

MESSAGE FROM THE CHAIRMAN

If ever there was a need in Canada for an Institute such as this, the past year has been that time. As we foresaw in last year's Annual Report, the end of the Cold War led to no diminishment of international tensions, it only changed their focus from bipolar to multipolar. International peace and security appeared to be as fragile as at any time during the postwar years.

The Gulf crisis, instability in Eastern Europe, and chaos in Ethiopia and in many other parts of the world, took over the headlines.

This period of dramatic global change found Canada searching for a clearly defined and articulated security and defence policy for its role in the new international environment. The obvious need for foreign policy discussion and development comes at a time of public and government preoccupation with pressing domestic matters. The national debate we should be holding on vital and dramatic international issues is too often crowded out by these perceived priorities at home, and the vital connections between a changing world and a changing Canada are too often overlooked.

Under these troubling conditions, a Canadian Institute for International Peace and Security obviously has a role to play, if only to help provide balance in the nation's perception of what is important. When all the federal political parties approved the creation of the Institute in the early 1980s, they charged it with the task of illuminating, and encouraging discussion on, Canada's far-reaching international policy concerns. This mission has a special importance when such issues tend to be pushed off the front pages by domestic concerns.

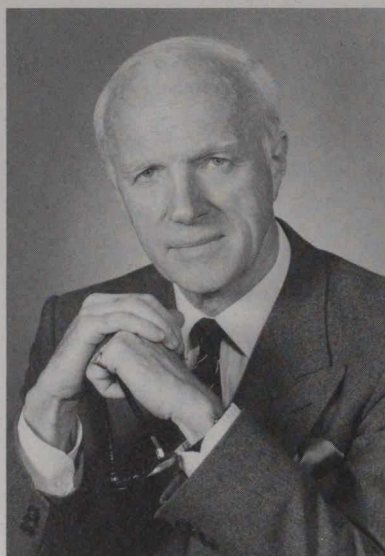
Against this background, *relevance* and *impact* have increasingly become the watchwords guiding the Institute's activities. On both counts significant progress was made during the past year, as the contents of this report will demonstrate. In particular the external focus and public profile of the Institute have

been raised, exemplified by the extensive information and analysis role it played during the prolonged Gulf Crisis, and by more than 300 media and public speaking engagements undertaken by the Chief Executive Officer and other senior staff.

By any measure the Institute had a most successful year. Its staff brought energy, enthusiasm and intelligence to their work. Productivity rose, with gains in output while costs in real terms dropped. Innovation flourished. Activity was increasingly guided by priorities defined in the Institute's strategic plan, and refined by implementation of the results of an outside management study conducted in close collaboration with the entire Board and staff. The Board of Directors played a thoughtful and attentive role. At a time when the need for every item of government expenditure is under scrutiny, and when the Institute has accomplished more with less for the fourth consecutive year, it is gratifying to be involved with a publicly financed organization discharging an important remit in such an effective way.

DAVID BRAIDE

Chairman of the Board of Directors



Kelley and Crippen