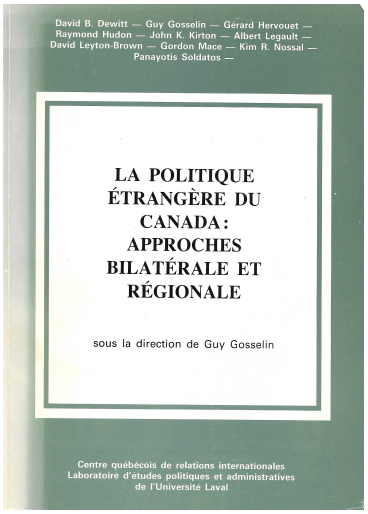

Kim Richard Nossal, "Doctrine and Canadian Foreign Policy: The Evolution of Bilateralism as a Policy Idea," in *La politique étrangère du Canada: Approches bilatérale et régionale,* sous la direction de Guy Gosselin (Québec: Centre québécois de relations internationales, 1984), 59–86; page turns indicated thus: **[60].***

Canada's postwar foreign policy-makers have been no less prone than their American counterparts to explicate for their publics a comprehensive statement of their aims internationally. They Gray Lecture, given by the Secretary of State for External Affairs, Louis St. Laurent, at the University of Toronto in January 1947, provided the classic statement of internationalist doctrine that was to guide Canada's international behaviour for a generation.[1]

[60] Likewise, *Foreign Policy for Canadians,* the white paper published by the government of Pierre Trudeau in 1970, was cast in a similar mold; it attempted to lay out — far more comprehensively than St. Laurent — the bases of Canadian foreign policy in the 1970s. The "Trudeau doctrine" (as Professor Peyton Lyon was to dub the white paper's precepts[2]) sought to fashion an intellectual alternative to the ideas of Pearsonian diplomacy which were seen to have been made obsolete by changing circumstances. By the end of the decade, however, Harald von Riekhoff was arguing that there could be no "Trudeau doctrine":

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* I would like to thank those officials in the Department of External Affairs who were kind enough to provide me with interviews. The responsibility for interpretation is, of course, mine alone. I am also grateful for the extended comments and helpful criticisms of the external reviewer.

Professeur au Département de science politique de l'Université McMaster, Hamilton.

[1] Reproduced in R.A. MacKay, *Canadian Foreign Policy, 1945–1954: Selected Speeches and Documents* (Toronto: McClelland & Stewart, 1970), 387–99.

[2] Peyton V. Lyon, "The Trudeau Doctrine," *International Journal* 26 (Winter 1970–1), 19–43.

> The terms isolationism when referring to Mackenzie King's interwar foreign policy, or internationalism when describing Pearson's approach to international relations during the postwar period, capture the essence of their respective foreign policy orientations. No single label can encapsulate Trudeau's more amorphous foreign policy.[3]

Ten years after the appearance of *Foreign Policy for Canadians,* the government again endorsed what can be seen as an effort to formulate a doctrine for the conduct of Canada's foreign relations in the 1980s. Beginning with the re-election of the Trudeau government in February 1980, David Dewitt and John Kirton contend, Canada's foreign policy entered into an "era of bilateralism." They argued that the "policy of bilateralism" announced on 22 January 1981 by Canada's Secretary **[61]** of State for External Affairs, Mark MacGuigan, constituted a "fundamental change" in doctrine guiding the conduct of Canada's foreign relations.[4] In his speech, MacGuigan was to make a similar claim: The "new policy" of bilateralism, he said, would form one of the cornerstones of Canada's foreign policy in the 1980s.

The purpose of this paper is limited: it is to enquire into bilateralism as doctrine, and to examine thje reasons for the emergence of the policy, both in terms of the broader factors that influenced the government, and also the more proximate impetus for bilateralism.

It will be argued that bilateralism emerged within a framework of domestic and external developments in the 1970s. First, the evolution of this policy idea must be seen in the context of the general shifts in external policy initiated by the Trudeau government beginning in 1968 — indeed as part of the broader attempts by the Canadian government to respond to what it saw as the significant changes that occurred in the environment over the past decade and a half. This had both a domestic and an external component. Externally, the government had identified a number of key changes in the international system to which it felt compelled to respond. Policy-makers attached importance to the shift in the centres of economic power and the growing isolationism of Canada with the growth of trading blocks. Domestically, the downturn in **[62]** economic conditions within Canada, linked as this was to external economic shifts, prompted a decade-long search for a more effective way for the state to combat directly these economic ills.

Second, bilateralism, though adopted and subsequently promoted by ministers, was spawned in the bureaucracy — specifically the Department of External Affairs (DEA). I will argue that one has to place the emergence of this new "doctrine" within the context of attempts by the Department to reverse a slide in its influence which had begun with the foreign policy review process in the late 1960s, was exacerbated by reforms in the machinery of government, and was threatening to deepen with the progressive shift in the government's agenda from military/security issues to economic ones. In particular, A.E. Gotlieb, the Under-Secretary of State for External Affairs (USSEA), throughout much of this period, was eager to re-establish External as the premier foreign policy department in Ottawa. The policy of bilateralism may also be seen as a means to a more narrow bureaucratic end.

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[3] Harald von Riekhoff, "The Impact of Prime Minister Trudeau on Foreign Policy," *International Journal* 33 (Spring 1978), 267–86.

[4] David B. Dewitt and John J. Kirton, *Canada as a Principal Power: A Study in Foreign Policy and International Relations* (Toronto: John Wiley and Sons, 1983), 76.

Finally, I will argue that in bilateralism we may see a continuation of attempts by the Trudeau government to bring some longer-term planning to the evolution of Canadian foreign policy. The MacGuigan initiative, while it does not inexorably flow out of such schemes as the Third Option, is cast in the same mold: an attempt by policy-makers in Ottawa to plan Canadian foreign policy, to remove the ad hocery that as so much part of the evolution of Canada's postwar external initiatives, **[63]** to make an effort to grapple with the uncontrollable uncertainties of the international system.

The Policy of Bilateralism

What is "bilateralism"? The word itself, if taken out of the context of MacGuigan's speech, suggests little more than an emphasis on bilateral relations as the primary focus of statecraft (just as "multilateralism" is suggestive of an emphasis on diplomacy conducted within multilateral settings). But because the new policy went well beyond this, bilateralism can best be understood by examining it as explicated in the minister's speech, for it embodied a number of discrete, though not entirely unrelated, elements.

Bilateralism was intended to provide a more systematic framework for the pursuit of Canada's international interests. In its essence, it did involve the rediscovery of state-to-state diplomacy as a key means of achieving the foreign policy ends established by the government. In other words, bilateralism involved placing more emphasis on, and devoting greater energy to, Canada's web of bilateral, government-to-government relationships. As MacGuigan put it,

> As a basic instrument of its global … foreign policy, the government has therefore decided to give concentrated attention to a select number of coun-**[64]**tries of concentration… Such a list [of states] wpuld include both long-established countries of concentration and relative newcomers.[5]

In the first instance then, the bilateral approach was designed to take a hard look at existing patterns of Canada's international interactions — both multilateral and bilateral. It was intended that there should be a shift from the dominance of the multilateral relationships in Canada's foreign policy to a finer balance between multilateral and bilateral ties — but without denigrating or otherwise affecting present multilateral commitments or arrangements.

Second, the "bilateralism" was intended to be concentrated rather than a random or diffused focus on bilateral relations; this initiative was intended to identify new and "non-traditional" partners — economic partners in particular. But, likewise, it was to be done without downgrading more established, traditional ties, such as those with the United States or other industrialised countries.

Third, MacGuigan was clear about the government's intention to seek non-traditional new economic partners. Once these "countries of concentration" had been identified as potential economic partners for Canada in the 1980s, the government

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[5] All quotations in this section from Mark MacGuigan, "Bilateral Approach to Foreign Policy," speech to the Empire Club of Canada, Toronto, 22 January 1981, Canada, Department of External Affairs, *Statements and Speeches,* 81/2, 5.

> **[65]** must be prepared to concentrate its resources to achieve the necessary political relationships with key countries, deploying in a selective manner all political instruments of the state… Such instruments can include trade policy, access to Canadian resources, contractual links between governments, bilateral defence understandings, cultural and information programs, and, in some circumstances, even development assistance.

While MacGuigan was not explicit about the criteria which would be employed to decide which states would be on Canada's list of bilateral targets, his mention during his address of Mexico, Venezuela, Nigeria, Algeria, Indonesia, the oil states of the Middle East, South Korea, Singapore and Brazil as countries where there was significant economic potentrial, and where Canada should be "visible and active," provides an indication of the kind of "non-traditional" partners the government had in mind: key members of OPEC and the so-called NICs — the newly industrialising countries.

Fourth, the policy of bilateralism acknowledged the legitimacy and necessity of greater state intervention in all the aspects of its important bilateral relationships. Traditional conceptions of diplomacy have been marked by a division between state-to-state relations and transnationalism. Politico-security elements of a bilateral relationship would be conducted by the state; economic or cultural elements of the relationship would be left to civil society. Bilteralism, as espoused by MacGuigan, was in essence suggesting that all the elements in a **[66]** bilateral relationship targeted by the government for "concentration" would be the legitimate concern of the state.

If these four elements of bilateralism were explicated with relative clarity, MacGuigan was however not at all specific about a number of important issues. How, for example, would bilateralism be applied to Canada's traditional partners, and in particular to the Canadian-American relationship? He acknowledged that the "most obvious bilateral relationship" was with that of the United States, a relationship that was "central to our foreign policy considerations and vital to our development." Somewhat enigmatically, he added:

> But it is a relationship which we in Canada — both government and business — must manage coherently and productively, with a clear sense of our economic and other priorities. It's true, no doubt, that some Canadian economic imperatives differ from those of the United States. But this need not deter us in assisting each other in achieving our national objectives.

He did not go further than this in clarifying how the resources of the Canadian state were going to be "concentrated" in the context of the Canadian-American relationship.

Similarly, because the emphasis was so clearly placed in the minister's speech on economic partnerships, it remains difficult to determine to what extent the policy of bilateralism was intended to apply **[67]** to other issue areas. While there was no suggestion that bilateralism could not be applied to the diplomatic area, MacGuigan's speech did not make explicit what the role of bilateralism would be in fostering and promoting relations with those government with which Canada finds itself allied in multilateral diplomacy, the so-called "like-minded states." No mention was made of these states — the Scandinavian countries, the Netherlands, Australia and New Zealand. In an earlier era, they were known by a different nomenclature, but the bases for their like-mindedness with Canada have not altered with the passing of the notion of "middle power." And, as Allan Gotlieb and Jeremy Kinsman were want to point out in a recent article,

their importance to Canada's attempts at maintaining a "middle-power commitment to the multilateral ethic" cannot be underestimated, particularly in the area of North-South diplomacy.[6] And yet, there is no indication that the Canadian government intended to make these like-minded states bilateral targets of concentration for multilateral purposes.

It is important to note that bilateralism, as explicated by MacGuigan in January 1981, and pursued by the government since then, was not intended to supplant either whatever notions of "internationalism" or "multilateralism" are held by the government on the one hand, or traditional bilateral partnerships on the other. Rather, as MacGuigan's recondite musings on the importance of the relationship with the United **[68]** States might indicate, "bilateralism" as understand in the early 1980s was meant to complement other established policies of the government.

But it is equally important to note that if MacGuigan admitted that Canada's global foreign policies are constrained by "limited human and financial resources" and "limitations to government spending," he made little effort to indicate how or where the trade-offs would be made — all of the assurances of complementarity notwithstanding.

In short, what MacGuigan outlined in 1981 was a foreign policy doctrine for the 1980s. It was, at that time, devoid of public detail about which new partners were to be targeted. If there was a clear method of systematising the balance between traditional and non-traditional partners, and between multilateral obligations and bilateral desires, it was not made clear in MacGuigan's speech.

Not that there was not purpose behind the official reticence. There was a reluctance to state publicly which countries would be targeted for bilateral concentration. The Canadian government maintains a disproportionately large number of active bilateral relationships: at last count, Canada has diplomatic relations with 166 states, maintaining resident ambassadors or high commissioners in seventy-eight of those countries.[7] The sheer size of that diplomatic establishment means that **[69]** the Canadian government could not easily alter the various obligations incurred over the last several decades to these states. There is an understandable fear on the part of policy-makers in Ottawa that if there were an explicit list of countries of concentration, which would by its very nature have to be exclusionary, there would also be potentially both ill-feeling and a lack of understanding on the part of those governments that were not included. So the policy of bilateralism cannot be, and is not intended to be, statecraft by declaration: as officials in Ottawa are quick to point out, the actions of the Canadian government will over the long run speak for themselves as this policy is implemented.

The Genesis of Bilateralism

The origins of the idea of bilateralism can be found generally in the shifts that have occurred in the international system since the late 1960s, and specifically in the policy initiatives of the senior levels of management in the Department of External Affairs in the late 1970s that were designed to respond to those changes. In other words, shifts of power in the international system perceived

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[6] See Allan Gotlieb and Jeremy Kinsman, "North-South or East-West: The Third World and the Cold War," *International Perspectives,* January/February 1983, 25.

[7] See Canada, Royal Commission on Conditions of Foreign Service, *Report* (Ottawa, 1981), 87ff, for details on the extent of Canada's diplomatic establishment.

by policy-makers in Ottawa created an impetus for a recast foreign policy-making framework that would guide and shape Canada's external relations in the 1980s. Although no direct comparison was ever made by officials at either the ministerial or bureaucratic level, it might be suggested that **[70]** bilateralism was to shape policy in the last quarter of the century as the broad internationalist, "multilateralist" and functionalist principles — espoused by officials like Lester Pearson, Norman Robertson and Hume Wrong — had guided a generation of policy-makers following the war and had fashioned a distinctive foreign policy role for Canada in those halcyon years of the mid-century. Just as the massive changes in the international environment during and after the war years had given rise to a new ethic among officials charged with giving shape to foreign policy in Ottawa, so too, it was argued, did changes in the international system in the 1970s demand a different pattern of responses from the Canadian government in the area of external policy.

In the eyes of policy-makers, there were critical changes in three broad areas. First, in the military/security area, the 1970s saw not only the expansion of the global capabilities of the Soviet Union [Union of Soviet Socialist Republics or USSR] but also the dispersion of conventional military capabilities to small regional sub-imperial powers.

The stretching of Soviet global interests to encompass areas previously ignored by Moscow was followed by an expanded capability to match those new interests with a global reach. This expansion was regarded as all the more dangerous because the United States administrations of Gerald Ford and Jimmy Carter were either unwilling or unable to counter these new Soviet initiatives. Certainly, the policies of the Soviet Union in Africa, in Indochina, in Afghanistan and on the question **[71]** of theatre nuclear weapons deployment had the effect of shifting sentiments about the Soviet Union at both the ministerial and bureaucratic levels in Ottawa. Previously, Canadian policy-makers had relied on the multilateralism of the postwar era, primarily the mechanisms of the United Nations, to deal with threats to the peace in non-NATO areas. It was clear by the late 1970s, however, that the UN and other multilateral organisations were incapable of coping with the expansion of Soviet power.

The rise of regional military powers was likewise identified as a significant change from the decades of the postwar period. In particular, policy-makers in Ottawa expressed private concern about the impact of expansionist policies of regional powers that threatened regional peace and order. One such example of this phenomenon was *post bellum* Vietnam. Because of Hanoi's alignment with the Soviet Union, because of the willingness of the Chinese government to use force in response to the Vietnamese invasion of Kampuchea [Cambodia], and lastly because of the basic paralysis of United States policy in that area that was the inexorable consequence of the Vietnam war, there was (and still is) a fear among officials in Ottawa that sub-imperial expansionism, if left unchecked, could threaten peace and order in regions like South-East Asia where the Canadian government has direct interests. Again, it was felt that multilateral approaches alone were insufficient to meet regional challenges.

[72] The second broad area of change is in the membership of the international system itself. Numerous have been the observations about the exponential increase in the number of members of the international system, and how the resulting proliferation of interests — interests that are not always in harmony — have reshaped the many institutions created since the Second World War. But for policy-makers in Ottawa, the exponential expansion of the state system, coming to an end in the mid-1970s, was felt to have special force, for it altered dramatically those

institutions on which previous governments had predicated high policy. For example, the changing nature of the United Nations in the 1970s was not greeted by official Ottawa with the same distrust evident from a succession of administrations in Washington; but the organisation no longer has the place of primacy it used to occupy a generation ago.[8]

The final set of changes was to be found in the economic area. Three key developments were identified. The first was the impact on the international structure of economic power of the increases in the price of oil over the course of the 1970s, the consequent rise to prominence of those states with these new-found *richesses*,[9] and the attendant shifts in economic power, the rapid redistribution of wealth, and a **[73]** deepening of the impoverishment of the third and fourth world states dependent on oil.

The second economic change was in the hardening of trading blocs in the international system in the 1970s. The growth of integration in the European Communities (EC), the admission of Britain into the EC, the increasing power of primary producer cartels, and the tendency to seek relief from prolonged stagflation and recession in a new form of protectionism have combined to create a number of what might be best thought of as "orphan states" — those countries that do not belong to a major trading bloc. Notable among the industrialised countries, Canada, Australia and New Zealand are not members of one of the trading blocs that came to dominate both the bilateral and multilateral exchange of goods, services and capital in the wake of the collapse of the Bretton Woods system in the early 1970s. These states are neither large nor economically powerful enough to constitute a discrete economic unit in the world economy, like Japan or the United States. Although Canada and the antipodean dominions have evolved their own trading patterns, usually within the context of their region, they cannot claim the benefits enjoyed by those other small states which can conduct their external commercial relations from the shelter of a larger trading bloc.[10]

[74] The third development in the economic area was the emergence of the Newly Industrialising Countries (NICs). The NICs were those states in the third world with robust economies, with a strongly developing industrial manufacturing sector, but with an appetite (and an ability to pay) for manufactured goods from the first world. The NICs had a strong potential for economic growth from ever-increasing revenues derived from petroleum exports, and were seen as a particularly attractive target for investment when compared to the sagging economies of the majority of the states of the first world.

It NICs held out promise as the states of economic opportunity during the 1980s, there was a related problem for a state like Canada: the economies of the NICs were all marked by a high degree of state intervention in the marketplace, and usually a desire of the state to regulate

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[8] For a contemporary, albeit journalistic, account of the role of the United Nations in Canada's foreign policy, see Ron Graham's interview with Gérard Pelletier, Canadian ambassador to the United Nations: "Man with a Mission," *Saturday Night,* August 1982, 15ff.

[9] This, it must be remembered, was the thinking in the late 1970s, when the first world feared a rise in the price of petroleum as it feared a decline in the price since that time.

[10] For one perspective of Canada's position vis-à-vis the "Big Three" trading entities, see Robert G. Clark, "International Trade Environment in the post-MTN Period," *International Perspectives,* November/December 1979, 7–12.

transactions and investment from abroad. There is also a preference for transactions to be negotiated on a state-to-state basis. Commercial intercourse with these states thus necessitated a greater commitment on the part of the Canadian state to facilitating these kinds of transactions: in essence, trade policy would have to become more tightly integrated into the foreign policy process under such a regime.

Such a conspectus of the changes that have marked the global environment since the 1970s is hardly remarkable or revealing. But these changes, it was felt, meant that the general pattern of Canadian statecraft in the postwar decades — with its primary emphasis on the **[75]** multilateral and institutional framework for Canadian policy — was not entirely sufficient to meet the demands of the economic environment in particular. And given the renewed stress given to economic development by the Liberal government after February 1980, it is understandable why there should not have been a retreat from multilateralism as much as a desire to complement that multilateralism by an emphasis on "new" economic partnerships that would take place through bilateralism.

In Search of Counterweights: The Historical Factor

One must see the evolution of the idea of bilateralism within the context of a broader historical attempt by the Canadian state to leaven the geographical, political and economic realities of the Canadian-American relationship, and in particular the dependence (and consequent vulnerability) of Canada in its economic relations with the United States. Traditionally, these efforts have been sought through primarily multilateral means and institutions. When Pierre Trudeau first came to power in 1968, these efforts continued as before, albeit with a slightly different emphasis. Thus, bilateralism can be seen as an inevitable outgrowth of earlier attempts by the Trudeau government to diversify Canada's economic vulnerabilities and dependencies.

It can be argued that there were three distinct phases in the Trudeau government's attempts to grapple with the perennial problem of **[76]** the Canadian relationship with the United States at large. From 1968 1972 — the era of the "severe reassessment" that led to the publication of the white paper on foreign policy in 1970 — one can detect a basic mistrust of the multilateral ethic: the government's 1969 NATO decision and its initial declarations about the helpfgul-fixing middlepowermanship that had characterised an earlier period are indicators of this predilection. Taken together with the implicit shift in emphasis from military/security affairs to the area of economic growth and development, this early but not pronounced retreat from multilateralism can be seen as a first step to the policy of bilateralism announced in 1981.[11]

The second phase is from the development of the Third Option in 1972 to the signing of the framework agreements with Japan and the European Communities in 1976. The Third Option, with its "comprehensive long-term strategy to develop and strengthen the Canadian economy … to reduce the present Canadian vulnerability [to the United States],"[12] emerged from a concerted effort by officials in the Department of External Affairs to "completely rethink our relations with

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[11] Peyton Lyon, "The Trudeau Doctrine"; also Peyton V. Lyon and Brian W. Tomlin, *Canada as an International Actor* (Toronto: Macmillan, 1979), 124–25.

[12] Mitchell Sharp, Secretary of State for External Affairs, "Canada-U.S. Relations: Options for the Future," *International Perspectives,* special issue, Autumn 1971, 1.

the United States," in the words of one senior official. What set this in motion was not the absence of detailed discussion of the Canadian-American relationship in the 1970 white paper, but the so-called Nixon *shokku* of **[77]** August 1971. The strategy formulated in DEA's Policy Analysis Group was firmly bilateralist (without being called that). It committed the government to seeking to diversify vulnerabilities and dependencies by negotiating special arrangements with both the European Communities and Japan — two of the Big Three. This process of completed, after some three years of personal diplomacy by the prime minister,[13] by the summer of 1976. But the contractual link, as the then-Secretary of State for External Affairs, Allan MacEachen, stressed when he signed the Framework Agreement with the European Communities, was to be seen as "a catalyst to stimulate economic cooperation," not as an agreement that had immediate and concrete economic or commercial returns.[14]

If it was MacEachen's view in 1976 that it was the responsibility of both the state (at the federal and provincial levels) and the private sector to "infuse [the agreement] with life," it is not altogether clear seven years later to what extent the expectations of 1976 were realised in the third stage — from 1976 to the formulation of the policy of bilateralism in 1980. Privately, some DEA officials concur that the Third Option is now bereft of life, killed by an essential dissimilarity of interests between Canada on the one hand and the two trading entities with whom framework agreements were signed on the other. **[78]** It is an assessment to which the then-Under-Secretary of State for External Affairs and his chairman of DEA's policy planning secretariat implicitly subscribed when, in 1981, they wrote of "reviewing" the Third Option.[15] And yet, Gotlieb and Kinsman do not share the view that the Third Option was a mistaken policy. They argue that the Third Option itself was basically misinterpreted — that it was never meant as a strategy for export diversification, but for "diversification of Canada's foreign relationships and greater balance in other ties." In this sense, they do not see the Third Option as a failure, or invalid for the 1980s. Indeed, they argue that the policy of bilateralism is "an updating of the Third Option policy."

Certainly the general strategy announced by MacGuigan in January 1981 is the most concrete manifestation of a trend evident since 1968. But it is important to see this latest expression as a tactical response to the same strategic problem the state in this country has traditionally faced: maintaining Canada as a viable economic and political unit in the face of the pressures, manifest or implicit, from the United States.

[79] The Domestic Environment

Much of the impetus for seeking some form of counterweight to the United States and for trying thereby to diversify vulnerabilities and dependencies must be ascribed to the domestic setting of

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[13] For an account of the process of negotiating a framework agreement with the Europeans, see Robert Bothwell, "'The Canadian Connection': Canada and Europe," in Norman Hillmer and Garth Stevenson, eds., *Foremost Nation: Canadian Foreign Policy and a Changing World* (Toronto: McClelland & Stewart, 1977), 24–36.

[14] Quoted in *International Perspectives,* November/December 1976, 11.

[15] Allan Gotlieb and Jeremy Kinsman, "Reviving the Third Option," *International Perspectives,* January-February 1981, 2–5.

Canadian foreign policy in the 1970s. There were two main factors which influenced the evolution of the policy of bilateralism: the emphasis placed on economic development by the Trudeau government, both before and after the Clark interlude, and the fluid state of the bureaucratic establishment during this period.

The economic problems that beset the Canadian government from virtually the outset of the decade of the 1970s compelled the state to respond in an active, increasingly interventionist manner. From the record (for that time at least) high unemployment levels of the winter of 1970-71, to the recession and record interest rates at the start of the 1980s, the response of the federal government was to place increasing priority on economic growth and development within the country and its regions. It has used a variety of tools to try to achieve this: reorganising the machinery of government; reordering certain sectors of the economy; redirecting federal monies in a welter of transfer schemes; and intervening directly through state ownership or participation in production. The decade-long search by the federal government for a workable industrial strategy is perhaps the best indication of the priority placed on the means for attaining economic growth, however elusive that search turned out to be.

[80] It was inevitable that foreign policy would become linked to the broader priority of economic development, given the Trudeau government's insistence that foreign and domestic policy had to be indivisible, and that it was no longer either possible or desirable to treat the conduct of Canada's external economic policy as the poor sister of the formulation of high policy in the political/security area. The idea that foreign policy should serve the national goal of economic development pervaded the government's declaratory policy in the white paper. It was in essence repeated in the Third Option paper published by Mitchell Sharp. It has been implicit in how the government regarded its obligations to development in the third and fourth worlds throughout the 1970s. It appears to have driven many — but not all — of the major foreign policy initiatives undertaken by the government since 1968.

But there is a lingering problem: for all its efforts, the government discovered that a key impediment to recasting the role of the state significantly in this quest to have foreign policy reflect what one official termed its "highest priority" of economic development was the nature of the existing bureaucratic institutions. For example, the Third Option, which was an initiative of the Department of External Affairs, was not matched by a significant change in how the government organised itself to give the framework agreements of 1976 concrete expression: the contribution of the Department of Industry, Trade and Commerce (DITC) would be vital in this endeavour, yet its role was, by all accounts, not clearly specified. There remained, as a result, some **[81]** ambiguity about the role and mandate of the various bureaucratic agencies which had in the past conducted external policy discretely, and were inclined to continue that practice.

By the end of the decade, a number of problems with the existing machinery of government had been identified by those at the apex of the bureaucratic structure — the Privy Council Office (PCO). These included: competition among domestic departments — notably the Department of Regional Economic Expansion and the Department of Industry, Trade and Commerce — for the delivery of essentially similar programmes; an inability of DITC to contribute effectively to what has been termed by [Clerk of the Privy Council] Michael Pitfield as the "foreign-domestic interface"; a similar inability of the Department of External Affairs to contribute to domestic policy formulation; and, finally, a growing confusion about policy

mandates that resulted in policy coordination of integration that was less than appealing to those in PCO who placed a premium of the efficient deployment of government resources.

These kinds of questions, emerging at the end of the 1970s, can be seen as logical outgrowths of attempts at the beginning of that decade to bring some rationality to the formulation and implementation of policy and programmes in the external field. The existence of a number of agencies with specific responsibilities in discrete policy areas, the blurring of the line between "domestic" and "external" policy, the increasing importance of economic issues — all combined to make the bureaucratic problem more acute.

[82] Not that there were not marginal attempts made to apply a corrective to this situation. The earlier experiments at the outset of the decade with the Interdepartmental Committee on External Relations (ICER), and with foreign service consolidation at the end of the 1970s, can be regarded as steps to integrate more fully the work of DEA, DITC, the Canadian International Development Agency and the immigration side of the Department of Employment and Immigration.

The aspirations of External Affairs to be regarded within government as a central agency for foreign policy can be viewed in much the same vein — not so much an attempt at bureaucratic empire-building as an effort to bring some greater order to the process of policy formulation and programme delivery. This is not the appropriate place to review the External-as-central-agency debate,[16] but it is important in the sense that the very aspiration to attain enhanced prestige and jurisdictional authority points out the degree to which the mandates given to different agencies of the state for the conduct of foreign policy had become more and more confused with the passage of time.

[83] The policy of bilateralism, predating as it does the reorganisation of the Department of External Affairs and other domestic economic departments, may be analysed as having grown out of this concern to reestablish External Affairs as the premier government department in all matters pertaining to external policy. The thrust of the strategy of bilateralism is to provide one department with the ability to identify not only those partners towards whom Canada would target concentrated relations, but also would be responsible for the allocation of resources and coordination of what MacGuigan called "the instruments of the state" to give effect to that concentration. The espousal of bilateralism by External Affairs is not coincidental, coming as it did within the context of other efforts to counter the erosion of DEA's influence over policy that began in the late 1960s.

And in these efforts to reverse the bureaucratic fortunes of the Department, the role of Allan Gotlieb, the Under-Secretary of State for External Affairs (USSEA) in the late 1970s, is critical for an understanding of the emergence of the policy of bilateralism in 1981. For Gotlieb has been one of the more public under-secretaries in the postwar period. While under-secretary,

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[16] In February 1979, the Under-Secretary of State for External Affairs, Allan Gotlieb, gave a speech in Toronto that asserted the primacy of the Department of External Affairs over foreign policy issues: A.E. Gotlieb, "Canadian Diplomacy in the 1980s: Leadership and Service," 15 February 1979, issued in pamphlet form by the Centre of International Studies, University of Toronto. A circular memorandum entitled "The Department of External Affairs and the Central Agency Principle" was distributed to all members of DEA in November 1978 over Gotlieb's signature. For one discussion of the central agency debate, see W.M. Dobell, "Is External Affairs a Central Agency?" *International Perspectives,* May-August 1979.

he was unabashed in his espousal of a more rational basis for the conduct of Canada's foreign relations, which in his view meant a more central role for the Department of External Affairs. Certainly these desires are best seen in his notion (for it was indeed his) that DEA was a central agency, to be ranked up there with the PCO, Finance and Treasury Board (before that agency's quiet slip from power in the bureaucratic constellation).

[84] While such aspirations were complicated by both the size and the mixed functions of External, involved in both policy formulation and coordination but also in programme delivery, they indicate two things about Gotlieb's tenure as USSEA. First, Gotlieb was prepared to assert External's role within the bureaucratic establishment, and prepared to do so publicly. Second, it indicated that Gotlieb was inclined to try to solve both External's parochial problems but also the larger problem of rational management of a state's foreign policy conceptually. It might be added, however, that Gotlieb was well aware of the dangers of trying to rigidify a state's foreign policy by constant reference to theoretical conceptualisations. In 1981, he wrote:

> Ce serait toutefois une erreur pour les artisans de la politique canadienne de croire qu'ils ont trouvé une sorte de formule magique qui sera tout aussi agissante durant la décennie en cours. La politique étrangère est insensible au dogme — qu'il s'agisse du nationalisme, du multilatéralisme, du bilatéralisme ou de tout autre "isme."[17]

The disclaimer notwithstanding, Gotlieb's tendency to approach the problems of his department was evident in the speeches and articles he authored while USSEA.

[85] The policy of bilateralism comes almost naturally out of this penchant. For while the general details of the strategy were developed within the Policy Planning Secretariat (the successor to the Policy Analysis Group — now called the Foreign Policy Secretariat) in the Department of External Affairs, and while the idea was by all account enthusiastically by both the minister, Mark MacGuigan, and the cabinet in general, the initiative for the idea came directly from the Under-Secretary himself.

Conclusions

At bottom, the policy of bilateralism, emerging as it did from an admixture of domestic and external changes that impelled the senior management of the Department of External Affairs to embrace a rather difference approach to the problems they perceived Canada would face in its external relations in the 1980s, can be seen as an attempt on the part of the government to bring some more rationality to the foreign policy process. The policy of bilateralism, if it is to work effectively, requires above all that the government be willing to plan. The exacting task of choosing partners for concentrated attention from the Canadian government requires that decisions be taken with the medium and long term very much in mind, for countries of concentration, once chosen, cannot be easily discarded without undermining the entire purpose of the exercise.

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[17] A.E. Gotlieb et Léonard H. Legault, "Droit et diplomatie: Nouvelles frontières du Canada," *Politique internationale* 12 (été, 1981), 284.

[86] Others have traced the problems of planning in Canadian foreign policy more adequately than is possible here[18]; however, it might be noted that the problems identified by those who have studied the rise and fall of the Policy Analysis Group and its efforts to bring long-range planning capabilities to Canadian foreign policy have not disappeared.

The major problem with trying to do away with *ad hoc* statecraft is that the environment in which a small state like Canada must operate remains firmly immune to stability and predictability. This axiom is, of course, recognised by practitioners, even in statements of doctrine. But there is in the policy of bilateralism an implicit assumption that Canada's foreign policy can indeed be planned — even amid the instability that is recognised as being part of the international environment. And it is because that assumption may be challenged that the doctrine of bilateralism will be difficult to implement over the long term.

[18] See in particular Daniel Madar and Denis Stairs, "Alone on Killer's Row: The Policy Analysis Group and the Department of External Affairs," and G.A.H. Pearson, "Order Out of Chaos? Some Reflections on Foreign Policy Planning in Canada," both in *International Journal* 32 (Autumn 1977).