

the advantage of "cash out" (see Annex A). It is hoped that this and other measures will ease future demands for further reductions.

### **Financial**

We were faced with a number of requirements for savings led by the ERC cut of \$10 million. A further \$16 million was necessary to finance expansion into Eastern Europe and some unforeseen in-year financing requirements (eg. environment, VIP visits etc.) and to fund other initiatives such as a strategic investment in training, funding of work force adjustment measures and daycare centre (see Annex F).

The Corporate Review has produced approximately \$9 million in operational savings (e.g. reductions in international travel, savings in support costs for positions cut abroad, etc.). Another \$5 million in savings result from greater prioritization in the cultural and communications programs and new cost recovery initiatives in trade and immigration programs. Cuts of \$6 million in operating money, another \$4 million from the Long Range Capital Program and \$2 million from our current reserve.

It has been a demanding and difficult six months. With the help and participation of staff we have determined the changes which are necessary to allow the Department to continue to operate effectively while faced with these constraints and to improve our strategic response to future priorities.

### **IMPLEMENTATION**

We now enter the implementation phase (see Annex E). Some of the results of the Corporate Review, particularly the immediate resource-related decisions, will be implemented this summer. Most of the results can be implemented by mid-1991. The longer term strategic changes (particularly in the Personnel area and in administrative reform and delegation of authority) will take longest to implement. Our goals will need to be pursued on an ongoing basis.

During the first year, a special team reporting to the Undersecretarial Group will be formed to manage and co-ordinate implementation. In co-operation with the managers affected, the team will prepare the necessary implementation plan, with deadlines for action. From mid-1991 on, the normal Departmental mechanisms and processes will be used, with Management Committee responsible for ongoing implementation.