

government agencies and departments increased, External Affairs continued to play a strong role in the international economic field. Nevertheless maintenance of this role became increasingly difficult in recent years. The growth of CIDA, the expansion of international financial institutions, the energy crisis, growing economic interdependence, the North-South dialogue – these are but a few developments that made the Department's co-ordinating role more and more difficult, often challenged, and increasingly put in doubt.

Moreover, some new and critical international issues were approached cautiously and there was a hesitancy about taking new initiatives in some areas. There was too much reliance on describing events and not enough emphasis on analyzing them, particularly with a view to providing the Government with timely policy guidance. But the Department also seemed to lack a clear and distinct idea of its role within the burgeoning international affairs community in Ottawa and elsewhere in the country. Equally, that community was uncertain in its perception of the Department. There was a feeling – general and diffuse to be sure – within and outside the Department that External Affairs had not yet decided on its role in the wake of substantial changes in the international and domestic environments which had occurred in the 1970s.

A "taking stock" of these changes and the determination of the appropriate departmental response, both in organizational and substantive terms, was my highest priority on my return to External Affairs.

The Government, both at the political level and in the Privy Council Office, wanted this stock-taking and supported it. There was a growing realization in government that a strong foreign affairs role was needed and was an essential element in the process of handling and resolving many of the country's most pressing challenges. A sharp focal point was missing for the resolution of competing policies relating to international issues.

With the strong support and endorsement of the Secretary of State for External Affairs, we approached this challenge by asking ourselves the following questions:

- 1) What does the Government expect of the Department?
- 2) What authority does the Department have and need to meet its responsibilities?
- 3) What changes, including structural changes, must be made at headquarters and our posts if the Department is to achieve the Government's objectives?
- 4) What personnel policies are required if the foreign service is to meet contemporary challenges?

In addressing these questions, I was convinced that the Department, if it were to meet its responsibilities for the management of Canada's international relations, must become a modern central policy agency.

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