

CIIA's MISSION

The mandate of the Canadian Institute of International Affairs is to promote a deeper understanding of international affairs and of Canada's role in a changing world by providing members with a non-partisan, nation-wide forum for informed discussion, analysis and debate. By bringing together all interested parties—private sector, government, academia, NGO representatives, as well as the concerned public—to examine global issues through a distinctively Canadian lens, CIIA contributes a unique perspective on Canada's place in the world.

FROM THE PRESIDENT

The year 2004-2005 was again a year of accomplishment characterized by strong support from donors and sponsors (who are listed in this document), and a major attempt to stabilize CIIA's financial position for the long term. Those efforts were continuing as the fiscal year came to an end.

CIIA registered a number of successes during the year 2004-2005:

- Our flagship publication, the *International Journal*, was redesigned for the first time in more than 30 years, in order to make it more accessible to a wider audience. With financial support from the Donner Canadian Foundation, the redesigned publication was launched to considerable acclaim on June 23, 2005.
- Engaging young people is difficult. CIIA succeeded by inaugurating the Visions & Voices project, a collaborative undertaking with Canada25, a not-for-profit organization that promotes the voices of young Canadians. Funded by the Walter and Duncan Gordon Foundation, we began a series of forums in six cities on international policy issues.
- Our national lecture series continued for a second, successful year, showing a considerable profit, increasing our visibility and attracting new audiences. BMO Financial Group made a major financial commitment over three years towards the BMO Financial Group/CIIA Distinguished Lecture Series.
- The National Office attracted a series of high-profile individuals for private roundtables with members and corporate sponsors. Examples include John Turner on the elections in Ukraine, Jeremy Kinsman, Canada's Ambassador to the European Union on Canada and the European Union, and Oxford lecturer Jennifer Welsh on Canada's role in the world.
- We raised CIIA's visibility by co-sponsoring the American Assembly on Canada-US relations in Harriman, New York, which attracted high-level participants, including Quebec Premier Jean Charest, former Prime Minister Joe Clark, and James Blanchard, a former US ambassador to Canada.

- We published Robert Greenhill's *Making a Difference? External Views on Canada's International Impact*, a report that received enormous media attention and influenced the federal government's International Policy Statement.

Less happily, though we greatly reduced our losses, they were still considerable. While expenses were reduced sharply, revenues fell far short of our targets. We responded to the problem in two, very significant ways.

First, under the leadership of board member Larry Herman, a concerted effort was made to persuade the federal government (Foreign Affairs, the PMO, the PCO etc.) to support CIIA financially on an ongoing basis, with help for core funding. Second, in response to an overture from the Centre for International Governance Innovation in Waterloo, Ontario, we began negotiations for a partnership between the two, non-partisan non-governmental organizations. We exchanged several proposals, and while none of them had come to fruition by the end of the year, both sides were determined to continue talking.

Thanks to the hard work of Michael Rayfield, the chair of our Nomination and Governance Committee, we added a bumper crop of new members to our national Board of Directors. The new directors were Jay Forbes of Halifax, Don Newman of Ottawa, Robert Greenhill of Ottawa, John MacNaughton of Toronto, Randall Oliphant of Toronto, and Derek Fraser of Victoria, BC.

Despite our small staff and limited budget, our aim remained to grow and prosper, to deliver excellent programs and publications to members and to non-members, and to increase our visibility in the community at large. With the support of our board and our staff, I am confident we will be able to achieve those goals in the year ahead.

FROM THE CHAIRPERSON

The Institute has emerged successfully from a challenging year, especially in budgetary terms. Under the leadership of the new president, Douglas Goold, the Institute has been tested in its several capacities and placed on the road to further growth. Given such leadership and with the support of an outstanding board, the staff has become even more productive in terms of conferences, lectures, youth participation, publications and a myriad of other activities, all of which reinforce the seventy-five-year-old mandate to help Canadians understand better our international duties and responsibilities. By year-end, a pending co-operative agreement with the Centre for International Governance Innovation (CIGI) in Waterloo adds to the prospects for promising growth and diversification.

During the course of the next year, I shall hand over the chairmanship to John MacNaughton, whom I know will provide the direction and purpose to ensure that the Institute is at least as productive in the future as it has been during its remarkable past.

YEARLY OVERVIEW

After a year of significant change, CIIA sought to build on its gains in 2004-2005. CIIA continued its excellence in programming with the second installment of its annual Distinguished Lecture Series generously sponsored by Avana Capital Corporation. The lectures were held in Montreal, Halifax, Calgary, and Toronto and featured respectively: **Bill Emmott**, Editor of *The Economist*; **Sir Brian Urquhart**, former Undersecretary General of the United Nations; **Reid Morden**, Executive Director of the Independent Inquiry Committee into the UN Oil-for-Food Program in Iraq; and **Michael O'Hanlon**, Senior Fellow at the Brookings Institution.

The 2005 Foreign Policy Conference brought together Canadian and international academics, policymakers, NGO representatives, private sector representatives, and interested members of the public to discuss the topic: "COUNTERING TERRORISM, ENHANCING SECURITY: SHARED CANADA-US APPROACHES." The conference took place in Halifax, N.S. and featured prominent speakers such as Wesley Wark (University of Toronto); John Underwood (World Bank); Michael Byers (University of British Columbia); Peter Harder (Foreign Affairs Canada) and Denis Stairs (Dalhousie University).

CIIA expanded its youth programming in 2004-2005 with the launch of the **Visions & Voices** project, a collaborative undertaking with Canada25, an organization established to promote the voices of young Canadians in the country's public policy discourse. The project is comprised of six international policy forums in cities across Canada. Completed forums have addressed the topics of *Canada's Military Contribution*; *Broadening Canada's Foreign Policy Constituency*; and *Security and Terrorism*. This final forum doubled as CIIA's third annual youth symposium held in connection with the national foreign policy conference. This initiative also served as a strong complement to CIIA's annual high school conference hosted in cooperation with Father Bresani High School and generously sponsored by TD Bank. This year's conference was organized around the theme of "Canada in the World."

The **Visions & Voices** project was mirrored by the **External Voices Project** undertaken by **Robert Greenhill**, CIIA board member and Senior Visiting Executive at the International Development Research Centre. The project culminated with the publication of a CIIA Special Report entitled *Making a Difference: External Views on Canada's International Impact* in February 2005.

It was an equally successful year of programming in the branches. More than 70 events were organized by CIIA's 13 branches on a range of timely international topics. The National Office also hosted many high-profile individuals in a series of roundtables and panel discussions with CIIA members and corporate sponsors.

In the area of publications, 2004-2005 witnessed the *International Journal's* first redesign in over 30 years thanks to the generous support of the Donner Canadian Foundation. The *IJ* covered current topics ranging from strategic culture and security in an age of terrorism to new directions for Canadian foreign policy and Canada-US relations. CIIA's other two publications, *Behind the Headlines* and *International Insights* delved into an equally interesting and diverse range of topics from Canadian policy in Africa to Canada's international role in the 21st century.

CIIA had to bid farewell to a number of board members but welcomed new directors in 2004-2005: Jay Forbes, Don Newman, Robert Greenhill, John MacNaughton, Randall Oliphant and Derek Fraser.

NATIONAL PROGRAMS

Titled A TROUBLED WORLD, WITH ONE SUPERPOWER, CIIA's 2004-2005 Distinguished Lecture Series was an opportunity for CIIA members and the interested public to hear, and interact with, four internationally respected and renowned speakers. With the generous financial support of Avana Capital Corporation and city-specific sponsors, each lecture was free and consisted of a question and answer period and a reception in addition to the speaker's remarks. It was a successful endeavour, with well over 900 people attending the lectures held in Montréal, Halifax, Calgary, and Toronto.

On 15 September, **Bill Emmott**, Editor of *The Economist*, spoke in Montréal to a crowd of well over 200 at the Théâtre J. Armand Bombardier at the McCord Museum of Canadian History. As the theater's regular seated capacity is only 135, McCord Museum staff had to scramble to find extra chairs to accommodate attendees. Even so, many people still had to sit on the theater's floor, or view a video link of Mr. Emmott's address in an overflow auditorium. Mr. Emmott's remarks, titled "The World after Iraq: How Will We Fail Next?" offered a measured critique of the US-led invasion and occupation of Iraq, and not surprisingly generated lively discussion during the question and answer period.

On 29 September, **Sir Brian Urquhart**, former Undersecretary General of the United Nations, spoke in Halifax. Sir Brian's remarks were well received by the overflow crowd of more than 300 at the University of King's College which included many students and academics. Sir Brian's career with the United Nations spanned more than 40 years. He was directly involved with a number of flashpoint issues including the peaceful uses of atomic energy, the Congo crisis in the early 1960s, and peacekeeping in Cyprus, Kashmir, and the Middle East. He served as Undersecretary General for special political affairs from 1974 until his retirement in 1986. Formidable in his knowledge of the inner working of the UN, Sir Brian spoke to the topic "Can the United Nations Adapt to the 21st Century?". He argued that the UN must restructure itself to allow it to remain relevant in a world which is drastically different from the one it was designed for in the 1940s.

Reid Morden, Executive Director of the Independent Inquiry Committee into the UN Oil-for-Food Program in Iraq, addressed a crowd of 165 at the Palliser Hotel in Calgary on 14 October. The crowd would have been a great deal larger had a torrential late afternoon thunderstorm not made driving conditions terrible. His talk, titled “Sanctions, War and Oil: Lessons from Iraq” dealt with living conditions and Saddam Hussein’s rule in Iraq pre-2003 and contemporary political and security challenges in Iraq and the wider Middle East following the US-led invasion. Mr. Morden has served in a number of prominent roles in Canada including Director of the Canadian Security Intelligence Service, Deputy Minister of Foreign Affairs, and President and CEO of Atomic Energy of Canada Limited, and he is a former member of CIIA’s board of directors.

The series’ final lecture was given by **Michael O’Hanlon**, Senior Fellow at the Brookings Institution, on 1 February 2005 at the Munk Centre for International Studies in Toronto. His talk, titled “Why Canada Should Support America’s Missile Defence Program — But Not Spend Much On It,” was very well received by the over 200 attendees who crammed into the Munk Centre’s main conference facility and two video-linked overflow rooms. Dr. O’Hanlon argued that while Canada should support the US’s missile defence program, it should not accept open-ended US requests, nor spend much on the program. Dr. O’Hanlon’s presence in the room was impressive; his poignant analysis was delivered without notes and was measured and balanced. There had been some suggestion that Dr. O’Hanlon was a strong candidate for a senior advisory position within the national security apparatus had John Kerry won the 2004 US Presidential election.

The Institute is very grateful for the generous support of the sponsors who allowed all four lectures in the 2004-05 Distinguished Lecture Series to remain free and open to the public. In addition to the series’ title sponsor, Avana Capital Corporation, we would like to thank: Power Corporation of Canada Ltd., SNC-Lavalin, Bombardier Inc., EastLink Cable Systems, Clearwater Fine Foods, Nexen Inc., Fraser Milner Casgrain, ARC Energy Trust, Pengrowth Energy Trust, and Compton Petroleum. We appreciate the support of the National Post, the series’ media partner, and of course the time, effort, and professionalism of each of our four speakers.

In partnership with Canada25, an organization established to promote the voice of young Canadians in the country’s public policy discourse, CIIA has undertaken a series of six novel international policy forums called **Visions & Voices**. Made possible with the financial assistance of the Walter and Duncan Gordon Foundation, the series aims to connect Canadians with decision makers and encourage them to develop creative ideas about some of Canada’s pressing international policy questions.

The first forum, titled *Canada’s Military Contribution*, was held at the Royal Canadian Military Institute in Toronto on 8 November and used Remembrance Day as a focal point from which 65 high school students could learn about Canada’s contemporary and historical military engagements from a number

of complementary viewpoints. The day opened with presentations from LCol Steve Brand, recently returned Canadian Task Force Commander to Sierra Leone; Prof. Sunil Ram of the American Military University; Ms. Olivia Ward of the *Toronto Star*; and a screening of an excerpt from the Royal Underground Commission’s short film *A Question of Honour*, produced by Mr. Rob Roy. Over lunch, Capt. Charles Scot-Brown, a veteran of World War II, delivered a rousing address reflecting on his education in the military, after which student participants moved into breakout discussion groups and a tour of the RCMI’s facilities.

The second forum took place on 21 February at the Ottawa Congress Centre. Titled *Broadening Canada’s Foreign Policy Constituency* the day brought together a wide range of constituencies—policymakers, academics, students, NGO representatives, and representatives of cultural and ethnic organizations—to discuss several themes in Canadian foreign policy in the context of the (at the time) ongoing international policy review. Over 60 participants attended the day which began with a panel discussion moderated by CIIA board member Don Newman, host of CBC Newsworld’s *Politics*, with presentations by Robert Greenhill and David Eaves, lead author of Canada25’s report *From Middle to Model Power*. Participants then moved into facilitated breakout sessions which tackled three themes: (a) Criteria Setting - What criteria should Canada follow when deciding whether to intervene in a given international situation? How can we pick and choose where best to direct our financial, human, and political resources?; (b) Networked Internationalism - How can Canada better utilize networks of Canadians abroad and foreigners in Canada to promote its foreign policy goals and those of like-minded countries?; (c) In-house vs. Outsourcing - Where and how can we best locate/integrate foreign policy-building and implementation capacities? Breakout groups reported the main points of their discussions to the forum’s closing plenary.

The third forum, which took place in Halifax, doubled as CIIA’s third annual youth symposium connected to the foreign policy conference. The symposium, like the annual conference, focused on security and terrorism and brought together 45 students and young Canadians in the early stages of career development for a two-panel mini-conference. The *Security and Terrorism Youth Symposium’s* two panels examined the broad themes: Defending North America; and Promoting Security Abroad. Each panel consisted of four panellists, each presenting their original research, and was followed by a moderated discussion. Both panellists and symposium participants were selected based on the strength of paper abstracts and statements of interest submitted well in advance of the event. The panellists’ completed papers were made available on the symposium website for download a week in advance, giving all participants the chance to prepare for discussions. Young people from across the country (and one Canadian student studying in the UK) were encouraged to participate through travel and accommodation subsidies. Symposium panellists were: Karen Everett (Ryerson University), Daniel Mol (University of Alberta), Ross Neil (Carleton University), Jean-François Rancourt (Université du Québec à Montréal), Alexandre Wilner (Dalhousie University), Ciaran Aiken (University of British Columbia), Kim Swanzy (University of British Columbia), and Lisa Williams (York University).

This year, CIIA provided the institutional sponsorship for an influential analysis of Canada's place in the world, the External Voices Project. CIIA board member and International Development Research Centre Senior Visiting Executive, Robert Greenhill, undertook an interview- and roundtable-based study that asked 40 thought-leaders and policy experts from around the world to share their interpretations of Canada's influence in global affairs since 1989—how Canada had made a difference, and how it could do better in the future. Mr. Greenhill conducted his interviews under Chatham House rules during the second half of 2004-2005 with the project's final report, titled "Making a Difference: External Views on Canada's International Impact" published as a CIIA Special Report in February 2005.

The physical configuration of CIIA's National Office allows us to host timely roundtables and panel discussions to facilitate a greater number of forums engaging policy experts and special guests with CIIA members, the corporate community, and academics. The National Office hosted the following events: **Dr. Jennifer Welsh**, University Lecturer in International Relations at the University of Oxford, and Fellow of Somerville College, on 13 September to launch her book *At Home in the World: Canada's Global Vision for the 21st Century*; **Jean-Pierre Juneau**, Canadian Ambassador & Permanent Representative to the North Atlantic Council (NATO), addressed the topic "Search for Stability in a Dangerous World" on 21 September; on 28 October CIIA convened a panel discussion on the "2004 U.S. Elections and its impact on U.S. foreign policy" which welcomed **Paul Knox**, Foreign Editor of *The Globe and Mail*, **Dr. Jim Reed**, Fulbright Research Chair in Public Policy at the University of Waterloo and Senior Research Fellow at the Centre for International Governance Innovation (CIGI), and **Amb. Michael Bell**, Senior Scholar on diplomacy at the Munk Centre for International Studies at the University of Toronto; 7 February provided the opportunity for **Rt. Hon. John Turner**, Head of the Canadian Election Observation Mission for Ukraine, to share his experience of the December 2004 Ukrainian elections; 19 April was the occasion for a special tribute to **Sylvia Ostry** timed to coincide with the publication of the book "The Sterling Public Servant: A Global Tribute to Sylvia Ostry" by Jacob Rytens; and Jeremy Kinsman, Canadian Ambassador to the European Union, lead a breakfast discussion on the topic "Is Europe going to pieces?... and what it means for Canada" on 20 June.

CIIA was again pleased to co-host the 2005 John W. Holmes lecture, an annual lecture series at York University's Glendon College campus, created in 1989 to commemorate the life and writings of John W. Holmes, Canadian diplomat, academic, writer, and former Executive Director of CIIA. The 2005 lecture was given by **William J. Perry**, a senior fellow at the Hoover Institution and former U.S. Secretary of Defense. Mr. Perry spoke about "The New International Security Environment."

Every year CIIA co-hosts a conference for Toronto-area high school students. Held on 4 May at York University, the conference attracted more than 300 senior high school students from across the greater Toronto area. This year's theme was "Canada in the World," which allowed students to explore a number of the ways

Canada engages with the world beyond our borders through a keynote presentation and interactive workshop sessions. The speakers were: David Dewitt, York University; Rima Berns-McGown, Managing Editor, *International Journal*; Vibhor Garg, Canada World Youth; Lt. Cdr. Albert Wong, Department of National Defence; Major Doug Boot, Department of National Defence; Mark McLaughlin, Foreign Affairs Canada; Alidad Mafinezam, Diasporanet; Carl Gomez, TD Bank; Faisal Shaheen, CIDA and Sustainable Development Policy Institute in Islamabad, Pakistan. This was the 8th annual conference CIIA has organized in cooperation with Father Bressani High School. The conference is generously sponsored by TD Bank.

FOREIGN POLICY CONFERENCE

CIIA's annual foreign policy conference brings together a distinguished audience of Canadian and international thinkers—academics, policymakers, the military, NGO representatives, and representatives of the private sector—to discuss how Canada might better exercise its influence in the global community, and how, where, and why it can do so most effectively.

The 2005 foreign policy conference, held at Pier 21 in Halifax, undertook this goal in relation to security and terrorism. Titled "COUNTERING TERRORISM, ENHANCING SECURITY: SHARED CANADA-U.S. APPROACHES?", the conference examined how and for what purposes Canadian and American approaches to security and anti-terrorism differed, analyzed complementary and common positions held by the two countries, and looked forward to future security cooperation. Specifically, the conference explored: contemporary terrorism and counter-terrorism policies; Canada, the U.S., and what's missing; international institutional responses to terrorism; Canada's response to American ballistic missile defence; U.S. homeland security imperatives and their impact on Canada; North American maritime security and the Canadian arctic; and the future of Canada-U.S. security and terrorism arrangements.

It is a conference's speakers who determine its success or failure. The 2005 foreign policy conference proved excellent in this regard with speakers both analytically precise and engaging: Leonard Hill (U.S. Consulate, Halifax); Margaret Purdy (Transport Canada); Wesley Wark (University of Toronto); Joseph Schneider (JSA Partners, Inc.); Susan Pond (NATO); John Underwood (World Bank); LGen (Ret'd) George MacDonald (Former Vice-Chief of the Defence Staff); Michael Byers (University of British Columbia); James Fergusson (University of Manitoba); Frank Harvey (Dalhousie University); Edna Keeble (Saint Mary's University); Joel Sokolsky (Royal Military College); Maj. Chris Hornbarger (U.S. Military Academy); Peter Harder (Foreign Affairs Canada); Peter Haydon (Dalhousie University); Franklyn Griffiths (University of Toronto); Capt. Ian Anderson (Maritime Forces Atlantic); Abigail Friedman (U.S. Consulate, Québec City); Elinor Sloan (Carleton University); and Denis Stairs (Dalhousie University).

The Halifax community supported the conference enthusiastically. More than 200 people attended the conference, including many local academics and students, members of the Nova Scotia military and law enforcement communities, business-people, our sponsoring partners, CIIA members, and interested members of the general public. The conference attracted positive media attention, including the Halifax Chronicle-Herald, French and English language CBC radio, the Toronto Star, and others.

CIIA would like to thank the following conference sponsors for their generous support: Aliant Inc., Halifax Port Authority, Scotiabank Group, Unicom Inc., Extreme Group, Paramount Resources Ltd., Alcatel Canada Inc., Secunda Marine Services Ltd., Ernst & Young, Cox Hanson O'Reilly Matheson, BMO Financial Group, Dalhousie University - Centre for Foreign Policy Studies, Canadian Air Transport Security Authority, Dalhousie University, General Dynamics Canada, University College of Cape Breton, and CanJet Airlines. With their support CIIA's foreign policy conference remains affordable and accessible.

The third annual CIIA YOUTH SYMPOSIUM was held the day before the foreign policy conference in Halifax. This year it was staged as the third of the Visions & Voices forums; please see the preceding section for a detailed description.

AROUND THE BRANCHES

The programming year 2004-2005 was heavily influenced by a number of international and local developments which, as expected, generated serious discussion and reflection on the future of Canadian foreign policy. Among the international events that influenced branch programming, the November 2004 elections in the US, the death of Palestinian leader, Yasser Arafat in November 2004 and the December 2005 earthquake and tsunami disaster in the Indian Ocean are of particular note. At home, the release of the International Policy Statement by the federal government in April 2005 renewed debates on Canada's role in the world. In total, more than 70 events were held during the fiscal year 2004-2005 by the 13 CIIA branches.

Many members from TORONTO, WATERLOO REGION, CALGARY and MONTREAL participated in the panel sessions held in their respective branches on the implications of the second Bush administration for Canada and the world. The NATIONAL CAPITAL branch organized a record number of policy panels and seminars on the following topics: "Foreign Policy: Charting a Course for Canada" (jointly sponsored with the International Journal); "Human Rights: The Key to Sustainable Peace, Security and Development?"; and "Does Canadian Foreign Policy Need a Foreign Service? Can the Second Oldest Profession Learn New Tricks?" with Deputy Minister of Foreign Affairs Peter Harder as one of the panellists. The TORONTO branch organized a successful panel session on "The Asian Tsunami and Canadian Foreign Policy: Three Months On... Lessons Learned" which examined issues of disaster relief and evaluated the first deployment of the DART.

The only non-Canadian branch of CIIA, in BOSTON, organized a number of events related to US-Canada bilateral relations including an International Networking Business Forum. The HALIFAX branch spent a considerable amount of its resources helping the National Office promote the 2004 Lecture Series event with Sir Brian Urquhart in September, and then garnering support for the 2005 Foreign Policy Conference held in Halifax in March.

The MONTREAL branch organized a timely panel session dealing with the future of the Middle East peace process featuring Professor Nazmi Al-Ju'beh from Bir-Zeit University, Ramallah and Professor Menachem Klein from Bar-Ilan University in Tel-Aviv. The branch also coordinated an important policy roundtable titled "Canadian Refugee Policy: Striking a Balance or Fortress Canada?" featuring speakers from academia, the legal community and the federal government.

The increased cooperation between the VANCOUVER and VICTORIA branches facilitated the organization of several events with a number of prominent speakers including Paul Heinbecker, former Canadian Ambassador to the UN, Dr. Bernd A. Goetze, Secretary of the North Atlantic Council and Director of the NATO Ministerial Task Force on NATO's response to the Globalization of Security, and Ferry de Kerckhove, Director General of the International Organizations Bureau, Foreign Affairs Canada.

Among other events, the TORONTO branch organized luncheons with David Miller, the Mayor of Toronto; General Rick Hillier, newly appointed Chief of the Defence Staff; and a number of events with local Consuls General.

Among the offerings from the WATERLOO REGION branch was a public forum on UN reform with Hon. Allan Rock, Canadian Ambassador to the UN, and meetings featuring Jennifer Welsh of Oxford University, Ramesh Thakur of the UN University in Tokyo, and Paul Heinbecker, Senior Fellow at the Centre for International Governance Innovation (CIGI) in Waterloo. The increasing cooperation between the branch and a number of Waterloo-based institutions like CIGI and ACUNS (Academic Council for the UN System) allows it to draw on the extensive local expertise of these organizations in the planning of its events.

The CALGARY branch organized a number of successful panel sessions on the implications of the second Bush Administration for Canada-US relations and Canada's role in Afghanistan. It also held a discussion on the International Policy Statement with Dr. David Bercuson as a main speaker. Events in the SASKATOON branch continued this year under the title "Celebrating Saskatchewan's Centennial" and featured sessions with: Gordon Barnhart, former Director of the Yeltsin Democracy Fellowship Program on Russia; Dr. Jack Granatstein on Missile Defence; and Pamela Wallin, Canadian Consul General to New York City on Canada-US relations.

MANAGEMENT FINANCIAL SUMMARY

The following Management Summary of the Financial Position and Statement of Operations of the Canadian Institute of International Affairs as of 30 June 2005 and for the year then ended is taken from the financial statements which were reviewed by the audit firm of Smith, Nixon & Co. LLP, Chartered Accountants, Toronto. The complete statement is available on request.

The Canadian Institute of International Affairs, a not-for-profit organization founded in 1928 and incorporated under the laws of Canada as a corporation without share capital, has as its mission the promotion of an understanding of international affairs by providing interested Canadians with a non-partisan, nation-wide forum for informed discussion, analysis and debate.

The Institute is a registered charity within the meaning of the Income Tax Act (Canada) and accordingly is exempt from income taxes.

The Institute follows the restricted fund method of accounting for income. The Operating Fund (unrestricted) accounts for the Institute's programme delivery and administrative activities. The Operating Fund (internally restricted) represents a bequest which the Institute received in 2000 and which the Board of Directors chose to set up as an endowment.

The Externally Restricted Funds include the John Holmes Library Fund and Funds for the *International Journal*.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

ASSETS	2005	2004
Accounts Receivable	\$ 20,487	\$ 12,408
Deposits and Prepaid Expenses	17,043	8,987
Investments	1,075,026	1,373,607
Capital Assets	37,677	68,303
	<u>\$ 1,150,233</u>	<u>\$ 1,463,305</u>
LIABILITIES		
Bank Indebtedness*	\$ 1,013	\$ 11,785
Accounts Payable and Accrued Liabilities	33,966	40,422
Capital Lease	1,963	5,472
	<u>36,942</u>	<u>57,679</u>
UNEARNED REVENUES AND GRANTS	<u>115,032</u>	<u>121,457</u>
FUND BALANCES		
Net Assets Invested in Capital assets	35,714	57,140
Externally Restricted	477,765	491,454
Internally Restricted	703,000	703,000
Unrestricted	(218,220)	32,575
	<u>998,259</u>	<u>1,284,169</u>
	<u>\$ 1,150,233</u>	<u>\$ 1,463,305</u>

* Cheques outstanding at time of audit

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 30 JUNE 2005

INCOME	2005	2004
Programs	\$ 164,258	176,911
Corporate Members	104,000	150,005
Publications and Members	172,582	166,731
Donations	54,164	23,155
Grants	94,743	120,123
Investment	82,121	42,166
Other	20,493	3,089
	<u>\$ 692,361</u>	<u>\$ 682,180</u>
EXPENDITURE		
Programs	\$ 104,140	\$ 145,938
Publications and Membership	185,353	143,803
Library	15,729	24,626
Administration	625,908	842,779
Other	2,000	2,572
Amortization	29,508	30,907
Moving		15,554
Investment Management Fees	15,633	16,628
	<u>\$ 978,271</u>	<u>\$ 1,222,807</u>
NET INCOME FOR THE YEAR	\$ (285,910)	\$ (540,627)

INTERNATIONAL JOURNAL

The *IJ*, Canada's best-known and internationally respected scholarly journal of international affairs, is CIIA's flagship publication. The *IJ* is consistently interesting and readable, and the past year has demonstrated this in all issues. Moreover, book reviews are increasingly timely and well-written by thoughtful and, frequently, prominent academics.

The past year featured excellent articles in all issues:

Summer 2004 (vol. 59, no. 3): A theme issue on "Canada's grand strategy and strategic culture," guest-edited by Stéphane Roussel and featuring articles by David Dewitt, Michel Fortmann & Martin Larose, David Haglund, William Hogg, Kim Richard Nossal, and Stéphane Roussel & Charles-Alexandre Théoret, plus book reviews by Joseph Nye, Jr., Robert Jervis, and Daniel Drezner.

Fall 2004 (vol. 59, no. 4): Our first annual John W. Holmes issue on Canadian foreign policy, with articles first presented at an authors' workshop hosted by the National Capital branch, by Tom Axworthy, Jane Boulden, Paul Heinbecker, Will Kymlicka, Alexander Lofthouse, Kim Richard Nossal, and Amitav Rath. The article by Axworthy made a splash on the front page of the *Ottawa Citizen*.

Winter 2004-2005 (vol. 60, no. 1): Articles on "Security in an age of terrorism," guest-edited by Wesley Wark and forming the foundation of our 2005 annual foreign policy conference. The articles were written by Wesley Wark, Timothy Naftali, Margaret Purdy, Joel Sokolsky, and Reg Whitaker. Wark, Purdy, and Sokolsky presented their work at the foreign policy conference in Halifax in March.

Spring 2005 (vol. 60, no. 2): The articles featured in this issue formed the working papers for the February 2005 American Assembly on Canada-US relations, a highly successful reprise of the American Assembly's look at this topic. The issue has been extremely successful and has sold out its print run. Articles were by Peter Andreas, Rima Berns-McGown, Jutta Brunnée & Adrian Di Giovanni, Paul Cellucci, Jean Charest, Joe Clark, Andrew Cohen, Jerome Davis, Earl H. Fry, Norman Hillmer, Edna Keeble, Peter Karl Kresl, John Manley, Dwight N. Mason, James D. Phillips, Christopher Sands, Daniel Schwanen, and Alan M. Schwarz.

A grant was sought, and gratefully received, from the Donner Canadian Foundation to redesign the *IJ*. Various firms were investigated, and Eric Young Enterprises was chosen to redesign the journal. Ric Young and Paul Hodgson prepared an elegant design that is contemporary-looking, accessible and appealing, and respectful of the seriousness of the *IJ*.

We launched the elegantly redesigned *International Journal*, to much praise, at a reception at CIIA national headquarters in June 2005.

The year's winner of the Marcel Cadieux Award for Distinguished Writing, Will Kymlicka ("Marketing Canadian pluralism in the international arena," Autumn 2004), and the winner of the Gelber Prize, Phillippe Lagassé ("The International Criminal Court and the foreign policies of the United States," Spring 2004) were honoured the same evening, and a lively dinner and discussion was held for them with a number of distinguished academics and board members in attendance.

Our tri-annual SSHRC grant application was approved, assuring us of funding for the coming three years, and circulation has begun to increase steadily.

BEHIND THE HEADLINES AND INTERNATIONAL INSIGHTS

Five issues of *Behind the Headlines*, a long-established Institute publication, were released during the year:

The Politics of Uncertainty in Japan
by Michael W. Donnelly

Canada in the 21st Century: Beyond Dominion and Middle Power
by Jennifer M. Welsh

Iraq and the Responsibility to Protect
by Ramesh Thakur

Report on the UN Secretary-General's High-Level Panel
by Mats Berdal, Michael Byers and Paul Heinbecker

From Kananaskis to Gleneagles: Assessing Canadian 'leadership' on Africa
by David R. Black

International Insights, a web-based publication introduced in 2004, is now well-established as an additional outlet for articles on international matters of current interest. Among its attractions are flexibility in the length of articles that can be published and very rapid turnaround from submission to release. During this year 12 articles were posted in the publications section of the Institute's website—www.ciaa.org.

Some of the year's notable titles include:

Canada-US Relations – Lessons from Life with Uncle
by David M. Dymont

Canada and the Issue of Outer Space. No Weapons in Space: Maintaining Stability and Security through Arms Control
by Ron Cleminson

China Revisited: 60 Years Later
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Tsunami: Learning from Disaster
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