

the interaction between domestic and international affairs which provides the key to understanding the changing nature of Canadian diplomacy.

There are few areas of domestic affairs which do not have an international dimension. Almost every department of government today has to be concerned with international questions; and domestic issues are often linked to the international like coaches on a train. In fact, some of the newer departments have major international interests – for example, the Department of Communications and the Department of the Environment. In some areas of domestic policy, such as energy or fisheries, the international dimensions are obvious. But there are others where the links are not as apparent. *Regional economic expansion programs*, for example, appear to be of interest to Canadians alone. This is not the case. Financial incentives to locate in economically disadvantaged regions of Canada can, if the company exports its products, be regarded by some countries as export subsidies. These countries may try to stop what they regard as unfair competition through the imposition of countervailing duties. Thus the success of some regional economic programs depends directly on our efforts to explain and justify these programs to foreign governments. Similarly, a decision by a country to grant low rates of interest on loans to national manufacturers may violate an international agreement on exports. Other examples may be found in areas as diverse as agriculture, consumer protection, and transportation.

Equally, international affairs affect an increasingly wide range of domestic affairs. The Multilateral Trade Negotiations in Geneva influence and facilitate major readjustments of the industrial structure of the Canadian economy. The outcome of the Law of the Sea Conference will have a direct impact not only on the resource interests of our maritime provinces on both coasts but also, through the regulation of deep seabed mining, on nickel production in Ontario. Canada's economic well-being, including the rate of inflation, can be affected by oil cartels; and its social fabric by faraway political turbulence resulting in an influx of refugees.

The diplomat is often involved in providing advice to the government when it is faced with competing policy objectives. For example, issues such as peace and security require a long-term perspective which may conflict with objectives such as trade promotion. The same is true of human rights considerations; they may conflict with trade and even aid policies. Aid policies in turn may conflict with some of our economic objectives. Nuclear export programs have to be reconciled with our non-proliferation policy. In sum, few foreign policy objectives are free from potential conflict with other national objectives.

It is especially true that foreign policies can compete with regional and provincial policies. *Regional policies* can also be in conflict with each other and thus significantly impede the development and projection of a coherent foreign policy. And in Canada, growing decentralization will make the harmonization of foreign and domestic policies increasingly difficult in the 1980s.

All this leads to one inevitable conclusion: the management of foreign policy today, if it is to be done well, requires a mastery of an extraordinarily wide range of national

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