support staff. There is no reason, for example, that the concept of streaming in areas such as consular or public affairs should not apply to support staff as well as officers. The implementation, now underway, of major studies on rotational secretaries, clerks and communicators should assist them in playing a more substantial role in the pursuit of our foreign policy objectives. Finally, we are coming to grips with the question of the AS/FS conversion to see whether a new solution cannot be found to ensure that the administrative function at posts becomes a more attractive career specialty for our employees.

In my last letter I mentioned a number of developments which were taking place within the ICER. Progress has been made and the results of some of these efforts are already known to you. For example, following discussions within the ICER, my colleagues and I recently issued an interdepartmentally agreed document regarding the role and authority of the Head of Post. This document provides a clear statement of Government policy with respect to your authority and responsibility for all post programs and operations. It constitutes the fundamental policy guideline on which several other measures and ICER decisions have been based. Actions in these areas are at various stages but their impact on post operations will be considerable.

Obviously, if you are to exercise authority over all programs and are to be held accountable, in the broadest sense, to the Minister

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and to the relevant Deputy Ministers, a more effective mechanism for inspecting operations abroad can be of considerable value. ICER Deputy Ministers have therefore agreed on the establishment this year of a new, strengthened, inter-departmental Inspection Service. Terms of reference and suggested operational procedures are now under study and details about the new Service will be circulated as soon as possible. Steps will be taken to ensure that all posts are inspected at least once every three years.

Linked with this is a requirement for improving and standardizing procedures for assessing your program managers. The ICER has agreed that, beginning with the next appraisal period, you will be instructed to complete performance appraisals on each of the program managers at your post. Interdepartmentally agreed procedures are now being developed which will ensure that such appraisals are fed into each department's assessment process. At the same time, the ICER has agreed that a common rating system should be instituted for all Heads of Post. Standards and criteria are now being developed to permit the new system to go into operation soon.

A further concomitant of these measures has been a decision to standardize the administration of the so-called ICER and non-ICER posts abroad. As you are aware the initial integration measures introduced in the early 1970's left several posts abroad being administered under procedures different from the majority of our missions. Consultations are also taking place on the financial and personnel implications of this decision in order to standardize other aspects of the administration of all Heads of Post and to remove remaining anomalies in post administration. For the fifteen posts directly involved, the importance of these activities is obvious. There is no doubt that the effects will, however, be felt by all missions.

The ICER's role in guiding the integration process has been reactivated and enhanced. The outcome will bring changes in the traditional ways in which operations abroad have been conducted but I believe that they are essential if we are to provide the Government with the type of service it has come to expect of us. One constant remains. The Foreign Service has provided an unparalleled opportunity for the development of excellence. I have no doubt that with adaptability, imagination and determination the Foreign Service can emerge a more dynamic and more effective instrument of government.

Yours sincerely,



Under-Secretary

RESTRICTED



Interdepartmental Committee on External Relations
Comité interministériel sur les Relations extérieures

April 30, 1979

Circular Document to All Posts

ICER No. 65

file W

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Canadian Foreign Policy Objectives

At the introductory session of the 1979 Country Program review, Mr. Goldschlag, Deputy Under-Secretary of State for External Affairs, mentioned that the 1977 version of the document Issues and Objectives in Canadian Foreign Policy and External Operations was being brought up to date and that it would be distributed in final form once inter-departmental consultation had been completed. A draft revision prepared by the Policy Planning Secretariat in the Department of External Affairs was made available to all review participants and this in turn led to some further suggestions for change which were then taken into account. The resulting document dated April, 1979 provides a broad foreign policy framework in which individual Country Programs can be set. It will be reviewed and revised as necessary in the light of changing circumstances.

R. W. Clark

R. W. Clark
Secretary

RESTRICTED

ISSUES AND OBJECTIVES

IN

CANADIAN FOREIGN POLICY AND EXTERNAL OPERATIONS

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April, 1979

I. NATIONAL ISSUES WITH INTERNATIONAL DIMENSIONS

ISSUE: NATIONAL UNITY AND IDENTITY

CONTINUING OBJECTIVES:

- a. Safeguarding Canadian sovereignty, integrity and independence.
- b. Effective international representation of Canada as a strong, confident, and viable bilingual and multicultural country and as a worthwhile partner in political, economic, social and cultural relations.
- c. Maintenance of the Federal Government's authority and responsibility for foreign policy and the official conduct of Canada's external relations.
- d. Enhancement of national unity through federal-provincial cooperation in the international sphere.
- e. Strengthening of Canadian participation in the Commonwealth and la Francophonie.
- f. Reflection and promotion internationally of the distinctive creativity and scope of Canadian culture and learning.

CURRENT OBJECTIVES:

- a. Explain nature of Canadian federalism and facts of the national unity situation.
- b. Cooperate with provinces on specific issues such as trade promotion and negotiations, energy, tourism, immigration, environment and marine resources, development assistance, provincial offices and visits abroad.
- c. Assess foreign policy implications of the evolving federal-provincial relationship and constitutional change.

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ISSUE: ECONOMIC GROWTH

CONTINUING OBJECTIVES:

- a. Expansion and diversification of exports of Canadian goods and services, especially through preservation and expansion of foreign market access and promotion of positive appreciation abroad of Canada's competence to produce and export a wide range of unique and/or high-technology products.
- b. Encouragement and facilitation of industrial cooperation between Canadian and foreign companies by means such as joint ventures, investments and technological exchanges in order to bring about increased two-way trade and facilitate the development of Canadian industries.
- c. Upgrading of natural resources prior to export and development of new and expanded markets for Canadian processed resource exports, as well as for agricultural products.
- d. Accurate analysis of and timely response to changes in the structure of the global economy with consequences for Canada's economic welfare and industrial structure.
- e. Promotion in foreign markets of Canadian tourist facilities and services and encouragement of international cooperation in the tourism field.
- f. Promotion of the interests of the Canadian transportation industry and its users.
- g. Contribution through international activities to the growth of Canada's research and development capability.

CURRENT OBJECTIVES:

- a. Promote an accurate appreciation abroad of the present Canadian economic situation, including the investment climate and resource legislation.
- b. Encourage foreign investment capital in the context of Canadian FIRA policy.
- c. Seek market opportunities abroad in context of increased government efforts to develop Canada's domestic industrial capacity and potential.

- d. Assist the Canadian business community to take advantage of economic opportunities abroad created through governmental market development efforts, trade negotiations, and Canada's improved competitive position.

ISSUE: ENERGY

CONTINUING OBJECTIVES:

- a. Judicious management, in the context of global energy trends, of Canada's non-renewable energy resources and determined implementation of conservation measures.
- b. Preservation and development through appropriate multi-lateral, bilateral and commercial arrangements of access to foreign petroleum supplies.
- c. Coordination of energy trading arrangements with major partners, particularly the U.S.A.
- d. Cooperation with all countries, both direct and through active participation in the International Energy Agency (IEA), in the development of new energy supplies including those that will lessen the dependence of the world's economy on hydro-carbons.
- e. Pursuit of producer/consumer dialogue on energy to ensure security of supply and orderly pricing changes in the international oil market.
- f. Strengthening of bilateral ties with major oil producers, particularly current and potential suppliers of Canadian oil imports, by means, where possible, of reciprocal arrangements that would help to offset the cost of the imports.

CURRENT OBJECTIVES:

- a. In context of uncertain foreign oil supply and price conditions, pursue active consultations in IEA and adopt appropriate domestic and multilateral measures.
- b. Help meet world energy needs through orderly exports of nuclear technology and uranium in accordance with Canadian safeguards policy.

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- c. Promote energy resource development in developing countries to meet their needs and those of other countries.
- d. Support, in accordance with Canadian energy and foreign policy objectives, activities abroad of Petro-Canada and AECL.

ISSUE: ENVIRONMENT AND MARINE RESOURCES

CONTINUING OBJECTIVES:

- a. Preservation and enhancement through international cooperation of the Canadian and global environment in a manner which supports and furthers Canada's domestic and international environmental concerns.
- b. Supporting environmentally sound and appropriate development, including rational use and conservation of resources, in the industrialized countries and in the developing world.
- c. Safeguarding Canada's sovereign rights over the management, conservation and exploitation of living resources in the 200-mile fisheries zones, and of all natural resources of the continental shelf.
- d. Encouragement of the development of international environment law pursuant to Principles 21 and 22 of the Stockholm Declaration on the Human Environment, and other related actions by organizations such as the OECD and UNDP, with particular emphasis on rights of liability and compensation for transboundary environmental damage and the development of a common understanding of what constitutes such damage.
- e. Protection of the marine environment in all waters under Canadian jurisdiction, as well as on the Canadian continental shelf, by securing where necessary and appropriate through international organizations and conferences (a) the right to adopt and enforce effective anti-pollution laws and standards, and (b) the development of more effective international standards (e.g. ship design, equipment and crew training) in the areas both within and beyond national jurisdiction.

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- f. International recognition of the need for coastal states to have special powers to control pollution in Arctic waters.

CURRENT OBJECTIVES:

- a. Promote development of a new legal regime for the oceans at the Law of the Sea Conference in accordance with Canada's domestic (e.g. fisheries) and international (e.g. seabed mining) interests.
- b. Seek solutions to the most urgent environmental problems having a transboundary or international character, such as toxic chemicals, long range transport of air pollutants, transboundary water pollution, pollution of the marine environment, depletion of stratospheric ozone, transboundary shipment of hazardous wastes.
- c. Conclude appropriate bilateral and multilateral arrangements for management and conservation of fisheries, wildlife and other natural resources.
- d. Delimit marine boundaries with the U.S.A., France and Denmark.
- e. Conclude bilateral arrangements with the U.S.A. and with Denmark to ensure a means for securing effective compensation in respect of pollution damage from offshore drilling activity, conducted in conformity with coastal state sovereign rights over the resources of the continental shelf.
- f. Support development of a world climate programme to improve the understanding of the climate system and its impact on human activities.

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ISSUE: EMPLOYMENT AND IMMIGRATION

CONTINUING OBJECTIVES:

- a. Selection of immigrants, without discrimination on grounds of race, national or ethnic origin, colour, religion or sex, for admission to Canada.
- b. Maintenance of an immigration programme that will support Canadian demographic goals -- bearing particularly in mind the absorptive capacity of the Canadian economy -- and that will strengthen the cultural, social, and economic fabric of Canada.
- c. Reunification in Canada of divided families.
- d. Reception and resettlement of refugees and others who are displaced or persecuted, and the protection of Convention refugees within Canada, in accordance with Canada's international legal obligations and its humanitarian traditions.
- e. Facilitation of temporary entry to Canada for tourism, commerce, cultural, educational and scientific activities and other purposes contributing to international understanding and development.
- f. Increase of opportunities abroad for Canadians to obtain employment, develop their talents and further their education.
- g. Exclusion of persons who constitute a threat to public health, safety and order in Canada, or whose presence would be otherwise inconsistent with government policy.
- h. International exchange of knowledge to promote the better use of human resources, combat unemployment and help the unemployed.

CURRENT OBJECTIVES:

- a. Review application of the new Immigration Act and Regulations.

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- b. Continue development of demographic policy taking into account Canada's national and regional needs, internal demographic and global migration trends.
 - c. Continue to develop cooperative arrangements in immigration operations abroad with Quebec, and other provinces as required.
 - d. Implement non-immigrant visa requirements on a selective basis as a means of exercising greater control over illegal entry into Canada.

ISSUE: SERVICE TO CANADIANS

CONTINUING OBJECTIVES:

- a. Provision of travel documents and guidance to Canadians planning to travel abroad.
- b. Provision of prompt and effective consular assistance, protection and services to Canadians abroad, and assistance in Canada to relatives and friends of Canadians facing difficulties abroad.
- c. Informing Canadians of conditions abroad that could affect their international activities, personal health or safety.
- d. Maintenance of emergency evacuation procedures.

CURRENT OBJECTIVES:

- a. Conclude agreements with selected countries on parole and jail service.
- d. Develop alternatives to dependence on British consular assistance.
- c. Appoint honorary consular representatives in accordance with current policy.
- d. Conclude bilateral consular conventions or other arrangements as appropriate.

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- e. Open regional passport offices.
- f. Inform Canadians abroad of impact upon them of provisions of new Citizenship Act.

II. CANADA'S RELATIONSHIPS

ISSUE: RELATIONS WITH THE U.S.A.

CONTINUING OBJECTIVES:

- a. Maintaining a fundamentally harmonious relationship with the U.S.A in a manner which respects Canadian sovereignty and meets Canadian interests.
- b. Creating a climate of understanding in the United States on the part of the Administration, Congress, and key corporate, business, labour, media and academic leaders so that they will be better attuned to Canadian interests.
- c. Influencing U.S. domestic and international policies so that they will take account of and be responsive to Canadian concerns.
- d. Encouraging the United States to contribute to the solution of international economic, political, legal, security, social, development and environmental questions in a manner commensurate with its national resources and global responsibilities.
- e. Deepening channels of consultation on, and, where appropriate, broadening cooperation in the solution of, global political and economic problems.

CURRENT OBJECTIVES:

- a. Achieve satisfactory progress in discussions concerning investment in the North American automotive industry.

- b. Address bilateral trade issues expected to come to the fore in the post-MTN period, and broaden export development activities to take advantage of expanded opportunities arising out of the MTN.
- c. Facilitate construction of the northern gas pipeline, and make effective use of temporary consultative machinery on energy matters.
- d. Pursue settlement of maritime boundaries and related resource issues.
- e. Secure relief from provisions of U.S. tax legislation adversely affecting the Canadian convention industry, and promote understanding of interdependence of tourism revenue flows between the USA and Canada.
- f. Conclude satisfactory arrangements to share responsibilities, including financial, for future North American air defence systems (NORAD) to be located in Canada.
- g. Maximize benefits to Canada through strengthened cooperation in the defence industry, in particular by halting erosion of benefits to Canada from defence production and development sharing arrangements.
- h. Seek solutions of the most urgent transboundary environmental problems by means of bilateral negotiations or through the International Joint Commission.
- i. Protect Canadian interests and activities from the extraterritorial application and effects of U.S. law.
- j. Minimize negative effects on Canadian manufacturers, farmers and other producers and exporters of U.S. restrictive and protectionist trade actions or of other U.S. economic policies.
- k. Formalize and strengthen arrangements for notification, consultation and cooperation when the antitrust activities of one government affect the jurisdiction or national interests of the other.

- l. Promote understanding in the United States of Canadian cultural and social policy and objectives and their economic dimensions that might affect U.S. interests.
- m. Achieve satisfactory progress in the development of bilateral air services.

ISSUE: RELATIONS WITH OTHER INDUSTRIALIZED COUNTRIES

CONTINUING OBJECTIVES:

- a. Expansion and diversification of Canada's bilateral and multilateral relations within the context of the "Third Option" -- including improved commercial and industrial cooperation, cultural, academic, scientific and technological exchanges, and consultations on matters of common interest and concern -- with special emphasis on Western Europe, including the European Communities, and on Japan.
- b. Strengthening of existing organizations and arrangements and, where necessary, creation of new ones to consolidate Canada's bilateral and multilateral links with the industrialized countries.
- c. Projection abroad of Canada's international stature and economic potential in line with Canadian interests, including special efforts in Western Europe and Japan to create understanding of Canada as a distinctive, independent North American country -- a valuable and influential partner in many fields.

CURRENT OBJECTIVES:

- a. Maximize the opportunities resulting from increased cooperation activities under the Framework Agreement for Commercial and Economic Cooperation with the European Communities.
- b. Develop mutually beneficial economic relations under the Canada/Japan Framework for Economic Cooperation; the expansion and development of programmes and exchanges under the Canada/Japan Cultural Agreement.
- c. Intensify consultations on, and, where appropriate, expand cooperation in, the management of economic and political issues with the EC and its member states and with Japan.

- d. Increase trade and investment relations with the Member States of the EC, particularly with France, the FRG and Italy, and also with Japan, especially in light of expanded opportunities arising out of the MTN.
- e. Reduce through negotiation and consultation negative effects on Canadian manufacturers, farmers and other producers and exporters of restrictive and protectionist trade actions arising from the commercial and agricultural policies of the European Communities and Japan.
- f. Give full consideration to Western Europe as a source of supply in defence and other government procurement choices.
- g. Pursue mutually beneficial energy relations with Western European countries and Japan.
- h. Develop long-term fisheries relationships with both the EC and Japan in order to maximize the domestic industrial and commercial benefits to be derived from Canada's fisheries resources.

ISSUE: RELATIONS WITH DEVELOPING COUNTRIES

CONTINUING OBJECTIVES:

- a. Expansion and diversification of Canada's political and economic relations with developing countries, taking into account their increasing variety and importance to Canada, through bilateral and multilateral channels.
- b. Support for the economic growth and social advancement of developing countries, including the satisfaction of basic human needs, through the provision of development assistance, humanitarian aid and other appropriate measures.
- c. Promotion of means designed to help developing countries become more self-sufficient especially in food and energy production, and to improve the coordination of food aid as well as energy policies among countries and institutions concerned.

*we are
become a
nation of
secular
minorities!*

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- d. Development of commercial, scientific and technological relationships and mechanisms for transferring appropriate technologies, particularly with the more advanced developing countries e.g. Brazil, Nigeria and China.
- e. Improvement of the quality and effectiveness of Canada's aid programme in terms of meeting the development objectives of recipient countries and Canada's interest in them.

CURRENT OBJECTIVES:

- a. Develop a coordinated and comprehensive strategy for expanding economic, industrial and commercial relations with developing countries at different stages of development.
- b. Endeavour to ensure that Canadian commercial, financial and development policies are consistent and mutually reinforcing and take into account their impact on developing countries.
- c. Identify and pursue opportunities for major capital/infrastructure projects utilizing to the maximum extent possible Canadian technology and know-how.

III. INTERNATIONAL SYSTEM

ISSUE: ECONOMIC ENVIRONMENT

CONTINUING OBJECTIVES:

- a. Orderly and equitable evolution of the international economic system including the strengthening of multi-lateral economic institutions to the benefit of developed and developing countries.
- b. Promotion of international economic growth and development of international understanding on approaches to inflation, unemployment and trade, e.g. through active participation in economic summits such as the G7.
- c. Furthering Canada's global interests in light of its special place as an industrialized country that is also an important resource exporter.

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- d. Liberalization and development of world trade consistent with Canada's domestic economic interests.
- e. Strengthening of the international monetary system.
- f. Moderation of excessive fluctuations in commodity markets through producer/consumer cooperative actions on individual commodities.
- g. Development of cooperation between national and international agencies in specialized fields such as marine and air transport, forestry, environmental protection, energy, development, communications, science and technology.

CURRENT OBJECTIVES:

- a. Implement commitments undertaken at the Bonn Summit and prepare for the Tokyo Summit.
- b. Participate actively in the North/South dialogue including the implementation of the Common Fund, preparations for the UNCTAD V Conference and the UNGA Committee of the Whole.
- c. Seek a conclusion of the Multilateral Trade Negotiations that satisfies Canadian interests.
- d. Encourage international examination of means of alleviating financial problems of developing countries.
- e. Participate in development under UN auspices of international codes of conduct on the transfer of technology, and for multinational enterprises (MNE's).

ISSUE: PEACE AND SECURITY

CONTINUING OBJECTIVES:

- a. Maintenance of strong and credible collective security arrangements through NATO as well as effective bilateral defence arrangements with the U.S.A., e.g. NORAD.

- b. Elaboration of and agreement on further measures of arms control and disarmament.
- c. Strengthening of the nuclear non-proliferation system, including improved safeguards.
- d. Encouragement of better use of the United Nations as a centre for harmonizing the actions of nations, especially its capacity to promote the peaceful settlement of disputes and, when necessary, to organize peacekeeping arrangements rapidly and effectively to serve this end.
- e. Continuing support for the economic and social advancement of the developing countries, including further efforts to seek solutions to problems of world hunger through international agricultural organizations such as the FAO and the World Food Council, as a means of enhancing the prospects for global peace and security.
- f. Improvement of national security through maintenance and better use of intelligence and security liaison arrangements.

CURRENT OBJECTIVES:

- a. Encourage negotiation of agreed measures of arms control and disarmament called for in the Programme of Action adopted by the UN Special Session on Disarmament and, in particular, pursue the Canadian "strategy of suffocation" to curb the nuclear arms race.
- b. Support the NATO long term defence programme with the purpose of adapting the defence posture of the Alliance to the changing needs of the next decade.
- c. Promote full scope safeguards as a condition of supply of nuclear materials, equipment and technology, and suitable arrangements to manage nuclear wastes and control reprocessing.
- d. Advance Canadian non-proliferation goals through active participation in the International Nuclear Fuel Cycle Evaluation, and through intensified assessment of the state of nuclear technology and equipment in non-nuclear weapons states.

- e. Work for progress towards peaceful settlements in southern Africa (with special emphasis on Namibia), the Middle East, Indochina and Cyprus.
- f. Assess Canadian participation in recent and current peacekeeping operations and determine appropriate reaction to requests for such participation e.g. in UNTAG (Namibia).
- g. Promote strengthening of international and bilateral arrangements for combatting international terrorism and pursue implementation of Bonn Summit agreement on airplane hijacking.
- h. Encourage efforts, both at the U.N. and regionally, to restrict the transfer of conventional arms, especially to areas of tension or conflict.

ISSUE: EAST-WEST RELATIONS AND DETENTE

CONTINUING OBJECTIVES:

- a. Promotion of peaceful cooperation between East and West on the basis of reciprocity and mutual interest.
- b. Encouragement of constructive East/West dialogue with a view to clarifying intentions and increasing understanding.
- c. Development of East/West trade and other economic relations designed to increase interdependence and promote stability.

CURRENT OBJECTIVES:

- a. Help reduce risks of military confrontation through support for and encouragement of further SALT agreements, progress at the MBFR talks and other arms control efforts.
- b. Follow up the Belgrade Conference with a view to the meaningful implementation of the CSCE Final Act and preparation for the Madrid Conference in 1980.
- c. In the context of détente, renew efforts to develop mutually beneficial bilateral relations with the Soviet Union and Eastern Europe.

- d. In the context of Canada's global and bilateral interests, further cultivate, inter alia, political, economic, cultural and educational relations with the People's Republic of China.

ISSUE: HUMAN RIGHTS

CONTINUING OBJECTIVES:

- a. Working in international organizations and bilaterally for better observance of international standards of human rights.
- b. Responding to and reflecting the human rights concerns of Canadians.
- c. Continuing efforts to bring about the reunification in Canada of divided families.

CURRENT OBJECTIVES:

- a. Develop a coherent framework for the consideration of human rights in conjunction with other relevant factors in the determination and implementation of foreign policy.
- b. Encourage efforts to make the UN system more effective in promoting and protecting human rights, in particular its ability to investigate gross violations of human rights in any country.
- c. Encourage stricter compliance with the humanitarian provisions of the Helsinki Final Act.
- d. Support efforts to bring about a peaceful transition to majority rule in Namibia and Rhodesia.
- e. Implement policy measures aimed at ending racial discrimination in South Africa.
- f. Actively discourage compliance by Canadian firms with discriminatory aspects of international economic boycotts.



Interdepartmental Committee on External Relations
Comité interministériel sur les Relations extérieures

Le 30 avril 1979

Circulaire à toutes les missions

CIRE n^o 65

Objectifs de la politique étrangère du Canada

Au cours de la première séance de 1979 de la révision de la programmation par pays, M. Goldschlag, sous-secrétaire d'Etat suppléant aux Affaires extérieures, a signalé que l'on procédait à la mise à jour de la version de 1977 des Thèmes et objectifs de la politique étrangère et des opérations extérieures du Canada et qu'une fois la consultation interministérielle terminée, le texte définitif serait distribué. Tous ceux qui ont participé à la révision ont reçu un exemplaire du projet de révision préparé par le Secrétariat de la planification des politiques du ministère des Affaires extérieures, projet qui en retour a suscité de nouvelles suggestions dont on a alors tenu compte. Le document qui en est résulté, en date d'avril 1979, fournit un vaste cadre de politique étrangère à l'intérieur duquel peuvent être établis les programmes par pays. Ce document sera examiné et révisé au besoin selon l'évolution de la situation.

Le Secrétaire,

R.W. Clark

DIFFUSION RESTREINTE

THÈMES ET OBJECTIFS DE LA POLITIQUE ÉTRANGÈRE
ET DES OPÉRATIONS EXTÉRIEURES DU CANADA

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Avril 1979

DIFFUSION RESTREINTE

I. QUESTIONS NATIONALES AYANT DES PROLONGEMENTS
INTERNATIONAUX

THÈME: UNITÉ ET IDENTITÉ NATIONALES

OBJECTIFS PERMANENTS:

- a. Sauvegarder la souveraineté, l'intégrité et l'indépendance du Canada.
- b. Présenter efficacement le Canada sur la scène internationale comme pays bilingue et multiculturel fort, confiant et viable et comme partenaire valable dans les domaines politique, économique, social et culturel.
- c. Maintenir l'autorité et la compétence du Gouvernement fédéral en matière de politique étrangère et de conduite officielle des relations extérieures du Canada.
- d. Renforcer l'unité nationale par la coopération fédérale-provinciale sur le plan international.
- e. Renforcer la participation canadienne au sein du Commonwealth et de la francophonie.
- f. Projeter et promouvoir à l'échelle internationale la créativité particulière et le champ de la culture et du savoir canadiens.

OBJECTIFS COURANTS:

- a. Expliquer la nature du fédéralisme canadien et les faits derrière la question de l'unité nationale.
- b. Coopérer avec les provinces dans des domaines tels la promotion des échanges commerciaux et les négociations commerciales, l'énergie, le tourisme, l'immigration, l'environnement et les ressources marines, l'aide au développement, les bureaux provinciaux et les visites de représentants provinciaux à l'étranger.
- c. Évaluer l'incidence pour la politique étrangère de l'évolution des relations fédérales-provinciales et du changement constitutionnel.

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THÈME: CROISSANCE ÉCONOMIQUE

OBJECTIFS PERMANENTS:

- a. Accroître et diversifier les exportations canadiennes de biens et de services, notamment par la préservation et l'expansion de l'accès aux marchés extérieurs et la promotion à l'étranger d'une évaluation positive de la capacité du Canada en matière de production et d'exportation d'une grande variété de produits uniques et/ou de technologie avancée.
- b. Encourager et faciliter la coopération industrielle entre les sociétés canadiennes et étrangères par des moyens tels que les entreprises conjointes, les investissements et les échanges technologiques en vue de favoriser la croissance du commerce bilatéral et faciliter la croissance des industries canadiennes.
- c. Valoriser les ressources naturelles avant l'exportation et ouvrir et élargir des marchés pour les exportations canadiennes de ressources traitées et de produits agricoles.
- d. Analyser correctement les changements de la structure de l'économie mondiale qui ont une incidence sur le bien-être économique et la structure industrielle du Canada et y réagir au moment opportun.
- e. Promouvoir les installations et les services touristiques canadiens dans les marchés étrangers et encourager la coopération internationale dans le domaine du tourisme.
- f. Promouvoir les intérêts de l'industrie canadienne des transports et ceux de ses usagers.
- g. Participer au moyen d'activités internationales à l'accroissement des capacités du Canada en matière de recherche et de développement.

OBJECTIFS COURANTS:

- a. Promouvoir à l'étranger une juste évaluation de la situation économique actuelle du Canada, y compris le climat présidant aux investissements et la législation concernant les ressources.

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- b. Encourager l'entrée de capitaux d'investissement étrangers au Canada dans le contexte de la politique canadienne relativement à l'AEIE.
- c. Rechercher des débouchés à l'étranger dans le cadre de l'intensification des efforts gouvernementaux destinés à développer la capacité et le potentiel industriels du Canada.
- d. Aider les milieux d'affaires canadiens à profiter des possibilités économiques créées à l'étranger grâce aux activités gouvernementales d'ouverture de marchés, aux négociations commerciales et grâce à la meilleure position concurrentielle du Canada.

THÈME: ÉNERGIE

OBJECTIFS PERMANENTS:

- a. Gérer judicieusement, dans le contexte des tendances mondiales dans ce domaine, les ressources énergétiques non renouvelables du Canada et appliquer avec détermination des mesures d'économie.
- b. Au moyen des arrangements multilatéraux, bilatéraux et commerciaux appropriés, préserver et accroître l'accès aux sources de pétrole étrangères.
- c. Coordonner les accords en matière d'échanges de ressources énergétiques avec les principaux partenaires du Canada, notamment les États-Unis.
- d. Collaborer avec tous les pays, tant directement que par la participation active à l'Agence internationale de l'énergie (AIE), à la mise en valeur de nouveaux approvisionnements énergétiques, y compris ceux qui réduiront la mesure dans laquelle l'économie mondiale dépend des hydrocarbures.
- e. Poursuivre le dialogue entre producteurs et consommateurs sur les questions énergétiques afin d'assurer la sécurité des approvisionnements et de discipliner la fixation des prix sur le marché international du pétrole.
- f. Renforcer les liens bilatéraux du Canada avec les principaux producteurs de pétrole, particulièrement les fournisseurs actuels et éventuels des importations canadiennes de pétrole par le biais, lorsque la chose est possible, d'arrangements réciproques aidant à compenser le coût des importations.

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OBJECTIFS COURANTS:

- a. Vu l'incertitude des prix et des approvisionnements en pétrole étranger, poursuivre activement des consultations au sein de l'AIE et prendre les mesures nationales et multilatérales qui s'imposent.
- b. Aider à satisfaire les besoins énergétiques mondiaux par des exportations ordonnées de technologie nucléaire et d'uranium, conformément à la politique canadienne en matière de garanties.
- c. Promouvoir la mise en valeur des ressources énergétiques des pays en développement de façon à répondre à leurs besoins et à ceux d'autres pays.
- d. Conformément aux objectifs de la politique énergétique et de la politique étrangère du Canada, appuyer les activités à l'étranger de Pétro-Canada et de l'EACL.

THÈME: ENVIRONNEMENT ET RESSOURCES MARINES

OBJECTIFS PERMANENTS:

- a. Par la coopération internationale, protéger et mettre en valeur l'environnement au Canada et dans le monde entier de façon à favoriser les intérêts écologiques canadiens et internationaux.
- b. Appuyer un développement approprié et respectueux de l'écologie ainsi que l'utilisation et la conservation rationnelles des ressources dans les pays industriels et dans le monde en développement.
- c. Sauvegarder la souveraineté du Canada sur la gestion, la conservation et l'exploitation des ressources biologiques dans les zones de pêche de 200 milles et de toutes les ressources naturelles du plateau continental.
- d. Promouvoir l'élaboration d'un droit international de l'environnement conformément aux principes 21 et 22 de la Déclaration de Stockholm sur l'environnement, et encourager d'autres mesures connexes par des organismes tels l'OCDE et le PNUD, notamment en ce qui concerne les droits en matière de responsabilité et d'indemnisation pour les dommages écologiques transfrontières et la mise au point d'une définition convenue de cette expression.

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- e. Protéger l'environnement marin dans toutes les eaux de juridiction canadienne ainsi que sur le plateau continental canadien, en oeuvrant au sein des organisations et des conférences internationales pour obtenir lorsque la chose est nécessaire et appropriée a) le droit d'adopter et d'appliquer des lois et des règles antipollution efficaces et b) l'élaboration de normes internationales plus efficaces (par exemple, en matière de conception de navires, d'équipement et de formation de l'équipage), tant à l'intérieur qu'au-delà des zones de juridiction nationale.
- f. Faire reconnaître internationalement la nécessité pour les États côtiers de disposer de pouvoirs spéciaux pour lutter contre la pollution dans les eaux de l'Arctique.

OBJECTIFS COURANTS:

- a. Promouvoir l'élaboration d'un nouveau régime juridique des océans à la Conférence sur le Droit de la mer conformément aux intérêts nationaux du Canada (par exemple les pêches), et aux intérêts internationaux (par exemple l'exploitation minière des fonds marins).
- b. Chercher des solutions aux plus pressants problèmes environnementaux transfrontières ou internationaux, tels ceux posés par les produits chimiques toxiques, le transport de la pollution atmosphérique sur de grandes distances, la pollution des eaux transfrontières, la pollution de l'environnement marin, la destruction de l'ozone stratosphérique et l'expédition transfrontière de déchets dangereux.
- c. Conclure des arrangements bilatéraux et multilatéraux en vue de la gestion et de la conservation des pêches, de la faune et d'autres ressources naturelles.
- d. Délimiter les frontières maritimes avec les États-Unis, la France et le Danemark.
- e. Conclure des arrangements bilatéraux avec les États-Unis et le Danemark qui permettront d'obtenir une indemnisation véritable pour la pollution causée par des activités de forage en mer menées conformément au principe de la souveraineté des États côtiers sur les ressources du plateau continental.
- f. Promouvoir l'élaboration d'un programme météorologique mondial afin de mieux comprendre le système climatique et son incidence sur l'activité humaine.

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THÈME: EMPLOI ET IMMIGRATION

OBJECTIFS PERMANENTS:

- a. Choisir les immigrants qui seront admis au Canada sans discrimination basée sur la race, l'origine nationale ou ethnique, la couleur, la religion ou le sexe.
- b. Maintenir un programme d'immigration qui appuie les objectifs démographiques canadiens - en tenant compte notamment de la capacité d'absorption de l'économie canadienne - et qui renforce la trame culturelle, sociale et économique du Canada.
- c. Réunir au Canada des familles séparées.
- d. En conformité avec les obligations internationales et les traditions humanitaires du Canada, accueillir et réinstaller des réfugiés et d'autres personnes déplacées ou persécutées, et protéger les réfugiés aux termes de la Convention qui se trouvent au Canada.
- e. Faciliter l'entrée temporaire du Canada pour le tourisme, le commerce, les activités culturelles, éducationnelles et scientifiques et pour d'autres motifs contribuant à la compréhension et au développement internationaux.
- f. Accroître les possibilités des Canadiens d'obtenir un emploi, de cultiver leur talent et de poursuivre leurs études à l'étranger.
- g. Exclure les personnes qui constituent une menace à la santé publique, à la sécurité et à l'ordre au Canada, ou dont la présence serait pour quelque autre raison incompatible avec la politique du Gouvernement.
- h. Favoriser les échanges internationaux de connaissances pour promouvoir une meilleure utilisation des ressources humaines, combattre le chômage et aider les chômeurs.

OBJECTIFS COURANTS:

- a. Examiner l'application de la nouvelle Loi et des nouveaux règlements sur l'immigration.
- b. Continuer à élaborer une politique démographique en tenant compte des besoins nationaux et régionaux du Canada, des tendances démographiques au pays et des tendances migratoires dans le monde entier.

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- c. Continuer à élaborer selon le besoin avec le Québec et d'autres provinces des arrangements de coopération visant les activités à l'étranger dans le domaine de l'immigration.
- d. User de sélectivité dans l'application des exigences pour la délivrance des visas de non-immigrant afin de mieux prévenir les cas d'entrée illégale au Canada.

THÈME: SERVICES AUX CITOYENS CANADIENS

OBJECTIFS PERMANENTS:

- a. Fournir des titres de voyages et des conseils aux Canadiens prévoyant se rendre à l'étranger.
- b. Fournir promptement une aide, une protection et des services consulaires efficaces aux Canadiens à l'étranger, ainsi que de l'aide au Canada aux parents et amis de Canadiens se trouvant en difficulté à l'étranger.
- c. Informer les Canadiens des conditions à l'étranger pouvant influencer sur leurs activités internationales, leur santé ou leur sécurité.
- d. Maintenir des modalités d'évacuation en cas d'urgence.

OBJECTIFS COURANTS:

- a. Conclure des accords avec certains pays sur la libération conditionnelle et la détention.
- b. Élaborer des solutions de rechange à la dépendance vis-à-vis de l'aide consulaire britannique.
- c. Nommer des représentants consulaires honoraires conformément à la politique actuelle.
- d. Conclure des conventions consulaires bilatérales ou d'autres arrangements lorsqu'il y a lieu.
- e. Ouvrir des bureaux régionaux des passeports.
- f. Informer les Canadiens à l'étranger des conséquences pour eux des dispositions de la nouvelle Loi sur la citoyenneté.

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II. LES RELATIONS EXTÉRIEURES DU CANADA

THÈME: RELATIONS AVEC LES ÉTATS-UNIS

OBJECTIFS PERMANENTS:

- a. Maintenir avec les États-Unis des relations fondamentalement harmonieuses qui respectent la souveraineté canadienne et répondent aux intérêts canadiens.
- b. Créer un climat de compréhension aux États-Unis chez les représentants du Gouvernement et du Congrès ainsi qu'avec les principaux dirigeants des grandes sociétés, du monde des affaires, du mouvement syndical, des médias et des milieux universitaires afin qu'ils soient davantage sensibilisés aux intérêts canadiens.
- c. Influencer les politiques nationale et internationale des États-Unis de façon à ce qu'elles tiennent compte des intérêts canadiens.
- d. Encourager les États-Unis à apporter une contribution à la mesure de leurs ressources nationales et à leurs responsabilités mondiales au règlement de problèmes internationaux d'ordre économique, politique, juridique, social et écologique ainsi que ceux touchant la sécurité et le développement.
- e. Élargir les voies de consultation et, lorsque la chose est indiquée, la coopération en ce qui concerne la résolution de problèmes politiques et économiques à l'échelle internationale.

OBJECTIFS COURANTS:

- a. Réaliser des progrès satisfaisants dans les discussions concernant les investissements dans l'industrie automobile nord-américaine.
- b. S'occuper des questions commerciales bilatérales qui feront probablement surface à la suite des NCM et multiplier les activités en faveur de l'expansion des exportations en fonction des possibilités accrues découlant des NCM.
- c. Faciliter la construction du gazoduc du Nord et utiliser de façon efficace les mécanismes temporaires de consultation sur les questions énergétiques.

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- d. Continuer de s'occuper du règlement de la question des frontières maritimes et des questions connexes concernant les ressources.
- e. Soustraire l'industrie canadienne des congrès aux dispositions des lois fiscales des États-Unis qui lui sont préjudiciables et promouvoir la compréhension de l'interdépendance des recettes touristiques des deux côtés de la frontière.
- f. Conclure des arrangements satisfaisants concernant le partage des responsabilités, notamment financières, des futurs systèmes de défense aérienne de l'Amérique du Nord (NORAD) qui seront installés au Canada.
- g. Maximiser les avantages pour le Canada par le renforcement de la coopération dans l'industrie de défense et notamment freiner la perte des avantages destinés au Canada causée par les arrangements de partage de la production et du développement de défense.
- h. Chercher des solutions aux principaux problèmes environnementaux transfrontières au moyen de négociations bilatérales au sein de la Commission mixte internationale.
- i. Mettre les activités et les intérêts canadiens à l'abri de l'application et des effets extraterritoriaux des lois américaines.
- j. Réduire au minimum les effets néfastes pour les fabricants, les agriculteurs et les autres producteurs et exportateurs canadiens des mesures commerciales restrictives et protectionnistes ou d'autres politiques économiques américaines.
- k. Officialiser et raffermir les arrangements de notification, de consultation et de coopération lorsque les mesures anti-trust de l'un des gouvernements ont une incidence sur la juridiction ou sur les intérêts nationaux de l'autre.
- l. Promouvoir aux États-Unis la compréhension de la politique et des objectifs culturels et sociaux du Canada ainsi que de leurs aspects économiques susceptibles d'influer sur les intérêts américains.
- m. Réaliser des progrès satisfaisants dans l'expansion des services aériens bilatéraux.

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THÈME: RELATIONS AVEC LES AUTRES PAYS INDUSTRIALISÉS

OBJECTIFS PERMANENTS:

- a. Étendre et diversifier les relations bilatérales et multilatérales du Canada dans le contexte de la "Troisième option" - et notamment améliorer la coopération commerciale et industrielle, les échanges culturels, universitaires, scientifiques et techniques ainsi que la consultation sur des sujets de préoccupation et d'intérêt communs - en particulier avec l'Europe de l'Ouest, dont les Communautés européennes, et le Japon.
- b. Renforcer les organisations et les mécanismes existants, et en créer de nouveaux s'il y a lieu, afin de consolider les liens bilatéraux et multilatéraux du Canada avec les pays industrialisés.
- c. Faire valoir à l'étranger la stature internationale et les possibilités économiques du Canada, conformément aux intérêts canadiens, et s'efforcer en particulier en Europe occidentale et au Japon de présenter le Canada comme un pays d'Amérique du Nord distinct et indépendant et comme un partenaire précieux et influent dans de nombreux domaines.

OBJECTIFS COURANTS:

- a. Maximiser les possibilités créées par l'accroissement des activités de coopération en vertu de l'Accord-cadre pour la coopération économique et commerciale avec les Communautés européennes.
- b. Établir des relations économiques mutuellement avantageuses en vertu de l'Accord-cadre Canada/Japon sur la coopération économique et concevoir des programmes et des échanges dans le cadre de l'Accord culturel Canada-Japon.
- c. Intensifier les consultations et, lorsque la chose est indiquée, accroître la coopération en matière de gestion des questions économiques et politiques avec la CEE et ses États membres ainsi qu'avec le Japon.
- d. Augmenter les relations commerciales et en matière d'investissement avec les États membres de la CEE, en particulier la France, la RFA et l'Italie, ainsi qu'avec le Japon, notamment en fonction des possibilités accrues découlant des NCM.

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- e. Atténuer au moyen de négociations et de consultations les effets néfastes pour les fabricants, les agriculteurs et les autres producteurs et exportateurs canadiens des mesures commerciales restrictives et protectionnistes découlant des politiques commerciales et agricoles des Communautés européennes et du Japon.
- f. Accorder toute la considération voulue à l'Europe de l'Ouest comme source éventuelle d'approvisionnement dans le domaine de la défense et pour d'autres acquisitions du gouvernement.
- g. Maintenir des relations mutuellement avantageuses en matière d'énergie avec les pays d'Europe de l'Ouest et le Japon.
- h. Établir des relations à long terme en matière de pêche avec la CEE et le Japon afin de maximiser les avantages industriels et commerciaux au pays à tirer des ressources halieutiques du Canada.

THÈME: RELATIONS AVEC LES PAYS EN DÉVELOPPEMENT

OBJECTIFS PERMANENTS:

- a. Étendre et diversifier, par des voies bilatérales et multilatérales, les relations politiques et économiques du Canada avec les pays en développement en tenant compte de leur diversité et de leur importance croissantes.
- b. Soutenir la croissance économique et le progrès social des pays en développement, y compris la satisfaction des besoins essentiels de l'homme, au moyen de l'aide au développement, de l'aide humanitaire et d'autres mesures appropriées.
- c. Promouvoir des mesures conçues pour aider les pays en développement à devenir plus autonomes, notamment dans le domaine de la production alimentaire et énergétique, et améliorer la coordination des politiques énergétiques et d'aide alimentaire des institutions et des pays intéressés.
- d. Développer les relations dans le domaine du commerce, des sciences et de la technologie, et mettre au point des mécanismes pour le transfert de techniques appropriées, notamment avec les pays en développement les plus avancés tels le Brésil, le Nigéria et la Chine.

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- e. Améliorer la qualité et l'efficacité du programme d'aide canadien sous le rapport de la réalisation des objectifs en matière de développement des pays bénéficiaires et de l'intérêt que leur porte le Canada.

OBJECTIFS COURANTS:

- a. Mettre au point une stratégie coordonnée et globale d'expansion des relations économiques industrielles et commerciales avec les pays arrivés à des niveaux différents de développement.
- b. Chercher à ce que les politiques commerciales, financières et de développement du Canada soient compatibles et se renforcent les unes les autres, et tenir compte de leur incidence sur les pays en développement.
- c. Recenser et mettre en valeur les possibilités de grands projets de capital et/ou d'infrastructure qui font le plus appel à la technologie et aux connaissances techniques du Canada.

III. LE SYSTÈME INTERNATIONAL

THÈME: SITUATION ÉCONOMIQUE

OBJECTIFS PERMANENTS:

- a. Encourager une évolution juste et ordonnée du système économique international et renforcer les institutions économiques multilatérales dans l'intérêt des pays développés et en développement.
- b. Promouvoir la croissance économique internationale et amener la communauté internationale à s'entendre sur les moyens d'aborder les problèmes de l'inflation, du chômage et des échanges, par exemple en participant activement à des sommets économiques comme celui du Groupe des 7.
- c. Promouvoir les intérêts mondiaux du Canada en tenant compte de sa situation spéciale en tant que pays à la fois industrialisé et important exportateur de ressources.
- d. Libéraliser et accroître le commerce international, conformément aux intérêts économiques nationaux du Canada.

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- e. Renforcer le système monétaire international.
- f. Réduire les fluctuations excessives des marchés de produits de base par des mesures de coopération entre producteurs et consommateurs sur des produits déterminés.
- g. Développer la coopération entre les organismes nationaux et internationaux dans des domaines spécialisés comme les transports maritimes et aériens, l'industrie forestière, la protection de l'environnement, l'énergie, le développement, les communications, les sciences et la technologie.

OBJECTIFS COURANTS:

- a. Remplir les engagements pris lors du Sommet de Bonn et se charger des préparatifs en vue du Sommet de Tokyo.
- b. Participer activement au dialogue Nord-Sud, y compris à la création du Fonds commun, et aux préparatifs de la cinquième conférence de la CNUCED et de la commission plénière de l'AGNU.
- c. Chercher à terminer les Négociations commerciales multilatérales dans le sens des intérêts du Canada.
- d. Encourager l'examen international des mécanismes d'atténuation et de prévention des problèmes financiers des pays en développement.
- e. Participer à l'élaboration, sous l'égide des Nations Unies, des codes de conduite internationaux sur les transferts de technologie et de ceux destinés aux entreprises multinationales.

THÈME: PAIX ET SÉCURITÉ

OBJECTIFS PERMANENTS:

- a. Maintenir un système de sécurité collectif fort et crédible au moyen de l'OTAN ainsi que des arrangements de défense efficaces avec les États-Unis, par exemple NORAD.
- b. Élaborer de nouvelles mesures convenues de contrôle des armements et de désarmement.
- c. Renforcer le système de non-prolifération nucléaire, et notamment améliorer les garanties nucléaires.

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- d. Favoriser un recours plus éclairé aux Nations Unies en tant que centre d'harmonisation de l'activité des nations, et notamment à sa capacité de promouvoir le règlement pacifique des différends et, à cette fin, lorsque la chose est nécessaire, d'organiser de façon rapide et efficace des opérations de maintien de la paix.
- e. Continuer à appuyer l'avancement économique et social des pays en développement et déployer d'autres efforts afin de trouver des solutions aux problèmes posés par la faim dans le monde sous l'égide d'organisations agricoles internationales comme la FAO et le Conseil mondial de l'alimentation dans le but d'améliorer les perspectives de paix et de sécurité mondiales.
- f. Améliorer la sécurité nationale en maintenant les mécanismes de liaison en matière de renseignement et de sécurité et en en faisant un meilleur usage.

OBJECTIFS COURANTS:

- a. Encourager la négociation des mesures convenues de contrôle des armements et de désarmement réclamées dans le Programme d'action adopté lors de la Session extraordinaire des Nations Unies consacrée au désarmement et, notamment, promouvoir la "stratégie de l'asphyxie" proposée par le Canada pour freiner la course aux armements nucléaires.
- b. Appuyer le programme de défense à long terme de l'OTAN afin d'adapter la position de défense de l'Alliance à l'évolution des besoins dans les dix prochaines années.
- c. Promouvoir les garanties nucléaires intégrales comme préalable à la fourniture de matières, d'équipement et de technologie nucléaires, ainsi que la conclusion d'arrangements appropriés pour la gestion des déchets et le contrôle du retraitement.
- d. Faire progresser la réalisation des objectifs canadiens de non-prolifération en participant activement au Programme international d'évaluation du cycle du combustible nucléaire et en évaluant plus exactement l'état de la technologie et de l'équipement nucléaires des pays non dotés d'armes nucléaires.
- e. Oeuvrer à la réalisation de progrès dans le règlement pacifique des différends en Afrique australe (notamment en Namibie), au Moyen-Orient, en Indochine et à Chypre.

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- f. Évaluer la participation canadienne aux opérations de maintien de la paix récentes et en cours, et décider de la réponse à donner aux demandes de participation à de telles activités, par exemple au GANUPT (Namibie).
- g. Chercher à renforcer les accords internationaux et bilatéraux de lutte contre le terrorisme international et poursuivre la mise en oeuvre de l'entente du Sommet de Bonn sur la piraterie aérienne.
- h. Encourager les efforts onusiens et régionaux en vue de restreindre les transferts d'armes classiques, notamment à destination des régions où il existe des tensions ou des conflits.

THÈME: RELATIONS EST-OUEST ET DÉTENTE

OBJECTIFS PERMANENTS:

- a. Promouvoir la coopération pacifique entre l'Est et l'Ouest sur la base de la réciprocité et de l'intérêt mutuel.
- b. Encourager un dialogue constructif entre l'Est et l'Ouest afin d'éclaircir les intentions de part et d'autre et d'accroître la compréhension.
- c. Multiplier les relations commerciales et économiques entre l'Est et l'Ouest dans le but d'accroître l'interdépendance et de promouvoir la stabilité.

OBJECTIFS COURANTS:

- a. Aider à réduire les risques d'affrontement militaire en appuyant et en encourageant la conclusion d'autres accords SALT, l'accomplissement de progrès aux pourparlers sur les MBFR et d'autres efforts de contrôle des armements.
- b. Assurer le suivi de la Conférence de Belgrade en vue d'une application significative de l'Acte final de la CSCE et de la préparation de la Conférence de Madrid en 1980.
- c. Dans le contexte de la détente, renouveler les efforts visant à cultiver des relations bilatérales mutuellement avantageuses avec l'Union soviétique et l'Europe de l'Est.

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- d. Dans le contexte des intérêts internationaux et bilatéraux du Canada, cultiver davantage, entre autres, les relations politiques, économiques, culturelles et éducationnelles avec la République populaire de Chine.

THÈME: DROITS DE LA PERSONNE

OBJECTIFS PERMANENTS:

- a. Oeuvrer au sein des organisations internationales ainsi que par le biais des relations bilatérales en faveur d'un plus grand respect des règles internationales en matière des droits de la personne.
- b. Réagir aux préoccupations des Canadiens en ce qui a trait aux droits de la personne et en être le miroir.
- c. Poursuivre les efforts en vue de la réunion au Canada des familles séparées.

OBJECTIFS COURANTS:

- a. Élaborer un système cohérent pour l'étude, en conjonction avec d'autres facteurs pertinents, des questions relatives aux droits de la personne dans le cadre de l'élaboration et de l'application de la politique étrangère.
- b. Encourager les efforts visant à accroître l'efficacité du système des Nations Unies dans la promotion et la protection des droits de la personne, notamment sa capacité à faire enquête sur les cas de violation flagrante des droits de la personne dans n'importe quel pays.
- c. Encourager un respect plus strict des dispositions humanitaires de l'Acte final d'Helsinki.
- d. Appuyer les efforts en vue de la transition pacifique à un gouvernement de la majorité en Namibie et en Rhodésie.
- e. Mettre en oeuvre les mesures de notre politique visant à mettre fin à la discrimination raciale en Afrique du Sud.
- f. Dissuader activement les sociétés canadiennes d'observer les aspects discriminatoires des boycottages économiques internationaux.

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SECRET

November 18, 1969.

MEMORANDUM TO THE CABINET

Foreign Policy in the Seventies

The purpose of this memorandum is to provide a conceptual framework within which to consider the external policies and programmes of the Government of Canada. The primary aim is to seek agreement on the broad themes of Canadian foreign policy during the seventies. A secondary aim would be to elicit some reaction as to the weight which the Government wishes to attach to various themes of policy with a view to determining priorities.

2. The paper is inevitably long and complicated. Its main points can be summarized as follows:

- (a) Foreign policies are basically an extension of internal policies, conditions and interests;
- (b) To establish the right priorities, to identify divergent policies and to achieve some degree of coherence it is necessary to look at foreign policy in its totality;
- (c) In the seventies Canada is likely to be as active in the foreign field as in the past but in different, perhaps more modest ways;
- (d) Continuous coordination will be necessary within the Government to ensure the optimum in effectiveness.

These points are discussed in the main memorandum and related throughout to the hexagonal diagram in Annex A. The other two annexes have relevance too:

- Annex B contains forecasts of major world factors likely in the seventies to affect Canada's pursuit of foreign policy. They will have a bearing on the Government's ultimate choice of policy themes and their relative weights.
- Annex C provides illustrations of the kinds of foreign policy which might emerge, consistent with the concept and in the context of given forecasts. This is largely a subject for subsequent consideration.

National Interests

3. It is misleading to suggest that Canada's "international" interests are in essence any different from "national" interests; in effect the former are projections of the latter into a world environment. Nor should international interests be regarded as including the enhancing of Canada's prestige, the performing of any particular role, or the

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Developing of influence for influence's sake. Prestige, role and influence may result from the pursuit of certain policy objectives (in this regard spin-off influence can be of solid value in international relations) but they are not in themselves interests to be served by policy or programmes. To be liked and to be regarded as good fellows are not ends in themselves. In part, public disenchantment with Canada's foreign policy in recent years was often produced by an overemphasis on role and influence which obscured policy objectives and interests. This does not mean that Canada cannot make an effective contribution to world affairs; indeed, for a variety of reasons (geographical location, historical and cultural background, natural resources, political and constitutional evolution, technological advance), this country is qualified, experienced and equipped to make a contribution which could be not only distinctive but unique! There seems to be a clear consensus in Canada, certainly among Canadians who have articulated their views, that this country should seek to make such a contribution. But it must be based on and commensurate with Canada's real position and strength in the world power complex, not on some imaginary notion that Canada ranks close to being a great power. Nor does this mean a diminution in Canada's interest in other countries or in dangerous situations in the world. On the contrary, more of the livelihood of Canadians comes from abroad than ever before; more Canadians are travelling and working abroad; more and more Canadians at home are taking a practical and active interest in more parts of the world (recently Nigeria, la Francophonie and Latin America have been added to the traditional areas).

4. National interests can be defined in simple but comprehensive terms. As a starting point the ultimate interest of any Canadian government could be stated as "the political, economic and social, cultural, spiritual and physical well-being of all Canadians now and in future". Such a statement is consistent with the concept of Just Society with its heavy emphasis on the individual and on rising generations. It assumes, moreover, that for the vast majority of Canadians their "well-being" can only be assured if Canada continues in being as an independent, democratic and sovereign nation-state. As long as the international structure has the nation-state as its basic unit, the Government of Canada will be pursuing national interests more or less simultaneously in two environments - one domestic, the other global. Accordingly the ultimate national interest can be restated as ~~two~~ two main goals toward which the Government would orient all its policies:

- (a) the preservation and prosperity of Canada;
- (b) the promotion of a better world environment.

By implication these goals encompass the current preoccupations of Canada, that is: the preservation of national sovereignty, unity, security, federal constitution, separate identity, bilingualism and parliamentary democracy; and the promotion of economic growth, financial stability, social progress, multicultural expression, environmental improvement, and balanced regional development. They embrace as well Canada's efforts to bring about in the world system the kind of situations, developments and relationships which will be most favourable to the pursuit of Canada's ultimate interests; but beyond that self-interest is the need and desire of Canadians to make a positive contribution to the welfare of mankind as a whole.

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Framework for Policy Consideration

5. The formulation of policies and the selection and implementation of programmes designed to promote the national interest take place in a dynamic and infinitely complex world. A first step in the direction of coming to grips with the kaleidoscopic mass of data involved is to sketch out in the broadest possible terms the avenues along which policy might be oriented. These avenues or policy themes provide the link between national interests expressed in the dual statement of goals (paragraph 4) and programme objectives. This is illustrated in the hexagonal diagram (Annex A) wherein: the centre circle contains the dual statement of goals of national policy; the inner hexagon contains the six policy themes; and the outer hexagon the programmes, indicated by sample objectives. The policy avenues (themes) are arranged around the circle to indicate that: (a) all of them serve national interests in one way or another and in various combinations; (b) no automatic priority attaches to any of them. All these inter-related avenues of policy are open but their priority at any given time for serving the national interest or achieving intermediate objectives will depend on the Government's policy choice made in the light of its forecast of events and opportunities. It will of course be appreciated that this particular diagram is largely illustrative of an approach and should not be regarded as a Ouija board which will magically spell out the appropriate foreign policy in any given situation. The grouping of policy themes is somewhat arbitrary (for example "security" could almost as well have been linked with "peace" as it could with "sovereignty"). Nevertheless the diagram in its present form may help to visualize the elements to be balanced in some proportions in the making of foreign policies from time to time. It is a scheme for systematic thinking about policy issues.

6. To explain the relevance of the diagram and its application one might illustrate very briefly from Canada's foreign policy in the post-War period (although at the time it was presented quite differently). In the decade 1946-56 the heaviest emphasis was placed on "peace", "security", "economic growth" policies although there were relatively minor developments in line with "justice" policies (adherence to the 1948 Declaration of Human Rights) and "natural environment" (concern about radioactive fallout). The great power impasse at the United Nations and the 1948 fall of Czechoslovakia resulted in a marked shift of emphasis away from "peace" (relying on the United Nations peace and security system) to "security" (NATO military alliance) policies; although Canada continued along the avenue of "peace" largely by experimenting with alternatives intended to circumvent the political impasse at the United Nations and to contain peripheral outbreaks of fighting. Meanwhile, by the end of the decade, efforts to promote "economic growth" had begun to include international cooperation for economic and technical aid.

7. In the decade 1956-66, while the emphasis on "security" and "peace" was sustained, and perhaps intensified because of the growing complexities of maintaining mutual deterrence, international economic development greatly increased in importance in the context of both "economic growth" and "justice" policies aimed at dealing with the rich-poor nation imbalance, which was clearly emerging as a major, long-term threat to world stability. And closely linked with development aid were other "justice" oriented policies in relation to decolonization and the race conflict in Africa. In this regard one could point to the contradictions which have arisen (and continue to arise) between a firm declaratory policy against racial discrimination (justice), for example,

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and the continuation of trade (economic growth) with such countries as South Africa and Portugal. The same kind of conflict of interest has arisen between disarmament (peace) policies and the export of Canadian military equipment (economic growth) to areas of tension; and they will also arise between development policies for exploiting technological advances (such as opening the North-West Passage) and those designed to conserve the natural environment. These contradictions are mentioned to illustrate the interrelationship of the various avenues of policy and to underline the difficulties of and need for making a coordinated approach to them.

8. It is quite conceivable that in future Canadian policies might become much more heavily oriented along the avenues in the bottom half of the hexagonal diagram - "economic growth" appropriately flanked by "natural environment" and "quality of life". Even today "economic growth" policies have very high priority if considered in terms of trade agreements, export drives, international development aid, measures to avoid or meet financial and monetary crises, rapidly evolving technologies in resource utilization, transportation and communications. But great advances on the "economic growth" front have not been accomplished without pollution (in the widest sense of depleting natural resources and disturbing the balance of nature) on a grand scale. A crucial element of that imbalance is over-population which threatens to frustrate the best laid international programmes for economic development. And on the other hand a large chunk of current social and ideological disturbances today (not confined to youth either) results from a deep-seated revolt against the inhumanity of the mass consumption society with its urban monstrosities, industrialized drudgery and ravaged rural life. "Quality of life" policies are clearly needed to combat the erosion and unrest. These have their implications in the foreign field among other ways in the form of programmes intended to project Canadian identity and character abroad, to enrich the quality of living in Canada through scientific, cultural and other exchanges, to draw on the expertise of other nations as regards growing social problems in urbanized, industrialized and rural communities.

Priorities and Resource Allocation

9. The Government's decisions on policy themes and on the relative weights to be assigned to them will depend on an evaluation of their contribution to the achievement of the national goals (in the circle). In effect this will be how priorities are determined in foreign policies and as between foreign and domestic policies, because priorities cannot be considered from the point of view of foreign policy alone. The fundamental approach in this memorandum has been to underline the inter-relationship of domestic and foreign policies.

10. By following this approach (hexagonal diagram) it should be possible to relate the resource requirements of component external programmes to those being allocated to domestic programmes aimed at the same broad objectives. The comparison is clear in the case of large external programmes such as aid and defence which claim a substantial share of the totality of available resources, but the approach is also useful in showing how some external programmes, involving relatively small expenditures, can make a significant contribution to the achievement of a national objective (for example domestic anti-pollution measures could benefit greatly from an international conference on the subject attended by top flight experts). The complexity, fluidity and unpredictability of the future make it all the more necessary that there be effective arrangements for the coordination of the activities and views of all Departments concerned in order to ensure that (a) things

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are kept in the order of priority desired by the Government from time to time and (b) the most is made of such bargaining counters as Canada may possess for dealing with other countries.

11. In the implementation of foreign policy there are broad areas in which various external programmes are interdependent and mutually supporting. It is important to ensure that this be taken into account in determining the allocation of resources. In establishing a large aid programme for example, it may be necessary also to provide for (a) exploiting consequential trade opportunities; (b) mobilizing diplomatic and informational support; (c) arranging to meet the consular needs of Canadian citizens participating in the programmes; and in some cases (d) developing political implications considered relevant by Canada (illustrated below)*. It follows that funding requirements be determined by function rather than by department since in many cases the participation of more than one department or agency will be involved if programmes are to be implemented with maximum effectiveness.

Conclusions

12. In following this memorandum's approach to foreign policy, the Government would have the continuing opportunity to exercise options in two broad areas simultaneously:

- (i) as a matter of priority and in given circumstances it might wish to emphasize specific themes of policy; and
- (ii) it could select and set its programme objectives, consistent with those themes, in a manner calculated to serve best the national interests in the light of any particular forecast or development.

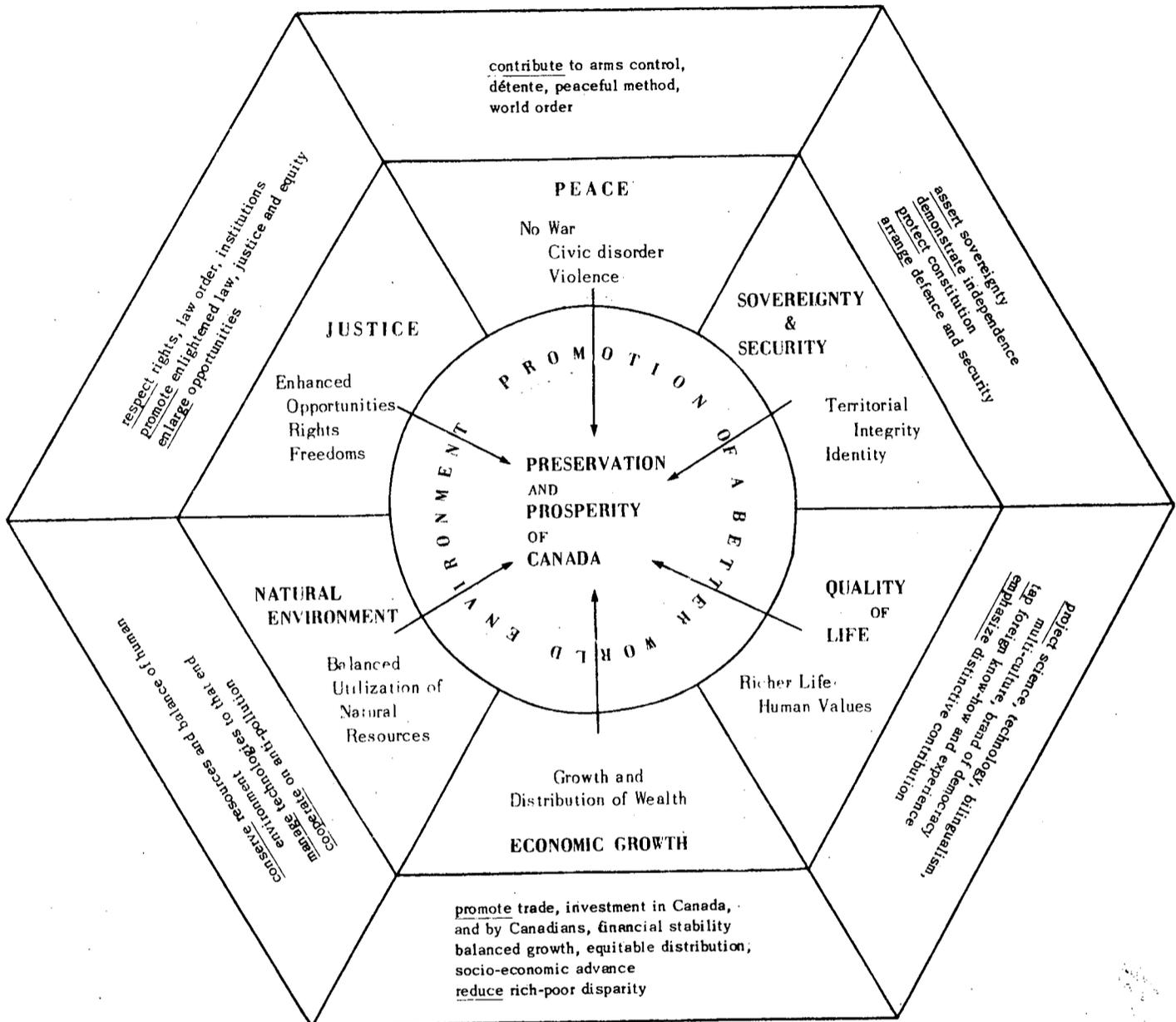
13. Once these broad choices had been made, the various Departments and Agencies concerned with policies having external implications would have a foreign policy pattern on which to develop their existing programmes and any others which subsequently might be submitted for Government consideration. This pattern would presumably continue in effect as long as the chosen themes and objectives were considered consistent with Canadian interests and were also feasible in terms of the world situations and any other constraints (budgetary, expertise, time available) imposed on the Government in its pursuit of foreign policy. Suitable interdepartmental arrangements would of course be required to ensure that within this pattern of policies the activities of the different Departments effectively supported the chosen objectives.

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* Illustrate simply: The enlarged aid programme to Franco-phone Africa has yielded already some of the results desired (Gabon change of heart) but the recipients were bound to be receptive. The political problem is to turn that receptivity to solid understanding of Canada's constitution, its several problems of unity, its identity, etc., and to produce in the policies of the Francophone countries the kind of positions on conferences, invitations, representation, seating, flags, which will accord with the Canadian position and interests. That is an aim and job of Canadian diplomacy in those countries. It is a spin-off from the development policy administered by CIDA; in this case aid supports diplomacy. But the reverse is also to be found in the development field; and even moreso in the pursuit of trade policies where more persuasion (the essence of diplomacy) on a much wider front and over a much longer period of time is essential.

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ANNEX A



ANNEX B

Forecasts for the Seventies

The Government's decisions on the future orientations and priorities of foreign policy cannot be made without some reference to forecasts. In the consideration of detailed policies, elaborate forecasts are essential and preferably in terms of alternative futures. For the purposes of this memorandum, however, it may be sufficient to state the forecasts simply in terms of some of the major factors likely in the seventies to affect the Government's pursuit of Canada's national interests, as defined in paragraphs 3 and 4. These factors may appear as conditions, challenges or threats; but they can also be constraints in the situations in which the Government would have no control whatsoever over them.

2. They can be discussed under the following sub-headings:

(A) Peace through balance of terror: The likelihood is that the super-powers will continue to avoid nuclear war through either miscalculation or escalation and any fighting between the Soviet Union and China might even be confined to conventional frontier clashes. All the anxieties and tensions of living under this balance of terror will remain but especially the risks of further proliferation of nuclear weapons. The uncontrolled dissemination of conventional military hardware will aggravate regional tensions. At the same time there is likely to be a significant adjustment in international relationships attributable in part to the emergence of new great powers, notably Japan and Germany.

(B) U.S. position and its impact: The U.S. ascendancy economically and technologically will undoubtedly increase, particularly if reasonable civil order is preserved and if such diversions as the Vietnam war are terminated and avoided in the future. This ascendancy is likely to exist over the next decade even if the Common Market is expanded. As a result the dependence of Canadian private industry and Government programmes on U.S. techniques and equipment will continue to be a fact of life. U.S. markets for Canadian raw materials (oil, etc.) and more advanced manufactured goods will be of increasing importance. Any improvement in U.S. relations with the Soviet Union and/or China, which would seem quite likely within the decade, would bring Canada benefits in terms of peace and security but would reduce advantages which Canada now has in trading with Communist China and Eastern Europe. In general U.S. developments and policies can have profound effects on Canada's position over the decade. Fortunately there is no reason to think that the U.S. Government would consider that its interests would be served by interfering in the Canadian domestic situation.

(C) Economic Developments: Wealth will continue to increase at a constant and rapid rate. But there could be disturbances in the interrelated fields of finance, trade and economic activity generally. Individual countries will probably experience balance of payments and other crises. There is a continuing temptation to autarchic policies which could be very unsettling to the existing patterns of trade. Technological advances can be expected to produce rapidly changing evolution in the world economic situation. The internationalization of industry (multi-national corporations) appears to be a firm feature of the future economic scene. The international machinery and internal arrangements within the major industrial countries should be able to prevent a drastic crisis from occurring but developments of sufficient magnitude and duration to disturb Canada seriously could take place. Canada has a clear interest in the effectiveness of

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*the word is
autarchy = economic self-sufficiency
autarchy means something else
vs self-rule
DSW*

he international agencies concerned and in close relations with the authorities in the principal countries with a view to encouraging the right kind of policies.

(D) Regional Conflicts: These can include localized and civil wars, or sustained guerilla operations. There is little evidence to suggest an early and satisfactory settlement of the war situations in Vietnam and the Middle East. There is every reason to expect new civil wars in Africa and Latin America. The situations in Cyprus and Kashmir seem static for the time being but in the past fighting there has erupted swiftly. In southern Africa racial tension is likely to aggravate steadily in the form of terrorism, sabotage and guerilla warfare since a change in the racist policies of the remaining white régimes seems improbable. ?

(E) The Rich-Poor Nation Imbalance: Increasing aid and greater trade opportunities for the developing countries are likely to be significant factors in determining whether the living standards in the poor countries can be raised sufficiently to maintain a tolerable level of stability. The prospects for both increased aid and trade are not overly promising and a substantial effort by donor countries is obviously needed if the rate of increase in the gap between the rich and poor nations is to be mitigated. Development is also important as a mitigating factor as regards escalation of inter-racial and regional tensions.

(F) Population Growth: This is probably the greatest single factor tending to frustrate international development programmes. That population control is a must is now beyond argument but whether it can be made effective in time is the big question. There have been authoritative predictions of mass death through disease, vitamin and other deficiencies.

(G) Technological Progress: The impact of science and technology on international affairs is likely to be important and varied. Scientific subjects will increasingly become matters of international discourse, hopefully of a generally constructive kind. The direct impact of science and technology will also be significant, particularly in transport and mass communications, automation and the industrial process and life in the developing countries.

(H) Environmental Problems: It is already apparent that pollution and the too rapid depletion of natural resources are complex problems which demand 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. But even at present threats of ecological imbalance may be among the most dangerous and imminent which the world faces.

(I) Ideological Upheavals: Many ideologies will continue to exert an influence. Some may become mixed with Canada's internal differences. But the most severe effects for Canada may be caused by the continued and widespread questioning of Western value systems - the revolt against the mass consumption society with its lack of humanism. The most powerful influences may come from the United States but developments in Europe, Latin America and within the Communist group of nations could also have a bearing, either by design or accident, on the evolution of Canadian society.

3. As for the conduct of foreign policy in the future, those forecasts suggest that:

- (a) "One world" is not likely to be achieved in the next decade or so; there might be a further fragmentation of states, but

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as suggested earlier U.S. relations with either or both China and the Soviet Union could become somewhat less remote during the seventies.

- (b) Loose regionalism (OAS, OAU) will be the preferred grouping for most states.
- (c) International organizations, more or less world wide in composition or representation will continue (UN family, IDA); as well as other international bodies organized for specific purposes (NATO, OECD, EEC, Warsaw Pact, etc., etc.).
- (d) New organizations will come into being (communications, outer space, anti-pollution, arms control) and the old ones disappear or fall into disuse.
- (e) While multilateralism will continue, some international organizations (in UN group for example) will need strengthening through reform and reorientation toward new objectives if they are to be viable and effective in a rapidly changing world; bilateralism will be no less important in future but it is more likely to be selective and concentrated.
- (f) Canada's "special relationships" of the past (in the sense of close relations with Britain, France, United States, India) will level off to normal, although Canada-United States involvement will be as complex and perhaps more difficult than ever, and Canada-France relations slow in improving; and the future may offer Canada opportunities for new relationships based on common aims, interests and outlook in the evolving world situation (for example with the Scandinavian countries, Germany, Japan).

4. The foregoing are major factors operating in the contemporary world (which implies projection into the seventies) and in a profusion of ways they are interacting and evolving rapidly. All this produces complex difficulties of targetting 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 foreign policy needs in the context of two inescapable facts, both crucial to Canada's continuing existence; the French fact and the American fact - they constitute a shorthand description for a maze of problems of maintaining Canadian unity (not confined to language or Québec), and of continuing to live "in proximity" (geographical, shared interests, global points of contact) with the world's most powerful nation-state. These two "facts" are intricately interrelated in the sense that some influences from the United States are disturbing to national unity.

5. But given them, and if there are no unpleasant political and military surprises on a grand scale, it may not be unrealistic to forecast that for the next decade or so the real external threats to essential Canadian interests could be:

- (a) trade protectionism in the policies of foreign governments or other developments abroad including excessive inflation or deflation and seriously affecting Canada's economy;
- (b) a sharpening of ideological conflict with a further upsetting influence on Western value systems, (The effect of Vietnam has been massive in this regard.) and/or deteriorating conditions (poverty, race discrimination, archaic institutions) all

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leading to violent disturbances (including civil wars, riots, student demonstrations) detrimental to trade and investment abroad and to unity and security at home;

- (c) the erosive effect on separate identity and independence of internationalization in the economic field (trade and monetary arrangements, multi-national corporations, international trade unionism).

(c) needs explanation: While cooperating with other countries in trade and monetary arrangements may impose some restriction on sovereign freedom of manoeuvre, on the whole such arrangements have been beneficial and necessary. The activities of multi-national corporations and international unions are not necessarily threatening but they require some degree of vigilance on the part of the Government of Canada if sovereignty, national unity and separate identity are to be safeguarded.

ANNEX C

SECRET

Possible Profiles of Foreign Policy

An Illustration

If the forecasting in Annex B is considered valid, and especially the analysis in paragraphs 4 and 5, prime importance attaches to internal conditions and policies in Canada. The most important foreign policy may be one which substantiates sound domestic policies, particularly those which help Canada to compete effectively in earning its living with the least possible dependence on the favours of the United States or any other big power. Essentially policies would emphasize the advantages of being Canadian, but specifically by giving Canadians a sense of:

- (a) Separate identity through policies designed to (i) assert or affirm sovereignty; (ii) demonstrate Canada's independence in foreign affairs; (iii) protect constitutional authority; (iv) reflect abroad Canada's scientific and technological advances, multicultural background, brand of democracy and humanitarian outlook.
- (b) Security and well-being through policies designed to (i) develop and sustain a durable and balanced prosperity in the broadest socio-economic sense; (ii) maintain defence arrangements sufficient to ensure respect for territorial integrity, nationwide internal security and the confidence of the United States and other allies; (iii) keep under control externally-inspired agitation.
- (c) International responsibility through policies designed to demonstrate willingness and readiness to bear an appropriate share of the international burdens in such fields as development aid, arms control, disaster and other relief, financial stability, peaceful method (peacekeeping), and building world order; and (ii) emphasize a distinctive contribution to the foregoing, wherever possible of outstanding quality. The aim would be to give Canadians an inner satisfaction and self-respect about their national purpose, their discharge of duty, their excelling in a demonstrable way.

Viewed in low profile, this paragraph outlines the essential elements of a medium foreign policy effort in a situation in which the Government wished to concentrate its attention and resources on domestic problems. It implies continuing commitments and contributions to NORAD, NATO (as reduced), CIDA programmes (expanding); trade and investment promotion; cultural, information and other "representational" programmes; participation in UN and Specialized Agencies; modest "peace" programmes on the disarmament and détente fronts; and selective diplomatic support for them all.

2. Attached is a list showing how international development aid programmes fit into that foreign policy profile even now. But international development aid alone will not solve the problems of stability

.... /2

in the under-developed world. Tensions exist there because of ancient animosities, stratified societies resting on large depressed classes, wide dissemination of armaments from western and communist sources. Viable, enduring and diversified relationships for trade and investment purposes are needed to ensure sustained economic health. Science and technology have to be utilized with optimum effectiveness. The population explosion must be brought under control. All this is to suggest that aid programmes to be optimized should be correlated with policies on trade and development (technological), arms control, military assistance and family planning. And for Canada there is also a clear implication for immigration policy as regards both receiving some surplus populations and discouraging the brain drain from the developing nations.

3. Anti-pollution programmes could be envisaged which eventually would open opportunities for creative external activity based on Canadian know-how and experience. Even now there is plenty of scope for international exchange and for more concrete cooperative action. The problems of resource utilization, pollution, over-population, technological development, urbanization, industrialization, rural rehabilitation, are so directly related to any broad scheme of economic development, it is not too difficult to conceive of mixes of programmes aimed at improving the chances for human survival in a better world environment. But like development aid, such programmes and especially those involving effective anti-pollution remedies are likely to prove costly in future, even though international programmes at present might involve little more than conferences, exchanges of various kinds and negotiated agreements for regulatory purposes. They will not be attainable by governments alone (even if all levels in Canada could cooperate effectively); they subsume a healthy, expanding economy and a concentration of resources on key problems. They may call for a degree of intergovernmental cooperation not yet envisaged or practicable in existing international organizations.

4. Above all they underscore once again the high priority which attaches to the Government's "economic growth" (in the sense of the hexagon) policies abroad (reinforcing those economic policies at home which are recognized as essential in paragraph 1). In the foreign policy field this means much more than export drives designed to expand traditional markets, or to find new ones, for established Canadian products. It implies intensive review, research and development studies in depth to discover and devise: new patterns of trade and investment, a range of products (including expertise, technological innovations, services) at competitive prices, new relationships with individual trading partners and with the world economic community. It means intensification and coordination of cultural, information and diplomatic support programmes to make Canada fully known and respected abroad, particularly as a land of high quality products whether cultural or commercial; and attractive to investors, traders, tourists and the kind of immigrants Canada wants and needs. It involves consultation with the provinces about these matters and cooperation with them in foreign countries.

5. It suggests too a functional approach to external policies, with selections both as regards the geographical areas in which they will be applied and the activities by which they will be implemented. To illustrate:

- (a) Africa and South Asia seem destined to be mainly areas for development aid activity whatever the political undertones (in Francophone countries for example) although clearly some diplomatic support is needed.

..../3

- (b) Latin America and the Caribbean, both areas of political interest, can be potential areas for selective Canadian exports and expanded investment although a bigger aid programme and supporting diplomatic effort (both oriented to the countries of real prospect) will be needed to improve such prospects there;
- (c) The Pacific may be largely an area for trade and investment relations (with Japan, China, Australia, New Zealand, Taiwan)? *both?* although here again some aid component and vigorous diplomatic support will be needed to underline growing Canadian involvement in the area;
- (d) Europe, East and West, in the past an area of politico-military emphasis, can become an area for multifold exchanges and cooperation in science and technology, culture and information, trade and investment - for mutual benefit but especially to enrich the quality of life in Canada - without downgrading a continuing political involvement, which will be needed as a foundation for the others.

6. Paragraphs 2 to 5 have suggested in broad terms some directions in which Canadian foreign policy might move in seeking to elaborate and enlarge the profile outlined in paragraph 1. An even greater increase in activity could be accomplished by devoting substantial resources towards "peace" policies particularly in the fields of disarmament, détente and peacekeeping. However, in recognition that (a) at this stage Canada's impact on super-power "peace" negotiations is likely to be limited in any event; and (b) the bulk of Canadian public opinion appears satisfied by a medium effort, the Government may wish to confine its "peace" programmes mainly to policy research and analysis, unless and until it becomes apparent that enhanced participation by Canada is needed (that is essential and feasible in Canada's judgement) to ensure a successful outcome of negotiations. There is room now, if resources were made available, for improving the quality of Canada's contribution to "peace" programmes through the establishment of a compact peace and security research programme, which would require good people rather than heavy expenditure and which could serve to strengthen official and private research activity in those fields in Canada. In this area of "peace" policy - which in the Canadian internal situation of today is of lower priority - it may always be preferable for Canada to hold something in reserve for targets of opportunity (in the non-pejorative sense) but as a minimum preparation for this, research facilities and activities must be kept up to date.

NOTE: TO BE ADDED AS THE FINAL PAGE
OF ANNEX C OF THE MEMORANDUM TO
CABINET OF NOVEMBER 18, 1969 ON
FOREIGN POLICY IN THE SEVENTIES

SECRET

Significance of CIDA Programmes in Foreign Policy of Canada

In seeking to reduce the rich-poor nation imbalance, Canada has an opportunity to initiate programmes of development aid which:

- (a) make use of special Canadian expertise and experience in a wide range of endeavour (hydro-electricity, nuclear energy, transportation, communications, geological survey, forestry, agriculture, fisheries, etc.);
- (b) give expression to bilingualism and biculturalism at a time when and in countries where Canada's national identity, character and constitution need to be explained and understood;
- (c) have a beneficial side effect on the black-white conflict and on the tendencies toward violence and instability in developing countries;
- (d) help to make Canadian goods and services, technologies and expertise known abroad opening commercial and other possibilities;
- (e) offer outlets abroad for Canadian idealism and humanitarianism in perhaps the most effective way of dealing with disillusionment about the decline of Western values;
- (f) encourage other donor governments and the recipients to strive harder for cooperation and coordination in the monumental task of promoting international development aid;
- (g) encourage development programmes in the private sector (investment, consultative services, CUSO, etc.);
- (h) strengthen Canada's position in international organizations through contributing to multilateral aid programmes under World Bank, U.N. and other group auspices;
- (i) demonstrate dramatically and dynamically Canada's intention and desire to shoulder its share of the burden on the international community of promoting stability in the world.