Department of Foreign Affairs and International Trade 1909-2009

DFAIT Marks its Centennial

by Greg Donaghy

Canada did not have a foreign ministry (or a foreign policy) when it was created by an act of the British Parliament in July 1867. A semi-autonomous part of the British Empire, Canada relied on London to protect its welfare. However, as Sir John A. Macdonald quickly discovered advancing Canada's national interests required some representation abroad, starting in Britain itself. In 1880, the prime minister established a high commission in London and added a commissioner to France two years later. In 1892, Macdonald created the Department of Trade and Commerce, shortly thereafter sending John Short Larke to Australia as Canada's first trade commissioner. These arrangements were hopelessly inadequate for handling the country's growing international responsibilities. The British ambassador to Washington, James Bryce, distracted by the time he spent on Canada's affairs in the US, suggested that Canada needed "a sort of Foreign Office." Encouraged by the under-secretary of state, Sir Joseph Pope, Prime Minister Wilfrid Laurier took up this idea and established the Department of External Affairs in June 1909. This article looks at the evolution of the Department over the last one hundred years.

The new department began life in pokey offices above a barber shop at the corner of Queen and Bank streets in central Ottawa. Both Joseph Pope, the under-secretary of state and the Governor General, Lord Grey, had wanted it in the East Block, close to the centre of power — "it might as well have been in Calcutta," Grey bitterly complained. But space could not be found. Nor was it needed. In 1909 the tiny department consisted of only six people: its first minister, Secretary of State Charles Murphy, his under-secretary, and four clerks. It functioned primarily as a glorified colonial post office.

"A Sort of Foreign Office" 1909-1939

The department's role changed significantly in 1912, when it was placed directly under Laurier's Conservative successor, Prime Minister Robert Borden. Two years later, Borden moved External Affairs into the East Block. Anxious to play a greater role in imperial affairs, Borden turned to the department and its first legal advisor, the brilliant Loring Christie, for advice and arguments to support his demands for a stronger voice in imperial councils. After the outbreak of the First World War in August 1914, Borden increasingly insisted that Britain consult the Dominion prime ministers on the course of the conflict. Christie helped Borden get his way through membership in the Imperial War Cabinet, and, in 1919, at the Paris Peace Conference, where Canada gained independent membership in the new League of Nations.

Elected in 1921, Liberal Prime Minister William Lyon Mackenzie King wanted even more autonomy for Canada. Supporting him was his under-secretary of state for external affairs, O.D. Skelton, appointed in 1925. A modest and kindly man, Skelton had a keen eye for talent and among those he recruited were five

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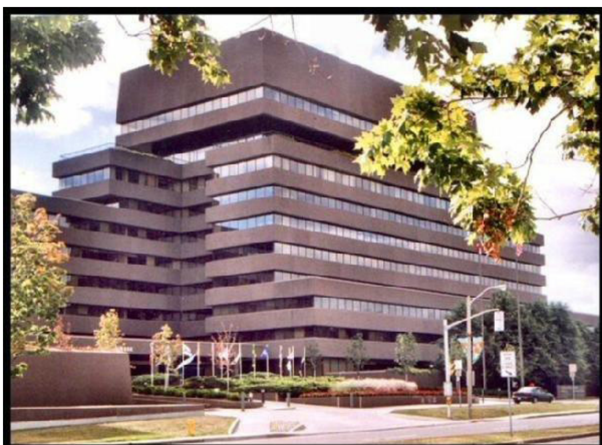
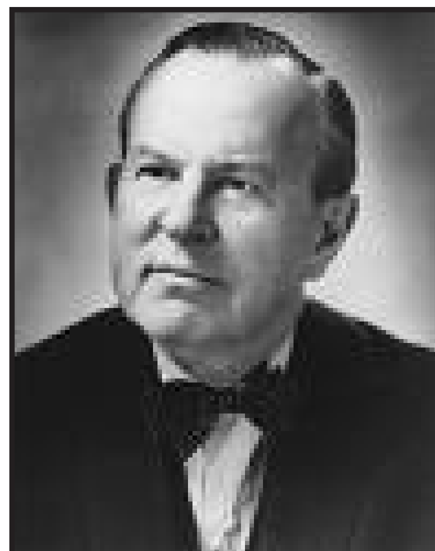


Most of DFAIT is now housed in the Lester B. Pearson Building named after the former Prime Minister and winner of the Nobel Peace Prize in 1957 for his proposal of a United Nations Peace Keeping Force.



future deputy ministers: Hume Wrong, L.B. Pearson, Norman Robertson, Jules Léger, and Marcel Cadieux.

King opened legations in Washington, Paris, and Tokyo, while Skelton moved to build a department that could support them. He began by appointing Jean Désy from the Université de Montréal as the first senior francophone officer at headquarters. From 1927, recruits entered the department on the basis of competitive examination. Skelton wanted, and obtained, well-qualified officers – only men were able to apply until 1947 – with postgraduate degrees who could immediately undertake important duties. Too small to afford specialists, the department favoured generalists, a preference that it was to sustain for many years.

When Hugh Keenleyside arrived at the East Block headquarters of the Department of External Affairs in September 1928, he was given an office on the top floor of the East Block, tight under the eaves. For the next year, Keenleyside shared the cramped attic space – cold in the winter, "hot as hell" in the summer – with Lester Pearson. Products of the rectory, the trenches of the First World War, and an Oxbridge education, the two men were typical of the new breed of public servant that the under-secretary wanted for his young department. Together, Skelton and his recruits transformed External Affairs, then barely two decades old, into an essential arm of modern government, giving Canada the reach required for a globalized world. By the end of the decade, King considered External Affairs "the most conspicuous and in some respects the most important department of government."

The election of a Conservative government under R.B. Bennett in 1930 and the onset of the Great Depression might have spelled trouble for Skelton's Department. What Canada needed, the new prime minister declared as the economic crisis set in, unemployment mounted, and trade declined, were trade commissioners, not diplomats. Fortunately, the department, whose officers included several trained economists, proved indispensable. This was particularly evident during the 1932 Ottawa Imperial Economic Conference, which tried to revive trade among the members of the British Empire, and in trade talks with the US later in the decade. Despite these successes, expansion was slow. King, re-elected in 1935, was wary of increased spending on diplomatic posts. With war looming in Europe and Asia, he worried that they might drag Canada into sticky situations abroad and thus strain national unity at home.

Going Global, 1939-68

The department was transformed by the outbreak of the Second World War in September 1939. King's government moved immediately to establish missions across the Commonwealth, in Latin America, and with its new allies in Europe and Asia. The war also brought additional responsibilities for the department at home – for instance, overseeing trade in strategic goods and questions of censorship and intelligence. Other changes followed Skelton's death in 1941. His successor, Norman Robertson, was, at 37, a young man and open to change. Encouraged by diplomats Keenleyside and Wrong, the under-secretary reorganized the department, creating small units based on geographic or functional specialty and introducing a chain of command that made delegation possible.

All these changes — expanded representation abroad, the arrival of Robertson, and improved

organization — produced a department that embraced new ideas and bold action, the need for which became more apparent as the war progressed. Led by Wrong and Robertson in Ottawa and Pearson in Washington, the department provided a compelling rationale for a stronger Canadian voice in world affairs. Advancing "functionalist" principles, which held that a country's contribution should be the basis for its role in leading international activity, Canadian diplomats successfully demanded an appropriate say for Canada in the Allied war effort and in shaping the world's new international organization, the United Nations.

Canada emerged from the Second World War stronger and more united than ever. Over the next two decades, the department grew dramatically as Canada shouldered the international obligations expected of a country of its size and wealth. The relative weakness of Europe and Asia allowed Canada, with its booming resource economy and a strong Cold War military, to play a role out of proportion to its size. It helped too that the global agenda was focused on peace and security, on decolonisation, and on building an institutional framework for the postwar world. These were the kind of broad political questions that engaged the interest of a succession of prime ministers and ministers. St. Laurent and Pearson, John Diefenbaker and Howard Green, and then again Pearson and Foreign Minister Paul Martin marshalled the department in pursuit of their goals and listened to its views. Those views were reinforced by a national consensus on foreign policy, which freed External Affairs from much critical oversight. The department had a strong sense of relevance and meaning.

Building the postwar world order spawned a host of international organizations, including the UN and its various bodies. In January 1948, General Andrew McNaughton was appointed Canada's first permanent representative to the UN in New York, although the UN's early promise faded as the Communist Soviet Union and its East Bloc allies confronted the Western democracies. The Cold War prompted Canada to open a string of missions in Western and Eastern Europe in the 1940s and 1950s. The creation of the North Atlantic Treaty Organization (NATO) in 1949 and the erection of its permanent headquarters in Paris in 1951 required another Canadian mission.

Successive waves of postwar decolonization generated distinct global pressures that demanded a Canadian response. Shortly before India achieved independence in August 1947, John Kearney headed to New Delhi as Canada's first high commissioner in that country. Missions to Pakistan, Ceylon (later Sri Lanka), and Indonesia followed. Peacekeeping commitments along the Korean peninsula and in Southeast Asia forced Ottawa to upgrade its mission in Toyko and open posts in Indochina. Retreating European empires created tensions and opportunities in the Middle East as well, prompting Ottawa to open offices in Egypt, Israel, and Lebanon in 1954. And in the 1960s, Canadian flags were raised in most of the newly-independent nations of Africa, Asia, and the Caribbean.

The postwar department was also active closer to home. Gaps in Canada's representation in Europe and Latin America were steadily filled during the 1950s and early 1960s. More important, working closely with the Department of Trade and Commerce, External Affairs embarked on a program of enhancing representation in the US, which had clearly emerged as Canada's most important ally. By the mid-1950s, consulates were opened in New York, Boston, Chicago, Detroit, San Francisco, Los Angeles, and Seattle.

As the department expanded abroad, it placed a renewed emphasis on developing the strong organizational structure required by a ministry with an increasingly global reach. In the early 1950s, Arnold Heeney joined the department as under-secretary, adding new defence and security divisions to deal with Cold War pressures and reinforcing the department's information services. Other significant changes reflected the conclusions of the Royal Commission on Government Organization in the early 1960s. Sharply critical of departmental administration, the commission's report prompted a major reorganization that grouped divisions into branches and stressed the value of forward planning.

An Integrated Foreign and Trade Ministry

The department's strong postwar growth belied trouble at home as the energetic 1960s drew to a close. For the first time, External Affairs faced severe criticism from Canadian journalists and pundits for being stale and old-fashioned. "Tame and uninspired," sneered journalist Charles Taylor. The views of the prime minister, elected in April 1968, were worse. Pierre Elliot Trudeau, described his government as "new guys with new ideas," and was openly sceptical about the department and its occupants. "I think the whole concept of diplomacy today," he told an interviewer in January 1969, "is a little outmoded."

Trudeau's concerns went even deeper. He questioned the department's attachment to Pearsonian internationalism and demanded a foreign policy rooted in a more limited, often economic, notion of the national interest. And to get it, he revamped the

policy-making process. He exposed foreign policy to scrutiny by other departments, and invited those with overseas responsibilities, mainly trade and commerce, immigration, finance, and the Canadian International Development Agency (CIDA) to join External Affairs on an interdepartmental committee on external relations. To keep track of these changes, Trudeau appointed Ivan Head, a member of his own staff, as his foreign policy advisor, a "Mini-Kissinger" competing with the country's diplomats.

With the appointment of Alan Gotlieb as under-secretary in 1977, the department fought back. Gotlieb championed the concept of External Affairs as a central agency of government, one that should play the lead role in international relations. With backing from Trudeau and Michael Pitfield, clerk of the Privy Council, the department's role was revived. When Trudeau returned to power in 1980, after the brief interlude of a Progressive Conservative minority government under Prime Minister Joe Clark (which saw the appointment of Flora MacDonald as the first woman to serve as external affairs minister), he acted quickly. In March 1980, the department was given responsibility for delivering the country's foreign aid and immigration programs abroad. Two years later, in January 1982, the prime minister announced the creation of a new department, eventually known as the Department of External Affairs and International Trade, charged with foreign trade and traditional foreign-policy functions. The minister was joined by two ministers of state: one for international trade, restored to full ministerial status in 1983, and another for external relations, whose responsibilities included CIDA.

Elected in September 1984, Prime Minister Brian Mulroney's Progressive Conservative government made few substantial administrative changes to the department. External pressures, however, altered the department's centre of gravity during the 1980s. The prolonged recession in 1981–82 and growing protectionism in Europe, Asia, and the US brought trade policy close to the heart of Canada's foreign policy. When Mulroney decided to seek a free-trade deal with Washington in 1985, trade policy became evermore closely integrated into the work of the department.

The negotiation of the Canada-US Free Trade Agreement, which kept a team of almost 100 officers busy until it came into force in January 1989, was followed by the successful conclusion of a North American Free Trade Agreement in 1992. At the same time, Canadian trade negotiators were particularly active on the international stage. With Trade Minister John Crosbie's support, they became key players in the effort to transform the General Agreement on Tariffs and Trade (GATT), the set of rules that had governed world trade since 1947, into the modern and forward-looking World Trade Organization. According to trade analyst Michael Hart, the department had helped oversee a "revolution in trade policy."

The impact on the department was far-reaching. Mulroney's ambitious trade initiatives convinced the department to consult stakeholders across the country, encouraging it to become more open than ever before. The trade agenda also brought the department into closer touch with the country's domestic economic interests, strengthening its standing in official Ottawa. Moreover, under Mulroney, the trade minister's office assumed greater influence as senior ministers – Pat Carney (the first woman to hold the post), John Crosbie, and Michael Wilson – gravitated to the position.

The news for the department was not all good. Mulroney's willingness to use heads of mission appointments for patronage purposes gnawed at morale, and the end of the Cold War in 1989 added more burdens. The collapse of the Soviet Union and the emergence of new states in Eastern Europe generated pressures for missions from a department whose budget was already stretched by the government's early efforts to contain Canada's growing deficit. At the same time, the department confronted a growing agenda that included environmental degradation, failed states, and global terrorism. Ministers and senior managers responded by defining and protecting the department's "core functions." Following the February 1992 budget, the department relinquished its responsibilities for immigration and aid, and focussed on trade and diplomacy.

The Liberal government of Prime Minister Jean Chrétien, elected in October 1993, was equally determined to show Canadians that it could pursue an effective foreign policy during a period of fiscal restraint. In part, its decision on assuming office to change the department's name to the Department of Foreign Affairs and International Trade reflected an emphasis on "getting back to basics." So too did the prime minister's decision to address a flagging economy with a series of high-profile "Team Canada" trade missions, which crossed the globe in search of markets and investments. Chrétien was pleased with the support he received from the department during his travels, but not enough to shield it from the cuts in government expenditures launched in 1994–95. Between 1988–89 and 1998–99, the department's

Led by two ministers – Foreign Affairs Minister Lawrence Cannon (left) and International Trade Minister Stockwell Day – and three deputy ministers, DFAIT now has 174 missions in 109 countries, including nine missions to multilateral organizations and 13 regional offices across Canada.

budget was cut 10 times, reducing it by a total of $292 million.

The department responded to this budgetary crisis with a handful of administrative reforms. In 1990, for example, the Passport Office was spun-off to create a special operating agency with a mandate to break even. The speedy adoption of information technology gave the department one of the world's more modern diplomatic communications systems. Even so, Lloyd Axworthy, the minister of foreign affairs for much of this period, was obliged by the financial crisis to adjust both his foreign-policy objectives and his tactics. Adopting some of the outreach activities pioneered by the department's trade side, Axworthy sought to mobilize public opinion as well as departmental personnel in support of a niche diplomacy that focused its efforts intensely on a limited but important set of goals. He concentrated the resources of the department, which had been reduced by the government's restraint program, on his key priorities and placed Canada at the head of the international campaign to ban landmines and the effort to create an International Criminal Court. Axworthy's success obscured the impact of the government's budget cuts on Canada's diplomatic effectiveness.

In the aftermath of the September 11, 2001 terrorist attacks on New York and Washington, Canada's international role and its diplomacy came under searching scrutiny. In a best-selling polemic, Carleton journalism professor Andrew Cohen worried that Canadians had "lost our place in the world." Prime Ministers Paul Martin and Stephen Harper took note, embracing a harder-edged foreign policy that aimed to reposition Canada as a global player. The department responded too, moving more resources and personnel abroad in a sustained effort to support the Harper government's priorities in Afghanistan, the Americas, and emerging markets, where the department is opening a host of new trade missions in China, India, Mexico, Brazil, and Mongolia. At home, the department has improved its capacity to deal with change and serve Canadians, reinforcing Passport Canada and strenghtening the country's emergency consular assistance operations.

Today's department has little in common with the ramshackle operation housed above a downtown barbershop in 1909. With just over 10,000 employees, the department is connected to every corner of the world. It is focused on the key elements of its mandate: working for international peace and security; promoting trade and investment; advancing the rule of international law; and improving human rights. This is an ambitious agenda that demands a foreign and trade ministry able to transform itself to meet new challenges and to realign itself with shifting priorities. A century of change has equipped Canada's foreign and trade ministry to do just that.