

Mr. Chairman:

I am delighted to be here with you today, and to have the opportunity for the second time since the beginning of the year to meet with you as a group and answer your questions.

I know that you have met with the Deputy Minister of Foreign Affairs and the Associate Deputy Minister of Foreign Affairs, the Assistant Deputy Minister of the Corporate Services Branch, and the President of the Canadian International Development Agency [CIDA] and her Vice-President of Corporate Affairs. I attach a good deal of importance to the role played by the Committee and its members, and am pleased with the degree of co-operation that exists between my department and you.

This year, the Department of Foreign Affairs and International Trade has undergone the most extensive review of its mandate, structure and operations in over 10 years.

You were a part of this, since the new Foreign Policy Statement, *Canada in the World*, would not have been possible without the excellent report of the Special Joint Committee Reviewing Canadian Foreign Policy.

The Department has also contributed fully to the program review. Of course, this review imposes certain reductions on us. However, I can assure you that these reductions will not keep us from following through with our new foreign policy.

As you know, the Foreign Policy Statement has outlined three objectives for international action. These objectives aim to support the recommendations of the Joint Committee, and are mutually reinforcing:

- The promotion of our prosperity and employment;
- The protection of our security in a stable global environment;
- The projection of our values and our culture.

Needless to say, in order to fulfil these objectives we will have to fully utilize all our foreign policy instruments, including international trade and international aid.

The program review calls for reductions within the Department of 5, 10 and 15 per cent over the next three years. We have tried to implement these reductions in a way that will minimize the impact on program delivery and on the provision of our services to Canadians.

We shall fulfil our objectives by reducing corporate services, increasing costs payable by clients, making reductions in the grants and contributions paid to non-governmental organizations [NGOs], and reducing staff in our major missions. We shall also fulfil our objectives through other administrative means, such as