



IN THE
NATIONAL INTEREST:

**CANADIAN FOREIGN POLICY
IN AN INSECURE WORLD**



Canadian Defence
& Foreign Affairs
Institute

IN THE

NATIONAL INTEREST:

**CANADIAN FOREIGN POLICY
IN AN INSECURE WORLD**

Prepared for the

CANADIAN DEFENCE AND FOREIGN AFFAIRS INSTITUTE

by

Denis Stairs
David J. Bercuson
Mark Entwistle
J.L. Granatstein
Kim Richard Nossal
Gordon S. Smith

© Canadian Defence and Foreign Affairs Institute

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, internet, recording or otherwise, except brief passages for reviews, without the prior permission of the publisher.

Published by:
Canadian Defence and Foreign Affairs Institute

**National Library of Canadian
Cataloguing in Publication Data**

In the national interest:
Canadian foreign policy in an insecure world /
prepared for the Canadian Defence and Foreign Affairs Institute
by Denis Stairs ... [et al.].

Text in English and French.
Title on added t.p., inverted: Dans l'intérêt national.

ISBN 0-88953-270-2

1. Canada -- Foreign relations -- 1945-
I. Stairs, Denis, 1939-
II. Canadian Defence and Foreign Affairs Institute.
III. Title: Dans l'intérêt national.
FC242.I6 2003 327.71 C2003-905262-1E

Printed in Canada

CONTENTS

About This Report..... v

Executive Summary..... vii

➤ I. Introduction: Canadian Foreign Policy in an Insecure World 1

➤ II. The World We Live In..... 4

 1. Conditions Overseas..... 4

 2. Conditions in North America..... 7

 3. Conditions at Home..... 9

➤ III. Basic Choices Facing Canadians 10

 1. The Choices 10

 2. Canadian Values or Canadian Interests? 13

➤ IV. The Imperative: The United States 15

 1. Dealing with the American Fact 15

 2. Canada and the US: Substantive Issues 20

➤ V. The Options 24

 1. International Development and Human Security..... 24

 2. Peace Operations 27

 3. International Security Organizations..... 30

➤ VI. The Instruments of Canadian Foreign Policy 31

 1. Machinery of Government 31

 2. The Canadian Forces 34

 3. International Development Assistance 37

 4. The Foreign Service 38

➤ VII. Conclusion 39

➤ VIII. Recommendations 40

ABOUT THIS REPORT ...

The mandate of the Canadian Defence and Foreign Affairs Institute (CDFAI) is to provide Canadians with factual and comprehensive policy analysis and to promote an understanding of Canada's foreign policy by developing and sponsoring authoritative research and educational programs.

By the autumn of 2002 it had become clear that Canada would have a new prime minister and government in 2004. CDFAI's National Advisory Council thought it likely that the new government would conduct a full review of its foreign policy. The CDFAI, therefore, commissioned experts to write 15 individual studies on different aspects of Canadian foreign policy to provide some guidance to those who might undertake such a review. The papers are available on the CDFAI website (www.cdfai.org). This report and the recommendations contained therein are largely the product of those efforts.

CDFAI believes that Canadian foreign policy should have a single overall goal: to serve Canada's interests. The recommendations, found in section VIII of this report, are based firmly on that conviction.

Canada deserves to have an influential voice in the international arena based on comprehensive foreign and defence policies that expresses Canadian political and social values, military capabilities, and economic strength. Canada should be willing to engage in action that is timely, constructive, and credible. To succeed, Canada needs appropriate government machinery, a professional foreign service, and focused international development assistance.

R.S. Millar, President
Canadian Defence and Foreign Affairs Institute

EXECUTIVE SUMMARY

The need for a thorough review of Canada's foreign policy is obvious to any observer whose life, fortune and enterprise is impacted by Canada's complex inter-relationship with the world beyond our borders. As a result, the Canadian Defence and Foreign Affairs Institute (CDFAI) commissioned a study of future Canadian foreign policy options in anticipation of a major review of Canadian defence and foreign policy expected to be undertaken by the federal government in 2004.

This report, *In the National Interest: Canadian Foreign Policy in an Insecure World*, is based on 15 study papers on various aspects of Canadian foreign policy commissioned from academic experts and practitioners. The papers will be available to the public on the CDFAI website from the date the report itself is released, October 30, 2003.

While the report recognizes that Canada relates to the world around it in many ways, the emphasis here is on the political/security relationship. That is due both to the obvious need to focus a limited study such as this and to address the question which has loomed the largest in the world after the terrorist attacks on the United States of September 11, 2001 — the insecure international environment.

The report begins with an assessment of the pertinent changes in the world at large, in North America, and inside Canada since the end of the Cold War. The world Canadians knew between 1945 and 1990, is gone. During those forty five years Mutually Assured Destruction and the division of the world into two major power blocs ensured a rough semblance of international order. That is no longer the case.

Today, the rise of international terrorism combined with a growing "failed state" phenomenon and the emergence of the United States as the only superpower has undermined long-held tenets of Canadian foreign policy. Europe and the US seem to differ fundamentally in their approach to solving international problems while multilateral security institutions such as the UN and NATO have proven ineffective in ensuring world peace and stability. Canada can no longer use Europe, or NATO or the UN as a "counterbalance" against American influence.

At the same time, the terrorist attacks of September 11, 2001 showed the vulnerability of the US — an open society — to fanatical enemies of the democratic secular world. Now once again, as in the early days of the Cold War, Canada must play an active role in North American defence even as it is called upon by the US to play a larger role in the war against terrorism abroad. Canadian society is also changing rapidly in composition as immi-

gration transforms the once largely Caucasian face of the nation. This change has brought a myriad of peoples from troubled parts of the world to Canada, tying Canada more closely into the tragic events that continue to plague Africa, parts of Asia and the Middle East.

Canada has slipped badly in international influence over the last decade. This is not surprising given the erosion of Canadian foreign policy assets since 1993. The Canadian Forces have been greatly diminished. The foreign affairs budget has shrunk. There has been a precipitous decline in Canadian overseas aid.

The report thus outlines the choices that Canadians now face. They can continue the present course to international irrelevance by maintaining the current level of diplomatic assets. They can achieve a re-invigoration of sorts by maintaining the current assets but cutting drastically back on what they are used for, allowing the same overall amount to be spent on fewer options with the consequent result of greater resources for the remaining choices. Or they can increase the assets. This is the course the report recommends.

The report points out that it is also of vital importance for Canadians to understand that the only real imperative in Canadian foreign policy is Canada's relationship with the US. All other Canadian international interests are far behind the importance of maintaining friendly and workable relations with the Americans. The report suggests that this objective has been lost of late but must be re-established in a full scale overhaul of how Canada interacts with the US.

The report examines the currently stated Canadian foreign policy objective of projecting Canadian values abroad and recommends, instead, that Canadian foreign policy be unabashedly based on serving Canadian national interests. It also examines Canada's relationship with the principal global security organizations and recommends that Canadians face the reality that current policies which espouse multilateralism as an end in itself do not serve Canadian interests.

Finally, the report turns to the instruments of Canadian foreign policy. It recommends that the foreign affairs machinery of the government be better organized and that the Canadian Forces be considerably beefed up. It advocates placing Canadian aid under the Minister of Foreign Affairs and putting more resources into it, but ensuring that it is used to serve Canadian interests abroad. It also urges beefing up the Department of Foreign Affairs and International Trade and the foreign service.

The Report concludes with thirty three specific recommendations.

INTRODUCTION: CANADIAN FOREIGN POLICY IN AN INSECURE WORLD

Not since the late 1940s have Canadians been in such urgent need of a re-examination of their foreign policy and their place in the world. For more than 40 years after World War II, their basic political and security interests abroad were defined by the cold war. They played a significant role in helping to contain the Soviet Union. More generally, they supported the United Nations and other multilateral mechanisms for promoting order, limiting conflict, and advancing the peaceful resolution of international disputes.

When the cold war came to an end, it was thought for a time that peace had broken out and that it would yield dividends. There would be less need of big battalions. Conflicts would be small. Perhaps the United Nations could handle them. In a more benign and less threatening world, the focus could move to other things — to the enhancement of prosperity and the removal, in the end, of what were thought to be the “root causes” of international violence.

This assessment, shared with others, was a miscalculation. Without the rigid bipolar structure that had accompanied the cold war, the world became even more disordered than before. In the 1990s, Canada was drawn into more “peacekeeping” operations than during the entire 45-year period of East-West hostilities. The job, moreover, had more to do with enforcing peace than “keeping” it, and the most vicious conflicts arose not so much between states as within them. Some states failed entirely. When they did, the events that followed confirmed the famous seventeenth century dictum of the political philosopher, Thomas Hobbes. Life in the state of nature really was “poore, nasty, brutish, and short.”

Some of the nastiness soon came very close to home. In so doing it transformed the temper of international politics once again. The attacks on the Pentagon and the World Trade Center on September 11, 2001 aroused the United States in much the same way as the attack on Pearl Harbor six decades before, and the Americans were not inclined to tolerate opposition — even from close allies — to the defensive remedies they devised.

Globalization, however controversial, might be profitable. But it had a dark side, too. The smaller world created by globalization greatly enhanced the ability of terrorists, trans-nationally deployed, hard to identify, and even harder to find, to attack major international targets, almost simultaneously, and virtually at will. The major threats to global security were now posed not by states alone, but by private players. Their activities, moreover, put stress on the relations of long-standing friends, Canada and the United States included. Just as Canadians were discovering that they had become more closely integrated with the United States than ever before, Americans were discovering the implications, some happy and some not, of their new status as the only remaining superpower.

All this, and much more, has occurred at a time when Canada has been economizing on government spending by allowing its foreign policy assets to run down — its military establishment, its professional foreign service, and its development assistance budget most importantly among them. This decline in assets has been accompanied by loss of place. The Europeans, for example, no longer feeling threatened by a menacing external power greater than themselves, have been diverted inward by their own projects, and have come to think of North America as an integrated entity in which only the United States really counts. In such an environment, Canada is not to be found on their radar screen.

All of these circumstances, culminating in the growing sense that Canada has lost its way — and certainly much of its influence — in world affairs, have generated in the past two years an increasing concern about the lack of direction in Canadian foreign policy. This concern has been reflected in the reports of committees in both houses of parliament, in the academic literature on foreign affairs and defence, in the commentaries of retired foreign service and military officers, in the occasionally indiscreet observations of foreign diplomats (the ambassador of the United States prominently among them), in the work of several leading public policy “think-tanks,” and increasingly in the print and electronic media.

Given these conditions, the purpose of this report is to contribute to public discussion of some of the more important foreign and security policy issues confronting Canadians today. “Foreign affairs” now includes a wide array of issues — trade, for example, along with the environment, human rights, the containment of disease, and a host of others — that go well beyond the traditional focus of statecraft on matters directly related to peace and security. Such issues are vitally important. The primary emphasis here, however, is on the politico-security agenda.

There is a reason for this. Although Canada’s foreign relations run the gamut from sports policy to efforts to stop the proliferation of weapons of mass

destruction, the marked change in the world we live in today is rooted in the rise of global terrorism, the threat of the proliferation of weapons of mass destruction, the lawlessness that has taken millions of lives inside failed states, and the shock of the attacks on the United States of September 11, 2001. Though trade will always be of overwhelming importance to Canada, trade relations have taken a back seat in the consideration of our closest neighbour and most important ally, the United States. The dominant issue now — and it is likely to remain so — is the politico-security agenda. Besides, there is the matter of sheer practicality in a work like this. Without the resources available to a government, the framers of this report focused on that one area of Canadian foreign policy that warrants the most attention in an insecure world.

The discussion begins with an assessment of the pertinent changes in the world at large, in North America, and inside Canada. The analysis then identifies the most basic and fundamental choices that Canadians now face. The vitally important relationship with the United States, Canada's role in international development and human security, the conduct of peace operations, and the organizational and other instruments required for the effective conduct of Canadian foreign policy under the new conditions we now confront are then treated in greater detail. The Report concludes with a set of recommendations.

THE WORLD WE LIVE IN

Canada's foreign policy is partly a function of ideas and partly of will, both of which gain their relevance from circumstance. Of the circumstances that count, some are located abroad, some are in North America, and some are at home.

1. CONDITIONS OVERSEAS

At the start of the twenty-first century, the conditions that helped for so long to sustain the myths of our foreign policy — the greatest being that Canada was somehow more peace loving and more neutral than our western allies — have largely disintegrated. Canadians need to confront head-on the new realities they face.

The “peace dividend” bestowed upon the industrial democracies by the ending of the cold war has already been spent. In a recurrently violent world, Canada, no longer pre-eminent among the middle powers, faces stiff competition. Countries like China and India, with the potential to become “global powers,” and innovative regional leaders like Australia and Brazil are filling the middle power niche. Norway has captured the role of mediator of choice. Many of the clubs from which Canada derived influence over the past several decades are searching for relevance or are in obvious decline: the United Nations, the North Atlantic Treaty Organization (NATO), the G-8, the Commonwealth, la francophonie.

The Arab world is suffering from critical under-development along with a dangerous combination of incendiary conditions — among them a youthful demographic profile, pervasive unemployment, secretive and authoritarian government, and a paralysis of political leadership. Afghanistan is a work of unfinished business. Although the jury is still out on US and British efforts to recast Iraq, there is little indication that Canada will have a significant role in the process. The same is true of the Israeli-Palestinian conflict, with its well-known capacity for inciting rage, dismay, and violence elsewhere in the world.

At the same time, a more ambitious and aggressive international terrorism wreaks havoc on the global economy — the airline industry, tourism, investment in general. By distracting the United States, its traditional allies (who are also the larger aid donors), and the United Nations, it has served as well to deepen the broad neglect of a range of viciously destabilizing inter-communal conflicts at the regional and local level, most glaringly in Africa (as in the Congo, Liberia, and Cote d'Ivoire). The push toward democracy and market liberalization in Latin America that marked the 1990s has languished in the face of American lack of interest. Instead, the preoccupation in Washington is with the war on terrorism and other assorted enemies. Globalization, moreover, has demonstrated little of its potential for economic development where development is needed most. This, too, derives in part from the freeze-effect of the war on terrorism.

As concepts, peace-building and conflict prevention — processes in which Canadians have placed so much hope — are still in their infancy. Their validity is hard to prove, moreover, because they remain largely unfunded. In practice, if not in their rhetoric, the powers with the capacity to do the job have treated the job itself as a luxury, to be performed only when a vital security interest is at stake or when the cost is minimal and there is nothing elsewhere of greater urgency to do.

More generally, and precisely because the follow-up implementation has tended to be so haphazard and halting, there is a fatigued response to “Big Ideas” in support of the global good. The sustainable development “movement,” for example, flickered out at the 2002 World Summit on Sustainable Development in Johannesburg.

On the other hand, the withdrawal of governments from international issues following painful budget-cutting in many of the industrial democracies has had a welcome consequence in stimulating the emergence of new transnational actors — the international non-governmental organizations (NGOs), the multinational private sector, professional associations, and so on. Such cross-border people-to-people relationships have been greatly aided and enriched by post-industrial technology, especially the Internet.

Europe, meanwhile, is transforming before our eyes. With the addition of ten new member states (almost all from the former Soviet bloc), the European Union is almost doubling in size. At the same time, it is growing more inward-looking, partly in response to the bitter internal divisions caused by the 2003 war against Iraq. If Europe was ever seriously interested in a formal transatlantic political and economic connection with Canada, it certainly isn't now.

Canada sided with “old” Europe over Iraq — likely an unwise choice on any calculation of Canadian national interests. The Europeans noticed, some applauded, and a few hissed, but most did not care. Only a handful of Canadians are stationed in NATO, and, to Europeans, Canada is now firmly North American. The idea, once popular in Ottawa, that Europe and NATO could be a counterweight to US power in North America is as dead as the dodo.

Some key global security issues still affect Canadian national interests very directly. Canada must not allow them to fall off the table. They include the containment of nuclear proliferation and weapons of mass destruction, the narcotics trade, the smuggling of human beings, and environmental protection, among others. But the general configuration of international politics and the distribution of power among the players involved have both been profoundly altered since the cold war ended. Canadians cannot, therefore, expect to pursue their objectives in these areas in quite the same way, or even with the same diplomatic partners, as they routinely did in the past. They need to re-think their position.

2. CONDITIONS IN NORTH AMERICA

Canada cannot escape its geography. The one country with which we have a land border, the United States, is now clearly, and by a significant margin, the most powerful country in the world. That is especially so in the military and somewhat less in the economic spheres. The US national security strategy makes clear the determination of the present administration to be more powerful than any possible combination of adversaries. It is prepared to use force pre-emptively and even preventively if it believes anyone is preparing to attack American targets.

Despite periodic *cris de coeur* from the leaders of France, Russia, and China, there is no reason to think that a multi-polar balance of power is in the works for the foreseeable future. It is not even clear that this would be in Canada's interest. The fact is that our interests are more closely allied with those of the United States than any other potential global power.

Since the al Qaeda attacks on the World Trade Center on 11 September 2001, the government of President George W. Bush has been at war. This is not just rhetoric. Although some in the US doubt the wisdom or the necessity of the invasion of Iraq, there is much less doubt among American political and business leaders that their country faces an existential threat from global terrorism. They have had a clear and painful demonstration that there are people in the world who have both the will and the capacity to wreak great devastation on American soil, a devastation that would be enormously worse were weapons of mass destruction to be used. The global war on terrorism has thus become an organizing principle for our southern neighbour. Most everything in its international relations is seen in that light. Other countries are judged in Washington by their related words and actions. There is little tolerance for nay-sayers.

Despite periodic efforts by Canadian governments to diversify trade and investment, the indisputable fact is that the Canadian and US economies are increasingly integrated. The integration is not, however, symmetrical — Canada is much more dependent on the US than the US is on Canada. It is and will continue to be prudent for the Canadian government to act accordingly.

Canadians do not feel threatened by global terrorism in the same way as their American friends. Mistakenly, indeed, most do not really feel threatened by terrorism at all, which they assume is directed towards the United States. Some believe that the US has brought its present predicament upon itself. This, however, misses the point, which has to do with the implications of the American predicament for Canada.

There is inadequate appreciation, in particular, of the extent to which the presence of terrorists in Canada constitutes a real and present danger to the US and is perceived as such south of the border. It should be clearly understood as well that Canada is a potential target. From these two realities, important implications flow for the management of people wishing to come to Canada (whether as visitors or immigrants), as well as for our own security apparatus.

Some observers have concluded that Canada and the US are becoming more and more alike. In his recent book, *Fire and Ice: the United States, Canada and the Myth of Converging Values*, Michael Adams suggests quite the contrary. Americans are more focused than Canadians on their national survival and individuality, demonstrate greater adherence to religion, and in certain circumstances are more ready to regard violence as an appropriate response. Canadians are more oriented to idealism and global consciousness.

If Adams is correct, the different perceptions of threat and our different values significantly complicate life for Canada. The differences underline the need for understanding the new realities and for strong leadership at the political level. That leadership has not been evident. But a failure to understand what is happening in the US could lead to major problems for Canadians, particularly if Canada is seen as unhelpful in the global war on terrorism.

Canadians, in their approach to foreign affairs, have traditionally tried to find ways to counter-balance American wealth and power, and to compensate for their own military and economic weakness, in multilateralism, consensus-building, and rules. But as Thomas Friedman has pointed out in the *New York Times*, Americans are increasingly fearful of "Gulliverization". It follows that it will not help Canada in the United States if we are seen as leading the Lilliputians. Rather we must develop more compelling arguments to demonstrate that US unilateralism may sometimes be counter to the American interest, and that multilateral regimes can be established that really do work effectively. The US attachment to sovereignty and the belief in American exceptionalism have deep roots, going back more than two hundred years — long before September 11. Canada must stop defending multilateralism — including the multilateralism embodied in the United Nations — as an end in itself.

There is always, of course, another alternative for Canada in North America, however unpalatable it may be to many Canadians, namely consciously and explicitly to throw our lot in with the Americans, essentially to join them to work from within rather than from without. This, however, is a choice very few Canadians support. It is not, in any case, a Canadian foreign policy option.

3. CONDITIONS AT HOME

Making foreign policy has never been easy in Canada, but it is becoming more complicated day-by-day as immigration rapidly changes the population. According to the 2001 census almost one in five Canadians was foreign-born, and today almost six in ten immigrants come from Asia and the Middle East. The demographics of the nation have changed dramatically and will continue to do so.

What does this mean for foreign policy? For example, Canadian Serbs and Croats lobbied the government to favour their “side” in the war in Former Yugoslavia. In the on-going struggle for control between Israelis and Palestinians, Canadian Jews and Arabs routinely press their members of parliament and the government to lend support to their respective causes. The new government preference for consultation, for “Town Hall” meetings across the land, gives well-organized ethnic interest groups a heaven-sent opportunity to make powerful cases to ministers and parliamentary committees.

But should Canada take sides? Does taking sides on the Middle East question, for example, serve the country’s interests? Or, given our relative lack of power, does it even matter much if Canada does or does not take sides, except in terms of domestic tranquility? Might it even be eroding our diplomatic credibility?

One point is clear: Canadians want their country to be involved in the world and, perhaps too often, to be moral while doing so. If the world’s problems were simple black and white issues, this would be easier, but one group’s just demands are almost always another’s worst nightmare. Somehow, our leaders must find a way to educate Canadians about the realities of our limited power (and even more limited capacity to project power abroad) and our national interests, and to acquaint them with the absolute necessity of setting those national aims ahead of particularistic interests around the globe. This is a difficult task, perhaps an impossible one, but until Canadians truly know who they are and what their national interests comprise, there is a danger that ethnic group pressures on Canadian foreign policy will escalate. Unchecked, the result can only be mistakes abroad and policy-making paralysis at home.

BASIC CHOICES FACING CANADIANS

In re-considering foreign and security policies, Canadians need to begin with some fundamental choices. Above all, they need to determine the kind of role they want to play in world affairs and how much they are prepared to pay for it. They need to reflect as well on the criteria they expect the government to use in making its decisions.

1. THE CHOICES

Especially for smaller powers, the conduct of foreign policy is to some extent unavoidably reactive. For those that are securely placed and richly endowed, like Canada, the messes they confront are usually not of their own making, and the pressures they face are largely beyond their control. For the professionals in charge, it can seem challenge enough to get through the day.

Even smaller powers, however, make their decisions based on underlying assumptions about their fundamental interests, capabilities, and requirements, given their general place in the world. They operate, that is, by reference to a framework of premises that helps to establish their priorities and define what they think they can reasonably hope to accomplish. Such frameworks often last a long time. They are heavily influenced, after all, by immutable realities (geographical location, for example). But in periods of substantial change, they need to be re-examined, and adjustments sometimes result.

Canadians are currently confronted with precisely this kind of opportunity — the opportunity to re-consider the basic choices that underlie their foreign policy decisions.

Three such basic choices stand out.

The first choice is the default position. Canada could continue in its present pattern, investing at very low levels in its foreign policy assets and

reacting on a largely ad hoc basis to the major international political and security issues of our time. There is a case for this. In financial terms, the costs are relatively small. Given the security of Canada's position in North America (Canadians will be protected from foreign attack by the United States whether they like it or not), Ottawa can pursue the default option without significant security risk. There is little doubt that Canada's most basic and immediate interests can be adequately served by the default position, and in the short term it may carry little political risk.

But it would also give further impetus to Canada's all-too-evident decline as a constructive player in world affairs. For a while longer, no doubt, the process of decay could be concealed by government rhetoric rooted partly in mythologies of the past and partly in satisfying claims that Canada's behaviour abroad is founded on uniquely superior values. But in the end the truth would become evident, even to Canadians at large. We would then have to stop moralizing, recognize the myths for what they are, be willing to live with a reputation in the United States for tiresome free-loading, and accept a perception elsewhere that Canada is little more than a minor appendage of American power. Our principal security obligation would simply be to cooperate fully with Washington in the measures it felt necessary to protect its citizenry from nuclear, conventional, or unconventional assault.

Currently this does not appear to be what Canadians really want, and certainly it is not what Canadian governments want to concede. But it would keep us out of serious trouble, and perhaps we could compensate for the loss of national dignity that would result by looking elsewhere — to our state-supported social welfare institutions, for example — for evidence of our collective worth.

An alternative would be to continue spending on foreign policy instruments at more or less the current level but to develop a much more proactive and thoughtful set of priorities for their allocation. This would entail hard decisions and would have difficult political and economic consequences. Development assistance, for example, would have to be much more strategically, and hence narrowly, focused; defence procurement would have to concentrate on much more parochially defined national interests; and the foreign service would have to be redeployed to target only our most important needs and relationships. This would still entail a major and continuing decline in Canada's significance in world affairs, and in the short term there will be howls of protest from those at home and abroad who lose out in the re-definition of priorities. But once the dust had settled, the results would almost certainly be an advance over the reactive strategy of drift that we are following now. Credibility would be restored, albeit in fewer areas.

RECOMMENDATION 1:

Immediately upon accession to office, Canada's new prime minister should launch a full public review of Canadian foreign policy, linked to a similar review of Canadian defence policy. At a minimum, the review should identify those Canadian foreign policies which have failed (and which ought to be abandoned), those which have succeeded (and which should be continued), and new directions warranted by the realities of the post Cold War and post 9/11 world.

RECOMMENDATION 2:

Canada should concentrate its foreign policy resources on areas and issues where it can expect to have significant impact in serving its own national interests.

RECOMMENDATION 3:

Canada should restore its lost capabilities in world affairs by substantially increasing its now-gravely-eroded investment in all its foreign policy assets, including the Canadian Forces, the Foreign Service, and the development assistance establishment.

There is a third choice. Canada could work towards restoring some of its lost capabilities in world affairs by increasing its gravely eroded investment in its foreign policy assets while it engages in the kind of priority setting envisaged above. The identification of priorities would still be necessary (although perhaps not to such a Draconian degree) because it is unrealistic to expect Canada to recover completely the visibility it enjoyed in the immediate post-World War II period, when so many other potentially prominent nations were in disarray. Canada will still have to focus its foreign policy efforts more tightly to increase their effectiveness even in the event that it deploys more assets to serve those policies.

This course of action will maximize Canada's capacity to pursue the most immediate and direct Canadian interests abroad. It is the course Canada ought to take. Before that choice can be made, however, the government must give Canadians a real opportunity to examine their foreign policy, identify their crucial national interests, decide what price they are willing to pay to achieve their goals, and determine what courses of action to take. Those decisions can only come with a full public review of Canadian foreign policy, preferably with a simultaneous or subsequent review of Canadian defence policy, aimed at a White Paper which will set out a renewed and re-invigorated foreign policy for Canada. The process is long overdue; the world has changed greatly since the last public review a decade ago. The accession to office in early 2004 of a new prime minister is an excellent opportunity to launch the process.

2. CANADIAN VALUES OR CANADIAN INTERESTS?

As a political community, Canada has been shaped by widespread attachment to a panoply of political values that have made this country one of the most peaceful, stable, and wealthy in the world. They include, in particular, the liberal precepts of equality, democratic forms of governance, multicultural tolerance and respect for diversity, and a sustainable environment.

In 1995, the Chrétien government embraced the idea that one of the purposes of Canadian foreign policy should be to project Canadian values abroad. The government's reasoning was unambiguous: the values had served Canadians well; it therefore stood to reason that many other peoples, beset by intercommunal conflict, corrupt government, economic deprivation, disease, and uneven development, could benefit by adopting them, too.

The "values-projection" project in Canada's external relations in the 1990s involved, however, a radical shift in the relationship between political values and foreign policy. At one level, it is not at all unusual for a country's foreign policy to reflect interests that are based on political values. For example, Canada's human rights policies reflect the interest that Canadians have in how governments abroad treat their own citizens. Similarly, Canada's development assistance policies reflect the desire of Canadians to alleviate the deprivation experienced by people in other countries.

On the other hand, it is unusual for a country to try to reshape the world in its own image by exporting its values abroad. Any attempt to do so puts it in the role of what Robin Hay has called "Boy Scout imperialists," seeking to impose its practices and ideas on a world that it judges to be in need of enlightenment. Problems result.

In the first place, trying to remake the world in Canada's image is a hugely ambitious project; if one were to take it seriously, it would entail more resources than Canadians have at their disposal. But in fact the government in Ottawa devotes very little of Canada's national treasure to international affairs. The result is that trying to project Canadian values abroad has turned into a largely hypocritical exercise: the Canadian government talks, in effect, a good line, but fails to put its money where its mouth is.

In the process, Ottawa has encouraged Canadians to ignore the yawning gap between its feel-good pronouncements and its behaviour. Instead, it has fostered the growth of a naïve and moralistic mythology about the purposes of Canada's foreign policy, one that leads us to conceive of ourselves as holier than others in the world, and which leads Americans to resent our preaching.

Most importantly, concentrating on the projection of our values abroad has encouraged Canadians to lose sight of the central importance of interests in the responsible conduct of foreign affairs. One of the consequences is that the government has squandered a large portion of the limited tax dollars that it devotes to its foreign policy by tilting at a variety of windmills that do not involve the interests of Canadians.

Indeed, the government has squandered something far more precious — its international influence. By loudly and publicly crossing its friends and allies on issues they regard as important to their own interests, but which they know to be peripheral to ours, the government has given them cause for alienation. Friends rarely take kindly to public criticism from those whose interests are not at stake. Such criticism too easily appears gratuitous, and the predictable response is to freeze the critic out — in effect, to stop listening.

But if others stop listening to us, the impact on Canadian interests is dramatically damaging. Canada's need to have the ear of the government in Washington is particularly vital, not only to protect Canadian interests in the vast and complex web of interactions in North America, but also because it serves our purpose for American authorities to be willing to listen to Canadian views on US policy in the world at large.

RECOMMENDATION 4:

Canada should put more emphasis in its foreign policy on the protection and maintenance of Canadian interests than on the projection abroad of Canadian values.

RECOMMENDATION 5:

Where our interests reflect our political values — the protection of human rights or the alleviation of poverty, for example — criteria for policy development should focus on the likely effectiveness of the initiative and the resources it will require; successful policies must be reinforced, failing ones must be terminated.

IV

THE IMPERATIVE: THE UNITED STATES

By far the most important of Canada's international relationships is with the United States. In most other areas of foreign policy Ottawa has a great deal of freedom to act, or not act, as it pleases. But it must deal with Washington. Given the great disparity in the distribution of power between the two countries, this raises a "process" or "management" problem, as well as problems of policy substance.

1. DEALING WITH THE AMERICAN FACT

Dealing with the United States is a perennial issue for Canadians, since sharing a continent and a deeply integrated continental economy inevitably produces conflicts between the two countries. Even though Canadians cannot avoid dealing with the American fact, they have considerable choice over how they do the job.

Canadians have always had an interest in trying to influence American global policy because what Americans do overseas has an inevitable impact on the lives and livelihoods of Canadians, as well. This was as true between the two world wars (1919-39) and the cold war (1945-91) as it is now. But in the post-September 11 era that interest is even greater.

September 11 left Americans feeling highly insecure and more than willing to use their extraordinary strength to increase their security. Today, however — and here the present differs from the past — the US faces no country willing or able to limit the projection of what some have described as its hyperpower. And now, as in the cold war era, the perspective of a friendly but smaller country that has global interests but does not have the global responsibilities to which a superpower must respond, can provide some moderation to the aggressive unilateralism in foreign policy that comes so easily to a power like the US and that creates great resentment abroad. As the Canadian scholar-diplomat, John W. Holmes, once wisely observed, on occasion Americans need friends to tell them when their breath is bad.

But Canadians should recognize that the dynamics that guide relations between individuals hold true for relations between nations. A good friend will indeed tell you when your breath is bad. But a really good friend will do so quietly, without publicity, to ensure that no one loses face. Relations between friends, in other words, are always carried out in “the shadow of the future,” each side recognizing that what is said and done today will have an inevitable impact on the relationship tomorrow.

This is the essence of “quiet diplomacy.” Almost forty years ago, President Lyndon Johnson and Prime Minister Lester Pearson asked two of their senior officials to consider how Canada and the United States should deal with differences over global politics. *Principles for Partnership*, the 1965 report by Livingston Merchant and A.D.P. Heeney, proposed that such differences be dealt with by “quiet diplomacy” — in other words, that they be raised, not in public, but through diplomatic channels, out of the glare of the press and popular politics.

What commends quiet diplomacy as a strategy for Canadians today are the consequences that ensue when the principles laid out by Merchant and Heeney are abandoned. When Canada trades quiet diplomacy for loud criticism, it guarantees its own irrelevance in Washington. No one likes to be embarrassed or insulted, particularly in public. When confronted in this way, Americans will close Canadians down, turn them off, shut their doors. Ottawa is then left blustering on the sidelines, changing nothing.

Moreover, if Canada abandons the principles of quiet diplomacy, the risk is that quarrels generated by conflict in one area will spill over into others. Given the overwhelming importance of the Canadian-American relationship for the wealth and prosperity of Canadians as a whole, few Canadian interests can be served when deteriorations of this sort occur. In short, Canadians need to think very strategically when they pick their quarrels with the United States and when they decide how to handle them.

They should recognize also that dealing with the US in the post-September 11 era is not limited to global issues. Conflicts that arise from sharing the North American continent are the most important for Canada; far more central to our national life than the ones that bear on problems overseas or on the world at large.

That being so, the government needs to be as strategic in its handling of North American issues as in its response to global ones. The assault of September 11 had a radical impact on Americans, and fundamentally transformed their politics. It has often been said that today “security trumps economics” — in other words, that Americans will subordinate all other

concerns, including the economic, to their preoccupation with security, and they will pay whatever price is necessary to preserve it.

How should Canadians respond to this radical transformation? Some argue that, since September 11, the status quo has become untenable. Instead, they suggest that what Canadians need now is a single “Big Idea” to govern the Canadian-American relationship: in this view, Canadians should be prepared to make some major trade-offs to satisfy American needs for security. For example, one Big Idea is a North American “security perimeter” behind which Canadians and Americans (and, in some versions, Mexicans) can keep the integrated North American economy running smoothly. The creation of a common security perimeter would, of course, require the harmonization of a wide range of public policies — and even the proponents of this proposal acknowledge that “harmonization” in the context of the asymmetries of power in North America would require that Canadian policy bend to American requirements. As beneficial as that might eventually prove in the very long run, it would be politically unpalatable to many Canadians in the short run.

Even though Canadians must acknowledge the radical transformation in American politics that occurred as a result of September 11, such proposals should be carefully considered. To be carried to fruition they would inevitably involve a set of major trade-offs that could have unintended and harmful consequences for Canadians long after the American-led “war on terror” has been won.

The history of Canadian-American relations over the past century or so offers some guidance for the future. Canadians and Americans have developed the most complex international relationship in history precisely by avoiding big ideas like the Big Idea. Rather, the relationship has been marked by creative ad hocery and muddling through. It has benefited from an attachment on both sides of the border to the idea that issues should not be linked to one another. From time to time, the two countries have sought to institutionalize and bureaucratize specific aspects of their relationship, in the process producing a patchwork of generally productive arrangements that still defy easy categorization. Given these various successes, and irrespective of how traumatic September 11 was for Americans, the “issue by issue” approach that has marked the life of the North American relationship so constructively for so long has generally been very good for Canadians.

Historically, Canada’s strategies for dealing with the United States have also included attempts to encourage Washington to conduct its policies within the confines of multilateral institutions and regimes, and to promote more generally an international environment governed by established rules and procedures rather than by an unrestrained politics of power. Such arrange-

ments can help (at least a little) to “level the playing field” and over the longer term to promote more orderly habits for dealing with international differences. On both counts, they have Canadian appeal.

In multilateralism, as in other areas, however, Canadians too often display an aversion to thinking in terms of interests. We are conscious of our values. We have ideals. Our constitution speaks of “peace, order and good government,” and we naturally wish the same for the world. We have played a major role over the last sixty years in building the global architecture that is now in place. We can be proud of having done so. We can even congratulate our diplomats and politicians for anticipating a world that is ever more integrated and for understanding that in the future both opportunities and vulnerabilities will be increasingly global (as well as continental) in scope. But we must always remember that multilateralism is a tool, not a religion.

Integration in Europe over the last half century is truly remarkable. Major countries on the continent have been prepared to pool their sovereignty. Their leaders, too, have had their ideals. The driving forces behind European integration were at first not primarily economic, as is often supposed these days, but instead reflected a determination to build a security community within which war among the member states would no longer be conceivable. This experience, with the members of the European Union now committed without qualification to an “ever closer union,” has encouraged our European friends to be somewhat more open than the US to the pooling of sovereignty whenever that seems to be the most appropriate way of tackling a challenge.

Our American friends, by and large, have a different view. Their political culture is not the same. In present circumstances, moreover, their dominant power engenders suspicions, sometimes well founded, that the rest of the world is less interested in better governance at the global level than in tying the United States down (think again of the Lilliputians with Gulliver). Many in the US identify with the “reluctant sheriff” (the title of a book written by Richard Haass, who became the top policy planner in the State Department in the Bush administration). To change from a book to a film metaphor, think of the lonely, well-intentioned, and very determined Gary Cooper in *High Noon*. Standing alone, proud and tall, is as much a part of the American political culture as it is of Hollywood — though Thomas Friedman’s column cited earlier in this report suggests that the US is increasingly seen around the world as Godzilla.

So, what is to be done? First Canadians have to recognize that on most issues our interests are the same as those of the US and we need to work with, not against, our southern neighbours. Second, we need an approach

RECOMMENDATION 6:

Canada should be more strategic and selective in openly expressing differences of opinion with the United States than in the recent past; and it should restrict those differences to issues that directly threaten Canadian interests.

RECOMMENDATION 7:

When Canada and the US disagree on global issues, Canadian representations in Washington should be handled with great care, bearing in mind that the general principles of “quiet diplomacy” are as relevant today as they were during the cold war.

to global problems that builds on multilateralism as an effective tool. This means that Canada must work with other countries, and with NGOs and business leaders, in building a better global system, one that can respond effectively to the challenges we face. It also means working with those in the US — and there are many of them — who feel the same way.

RECOMMENDATION 8:

On North American questions, Canada should pursue an approach that has served Canadians (and Americans) well for decades: matters should be dealt with on an issue-by-issue basis and should not be linked to one another.

RECOMMENDATION 9:

Canadians should recognize that multilateralism is an instrument, not an end in itself.

RECOMMENDATION 10:

Canadians should also recognize that promoting multilateralism is usually, although not always, in Canada's strategic interest, and that it now requires close collaboration, not only with other governments, but also increasingly with the private sector and NGOs.

RECOMMENDATION 11:

Canadians should recognize that Americans are often suspicious of the multilateralist argument because multilateralism does not always serve American interests. Therefore, in promoting multilateral initiatives and institutions, Ottawa must be careful to demonstrate the relevance of multilateral solutions to American interests.

2. CANADA AND THE UNITED STATES: SUBSTANTIVE ISSUES

The relationship between Canada and the United States is arguably the world's most diversely interdependent bilateral relationship. The most dramatic indicators are in the gargantuan trade and investment flows between the two countries, but they also extend to continental defence, border security, immigration and refugee affairs, the environment, the movement of labour, the maintenance of standards, and much more. If something goes wrong at any one point of intersection, the impact can be serious and immediate — especially for Canada, which is under-matched on all fronts relatively to the American colossus.

Bilateral trade and investment statistics have become well-known clichés. Two-way trade totals \$1.65 billion a day, and 82% of all Canadian exports go south of the border. Canada's prosperity is thus tied irrevocably to the effective and smart-minded management of the Canada-US relationship.

In these circumstances, traditional anti-Americanism in Canada finds expression only in deafening isolation from the extraordinary volume of bilateral contacts and interdependencies, both of which are multiplied many times in the transborder dealings at the individual level between business people, cultural figures, and others outside of government.

The relationship functions extraordinarily well precisely because of this active engagement of mutual interests. But there are points of slippage, and they can cause serious damage to Canadian interests unless they are managed with care and skill. These can be roughly divided into three categories:

- issues of trust;
- issues of confidence; and
- economic issues.

The prime examples of issues of trust are found in the cluster of traditional continental security arrangements. While Canadians continue to debate at home the role of their military, there is no doubt that in the United States the Canadian Forces are still regarded as highly professional in terms of leadership and training but seriously deteriorated in capabilities. The problem is so severe that Canada is no longer seen as a reliable partner in continental defence or in foreign operations. From the American point of view, moreover, the attitude of the Canadian government in recent years has become increasingly “cheeky” in relying almost exclusively on the United States for its own defence. To make matters worse, it does so without acknowledgement and while offering pretenses to the contrary. The Americans have thus lost trust in Canada's ability and willingness to make

significant contributions to the defence of North America. In publicly urging Ottawa to spend more money on the military arm, the American ambassador, rather than meddling (as some believe) in Canadian affairs, has been trying to provide helpful advice on how to rebuild a faltering relationship.

The presence of a Canadian general at the headquarters of the North American Aerospace Defence Command (NORAD) is not sufficient to do the rebuilding job. Only a change in attitude, coupled to specific decisions to reinvest in military preparedness, will secure effective relations with the new US Northern Command (NORCOM), which has displaced NORAD as the effective centre for the defence of the continent. Canadian participation in the development of ballistic missile defence (BMD) is similarly important to the reconstruction of a trusting relationship. Such participation should serve Canada's own national interests to the extent possible since the bulk of the program planning has already been done by the US. Ensuring full interoperability with US standards for all new equipment procurement in the Canadian Forces would be another step in the process.

Canada earned the attention and respect of the United States when it sent the 1st Air Division to France in the early 1950s and more than tripled the defence budget in 1951-52, an investment that arguably has paid for Canada's seat in NORAD to this day. Reinvestment in the Canadian Forces on that scale is not realistic today, but a similar order of decision would have a similar order of impact on American policy-makers.

Issues of confidence emerged as never before after the tragedy of September 11, which traumatized the American psyche. They include an eclectic package involving border security, refugee and immigration processing, the war against terrorism, the fight against international crime and drug smuggling, among others. The high degree of co-operation at the working level between specialized agencies on both sides of the border allows the two countries to survive the periodic outbursts of over-heated political rhetoric on both sides. But the impression — or worse, the belief — in the United States is that Canada has failed to take this set of issues as seriously as it should or could, and an erosion of confidence is the result. The problem of trust, already described, compounds the situation.

Some may delude themselves into thinking otherwise, but in practice lower levels of confidence on issues of importance to the United States can have unexpected consequences for issues of comparable importance to Canada in other areas. This connection is almost impossible to quantify or chronicle, but it is understandable, well-known to cognoscenti, and consistent with human nature. The increasing evidence of linkages in Canada-US bilateral relations — linkages that, as we have indicated, are usually not

in the Canadian interest — is a phenomenon that should be closely studied, perhaps by the government in partnership with independent academic observers, if only because it has important implications for policy.

Canada can build confidence with the United States without jeopardizing its independence or sovereignty. Part of the current problem is rooted in nothing more than the tone and content of the political messages that have been sent south of the border. Canadian political leaders must take more care in deciding what to say and how to say it. This is more a matter of style than of substance. They could also improve the situation by explaining clearly to the Canadian people that co-operation in continental security and the “war on terrorism” in North America is in Canada’s direct national interest and does not necessarily mean a diminution of sovereignty.

In practical terms, Canada should take the initiative (as it has already done in some areas) in presenting concrete proposals for a more effective co-ordination of the security measures undertaken on both sides of the Canada-US border in such areas as standards and procedures governing immigration, identification of refugees, and customs inspection. History has shown that, in what amounts to a classic asymmetrical bilateral relationship, Canada has been most effective in protecting its interests when it has taken a firm lead in policy development or when it has been an active and willing partner. Examples include the development of continental defence arrangements leading to NORAD in 1957, the creation of NATO in 1949, the negotiation of the Canada-US Free Trade Agreement, the elaboration of the “Smart Border” program in 2001 to mitigate immediately the threatened impact of September 11 on border commerce, among others. This initiative would contribute to confidence-building across the bilateral relationship.

As noted in the introduction to this report, economic issues will not be elaborated here, except to note that with trade as massive as that between Canada and the US, irritants are bound to arise; in relation to the total trade, however, they are surprisingly few. They can endanger the politico-security relationship only if they become linked by either side against the long-term interests of both. On balance, the Canada-US Free Trade Agreement (FTA) and the North American Free Trade Agreement (NAFTA) have facilitated commercial success, and the dispute settlement mechanisms, especially in the FTA, have generally worked quite well in depoliticizing, as much as possible, disputed trade decisions. Canada’s prosperity requires continued attention both to the operation of these continental trade liberalization tools and to the health of multilateral trade policy institutions, such as the World Trade Organization. This is the mandate of the trade, investment, and financial policy arm of Canadian foreign policy.

This report leaves to others the important consideration of whether or not all Canada-US issues, such as trade, water, energy, etc., should be linked and solved in one massive cross-border enterprise such as a customs union. It is undeniable, however, that Canada and Canadian trade diplomats now face a new challenge: how to penetrate the overwhelming preoccupation in post-September 11 Washington with counter-terrorism and homeland security, to which all other issues for the foreseeable future will be subordinated. How can prosperity issues be kept on the bilateral agenda? To help manage this challenge, the Canadian government should work with diligence and at every available opportunity to reinsert the trade agenda into the bilateral relationship based on a Canadian plan and Canadian initiative. This is in Canada's direct interest, but it will not happen if we wait for the United States to act first.

RECOMMENDATION 12:

In the discussions over continental ballistic missile defence (BMD) which have now commenced, Canada should identify and negotiate an appropriate role for itself which will best serve its national interests.

RECOMMENDATION 13:

Canada should ensure that interoperability with US military systems is a prerequisite for procurement decisions in the Canadian Forces.

RECOMMENDATION 14:

Whenever possible, Canada should take the lead in presenting concrete proposals for a more effective co-ordination of security measures undertaken on both sides of the border in such areas as the standards and procedures governing immigration, the identification of refugees, and customs inspection.

THE OPTIONS

Canada has relations with close to two hundred countries and is a member of dozens of international organizations. Only a comprehensive examination of Canadian foreign policy could attempt to analyze, and recommend courses of action, regarding the great majority of these international relationships. This is not such a study. Nor is it especially necessary to identify Canada's ideal relationship with, for example, the European Union until the imperative Canadian relationship — with the United States — is much better defined than it is now. Nevertheless, there is one overriding concern that governs many of Canada's "other" international relations, and that is the decades-long campaign by Canadian governments to help build an international regime of law, civility, security, and peaceful relations between nations. One of the means by which Canada has attempted to achieve that aim is by fostering human security through international development.

1. INTERNATIONAL DEVELOPMENT AND HUMAN SECURITY

Canada's development assistance has declined substantially as a percentage of gross domestic product (GDP). There is a feeling in our political leadership that popular support for aid is broad but shallow. Where there is public hesitation, it seems to be based on a belief that the assistance does not reach those who need it. To a large extent this belief is almost certainly correct as billions of Canadian aid dollars have been poured like water into sand over the six decades since the end of the Second World War. Nonetheless, a nation as wealthy and privileged as Canada cannot shirk its responsibility — and its national interests — in sharing its largesse with the poorer and more undeveloped nations of the world. The question is how to do it effectively.

For many Canadians, there is a natural appeal in the concept of helping to achieve human security through international assistance, whether by providing financial aid, sharing Canadian talent and entrepreneurship, allotting services by the Canadian government (or by NGOs with the assis-

tance of the Canadian government), or by providing material goods. The idea that one needs to look beyond the security of states to the security of individuals is attractive on the surface. The problem is that there are so many challenges to human security around the world that it is difficult to decide on priorities. There is a limit, after all, to what one country can do, even with significantly increased aid and defence budgets. Nonetheless, should we not examine where Canadian interests lie?

It is becoming conventional wisdom that Canada's development assistance should be more focused — with fewer recipient countries and fewer program areas. It is very difficult, however, to decide which programs, in which countries, should be dropped. The “need” is enormous, and Canada wants to be a player everywhere — in the Commonwealth and la francophonie, in very poor countries (where the “need” is greatest), in countries near economic “take-off” (where the benefit might be greatest), in countries coming out of conflict. How can choices be made?

One approach is to develop more specific selection criteria and stick to them. The criteria should reflect Canadian interests, support (or at least not frustrate) Canadian values, and maximize cost-effectiveness. What might this mean?

Looking first at security, Canadian assistance programs in Russia and China make sense. Both countries are critical to the development of a more secure world because these two nuclear powers have relations with the US that could go bad at any time. Canada has an interest in helping both countries become more democratic and market oriented. From the point of view of enhancing Canada's prosperity, it makes sense to try to develop relations with China even further. There is no other developing country with which the intermediate and long-term trade potential is so great. Canadian aid to China, and to Russian for that matter, could be linked to Canadian trade, to our mutual economic benefit. The reality, however, is any Canadian impact could never be more than marginal when measured by global standards.

Russia and China are obviously not the two countries that would head the list of preferred recipients for most people working in the development assistance field. But it still makes sense for Canada to be active in both, as in fact it is. Other opportunities will emerge in which our security interests are engaged, for example Afghanistan; these, too, also should lead to development assistance programs.

Given their culture and their values, Canadians want to be present in humanitarian relief operations. Because these are by nature difficult to forecast, resources should be set aside for humanitarian purposes in a renewable

RECOMMENDATION 15:

Canada's international development assistance program should be more focused, and clear criteria should be identified for establishing country and program priorities.

RECOMMENDATION 16:

For reasons related to Canada's long-term security and economic interests, Russia and China should be prominent among the recipients of Canadian development assistance.

RECOMMENDATION 17:

Canada should always be prepared to respond to needs for short-term humanitarian relief, but, to protect its more development-oriented programming, a special fund, replenished on an annual basis, should be established for this purpose.

RECOMMENDATION 18:

In selecting other countries as recipients of development assistance, Canada's criteria should include indicators that measure the absence of corruption, the degree of democracy, transparency and accountability, and respect for human rights and the rule of law. Canada should develop a list of those countries which meet these criteria for aid and encourage other "have" nations to do the same. Where these criteria are absent, the aid focus should be on NGOs that support these objectives.

fund and administered in such a way as to mitigate on-going competition between the requirements of humanitarian relief on the one hand and true development programs on the other. The demand can be very high, and the question of how much is enough is inevitable.

The special cases of Russia, China, and humanitarian relief aside, countries should be eligible for Canadian assistance only if they score well on criteria that measure the degree of democracy and respect for human rights and law generally and the absence of corruption. These are consistent with Canadian values, which make them politically palatable. But, more importantly, they are also indicators of where development is possible. Nations which have historically respected the rule of law, exercised fiscal discipline, and encouraged market freedom are better candidates for success than those which do not. Using such measurements as a guide for decision-making, therefore, increases the likelihood of greater development impact. To act as an incentive to democratization, the fight against corruption, and more liberal market policies, Canada should develop a list of countries which meet Canadian criteria for aid and encourage other "have" nations to do the same.

This would lead to a much more selective approach to assistance for African, Asian, and Latin American countries. This Report does not set out which of those countries should be dropped from the list of recipients of Canadian aid — saying "no" is difficult — but the fact is that Canada will have an impact only if its aid policies are disciplined and focused.

In other countries, where the above conditions are not met, we can provide assistance directly to NGOs that are pressing their governments for democracy and human rights. We should not be assisting governments in those countries. We need to develop allocation criteria along these lines and then we need to adhere to them.

2. PEACE OPERATIONS

Canadians have embraced peacekeeping ever since Lester Pearson won the Nobel Peace Prize for his role in creating the United Nations Emergency Force, the UN's first large peacekeeping force, in 1956. Organized after the Suez Crisis, UNEF separated the invading armies of the British, French, and Israelis from the Egyptians and tried to impose a peace, of sorts, on a troubled region. Thereafter, Canadians decided that their soldiers were natural peacekeepers, well trained, well equipped, instinctively impartial, and fair. There was some truth in that description in the 1950s and 1960s, and Canadians went off to Lebanon, West New Guinea, Yemen, the Arab-Israeli borderlands, and Cyprus. They served well.

But Canadians never entirely understood what their peacekeepers were doing or why they were needed. They were not used because somehow Canadians are more genetically inclined to “peace” than they are to war. Instead, there were solid reasons: Canada was part of NATO, a charter member of the Western alliance. We had fought two world wars and a war in Korea, and our military had skills in the logistics and communications required for complex operations abroad. Few other remotely acceptable countries had those capabilities; moreover, Canadians could operate in French as well as English. That made our peacekeepers useful.

But other factors were involved. As a Western power, Canada had an interest in holding NATO together and containing the Soviet threat. In the Sinai/Suez crisis, Western unity was threatened because the US was strongly at odds with the British and the French. In the Congo, East and West were beginning to battle for a resource-rich area, and Canadian troops there were a visible and tangible sign of Western interests. In 1964, two NATO members, Greece and Turkey, were on the verge of war over Cyprus, an island they both claimed. Because a war would have been disastrous to NATO's southern flank, Canada created a UN force and sent troops at once to keep two allies apart, thus helping to save a critical part of the Western alliance.

Until the end of the cold war, peacekeeping usually brought public huzzahs for the Canadian Forces but few military benefits. It was, in fact, a distraction from the main NATO (and Canadian) task of preparing to defeat Soviet tank armies on the central German plain and defending North America from Russian bombers. It used up scarce resources, especially in bilingual signallers, it interfered with training for war, and it fostered what many generals saw as a defensive mentality in their soldiers.

Nonetheless, Canadian governments loved peacekeeping. Liberals and Progressive Conservatives volunteered for every peacekeeping operation

the UN mounted and others besides, such as the Multinational Force and Observers currently interposed between Israelis and Egyptians in the Sinai. Even the casualties on UN service, small but not insignificant (over 100 Canadians have died on such missions) did not put a damper on the idea.

What changed peacekeeping was the end of the cold war. When the Soviet Union collapsed, nationalism contained by the dead hand of Moscow in eastern Europe was unleashed. The African and Asian states that had been areas of contention between East and West now felt free to pursue their own agendas, and, instead of peace, a new world disorder erupted. Peacekeeping initially boomed as the UN dispatched tens of thousands of troops and a score of forces around the globe in the early 1990s. But, as ethnic groups sought to kill their ancient enemies, blue berets (and increasingly blue helmets) were no longer sufficient to maintain peace. Serbs, Croats, and Bosnian Muslims waged genocidal wars in Former Yugoslavia with UN soldiers caught in between. Canadians came under deliberate attack and even fought one large-scale battle. When the UN buckled under the strain, informal coalitions, or NATO itself, began to pick up the challenge. By the mid-1990s, peacekeeping had turned into a combination of peace enforcement and peacemaking and soon became a synonym for another kind of war.

By and large Canadians and their governments wanted to participate if lives could be saved by intervention. But the end of the cold war and the need to reduce government deficits hammered the Canadian Forces, and strength, budgets, and capabilities all collapsed. Governments still pledged troops — at the end of May 2003, for example, Prime Minister Chrétien offered troops for both the Democratic Republic of the Congo and the Middle East — without much regard for the ability of the forces to get its people there and to sustain them properly. For the first time, the opposition and the media began to question an unplanned, if not unthinking, response to the UN, and senior military officers began to say flatly that their soldiers lacked the resources to do the job. For a “can-do” military, proud of its history, this was striking.

The fact that in a unipolar world, particularly after the attacks of September 11, the United States was fighting terror wherever it could, forming coalitions of the willing for the job, further complicated matters. Was Canada prepared to participate in this type of peace operation? Sometimes it was, as when it sent troops to the war in Afghanistan (only to be obliged to bring them home after six months because of its inability to sustain the troop commitment). But in the Iraq War of 2003, the government, tying itself to a UN Security Council decision that never emerged from a paralyzed body, stayed out. Public opinion on this decision varied by region and by date but did not seriously challenge the decision.

Canadians by and large still venerate the United Nations; the preferred option for most Canadians is to send their troops on “peace” operations with the UN, not on “war” missions with US-led “coalitions of the willing.” That view simply does not accord with the realities of the post-cold war world or with Canada’s national interests. The UN is no perfect agency. The Security Council is a cumbersome political body, easily paralyzed. The UN’s grotesque bureaucracy, not least its peacekeeping command structure, is riddled with factionalism and incompetence. Canadian commanders on UN operations learned that if they wanted to accomplish their missions they would have to circumnavigate UN headquarters in New York. Some succeeded; some, like General Roméo Dallaire in Rwanda, could not.

Canada can no longer accept the UN’s current security apparatus. Canadians should participate in UN military operations only when the missions have a clearly defined object and time limit, are politically as well as militarily achievable, and when the rules of engagement are realistic and afford Canadian soldiers reasonable protection. One way of ensuring that these considerations are uppermost when the government volunteers Canadian troops for UN missions is mandatory approval in advance from the Standing Committee on National Defence and Veterans Affairs and from parliament.

RECOMMENDATION 19:

Canada should not undertake military operations under UN mandate without the approval of the Standing Committee on National Defence and Veterans Affairs and parliament.

3. INTERNATIONAL SECURITY ORGANIZATIONS

Canada has long recognized the importance of international alliances in times of peace to deter war. Canada's sole formal defence alliance is NATO. Canada is a member of the UN, which is not a formal alliance, although Canadian governments have treated it almost as such as far back as 1956. Both NATO and the UN are in need of serious introspection, if not reform. NATO is increasingly split by dissension over its post-cold war role, expansion into central and eastern Europe, and the wisdom of assuming such far flung missions as the International Stabilization and Assistance Force (ISAF) for Afghanistan. The UN General Assembly is little more than theatre and has served mainly as a propaganda forum since the early 1970s; the Security Council represents the world of 1945 and a balance of power that no longer exists. It is a forum for airing international rivalries, with little capacity to act in a concerted way. The history of international affairs since the end of the cold war is strewn with the carcasses of failed Security Council endeavours, from Yugoslavia to Rwanda to Iraq. Yet the structure of the Security Council remains cast in stone as long as the veto-wielding countries make no effort at reform. Though such reform will prove very difficult, it could come about through pressure exercised by a coalition of countries such as Canada, Australia, Italy which are not veto holders, but which could aspire to significant regional power. Canada ought to assume leadership of such an endeavour. Canadian foreign policy cannot continue to be based on unreformed multilateral institutions that are thought of as "good things" in themselves, and which are accorded authority they do not deserve and cannot properly execute. Canada's national interests lie where they lie, sometimes by acting in concert with other nations under the umbrella of NATO, or even the UN, sometimes in ad hoc coalitions, sometimes alone, or with one or two major partners.

RECOMMENDATION 20:

Canada should lead a new bloc of democratic, non-veto, UN members determined to force both the United Nations General Assembly and the Security Council into adopting reforms that accord with today's global realities.

THE INSTRUMENTS OF CANADIAN FOREIGN POLICY

To do foreign policy well requires appropriate tools. Some of these relate to the decision-making process and the machinery of government. Others — the armed forces, the foreign service, the development assistance establishment — are more obviously instrumental.

1. THE MACHINERY OF GOVERNMENT

The “machinery of government” that a prime minister puts in place is always an important instrument of public policy and especially in foreign policy. Here, as elsewhere, means need to be associated with ends.

“Machinery” includes assigning responsibilities to ministers, the structure and composition of Cabinet committees, and supporting interdepartmental and co-ordinating structures.

A new prime minister has maximum discretion immediately before speaking with chosen colleagues about their portfolios. The attractiveness of becoming a minister induces a certain flexibility in the attitudes and behaviour of the prime minister’s potential colleagues — a flexibility, however, that has a very short shelf-life. Once ministers assume their portfolios, they tend to become captured by their jurisdictions, interested in protecting them and, where possible, enlarging them.

The challenge of establishing the most effective system and process for managing Canada’s foreign affairs is becoming more complicated for three reasons. The first is that the separation between foreign and domestic policy continues to blur. The second, and compounding the first, is a consequence of the very high and still-growing degree of integration with the United States. The third, after September 11, is that the United States now has one preoccupation that trumps all others — its national security.

The current reality, towards the end of Chrétien’s government, is that the prime minister has become the sole decision-maker on the high profile

issues of the day. On particular files, he may or may not be influenced by the small coterie of advisers in the Prime Minister's Office and the Privy Council Office, as well as by a few of his ministers. Chrétien has an instinctive feel for what he thinks the Canadian public will accept, and, with few exceptions, he has not been prepared to move beyond that point.

The full Canadian Cabinet in 2003 meets about two hours a week — or less. This does not provide much time to discuss the major issues of the day. There is no longer a Priorities and Planning Committee, nor a dedicated Foreign and Defence Committee. The first, initiated about thirty-five years ago, was generally an effective body for considering major issues, including those of foreign policy, without the pressure of transacting the large number of lesser items that inevitably clog Cabinet agendas. There is a

tendency for the urgent to crowd out the important — that is, the longer range, direction-setting discussions and decisions. The second committee was less strategic and more transactional, but it provided a high level instrument of co-ordination. The consequence of the current situation, by contrast, is that there is little time for the Cabinet to work its way collectively through decisions on complex foreign policy issues or to co-ordinate, much less integrate, the policies of the government overall.

The Department of Foreign Affairs and International Trade is no longer the leader across the government in foreign policy. In part because of its system of rotating personnel, it lacks the knowledge and domestic network to provide leadership of this kind and is constantly battling for funds to avoid the closure of missions abroad.

In these circumstances, there has been some discussion of the desirability of stronger machinery at the centre, possibly modelled on the US National Security Council (NSC). Examining this seriously would make sense only if Canada were to devote significantly more resources to the instruments of foreign policy, and in particular the military, and if its government wanted to conduct a much more active foreign policy than in the recent past. There is no evidence that this is about to happen. In any case, it would create problems. The US NSC structure works because of the power and stature of the national security adviser (NSA). The current NSA, Dr. Condoleezza Rice, does not have the budget or the staff

of the secretary of state and the secretary of defense, but she has impressive power and influence and a visible role that in Canada would be unacceptable in a public servant. The doctrine of ministerial responsibility is too deeply embedded in the Canadian parliamentary system for such a radical departure to work.

A National Security Council in Ottawa that reported to a Cabinet minister would create other problems, some of them at the ministerial level. The

RECOMMENDATION 21:

The government should re-establish both the Cabinet Committee on Priorities and Planning, and the Cabinet Committee on Foreign and Defence Policy. It should also institute a Cabinet Committee on Canada-United States Affairs.

RECOMMENDATION 22:

The government should create an international policy council composed of experienced people from outside government to advise the prime minister on foreign and security policy issues.

RECOMMENDATION 23:

The responsibility for the Canadian International Development Agency should be re-assigned to the minister of foreign affairs, and the minister should be assigned a junior minister (or ministers) to assist with tasks of representation as distinct from policy-making.

recommendations that follow, therefore, are more modest and in line with Canadian traditions.

To afford the best possible political advice to the new prime minister, and to ensure that all cabinet ministers have an opportunity to keep current with, or to participate in, the foreign policy decision making process, the now defunct cabinet committees on Priorities and Planning and Foreign and Defence Policy should be re-established, the latter chaired by the minister of foreign affairs. The suggestion advanced by Paul Martin for a Canada-United States Committee would help the many ministers who must deal in one way or another with the US to co-ordinate their approaches. The prime minister should chair that committee. Instead of a Canadian version of the US National Security Council, a new international policy council consisting of experienced people from outside government could be created to give foreign policy advice directly to the prime minister.

The minister of foreign affairs should be the minister responsible for the Canadian International Development Agency (CIDA), the arm of government that organizes, manages, and maintains Canada's international aid program. He or she should also be assigned a junior minister (or ministers) to assist in the duties of representing Canada at conferences or meetings at home and abroad, as distinct from making policy. The senior official in the Privy Council Office responsible for foreign and defence policy should be a deputy secretary. This would allow him or her to provide leadership across departments at the deputy minister level for the integration of the main elements of international policy as well as for crisis management. In addition, that individual should be the prime minister's personal representative for G-8 summits.

The deputy minister of foreign affairs should be on the Coordinating Committee of Deputy Ministers (CCDM), and the CCDM should have as one of its responsibilities the more effective management of the interface of international and domestic policy. The Canadian ambassador to the US should be an official at the level of deputy minister, but with access on a regular basis to ministers, including the prime minister.

RECOMMENDATION 24:

The senior official in the Privy Council Office with responsibility for foreign and defence policy should be a deputy secretary and provide leadership throughout the system at the deputy minister level for the integration of the main elements of international policy as well as for crisis management. He or she should also act as the prime minister's personal representative for G-8 summits.

RECOMMENDATION 25:

The deputy minister of foreign affairs should be on the Coordinating Committee of Deputy Ministers, which should have as one of its responsibilities the more effective management of the meshing of the international and domestic ingredients of public policy.

RECOMMENDATION 26:

The Canadian ambassador to the United States should be an official at the deputy minister level, with regular access to ministers, including the prime minister.

2. THE CANADIAN FORCES

A fully sovereign nation must have a military to protect its territory, resources, and people. Military power is also an essential tool of a nation's diplomatic interests. The last occasion in which military force was required to defend Canada against a foreign invader — the War of 1812-14 — Canada was not yet Canada but a collection of British colonies. The deployment of millions of Canadian troops abroad — and the deaths of more than 100,000 of them since the outbreak of the Boer War in 1899 — brought Canada its constitutional independence and a say in how the world would be ordered. The erosion of the Canadian military in the last few decades has dealt a heavy blow to Canadian diplomacy. Thus, the revitalization of the Canadian Forces as an instrument of Canadian foreign policy must be a primary aim of a re-invigorated Canadian diplomacy.

The revitalization of the Canadian Forces must achieve two primary goals: (1) the defence of the nation, with as large a role as is appropriate for a nation of Canada's wealth and resources in the defence of the continent — national and continental defence missions; and (2) serving Canadian diplomatic aims — operations in support of Canadian foreign policy. The achievement of these goals requires a military that is both combat capable and deployable. It must be able to fight and it must be able to get to the fight and return. The guiding principles must be interoperability with United States forces, and the maximum possible jointness among Canadian forces.

To achieve these goals the Canadian Forces must expand to at least 80,000 regular force personnel and 40,000 reservists. Most of the expansion should be in the Land Force Command (the army), which has been far overstretched since the early 1990s in even the limited number of substantive deployments assigned to it by the government. But a one-time expansion will not be enough to maintain combat capability and deployability. To ensure against future erosion of the Canadian Forces the government must commit itself to regular defence reviews tied to the national defence budget and to an undertaking not to dip into Department of National Defence (DND) base funding to support contingency operations.

For its national and continental defence tasks, the air force should take the lead in Canadian participation in missile defence and continue to maintain fighter aircraft for national and continental air defence. It should modernize its reconnaissance capabilities via unmanned aerial vehicles and updated long-range patrol aircraft. For operations in support of Canadian foreign policy, the air force should maintain an expeditionary fighter capability with tanker aircraft as appropriate, enhance its ability to deploy aircraft

support units (maintenance, supply, communications, air control, etc.) rapidly, and acquire long-range strategic airlift capability so as to give the army a real capability to fly at least one ready “battle group” (enhanced battalion-size formation) anywhere within 72 hours. That army would constitute the “Vanguard Element”.

For national and continental defence missions the government should explore the possibility of consolidating all federal government sea-going enforcement capabilities under the navy. The navy should examine fast missile boat capability as a third “tier” complementing the blue water fleet and the Maritime Coastal Defence Vessels (MCDVs). The new maritime (ship board) helicopters planned since the mid-1980s must be acquired without further delay, and the minesweeping capability of the Maritime Coastal Defence Vessels (MCDVs) must be upgraded. Canada’s newly acquired submarines will be able to play an even more important role in coastal and Arctic surveillance if they are equipped with Air Independent Propulsion systems to enable them to travel under water for much greater periods than is now the case.

For operations in support of Canadian foreign policy, the navy should replace the current Auxiliary Oil and Replenishment (AOR) vessel fleet with new, dedicated, AOR-type vessels, add Afloat Logistics Sea-lift Capability (ALSC) vessels sufficient for the army’s Main Contingency Force (MCF). The MCF would consist of a sea-transportable mechanized brigade group tasked to follow the Vanguard Element to world trouble spots. In addition, planning should begin without delay for eventual replacement of the current blue water fleet with next-generation stealth-type vessels.

For national and continental defence missions the army should expand Joint Task Force (JTF) II into a battalion-sized force and enhance training opportunities and provide first line equipment to the reserves. The government must update the political means by which the army reserves can be deployed for national emergencies and provide for employer compensation or other incentives to encourage reserve recruitment and retention.

For operations in support of Canadian foreign policy the army should re-define the roles of the regular force and the reservists so that regular force formations form the future “Vanguard Element” with the reserve forces, much better trained and equipped than at present, providing the MCF. In modernizing and expanding the army the government should focus on medium weight forces such as those being developed by the US army (the “Stryker” fleet of combat vehicles based on the Canadian manufactured Light Armoured Vehicle [LAV] chassis).

RECOMMENDATION 27:

The government should expand the Canadian Forces to 80,000 regular force personnel and 40,000 reservists with the bulk of the expansion in the Land Force (army).

RECOMMENDATION 28:

The government should conduct mandated quadrennial defence policy reviews tied to the process of budgeting for the Department of National Defence.

RECOMMENDATION 29:

There should be a mandated requirement to return to parliament for funding to support unexpected and unplanned DND operations.

RECOMMENDATION 30:

Canadian Forces doctrine, force structures, equipment, and the like should be re-oriented to serve the requirements of national and continental defence and operations in support of Canadian foreign policy, stressing (1) combat capability, (2) deployability, (3) inter-operability with US forces, (4) jointness among the different commands of the Canadian Forces.

RECOMMENDATION 31:

The government should establish a Canadian foreign intelligence service.

In foreign policy and military affairs, intelligence is a prerequisite to action. Raw intelligence consists of information gathered both from open sources and secret ones; useable intelligence — intelligence that is derived from analyzing human intelligence, signals intelligence, space-gathered intelligence, etc. — is culled from raw intelligence. Canada is currently heavily dependent on its allies, particularly the United States, for virtually all of the overseas intelligence, raw and analyzed, that is used in the decision making process. The result, in many situations, is that the Canadian government is forced to rely on intelligence interpretations and assessments that are guided by the interests and preoccupations of other powers. To alleviate this problem, Canada needs a Canadian foreign intelligence service to gather and assess foreign intelligence that will serve specific Canadian interests while simultaneously creating intelligence assets to share with our allies.

3. INTERNATIONAL DEVELOPMENT ASSISTANCE

Canada's international aid programs will have little impact if they continue to be inadequately supported. The demands on the public purse are prone to expanding without limit, but in development assistance, as in other fields, public preferences can be moved by persuasive leadership, particularly when appeals resonate both with Canadian national pride and the desire to alleviate suffering wherever it occurs.

That being so, the government should take the lead in establishing a clear target for Canadian development assistance allocations — a target sufficiently realistic to allow for steady and visible progress towards its achievement.

For more than 40 years, the officially approved funding target has been 0.7% of GDP. Experience has shown that this is unrealistic, and the result has been completely predictable. No one thinks it means anything, as indeed it does not.

A more modest but sustainable target, to be achieved over five years, of 0.4% of GDP should be established and, once met, sustained. Those Canadians who believe that even this goal is too high ought not to claim advocacy of a foreign policy based on Canadian values.

RECOMMENDATION 32:

Canada should commit itself to increasing the Canadian international development assistance budget to 0.4% of GDP by 1 April 2009, and fulfil that commitment.

4. THE FOREIGN SERVICE

The least obvious of the required instruments of an effective foreign policy are our diplomatic resources. They are the hardest to sell politically, but are equal in importance to the military and development assistance assets described above. Canada's professional foreign service has been stripped to the bone through years of relentless budget cutting. An invaluable asset, it should be the delivery agent of strategic and thoughtful foreign policy. Much of its traditional strength has been squandered, however, and it will now take years to rebuild.

There is no need to repeat the fine work of Andrew Cohen in his recent book, *While Canada Slept: How We Lost Our Place in the World*, on the specific issues that must be addressed to restore the diplomatic asset. In summary, the problems include: grossly inadequate pay (Canada's diplomats are the poorest paid among those of over a dozen similar countries, and their remuneration is half what their counterparts receive in the United States); a Byzantine and glacial promotion regime that demoralizes the entire corps; a problem of retention, reflecting the fact that the service is hemorrhaging its talent, especially among younger officers and those of middle age; a related problem in recruiting qualified people who will stay in the job; difficulties in securing employment for spouses overseas; and an over-arching problem of financial constraint derived from the fact that in recent years the Department of Foreign Affairs and International Trade has lost 25% of its budget.

The depletion of our diplomatic instrument is most vividly demonstrated by the Canadian presence in the United States, "the imperative" in Canadian foreign policy. Canada maintains an embassy in Washington and ten consulates in US cities. By comparison, our poorer NAFTA partner, Mexico, operates a larger embassy, headed by a senior figure of virtual Cabinet rank, along with forty consulates across the United States. This is four times the coverage and penetration maintained by Canada. Hard work alone cannot compensate for such disparities in resource allocation.

RECOMMENDATION 33:

The government should immediately remedy the conditions in the foreign service, with a view to revitalizing Canada's diplomatic assets.

VII

CONCLUSION

Canada is in dire need of a full review of its foreign affairs and related policies such as defence. While Canada's chief international partners and allies have gone through several reviews in the past decade to keep current with the rapidly evolving international scene, Canada has had none of any real substance. That is simply unacceptable to a nation which relies fundamentally on its ability to carry on international trade and which benefits so obviously from the free international flow of people and ideas. The government has badly let Canadians down in allowing a full decade to pass since the last round of reviews and has shirked its responsibility to Canadians to maintain Canada's place.

A new government is coming to power and will be in place by early 2004. The new prime minister faces a choice: to use the "bounce" from a leadership campaign to rush the nation into an election it does not need and which would, by the delay of key policy decisions, do Canadians incalculable harm, or to wait until he can present viable choices to the people of Canada as to where their future lies in global affairs. This report makes the obvious case that decisions regarding Canada's future diplomacy can wait no longer.

As a community of responsible citizens, Canadians must face up to their needs and obligations in relation to the world outside their borders and accept the palpable fact that the nation has become collectively diminished during the most prosperous era in its history. This is not a time for the same old politics; it is a time to act.

RECOMMENDATIONS

➤ **RECOMMENDATION 1**

Immediately upon accession to office, Canada's new prime minister should launch a full public review of Canadian foreign policy, linked to a similar review of Canadian defence policy. At a minimum, the review should identify those Canadian foreign policies which have failed (and which ought to be abandoned), those which have succeeded (and which should be continued), and new directions warranted by the realities of the post Cold War and post 9/11 world.

➤ **RECOMMENDATION 2**

Canada should concentrate its foreign policy resources on areas and issues where it can expect to have significant impact in serving its own national interests.

➤ **RECOMMENDATION 3**

Canada should restore its lost capabilities in world affairs by substantially increasing its now-gravely-eroded investment in all its foreign policy assets, including the Canadian Forces, the Foreign Service, and the development assistance establishment.

➤ **RECOMMENDATION 4**

Canada should put more emphasis in its foreign policy on the protection and maintenance of Canadian interests than on the projection abroad of Canadian values.

➤ **RECOMMENDATION 5**

Where our interests reflect our political values — the protection of human rights or the alleviation of poverty, for example — criteria for policy development should focus on the likely effectiveness of the initiative and the resources it will require; successful policies must be reinforced, failing ones must be terminated.

➤ **RECOMMENDATION 6**

Canada should be more strategic and selective in openly expressing differences of opinion with the United States than in the recent past; and it should restrict those differences to issues that directly threaten Canadian interests.

➤ **RECOMMENDATION 7**

When Canada and the US disagree on global issues, Canadian representations in Washington should handle those disagreements with great care, bearing in mind that the general principles of “quiet diplomacy” are as relevant today as they were during the cold war.

➤ **RECOMMENDATION 8**

On North American questions, Canada should pursue an approach that has served Canadians (and Americans) well for decades: matters should be dealt with on an issue-by-issue basis and should not be linked to one another.

➤ **RECOMMENDATION 9**

Canadians should recognize that multilateralism is an instrument, not an end in itself.

➤ **RECOMMENDATION 10**

Canadians should also recognize that promoting multilateralism is usually, although not always, in Canada’s strategic interest, and that it now requires close collaboration, not only with other governments, but also increasingly with the private sector and NGOs.

➤ **RECOMMENDATION 11**

Canadians should recognize that Americans are often suspicious of the multilateralist argument because multilateralism does not always serve American interests. Therefore, in promoting multilateral initiatives and institutions, Ottawa must be careful to demonstrate the relevance of multilateral solutions to American interests.

➤ **RECOMMENDATION 12**

In the discussions over continental ballistic missile defence (BMD) which have now commenced, Canada should identify and negotiate an appropriate role for itself which will best serve its national interests.

➤ **RECOMMENDATION 13**

Canada should ensure that interoperability with US military systems is a prerequisite for procurement decisions in the Canadian Forces.

➤ **RECOMMENDATION 14**

Whenever possible, Canada should take the lead in presenting concrete proposals for a more effective co-ordination of security measures undertaken on both sides of the border in such areas as the standards and procedures governing immigration, the identification of refugees, and customs inspection.

➤ **RECOMMENDATION 15**

Canada's international development assistance program should be more focused, and clear criteria should be identified for establishing country and program priorities.

➤ **RECOMMENDATION 16**

For reasons related to Canada's long-term security and economic interests, Russia and China should be prominent among the recipients of Canadian development assistance.

➤ **RECOMMENDATION 17**

Canada should always be prepared to respond to needs for short-term humanitarian relief, but, to protect its more development-oriented programming, a special fund, replenished on an annual basis, should be established for this purpose.

➤ **RECOMMENDATION 18**

In selecting other countries as recipients of development assistance, Canada's criteria should include indicators that measure the absence of corruption, the degree of democracy, transparency and accountability, and respect for human rights and the rule of law. Canada should develop a list of those countries which meet these criteria for aid and encourage other "have" nations to do the same. Where these criteria are absent, the aid focus should be on NGOs that support these objectives.

➤ **RECOMMENDATION 19**

Canada should not undertake military operations under UN mandate without the approval of the Standing Committee on National Defence and Veterans Affairs and parliament.

➤ **RECOMMENDATION 20**

Canada should lead a new bloc of democratic, non-veto, UN members determined to force both the United Nations General Assembly and the Security Council into adopting reforms that accord with today's global realities.

➤ **RECOMMENDATION 21**

The government should re-establish both the Cabinet Committee on Priorities and Planning, and the Cabinet Committee on Foreign and Defence Policy. It should also institute a Cabinet Committee on Canada-United States Affairs.

➤ **RECOMMENDATION 22**

The government should create an international policy council composed of experienced people from outside government to advise the prime minister on foreign and security policy issues.

➤ **RECOMMENDATION 23**

The responsibility for the Canadian International Development Agency should be re-assigned to the minister of foreign affairs, and the minister should be assigned a junior minister (or ministers) to assist with tasks of representation as distinct from policy-making.

➤ **RECOMMENDATION 24**

The senior official in the Privy Council Office with responsibility for foreign and defence policy should be a deputy secretary and provide leadership throughout the system at the deputy minister level for the integration of the main elements of international policy as well as for crisis management. He or she should also act as the prime minister's personal representative for G-8 summits.

➤ **RECOMMENDATION 25**

The deputy minister of foreign affairs should be on the Coordinating Committee of Deputy Ministers, which should have as one of its responsibilities the more effective management of the meshing of the international and domestic ingredients of public policy.

➤ **RECOMMENDATION 26**

The Canadian ambassador to the United States should be an official at the deputy minister level, with regular access to ministers, including the prime minister.

➤ **RECOMMENDATION 27**

The government should expand the Canadian Forces to 80,000 regular force personnel and 40,000 reservists with the bulk of the expansion in the Land Force (army).

➤ **RECOMMENDATION 28**

The government should conduct mandated quadrennial defence policy reviews tied to the process of budgeting for the Department of National Defence.

➤ **RECOMMENDATION 29**

There should be a mandated requirement to return to parliament for funding to support unexpected and unplanned DND operations.

➤ **RECOMMENDATION 30**

Canadian Forces doctrine, force structures, equipment, and the like should be re-oriented to serve the requirements of national and continental defence and operations in support of Canadian foreign policy, stressing (1) combat capability, (2) deployability, (3) inter-operability with US forces, (4) jointness among the different commands of the Canadian Forces.

➤ **RECOMMENDATION 31**

The government should establish a Canadian foreign intelligence service.

➤ **RECOMMENDATION 32**

Canada should commit itself to increasing the Canadian international development assistance budget to 0.4% of GDP by 1 April 2009, and fulfil that commitment.

➤ **RECOMMENDATION 33**

The government should immediately remedy the conditions in the foreign service, with a view to revitalizing Canada's diplomatic assets.