

The new Department of External Affairs

*Foreign policy — a delicate balance of formulation,
management and trade*

by Arnold Smith

A distinguished retired Canadian diplomat tells the Editor what he thinks of the restructuring of the Canadian Department of External Affairs to accommodate trade promotion.

The main point to note in this, as in so many changes over the past several years, is the philosophic thing — the emphasis on interchangeability of managers and on management as the key art, rather than on where you want to go. That's navigation, and it's terribly important. But your objectives, your goals, your judgment, as to your policy objectives should be the key thing. Policy is the end, and management is one of the means to the end. It's an essential means, but it's secondary. The danger of getting your priorities upside down by putting administration, not as the essential servicing of policy formulation, but as the controller, is a sort of perversion. Of course, they say, "Policy is a matter for Ministers." This is not necessarily so. Ministers have to be responsible for saying "Yes" and "No," because they are answerable. But policy ideas often bubble up from below, rather than being handed down from above.

This interchangeability of "managers" can weaken the sense of solidarity and loyalty of the leader of a service to his people and to the function. In that situation it is only natural for managers to be concerned about which Department they are likely to be shifted to next. I don't think the reason for the merger is exclusively on the trade side. It's a move to integrate, because there has been a tendency to feel that integration is desirable in government in general.

The success of the organization will depend on the personalities and the way things are played. I hope it will mean additional strength. I don't see anything inherently bad in it and it can prove to be good. I myself suggested merging the Foreign Trade Service with the Diplomatic Service in the early 1950s. Canada needs to do so much more to develop export markets.

The economic side of foreign policy is recognized as part and parcel of foreign policy. That is all to the good. I remember years ago in the mid-Fifties, when I was Cana-

dian Minister in London, and the Europeans were trying to negotiate an economic community. I was urging the British to join in. They were saying "No, no, no. We can't because of the Commonwealth." I said, "Well, I think you should go in. And if you don't go in, don't blame it on the Commonwealth." And they said, "Our real reasons aren't the Commonwealth, we'll admit. But a united Western Europe has never been a British interest." They were going on an old folk memory. I urged: "What you say may have been true in Napoleon's day, but, by God, it's not true in Stalin's day!" My basic motive was that I didn't like de Gaulle's "Third Force" idea. I'm a great believer in the importance of the North Atlantic community, and of cooperation among western democracies. I thought that a European community with Britain in would be much more cooperative with North America than one without Britain. So I wanted Britain in. Now, that was a *foreign policy* view — a world politics view. But the Department of Trade and Commerce in Ottawa didn't want Britain in. They were very much against it because they thought we would lose some advantage in the British market, and lose some preferences. There wasn't ever a Cabinet decision on what Canadian policy should be, and I was just using such influence as I had to press for what I perceived as our national interest. The fact that there now is a united Department in Ottawa should make that kind of departmental split less likely. It should be easier to have a clear Canadian line when that kind of issue comes up.

One important area which was not included in this reorganization is foreign financial policy — the International Monetary Fund and the World Bank. They have tended to be under the Finance Department. I think foreign financial policy is something that is very relevant to the kind of world we want to build, and therefore an integral part of foreign policy.

Integration can do a certain amount to correct overspecialization in diplomacy. But as against that it has done a great deal to weaken bonds and to jeopardize morale in quite a lot of Departments. It is important that overspecialization be corrected, but the fundamental philosophical error is more serious than that. The key question remains, "What kind of world do we want?" It would be a great tragedy if now, when the challenges and the opportunities are greater than ever, our vision dims and our horizons narrow, so that we really just think that what we are trying to do is to manage reflections of domestic interests. Indeed,

*Arnold Smith became the first Secretary General of the Commonwealth in 1965. Following his retirement he became Lester Pearson Professor of International Relations at Carleton University in Ottawa in 1976. His recent book on his Commonwealth experiences is entitled *Stitches in Time — the Commonwealth in World Politics*.*