



C.D. Howe Institute
Commentary

www.cdhowe.org

No. 166, June 2002

The Border Papers

A Friendly Agreement in Advance

*Canada-US Defense Relations
Past, Present, and Future*

J.L. Granatstein

In this issue...

Canada has no choice but to cooperate with the United States on hemispheric defense and the war on terrorism. Hanging back would reduce Canada's leverage in negotiations with Washington and imperil its sovereignty if the United States acted to protect itself from attack without working with the Canadian government and armed forces. Canada must, therefore, make a serious political and budgetary commitment to strengthen the Canadian Forces.

The Study in Brief

Since September 11, 2001, Canada has faced an array of difficult choices concerning its defense relationship with the United States. Since the United States *will* defend itself, whether or not Canada cooperates fully, supports the National Missile Defense (NMD) scheme, and backs an expanded antiterrorist war, the only question is how best to protect Canadian sovereignty: by joining in or hanging back?

This *Commentary* surveys the Canada-US defense relationship over the past century and argues that Canada has no choice but to cooperate. Since the 1940 Canada-US defense alliance, the two countries have become inextricably linked. Canada's refusal to support the United States would thus carry with it real costs, in terms of reducing its leverage in future negotiations with Washington on obtaining more secure access to the US market, as well as its sovereignty if the United States acted to protect itself from attack without working with the Canadian government and the Canadian Forces.

If, for example, NMD were implemented and put under control of the North American Aerospace Defense Command (NORAD), Canada's refusal to cooperate could lead to the gutting of NORAD, taking with it all Canadian influence on continental air defense and greatly reducing intelligence flows from US sources. Canada must make a practical decision to support NMD, as well as an expanded war on terrorism and an expanded version of NORAD. The alternative is to stand back and allow the Americans to plan unilaterally for the protection of Canadian territory.

The bill to support these expanded roles will be high but necessary. Increasing Canada's military personnel to the required 80,000 to 85,000 and providing them the equipment they will need will cost \$2.5 billion more than the current budget allocation of \$12 billion next year, plus an additional \$2.5 billion each year for at least the next five years to cover the costs of major re-equipment projects and expansion. Ottawa should guarantee funding for an agreed shopping list to permit rational planning for the next decade.

These budget increases would permit Canada to have a balanced military in miniature and to carry out its North American, NATO, and UN peace and security commitments. With a credible military, Canada would enhance its capacity to help protect the citizens of North America, and have a voice and options that weakness cannot provide.

The Author of This Issue

J.L. Granatstein is Distinguished Research Professor of History Emeritus at York University and Chair of the Council for Canadian Security in the 21st Century (www.ccs21.org).

The Border Papers

"The Border Papers" is a project on Canada's choices regarding North American integration. It is produced with financial support from the Donner Canadian Foundation and guidance from an advisory board whose members are drawn from business, labor, and research organizations.

* * * * *

C.D. Howe Institute Commentary® is a periodic analysis of, and commentary on, current public policy issues. The manuscript was copy edited by Lenore d'Anjou and prepared for publication by Marie Hubbs and Barry A. Norris. As with all Institute publications, the views expressed here are those of the author, and do not necessarily reflect the opinions of the Institute's members or Board of Directors. Quotation with appropriate credit is permissible.

To order this publication, please contact: Renouf Publishing Co. Ltd., 5369 Canotek Rd., Unit 1, Ottawa K1J 9J3 (tel.: 613-745-2665; fax: 613-745-7660), Renouf's store at 71½ Sparks St., Ottawa (tel.: 613-238-8985), or the C.D. Howe Institute, 125 Adelaide St. E., Toronto M5C 1L7 (tel.: 416-865-1904; fax: 416-865-1866; e-mail: cdhowe@cdhowe.org).

\$12.00; ISBN 0-88806-558-2;
ISSN 0824-8001 (print); ISSN 1703-0765 (online)

All the clichés of Canadian-US relations still abound in after-dinner speeches on both sides of the border. We are “best friends,” close allies sharing the “world’s longest undefended border,” and each other’s best customers. Like most clichés, they are all true, but there is no doubt which nation is the junior partner and which one calls the tune.

The economic linkages between Canada and the United States predate Confederation. The military linkages go back to 1917 and led to a defense alliance in the wartime summer of 1940. Since then, the two nations have become inextricably tied together.

But many Canadians still chafe at the connection with the Pentagon, and poking the Americans with the sharp stick of supposedly superior Canadian morality is a habit of long-standing that has not abated since the events of September 11, 2001. The superpower neighbor, for its part, has global responsibilities and burdens, and it often tires of Canadian caution, endless remonstrances, and prickly independence when what it wants and needs is support.

Canada is faced with an array of difficult choices. Should it support an expanded war on terrorism? Should it offer support for a National Missile Defense (NMD) scheme? Should it try to expand the North American Aerospace Defense Command (NORAD) to include sea and ground forces and cooperate with the United States in homeland defense? And if so, should Canada increase its armed forces and by how much?

This *Commentary* argues that Canadians must take realistic decisions, not emotional ones. Refusing support to the United States would have real costs, not least in economic terms. Canadian sovereignty would seriously diminish if the United States acted to protect itself from attack without working with the Canadian government and the Canadian Forces. But since the United States *will* defend itself, whether or not Canada cooperates fully, supports the NMD scheme, and backs an expanded antiterrorist war, the only question is how best to protect Canadian sovereignty: by joining in or by hanging back? This paper argues that there is no choice at all: Canada must cooperate with the United States in its own interest. To do that will require the strengthening of the Canadian Forces.

A Little History

After September 11, 2001, no one doubts that North America faces a new situation and new threats. Historians always seek parallels, and the one that everyone reached for in mid-September 2001 was Pearl Harbor. Like the Japanese attack on Hawaii on December 7, 1941, the assault on the World Trade Center and the Pentagon was a very costly sneak attack without a declaration of war, and it was the result of a huge intelligence failure. The analogy is not bad at all.

Canadians have a better comparison, however. In its impact on relations between Canada and the United States, the fall of France in June 1940 and Washington’s and Ottawa’s resulting concern with continental and hemispheric security presaged the concern produced by the terrible events of September 11. That Canada, a belligerent in August 1940, felt impelled to sign its first defense arrangement with the still-neutral United States was an indication of how fearful North Americans were. That

President Franklin Roosevelt, smiling, charming, and benevolent, politely pressed Prime Minister Mackenzie King into signing the Ogdensburg Agreement and establishing a joint board on defense might point to the kinds of pressures Canada is facing today.

Yet the two situations differ, too. In 1940, Canadians were still British in their sentimentality and allegiance, and Canadian trade was diversified. Today, the British Empire is dead and gone, Canadian obsequiousness to Britain and the Crown gets trotted out only for royal visits and funerals, and the United Kingdom counts for little on the Canadian balance sheets. How did we get to August 1940, and how did we proceed from there to our present pass? What do we face today and what should Canadians do about it?

The Nineteenth and Early Twentieth Centuries

For most of the nineteenth century, Canadians lived in fear of US invasion, a fear fed by talk of Manifest Destiny, "54-40 or fight," and Fenian incursions. At the same time, however, the process of Canadian economic integration with the United States was in train. It began in the first half of the nineteenth century, peaked for a decade with the Reciprocity Treaty of 1854, declined after the Americans abrogated it at the end of the Civil War, and then resumed a slow, steady pace. The failure of Sir Wilfrid Laurier's reciprocity agreement in 1911 seemed to mark a check to continentalism, but it was purely temporary.

Not surprisingly, it was the imperatives of war that began to speed economic integration again. Ironically, Prime Minister Sir Robert Borden, the proponent of empire and an openly anti-American opponent of free trade with the Yankees in 1911, was soon beseeching the United States to give Canada a break. The beginning of World War I cut off Canada from British and European capital, and Borden, a man who knew how much Canadian expansion depended on bond flotations and stock sales, was quick to ask Wall Street to fill the gap. It did, and when Woodrow Wilson finally took the United States into the war in 1917, Sir Thomas White, Borden's finance minister, beseeched Treasury Secretary William McAdoo to exempt Canada from the ban on loans he had temporarily imposed on the Allies. White succeeded.

The next year, when Canada found itself purchasing far more from the Americans than it was selling and thus coming perilously close to running out of US dollars, the prime minister himself pitched the Canadian case for more US war orders to President Wilson. Canada was a special case, the United States' best friend, the argument went, and Wilson accepted it. Indeed, the president agreed "that the resources of the two countries should be pooled...and that the boundary line had little or no significance" in wartime (quoted in Cuff and Granatstein 1977, 37). It was as if 1911 had been a mere aberration, a thought that must also have occurred to White when he told the treasury secretary that the two countries had

always been good neighbors. Occasionally a verbal brickbat has been thrown across the fence but we have always sympathized with each other when brickbats have come from any foreign source....Our peoples are very much alike and understand each other better than any other two peoples in the world. (Quoted in *ibid.*, 42.)

Necessity was the mother of rhetorical invention.

Canada was a special case, the United States' best friend.

Just as important, the war also forced military cooperation on the two countries for the first time in history. US pilots (including the Mississippi novelist William Faulkner) came to Canada to train, and the US navy, responding for appeals for help from Ottawa, agreed in 1917 and 1918 to provide antisubmarine aircraft and patrol vessels to help defend both North Atlantic convoys and the Nova Scotia coast from U-boats (Tennyson and Sarty 2000, 158ff). The war had accelerated continental integration markedly.

The political and military pace slowed in the 1920s, however, though Americans' industrial and financial annexation of Canadian companies and resources continued. Soon, high US tariffs and the Depression reduced trade across the border and increased resentment. But when Mackenzie King and the Liberals returned to power in 1935, a major trade agreement followed quickly, the first since 1854 and the first big breach in the imperial preferences that had given Britain, the Dominions, and the British colonies tariff advantages. A second Canada-US trade agreement came within a few years.

World War II

Equally significant change occurred in the area of defense when President Franklin Roosevelt used the occasion of a speech at Queen's University in Kingston, Ontario, in 1938, to proclaim that the "people of the United States will not stand idly by if domination of Canadian soil is threatened by any other empire" (quoted in Martin 1982, 127). Most Canadians, viewing the worsening situation in Europe and Asia, assumed Roosevelt's use of "other empire" referred to some nation other than Britain. He might just as easily have meant "other than the United States." The president had not consulted Mackenzie King before speaking, but a few days later King felt obliged to reply that Canada would ensure that it was as immune from attack or invasion as it could be and that it would not permit enemy forces to attack the United States "by land, sea or air" from Canada (ibid.; see also Fortmann and Haglund 2002). In effect, King pledged that Canada would maintain sufficient defensive strength to deter any incursions aimed at the United States and that the Dominion would never become a strategic liability to its neighbor.

Canada would not permit enemy forces to attack the United States "by land, sea or air."

These statements have remained intact as the basic pledges from each nation to the other — though one might argue that Canada has not always maintained enough military strength to keep its side of the bargain — but at the time they did not amount to a formal defensive alliance. One would not be long in coming.

Canadians had retained their colonial way of thinking throughout the British era. Britain and its Royal Navy guaranteed Canadian security; hence, Canada needed to make no serious defense efforts unless Britain was involved in a major war. The Roosevelt-King exchange of pledges in 1938 presaged a change of historic nature. From being a British military protectorate, Canada was now on the edge of becoming a US one.

When World War II began in September 1939, Canadians confidently expected it would be fought in Europe, where the great French army could hold Hitler's Germany in check. The fall of France in June 1940 put paid to those ideas, and Britain seemed on the verge of invasion and defeat. Canada had only two half-trained divisions, one in England and a second en route. At home there were, as

Britain's weakness forced Canada into the arms of the United States.

yet, few fully trained or equipped army, air, or naval units, and if England fell to the Nazis, the Royal Navy might fall into enemy hands. If that occurred, North America itself might be subject to attack.

Britain's weakness forced Canada into the arms of the United States. In mid-August, Roosevelt called Mackenzie King and invited him to meet at Ogdensburg, New York. In a conversation full of bonhomie, the two men agreed to create the Permanent Joint Board on Defense (PJBD) and to foster more military staff conversations (some desultory military discussions had been held before the war). This military alliance between a belligerent Canada and a neutral United States was a guarantee of safety for Canada if the worst occurred overseas and a way for the Dominion to devote the maximum effort it could to Britain's defense.

For the Americans, Ogdensburg was the beginning of continuing efforts to get genuine assurances of security against attack through Canada. Indeed, as FDR put it to King in a discussion about the negotiations he had had with the British during the just-concluded "destroyers-for-bases" deal, he had sought "a friendly agreement in advance" about bases anywhere in the hemisphere in the event of attack. The United States was ready to do whatever it had to do to ensure its security. If that had meant seizing bases in Newfoundland (then a British-administered Crown colony) or the West Indies, so be it. He had been fully prepared to do so. But a friendly agreement in advance that saw the British do what Roosevelt wanted and get the ships they needed was preferable (Granatstein 1992, 21). In other words, the United States was supreme in the Western Hemisphere, fully determined to protect itself against whatever threats might come down the pike, and it would act as great nations always act in crisis — in its own interests.

Mackenzie King was Canada's shrewdest prime minister, a man who knew Roosevelt well and who understood the situation the world faced in 1940. But if King understood what Roosevelt meant by his comment, duly recorded in King's diary, there is no indication. Happily, King and Canada did not face a situation in which they had to discover FDR's ultimate meaning.

Nonetheless, later in 1940 during discussions in the PJBD Canada gave strategic control of its forces to the Americans if Britain was overrun. But the next year, with Britain still in the war, Canada mounted a strong and successful campaign to reverse this pledge. All that Canada would now concede was "coordination of the military effort to be effected by mutual cooperation" (ibid., 22), a largely meaningless phrase that gave control back to Ottawa. But economically — exactly as in World War I — Canada was the supplicant, pleading with the Americans to buy more in Canada so it could continue to make purchases in the United States. The Hyde Park agreement of April 1941, graciously conceded by FDR, tied the two wartime economies inextricably together (Cuff and Granatstein 1977, 69ff).

The military relationship became similarly entwined, and Canada scarcely argued over strategic control after 1941. Even before the United States entered the war, direction of the Royal Canadian Navy's (RCN's) antisubmarine efforts in the western North Atlantic was assumed by the US navy. After Pearl Harbor finally brought the United States into the war, the Combined Chiefs of Staff — British and US officers with no Canadians at the table — took strategic control. Americans built the Alaska Highway through Canada, Canadian and US troops served together in the "Devil's Brigade," and a Canadian infantry brigade, trained and equipped on

US lines, took part in the campaign in the Aleutians. Had Japan been invaded in 1945, a Canadian infantry division, armed and trained with US weapons, was set to serve under General Douglas MacArthur. Canada was still a British Dominion and most of its World War II military effort had been as part and parcel of the Commonwealth forces, but the country was now very much a tail on the US kite.

Nothing that occurred after the war altered matters, except that the residual British influence on the Canadian military declined precipitously. Canada joined the United Nations and worked to foster its multilateral institutions. In 1947, the two North American nations agreed to continue their defense cooperation. Canada, the United States, and Britain were the originators of the secret discussions that led to the North Atlantic Treaty Organization (NATO) in 1949, a deliberate effort on Canada's part both to draw the United States into the defense of Europe and to create a multilateral defense organization that could help to cushion the impact of the overpowering bilateral relationship in North America (Granatstein 1981, 235ff).

Though Canadian rearmament was slow and hesitant, it had begun by the time the war in Korea, started by Pyongyang's invasion of South Korea on June 25, 1950, changed the world. Under extreme US pressure to contribute, Canada reluctantly provided an infantry brigade, destroyers, and air transport to the US-directed United Nations effort. This war lasted three years.

Far more significant, equally strong US encouragement led Canada to provide a brigade of infantry, an air division of fighters, and a major antisubmarine warfare effort for NATO. These commitments lasted much longer than the Korean effort, cost vastly more, and represented Canada's major military contribution in the last half of the twentieth century.

The Cold War Years and After

At the same time, the United States and Canada continued to be greatly concerned with continental defense. The Soviet Union had nuclear weapons, an air force capable of delivering them on North American targets, and, by the 1960s, intercontinental ballistic missiles. Canadian air space provided time and, in the 1950s, radar lines in Canada offered warning of attack. Soon, NORAD, a joint command in which a Canadian officer was deputy commander, coordinated continental air defense.

NORAD had been negotiated by the Liberals but was signed in 1957 by John Diefenbaker's Progressive Conservative government. Pro-British, anti-Communist, and anti-American, Diefenbaker was a bundle of contradictions wrapped in indecision, and his government fell into difficulty when it could not bring itself to decide to take the nuclear warheads it had agreed to accept for the Canadian units in NORAD and NATO (Granatstein 1986, 101ff).

Matters compounded for Diefenbaker — and for his relations with the Canadian military and the United States — during the Cuban Missile Crisis of October 1962. Without waiting for Cabinet approval, belatedly and grudgingly granted, the RCN put to sea to shadow Soviet submarines in the Atlantic, and the Royal Canadian Air Force (RCAF) went on alert, ready to counter any attack by Soviet bombers (Haydon 1993, 202ff). The military actions were an indication of the increasing closeness of the RCN and RCAF with their US counterparts. That these actions

Diefenbaker was a bundle of contradictions wrapped in indecision.

Diefenbaker had tried to refuse to help defend North America in the greatest crisis of the Cold War.

were also the single greatest breach of proper civil-military relations in Canadian history passed almost without notice in the midst of public outrage that Diefenbaker had tried to refuse to help defend North America in the greatest crisis of the Cold War. Perhaps this reaction encouraged John F. Kennedy's administration to help to topple the Canadian government, using the brusque brutality of a single press release in January 1963. Relations with the United States had become the issue of the day.

Lester Pearson's Liberal government took the nuclear warheads for Bomarc missiles, CF-101 and CF-18 aircraft, antisubmarine warfare, and Honest John surface-to-surface missiles, but it soon had its own serious problems with the US war in Vietnam. Canadian nationalists also resented the increasing US foreign investment in Canada and fumed about the way Diefenbaker had been driven from office. Pearson had been happy enough to take power from the Tories with the help of the State Department's push. Nonetheless, he worried about the United States' heavy bombing of North Vietnamese targets and the opposition of the Liberal left, not least his erstwhile finance minister, Walter Gordon, who combined economic nationalism with opposition to Lyndon Johnson's war. Pearson's speech at Philadelphia's Temple University in 1965, calling for a suspension of the bombing, brought his relations with President Johnson close to the breaking point (Granatstein 1986, 208ff).

Pierre Elliott Trudeau's government, taking power in 1968, did nothing to ameliorate the frictions with Washington. Trudeau ordered a sweeping review of defense and foreign policy that produced a 50 percent cut in the Canada's NATO contingent. He abandoned the Canadian Forces' nuclear weapons at the earliest opportunity, accelerated the process of military decline that had begun in the Diefenbaker years, and simultaneously moved toward better relations with the Soviet Union, China, and Cuba. Neither Richard Nixon's nor Ronald Reagan's Washington was amused, and pressure from the south likely obliged Trudeau to agree that the United States could test cruise missiles over Canadian territory in 1983. Trudeau got his own back by launching an ill-prepared global peace mission in the winter of 1983/84 to ease what he and many others feared was a slide toward war between the superpower blocs. "A leftist high on pot," one senior US official sneeringly called him (quoted in Granatstein and Bothwell 1990, 371-372).

Trudeau's mission achieved little, but in retrospect the Cold War was already on its last legs, the Soviets breaking under the economic strain. Brian Mulroney and the Progressive Conservatives were the beneficiaries. Although the Tories in opposition had pledged to do much more for defense and although the Mulroney government produced a hawkish defense white paper in 1987, the collapse of the Soviet Union allowed the Canadian government to withdraw all its forces from NATO Europe in 1993 and to accelerate still further the rundown in the Canadian Forces. At the same time and over the fierce opposition of nationalists and anti-Americans, Mulroney pressed forward free trade with the United States (and Mexico soon after), irrevocably tying Canada economically to its superpower neighbor (Granatstein 1996, 246ff). Trade boomed, and by the end of the twentieth century, close to 90 percent of Canada's trade was either with or shipped via the United States. For decades, the nation's economic eggs had been in one basket; now, no one could escape this realization.

The same was true in defense. Mulroney tended to view Canadian military interests as similar to those of the United States, and he was likely correct in doing so. When the Gulf War erupted in winter 1990/91, therefore, Canada cooperated as best it could in the anti-Iraq coalition. The army had no troops fit to fight in such a war, but the air force and navy did contribute. At the same time, the government participated ever more actively in United Nations peacekeeping — and peacemaking and peace support — operations across the globe. The end of the Cold War had let loose instability, and Canada did its part. The United States was duly grateful, but its calls for Canada to increase its defense spending ran afoul of a huge and increasing federal budget deficit. The result was great strain on the Canadian Forces, especially the army, as steadily increasing commitments abroad in locales such as Bosnia and Somalia ran into the problems posed by declining numbers of personnel.

Our Present Discontents

The previous section describes the situation when the Liberal Party under Jean Chrétien came to power in 1993. The new government's first priority was the deficit, and the resulting program reviews slashed defense spending and further cut the numbers of military personnel to the 60,000 level.

Canadian Forces worked to increase their interoperability with the US forces.

At the same time, the Canadian Forces worked to increase their interoperability — a matter of training, equipment, and communications — with the US forces. The navy was most successful, its new frigates being state of the art and able to mesh seamlessly with USN carrier battle groups and to command task groups that included US vessels (Sokolsky 2002, 8–9). The navy also had developed “mature working arrangements” and “bi-nationally approved defence arrangements” with the US navy's commands covering the Atlantic and Pacific (Cuppens 2002, 12). Thanks to the long, close relationship that had developed in NORAD, the air force had tight professional and personal linkages at all levels, although its equipment problems hampered interoperability. Only the army lagged behind, but even here efforts to work more closely with the US army proceeded.

By the end of the decade, a Canadian army officer had become deputy commander of a US corps, and operational procedures had begun to be brought very closely into line. Former Chief of the Defence Staff General Maurice Baril, in 2000, affirmed the military's “*natural objective* [his italics]...to strengthen our military relations with our allies.... Central to this, of course, is adopting equipment, doctrine, and communications that are compatible with our NATO allies and, in particular, with the forces of the United States” (quoted in Bland 2002, 39). The Canadian Forces' goal was “seamless operational integration at short notice” (ibid.). Pressing the goal forward was an array of some 80 treaties, more than 250 memoranda of understanding, numerous bilateral committees such as the more than 60-year-old PJBD, and Canada-US planning groups, some also in existence for decades.

While this process of achieving compatibility with the US military proceeded, the Chrétien government's foreign policy was in the hands of Lloyd Axworthy. Pressing forward a “human security” agenda, campaigning successfully for a treaty to ban landmines, and tweaking the Americans over nuclear weapons, Axworthy appeared to delight in pulling the eagle's tailfeathers (Oliver 2000, 5ff). Cooperation

between his department and National Defence, struggling to remain viable and to get closer to the US military, was limited.

Certainly Axworthy, his predecessors and successors, and his prime minister were keen to commit Canadian troops to UN and other operations abroad, even though the shrunken military was already overstretched. A succession of disasters quickly fell on the Canadian Forces, especially the army. The Somalia debacle and the resulting inquiry, the scandals involving senior officers and sexual harassment of women personnel, an ethical breakdown, and increasingly obsolescent equipment combined by the mid- to late 1990s to leave the Canadian military in crisis, an embarrassment to itself, the government, and the people.

These problems might not have mattered to any but military personnel if the world had stayed still. But events have a way of continuing despite those who pretend that all is for the best. In 1999, the war in Kosovo demanded Canadian participation, and on September 11, 2001, the terrorist attacks on the World Trade Center in New York and the Pentagon in Washington brought the new world of the twenty-first century into bold relief.

And what is this new world? Fueled by militant Islam, terrorism has suddenly become the major threat to secular, democratic, and pluralist states, one particularly hard to defend against in a wide-open North America. To President George W. Bush, nations that are not with the United States are with the terrorists, and after taking a few days to sniff the wind, Prime Minister Chrétien aligned himself with Bush (Bricker 2001). Driven by an understandable desire to make itself as safe from attack as possible, the United States has put together a coalition to strike at terrorist bases and their supporters in Afghanistan and pledged war against all who shelter terrorists. Efforts have begun to crack down on the financial support terrorists draw from North American groups. At the same time, the United States is striving to bolster its homeland security (something toward which it has been moving since at least 2000) and is pressing Canada to join more effectively in the defense of North America. Washington is also demanding that the hitherto porous Canada-US border be secured and that Canada's lax refugee and immigrant screening procedures be tightened. Simultaneously, US efforts that had aimed at ballistic missile defense, in train for years, have speeded up, and defense spending has increased toward the US\$400 billion level.

And Canada? First, as we have seen, the condition of the Canadian Forces was in crisis before September 11. Defense spending of C\$12 billion in 2002 has proved insufficient to support even a force of 60,000 personnel (the actual effective strength in mid-2002 is at least 10 percent lower). Canada's defense spending of US\$265 per capita is less than half the NATO average of US\$589, and its 1.1 percent of gross national product (GNP) devoted to defense is precisely half the NATO average. Spending on defense equipment acquisition faces a C\$11 billion deficit over the next 15 years, while the annual shortfall in the Canadian Forces' operations and maintenance budget is about C\$1.3 billion. Army units operate at something approximating 50 percent strength and, for lack of money, army battle groups train together only every three years; three navy vessels were tied up for want of sailors to crew them; and the air force is short of pilots and still years away from replacing its 1960s'-vintage Sea King helicopters (Conference of Defense Associations 2001;

After taking a few days to sniff the wind, Prime Minister Chrétien aligned himself with Bush.

2002; Canada 2002b; Fife 2002b; Macdonald 2002). Very simply, the Canadian Forces have all but lost the capacity to undertake operations for a sustained period.

Certainly, this is the situation for the Canadians deployed in and off Afghanistan. The substantial naval fleet placed in the area after September 11 has already been reduced from six ships to three because the navy simply lacks the specialist crews and ships to maintain a significant presence for more than six months (Dubé 2002). The 3rd Battalion of the Princess Patricia's Canadian Light Infantry (PPCLI), the heart of the battle group based at Kandahar and integrated into a US Army formation, had to be boosted toward full strength with the (belated) addition of a company from 2PPCLI. In late May, however, the defense minister announced that the battle group was to be withdrawn from Afghanistan at the end of July and would not be replaced. The army was under such strain, so short of trained infantry given its commitments in Bosnia and to the protection of the Kananaskis G-8 summit, that the Canadian pledges of support for the war on terrorism had been foreshortened.

The situation is no better at home. Canada is committed to provide an army brigade for continental defense, and although it could, with difficulty, cobble together such a formation, no brigade training has been carried out since the mid-1990s. Three regular force brigades are stationed in Canada, but they are now all sadly understrength, almost wholly administrative, and increasingly static formations. The air force has maintained its small commitment to NORAD, but in all it has only 80 CF-18s flying. Their obsolescent electronics and weapons systems are being modernized, but in a program that extends to 2017. The air force's Aurora maritime patrol aircraft have been doing fewer and fewer patrols off the coasts and in the north. The navy, with more modern equipment (especially frigates and maritime coastal defense vessels), will likely not be able to keep its four old destroyers in service or replace them after 2005. Naval capability would have to be reduced even further without at least \$8 billion in capital acquisition over the next decade. The reserve forces are understrength, undertrained, underequipped, and underfunded, and, as with the regulars, troop morale is generally low.

The chiefs of staff in Ottawa had expected a major infusion of new funding in the December 2001 federal budget.

The chiefs of staff in Ottawa had expected a major infusion of new funding in the December 2001 federal budget, a wartime budget after all. But they were sadly disappointed. Aside from funds for the strengthening of Joint Task Force-2, the military's small antiterrorism force, some new money for chemical and biological defense, and tiny sums for other purposes, the budget did almost nothing for the Canadian military. Without a change in its prospects and substantially more funding — a defense review is set to begin in late spring 2002, and many see it as the last chance for the Canadian Forces — we must expect resignations among the chiefs.

Very simply, whether Canadians realize it or not, Canada is now all but undefended at a time of danger. Although terrorism poses a real threat, it is not the most serious crisis. The danger lies in wearing blinkers about the United States at a time it is in a vengeful, anxious mood. The Chrétien government seems either oblivious to the danger, or else it has given up.

Future Choices

A number of issues preceding and arising from the events of September 11 pose challenges for Canada's immediate and long-term relations with its superpower

neighbor. They merit full public and parliamentary discussion for all are important questions on which Canadians need to be informed.

National Missile Defense

The first such challenge is the US work on National Missile Defense (NMD). Defense against intercontinental ballistic missiles (ICBMs) has been of major concern in the United States for years, although the 1972 Anti-Ballistic Missile Treaty between the United States and the former Soviet Union constrained research for years. The current Bush administration has given the strongest of indications of its intention to withdraw from this commitment and to proceed full blast with research to develop, by 2005, a defense against ICBMs from present and future “rogue” states such as North Korea, Iraq, and others (Holman 2000, 58ff). The Russians and Chinese are unhappy about this, naturally enough, and so are many Canadians. But the United States is all but certain to speed up the research for and deployment of an NMD system — if one can be developed, which is by no means certain (Lindsay 2002).

What should the Canadian position be when faced with this US determination, a determination only strengthened by September 11? Most Canadian officials downplay the rogue state threat and worry about US unilateralism. If the research failed to produce a useful defensive system, almost no one would weep (Liu Centre 2001, 2–3).

If the research failed to produce a useful defensive system, almost no one would weep.

But what if a practicable system does materialize? Since 1957, Canada has been a partner in NORAD, headquartered at Cheyenne Mountain, Colorado, successively renewing its commitments under this agreement every five years. The changing thrust of NORAD is best demonstrated by the replacement a number of years ago of “air defense” in its name by “aerospace defense.” It is likely that the United States would want to put NMDs under NORAD control to take advantage of the existing warning systems that NORAD possesses and that Canadian personnel help run. If we take a high moral stand against the NMD defensive system, therefore, the Canadians in NORAD could no longer fully participate in the warning and assessment process (Jockel 2002). The implications here are clear: the Americans might prefer to close down NORAD as an integrated command or to give NMD to their Space Command. For all practical purposes, NORAD’s gutting would take with it all Canadian influence on continental air defense, and it would almost certainly affect the vast flow of intelligence Canada receives from US sources. On the other hand, if Canada accepted NMD and missile defense went to NORAD, Canadian influence might actually increase (Jockel 2000; Pugliese 2002).

No one suggests that Canada would acquire “go/no go” authority over NMD if NORAD runs the show. But Canada would have the right to consultation, the right to participation, and the right to a place at the table when decisions are made. As the United States is all but certain to proceed, Canada must choose between preaching high morality and acting with great practicality. In such circumstances, when morality would only anger the Bush Administration *and* hurt Canadian interests, we have no choice. The time for maximum benefit may already have slipped by; nonetheless, the earlier Canada agrees to support the NMD decision, the better.

The Northern Command

Similar to the NMD/NORAD conundrum is the question of the expansion of NORAD and the Northern Command, the new United States military supercommand, announced on April 17, 2002. NORTHCOM is to be activated on October 1, 2002 and to be led by the US Air Force four-star general who commands NORAD. NORTHCOM will be housed alongside NORAD at Cheyenne Mountain, Colorado. Such an organization, created largely for coordination among the fractious US services (Sokolsky 2002, 21), had long been suggested in the United States, beginning well before the World Trade Center attack (Nunez 2001; Charters 2000; Richter 1999; White 2000).

It is very unlikely that Canada will be invited to participate in NORTHCOM's planning or command structure.

Homeland defense is obviously of great concern to Americans — the Defense Department's *Quadrennial Defense Review* of September 30, 2001 declares it "the highest priority" (US Department of Defense 2002a) — and it should be equally so to Canadians. NORTHCOM, however, is a US national command, and it is very unlikely that Canada will be invited to participate in its planning or command structure, as then defence minister Art Eggleton made clear in Parliament on May 7 (Canada 2002c). But it would make sense for Ottawa to press for the creation of an expanded NORAD arrangement that built on the many agreements already in place and fully covered both nations' land and naval forces. At the same time, the goal must be to preserve and enhance Canada's status in the binational NORAD organization (Canada 2002, 64–66).

Such suggestions run up against concerns of the Department of Foreign Affairs and International Trade about sovereignty and autonomy and, likely, the Finance Department's fear that, if Canada expands NORAD to cover homeland defense, US pressures for much greater defense spending might be too strong to be ignored (Brown 2002; Byers 2002b).¹

The question, however, must be approached exactly as the NMD decision. The United States is determined to improve its homeland defense and is certain to approach this subject, as it must, from a continental perspective. The news release announcing Northern Command declared that its area of responsibility would be all of continental North America, including Canada and Mexico, and that its commander-in-chief would have the task of "security cooperation and military coordination" with other nations (United States 2002b).

Canadians thus have the choice of standing back and allowing the Americans to plan for the protection of Canadian territory or of participating in the decisions. Prime Minister Chrétien's instinctive response was to say correctly that Northern Command was the Americans' "own business," but he added, "The defence of Canada will be assured by the Canadian government and not by the American government." His office issued a fact sheet suggesting that "informal" discussions thus far "do not include the possible creation of a new joint command with standing forces attributed

1 Canadian concerns over sovereignty were not eased by US Ambassador Paul Cellucci's comment about Northern Command and Canadian reaction to it on April 18, 2002: "This has got nothing to do with sovereignty. This has everything to do with the security and protecting our people." Cellucci added that improved Canada-United States security cooperation was critical in creating a "zone of confidence" to facilitate the flow of goods and people across the border. (Quoted in McCarthy, 2002, 1.)

to it" (Canada 2002c). Foreign Minister Bill Graham was more circumspect, noting that the government had advised the United States "that once they have announced their plan...we will study it and determine to what extent we wish or whether it would be good for Canada to participate" (quoted in McCarthy and Koring 2001). Published reports suggest that the Cabinet was to respond to the United States by mid-May (Leblanc 2002; Trickey 2002).

Once again, there is no real choice.

Once again, there is no real choice. Nationalists claim that Canada is tying itself to the United States' chariot wheels if it expands NORAD (Axworthy 2002a; Byers 2002b) or posts officers to Northern Command, as it might do in the future. But the basic decisions were made in 1940 and confirmed by a succession of defense and trade agreements. Do we want some consultation or none on matters that concern Canada's security every bit as much as the United States'?

Some opponents of adhesion point to existing differences in Canadian and US policy. Lloyd Axworthy asks:

What does a Canadian soldier do if asked to handle land mines on Canadian soil, in contravention of our treaty undertakings? What if we apprehend someone considered a war criminal...? US law would prevent them being turned over to the [International Criminal Court], while our obligations require it. (Axworthy 2002a; see also Byers 2002a.)²

The former minister also complains about

[T]hose guys in Ottawa talking about [putting] our Armed Forces under U.S. command which means we would not even be in a position to exercise our authority [in the Arctic] even if we wanted to. (Quoted in Milnes 2002.)

These questions are all important, though it is difficult to contemplate a scenario in which Americans would order Canadians to handle land mines in Canada or to understand how closer defense ties could undermine sovereignty in the Arctic. The arguments might have more force if the two countries' air forces had not successfully worked together in NORAD for 45 years and if their navies had not seamlessly integrated, daily resolving problems of equal complexity. So long as our troops remain under Canadian command, with Canadians able to decide what they will

² Byers's work, *Canadian Armed Forces under US Command*, is a quite extraordinary collection of arguments for not joining Northern Command or, indeed, any joint operation with the United States. Among his reasons are differing policies on conscription (on which Canada has no policy), child soldiers, gay and lesbian soldiers, bilingualism, women in the military, land mines, arms control, nuclear weapons, and even the impact on Canadian energy and water resources of agreeing to a US-led joint command. Most notably, Byers actually suggests that, like the British in the world wars, the Americans would give Canadians the hardest military tasks, preferring Canadian deaths to those of their own soldiers. This argument is both bad history and an outrageously offensive interpretation of current events. Throughout Byers assumes that an integrated command would mean US commanders' giving orders to Canadians: "Would gay and lesbian soldiers be at risk of punishment from their US commanding officers?" This comment is simply ludicrous — have any gay Canadian pilots been punished by NORAD's US commander? To ask the question is to answer it, and Byers's misinformation would be unimportant except that Lloyd Axworthy, whose Liu Centre published the work, appears to rely on it in public comments, and almost to be its co-author.

On May 6, the Liu Centre released a much-revised version of the Byers piece; it corrected some of the errors and deleted references to conscription, water, and energy prices, but it retained almost all the other errors.

do and when (if ever) to place them under US operational control, the nation will have more than sufficient power over its military destiny. If US commanders are granted operational control, it can be withdrawn at any time. Moreover, an expanded NORAD would be obliged to request Canadian forces for *particular* missions, and the Canadian government would have to agree or not after assessing all the factors (Cellucci 2002). This situation exists in NORAD now.

The Basic Question

Lloyd Axworthy's concerns, which seem to be motivated by deep-seated anti-Americanism, are largely wrong in fact. They are certainly not in the interests of Canada and continental defense. By all means, Canadians need to raise their concerns about further integration with the United States military, but in their desire to stay a sovereign nation, they must not forget what is at stake — their security and their economic well-being.

An unnamed senior Canadian official told the *National Post* that "there is an option for us to work together to watch over North America or we are going to have the Americans watch over us because they are going to do it one way or the other" (Fife 2002a). That statement clearly frames the question before us and only one answer is possible: Canada must cooperate militarily as fully as possible with the United States — if the Americans ultimately decide to allow us to participate, a decision that is by no means yet clear (Dobbs 2001; Koring 2002).

Doug Bland, a respected Queen's University defense analyst who considered this subject after consulting an array of Washington officials, puts the matter in the bleakest possible terms.

Should Canada hesitate or seek to avoid these new obligations, it seems likely that the United States will blockade its northern border, undertake covert intelligence operations in Canada and act unilaterally to defend itself by deploying its armed forces in Canada whenever the president deems it necessary. (2002, 26–27.)

We must hope that Bland's sources have led him to overstate matters by declaring such actions "likely," but his point cannot be ignored, even if some accuse him of fearmongering. The United States is deadly serious about homeland defense, and only utterly foolish Canadians can ignore this concern. Since Roosevelt's day, the Americans have preferred agreements in advance and sought Canadian cooperation. Canada has almost always offered it, though frequently not without misgivings, and it must do so once more. The Americans will act — alone if necessary. They would naturally prefer that Canada cooperate in defending our common territory.

The same calculus should be evident in our deciding whether or not to support the United States in an attack on Saddam Hussein's Iraq. Though the violent Arab-Israeli conflict of spring 2002 has greatly disrupted the Bush administration's coalition-building in the Middle East and slowed its timetable to oust Saddam, this issue is one that will not disappear (Lemann 2002, 42ff). Canadian officials tend to argue that, if Iraq is clearly linked to September 11, then war is defensible, but otherwise, it is not.

Canada must cooperate militarily as fully as possible with the United States.

We know that Iraq supports terrorists, though possibly not including Al Qaeda (Goldberg 2002, 52ff). We also know that Saddam effectively bamboozled UN weapons inspectors for years after the Gulf War of 1991 as his research laboratories worked on an array of weapons of mass destruction (WMD); in the end, the inspectors left, frustrated, and Iraq still refuses them readmission. We also know that Saddam has used such weapons against his own people and engaged in wars of aggression and expansion. By every standard, he is an arbitrary, unpredictable, self-centered menace who might have no hesitation about using WMD out of spite.

So what should Canada say when the United States asks for Ottawa's support, as it has and will again? Anti-Americans have their answer ready: US wars of aggression are no more moral than Iraqi ones, and we have no proof that Iraq was involved in the events of September 11.

Nevertheless, an attack against Saddam and his replacement by a leadership that is not so ruthlessly megalomaniacal would be a major gain for the war on terrorism, Iraqis, the region, and the world community. Canada has little capacity to contribute militarily to any US-led attack beyond the provision of a few ships and a squadron or so of CF-18s, so the price of support would be small. The price of opposition, however, would likely be severe. Washington regards Canadians as close friends, Americans' nearest and best neighbors. If Canada hangs back, reinforcing the perception that Canadian anti-Americanism and high-falutin' morality too often verge on the unbearable, the costs to Ottawa might be very high indeed.³ To participate militarily in a war on Iraq would be a Canadian choice. To support the United States in such a war would be a Canadian requirement.

A Little Realism

The diminution of the Canadian Forces — a reduction of 50 percent in personnel — since the height of the Cold War not unnaturally has had its impact on Canada's ability to play a role in the world. Power may not always flow from the barrel of a gun, but it is certainly one of the factors that goes into creating the ability to play a useful role and acquire influence (Ibbitson 2002). When President Bush praised the Canadian troops at Kandahar, Prime Minister Chrétien beamed, but he also made clear there would be no more money for defense. Had the war changed the needs of the Canadian Forces?, he was asked. "Not fundamentally," was his answer (quoted in Fife 2002a).

Such governmental blindness exercised for years has produced the inevitable result. Canada today has very little influence in world affairs and even less ability to influence other nations' decisions about our country and its place in the world. *A Fading Power* (Hillmer and Molot 2002) is quite properly the title of the 2002 volume in the respected Canada among Nations series. How many Canadians know that Canada now ranks thirty-fourth among UN troop-contributing countries

Such governmental blindness exercised for years has produced the inevitable result.

3 The deaths or wounding of a dozen Canadian soldiers in Afghanistan by an errant US bomb provoked substantial anti-Americanism, calls for withdrawal, and denunciations of President Bush, whose apologies some Canadians, including politicians, deemed insufficiently fulsome. (See, for example, the opinions surveyed in Knox, 2002.) The Canadian enquiry established to investigate the cause of this incident had not finished its report at the time of publication of this *Commentary*.

Canada is not a moral superpower.

(Canada 2002a)? Nonetheless, Canadian parliamentarians and media talk as if the nation still matters in the world and has the full range of options it once was supposed to have. Unfortunately, it is no longer so, except for the moral fervor we bring to our commentary, not least on US actions.

Canada is not a moral superpower, the “Stern Daughter of the Voice of God,” as Dean Acheson (1966, 134ff) once described us. Indeed, it never was. Our alliances, our history, and the skills of our diplomats and soldiers offered us the opportunity to play useful roles on some occasions, two of the best known being the creation of the North Atlantic alliance and the freezing of the 1956 Suez Crisis. But the year is no longer 1949 or 1956, and weak governments, budgetary problems, and an overwhelming 40-year focus on the Quebec question have sapped the nation’s ability to operate abroad. Our diplo-military skills and standing have atrophied and, in the new post–Cold War world, only one alliance matters for Canada.

Canada’s links with the United States are key to our survival as an independent and sovereign state. If the Americans are unhappy with us, as they were in the days immediately after September 11, they have the capacity to bring our economy to a crashing halt simply by imposing lengthy delays at the border. With close to 90 percent of Canadian trade heading south — compared with a mere 25 percent of US trade that comes to Canada — Washington’s capacity to inflict pain and enforce compliance on Canada is boundless. Canadian policy must be devoted to keeping the elephant fed and happy.

Security

The key policies here are in the area of security. Border slowdowns have led the Chrétien government to move with great speed to begin to bring slovenly Canadian refugee and immigration policies in line with those of the United States. It has led to the posting of US customs inspectors in Canadian ports and Canadians in US ports, a sensible device to speed up transshipment of goods. And security concerns have led to close links between Canadian officials and ministers working on North American perimeter defense. All these moves are good and sensible and have popular support in Canada.

Where there has been no change, however, is in defense.⁴ Wendy Dobson’s lead paper in this C.D. Howe Institute series suggests that “[m]ilitary expenditures seem certain to be one price Canadians must pay for economic openness” with the United States. What military capabilities would Canadians be willing to pay for, she asks, “[o]r would Canadians prefer to continue to ride free on US military capability?” (2002, 18). Dobson’s question is the correct one, but unfortunately the Chrétien government has already answered it in the December 2001 budget, and the prime minister has repeated that answer: yes, Canada will take the free ride, thank you very much. As someone once put it, Canadians pretend to defend Canada, and the United States pretends it does not!

Does it matter if we are freeloaders? It does, to the military, of course, but also to the nation and to the rest of the world because it indicates our lack of seriousness.

⁴ Other nations’ growing military disparity with the United States is a widespread problem (see Erlanger 2002).

Military strength has been and remains a key indicator of power because if a government leaves its military in decay in a world of war, cold war, and terror, it is confessing an absence of will. Canadian governments have lacked will, and we will pay for this failure; indeed, we are paying for it. The Americans know we do not pull our weight, and although policymakers usually deny the existence of linkage between and among issues, the lamentable condition of the Canadian Forces may have something to do with our inability to get the Bush White House to take a positive interest in Canada's softwood lumber difficulties or US attacks against our Wheat Board.⁵

Canada is a defense freeloader, and like spongers everywhere, we dislike those who carry the burden for us.

Perhaps the reflexive anti-Americanism that characterizes so much of public debate in Canada springs from our guilty conscience. Canada is a defense freeloader, and like spongers everywhere, we dislike those who carry the burden for us. Sensible nationalists base their attitude on their understanding of Canada's national interests. A weak Canadian military means that we must rely on the United States for homeland defense and defense against external threats. A weak military means that we must allow the United States to define the strategic parameters. A weak military means that we must rely on the US Air Force's heavy transports to fly our equipment to operational theaters when it fits their schedules. How does it serve Canada's national interest to allow the Americans to defend us and to permit Canada to be so dependent on Washington that we must be obedient after the fact to its strategy? The way to maximize our independence is to start acting as a sovereign state and to stop talking about it, all the while endlessly reaffirming our supposedly superior morality.

The talk about sovereignty is particularly misapplied by those who claim working with the United States almost invariably threatens Canadian independence (Rebick 2002; Byers 2002a; 2002b; Axworthy 2002a; 2002b). Canada is a sovereign state whether or not we are linked with the Americans in a new continental military arrangement. We are sovereign whether or not we support Bush's NMD plans and whatever answer we give to a possible US-led war against Iraq. Canadians and their government can agree or refuse to support a particular policy or action as they wish.

Sovereignty is the right to say no and the willingness to accept the price of doing so. This is as it must be. But when we make decisions that may shape our future, we must use a national-interest calculus, not an irrational, emotional anti-Americanism. Lloyd Axworthy slams the J. Alfred Prufrocks of Canada who, he says, "have long lamented that Canada wasn't nearly as compliant to the dictates of Senator Helms or the Pentagon as they believe any right thinking country should be." As the former minister puts it, quoting T.S. Eliot, they ask "'Do I dare to eat a peach? Do I dare disturb the universe' if some American in high office objects?" (Axworthy 2002a).

Good poetry, but regrettably simplistic reasoning. Canada has no obligation to say "ready, aye ready" every time Washington calls, but we must be clear on how best to advance Canadian interests, short-term and long-term. In other words, Canada needs to recognize that sometimes its sovereignty and interests can be best

5 Such linkage is usually considered a shibboleth, at least in the Department of Foreign Affairs and International Trade. But Byers (2002a, 26–8) straightforwardly states linkage as a factor involving NORTHCOM in both water and energy questions. Given former foreign minister Lloyd Axworthy's role in producing this paper, linkage is presumably now a legitimate subject for discussion.

served by saying yes to the United States, especially when the decisions 30 million Canadians make can have an impact on the lives of 300 million Americans (Bliss 2001). The defense and foreign policy reviews now under way, however hasty they may be, offer the opportunity to bring Canadian policy into line with the new realities and to create a new partnership with the United States that, rather than weakening Canada, can enhance our capacity to make independent choices and protect our sovereignty.

Independence

Every Canadian knows instinctively that Canada cannot be truly independent of the United States in a military or economic sense. We are part of a vast and powerful if informal US empire now, just as a century ago Canada belonged to the British Empire (Eakin 2002). The Americans can be bullies on occasion, but they have generally been our best friends, whether we like it or not, in the famous malapropism of Robert Thompson, the Social Credit leader of the early 1960s. They have let us go our own way unless and until we impinge on their security. In 1940, Roosevelt wanted defense cooperation from Ottawa and achieved the friendly agreement in advance he sought. Today the situation is much the same, and everyone must realize that Canada has very little room for maneuver.

Everyone must realize that Canada has very little room for maneuver.

We can work with the Americans when Washington requires it and when our own interests demand it, as is surely the case in the global war against terrorism and in homeland defense. If we do not provide a credible military to help defend North America and the values of freedom, democracy, secularism, and pluralism we share with the United States, the Americans will do it for us — because they must. No great power could act differently; most others would have acted to squash our pretensions long ago.

The situation can, therefore, be stated very simply. What threatens Canadian sovereignty more? Hiding our heads in the sand ostrich-like and watching the United States do the job without consultation with Ottawa? Or acting as a sovereign nation by working with our friends and enhancing our capacity to protect the citizens of North America? If Canada maintains a credible military, we will have a voice and options that weakness cannot provide.

John Manley, then minister of foreign affairs, put this very bluntly in comments to the media on October 4, 2001. “You can’t just sit at the G-8 table and then, when the bill comes, go to the washroom. If you want to play a role in the world...there’s a cost to doing that” (quoted in Ross 2001). Pay the bill.

Recommendations

The bill will be high. For Ottawa to agree to support the United States in NMD, to enlarge the war against terrorism, and to expand NORAD for homeland defense would involve little immediate financial cost. The political cost, however, might be very high if this agreement is not properly managed. Every anti-American, anti-globalization, and antiwar constituency in the nation would protest. One way of solidifying public support behind such a policy program would be for the

To tell Canadians the truth — to preach realism — is the best way to proceed.

forthcoming defense and foreign policy reviews to be soundly based in logic and fact. To tell Canadians the truth — to preach realism — is the best way to proceed. Regrettably, in its haste to get reviews finished, the government looks as if it is going to sacrifice consultation and hard analysis for speed.

The heavy financial costs would come slightly down the road. The Chrétien government failed to provide real funding increases for the Canadian Forces in the December 2001 budget. These increases cannot be delayed any longer, and the funding priorities must be indicated clearly in the defense review. Ottawa may have to reduce the overall budget surplus to fund the Canadian Forces properly, but this price would ultimately be a small one to pay.

The Canadian Forces need more money if they are to become a force able to protect Canadian sovereignty by carrying out our share of continental defense and to send troops abroad for coalition operations and UN peace-support operations. Our soldiers, sailors, and airmen and women are as effective and capable as any in the world, and once they are trained and properly equipped, they can perform many roles and use their equipment for different purposes. A well-trained soldier, for example, plays an all-purpose role, and can fight terrorism at home, serve in a war abroad, or do UN peacekeeping. A transport aircraft can move personnel around the country for homeland defense purposes, drop supplies to troops involved in fighting abroad, or airlift relief materials to refugees. In other words, it is all but impossible to earmark spending by function, and these recommendations should not try.

Nonetheless, the way ahead is clear enough, and the current defense review must set the direction. The Department of National Defence base budget should be increased by \$1 billion in the next budget and by a further \$1 billion in each of the next four years (in other words, from \$12 billion now, to \$13 billion in 2003, to \$14 billion in 2004, and so on).

This increase should be sufficient to cover the cost of boosting the regular forces, over five years, to between 80,000 and 85,000 from the current authorized strength of 60,000. It should also be enough to pay for increased training, operations (except unanticipated war costs), and maintenance. At least half the increased personnel strength — say 10,000 all ranks — should be devoted to the army so it can bring its units up to strength and reduce the strain on its personnel caused by too-frequent overseas deployments. The navy ought to have an additional 5,000 to 8,000 men and women so it can again be capable of putting all its ships to sea without scrambling to man them. The air force should get the remainder. At the same time, the three services' reserve forces need to be doubled to some 45,000 all ranks, with the bulk of the increase going to the army reserve, which has a critical role in augmenting regular units for overseas deployments and, in the light of September 11, for homeland defense. Reservists, being part-time service personnel, are much cheaper than regulars; also, they directly connect the Canadian Forces to the people, an important function in itself.

This new funding, the defense review should note, would not be sufficient to pay for big-ticket items. But the review should forecast what major purchases are needed and indicate the likely costs, which are certain to be at least \$1.5 billion a year for the next ten years. The navy needs two new supply ships and replacements or expensive refits for its four obsolete destroyers, at a minimum cost of \$8 billion.

The air force requires upgrades to its air transport fleet and \$3 billion for the long-awaited new helicopters to replace the Sea Kings. And the army, regular and reserve, needs more armored vehicles and, in fact, more of everything from ammunition to clothing to trucks. The government must guarantee the funding for an agreed shopping list so that rational planning and scheduling for the next decade is possible. Australia's recent white paper on defense, to cite just one example from a roughly comparable nation, made precisely those kinds of long-term budgetary commitments.

In sum, the budgetary requirements to give Canada the 80,000 to 85,000 men and women in the military it requires and the right equipment they will need are heavy: \$2.5 billion more than the current budget of \$12 billion next year, \$3.5 billion the year after, \$4.5 billion in 2005, \$5.5 billion in 2006, \$6.5 billion in 2007, and \$1.5 billion each year thereafter for at least the next five years to cover the costs of major re-equipment projects. Such sums would slow the paying down of the debt, but they are absolutely necessary.

The Canadian Forces should certainly remain a general purpose and combat-capable force, rather than a specialized niche force that would, if history is any guide, be prepared for the wrong wars in the future. A small power must keep cadres ready for all contingencies so it can mobilize effectively in the event of a major crisis. The budget increases suggested here would permit Canada to have a balanced military in miniature and simultaneously to carry out its commitments in North America and to current and future NATO, and UN peace-support operations. Although the current Canadian Forces are simply not capable of participating in a major way in a war in 2003 or 2004, they could, if strengthened along the suggested lines, play a useful coalition role by 2005 or 2006 and do much more — and more capably — in peacekeeping and peace-support operations and in homeland defense.

Canadian defense policy must be steered in this direction. Without major change, Canadian sovereignty will become merely a rhetorical device. With such change, Canada will be able to keep its place at the North American table and deserve the right to be consulted by its great neighbor. We are facing important negotiations with Washington on a range of key issues in the coming years, and carrying our fair share of the defense burden might strengthen our hand. Certainly, shirking our responsibilities would weaken it. Budgetary increases like those recommended here would also boost Canada's defense spending closer to the NATO per capita average, perhaps helping to strengthen relations with our European partners, a factor that could provide a limited counterbalance to the overwhelming US presence.

An additional aspect is one Canadians usually forget. Defense spending is comparable to the money homeowners pay for fire insurance. We all pray that our houses not be destroyed by fire, but sometimes conflagrations occur, and the insurance premiums we have paid for years are then more than justified. Nations have armed forces for many purposes, but the prime reason is to be prepared for war. Either Canadians pay the premiums in peacetime for an efficient, well-equipped, professional military or they pay them in wartime. The difference is that the peace premium is only dollars, while the war premium is always paid in dollars *and* with the lives of our sons and daughters.

Without major change, Canadian sovereignty will become merely a rhetorical device.

References

- Acheson, Dean. 1966. "Stern Daughter of the Voice of God." In Livingston Merchant, ed., *Neighbours Taken for Granted*. Toronto: Burns and MacEachern.
- Axworthy, Lloyd. 2002a. "Liberals at the Border: We Stand on Guard for Whom?" Sixth Annual Keith Davey Lecture. Toronto, March 11.
- . 2002b. "Watch your step, Mr. Chrétien." *Globe and Mail* (Toronto), February 4.
- Bland, Douglas. 2002. "Canada and Military Coalitions: Where, How and with Whom?" *Policy Matters* (Institute for Research on Public Policy) 3 (February).
- Bliss, Michael. 2001. "Sovereignty means the freedom to say 'me too.'" *National Post*, September 21.
- Bricker, Darrell. 2001. "War if necessary... but not necessarily war," *Globe and Mail* (Toronto), September 25.
- Brown, DeNeen. 2002. "Canada wary of U.S. anti-terror plan." *Washington Post*, February 24.
- Byers, Michael. 2002a. *Canadian Armed Forces under US Command*. Vancouver: Liu Centre for the Study of Global Issues.
- . 2002b. "On guard for Uncle Sam?" *Globe and Mail* (Toronto), April 18.
- Canada. 1991. Department of National Defence. *Shaping the Future of Canadian Defence: A Strategy for 2020*. Ottawa.
- . 2000. National Defence Headquarters. Directorate of Defence Analysis. "Military Assessment 2000." Ottawa.
- . 2002a. Department of National Defence, Directorate of Peacekeeping Policy. "UN Peace Support Operations Update." March 2002. From website: www.dnd.ca/admpol. Accessed May 2002.
- . 2002b. Office of the Auditor General of Canada. "Recruitment and Retention of Military Personnel (Chapter 5)." *Report of the Auditor General of Canada*, chapter 5. Ottawa, April.
- . 2002c. Parliament. House of Commons. *Debates*. May 7.
- . 2002d. Parliament. Senate. Standing Committee on National Security and Defence. *Canadian Security and Military Preparedness*. Ottawa.
- . 2002e. Prime Minister of Canada. "Fact Sheet: The U.S. Northern Command." April 17. From website: www.pm.gc.ca. Accessed May 2002.
- Cellucci, Paul. 2002. "North American Security." Address to Canadian Defence Industries Association. February 14.
- Charters, David. 2000. "Canada-US Defence Cooperation." On-line, Department of National Defence, ADM (Pol), Directorate of Public Policy. Accessed March 2002.
- Conference of Defence Associations. 2001. *Caught in the Middle: An Assessment of the Operational Readiness of the Canadian Forces*. Ottawa: Conference of Defence Associations Institute.
- . 2002. "Did You Know?" Ottawa: Conference of Defence Associations Institute.
- Cuff, R.D., and J.L. Granatstein. 1977. *Ties that Bind: Canadian-American Relations in Wartime*. Toronto: Samuel Stevens.
- Cuppens, Lou. 2002. "Whither the Defence of North America." *DANN National Network News* 9 (Spring).
- Dobbs, Michael. 2001. "Establishing a CINC for Homeland Security." *Journal of Homeland Security*. October. On-line. Accessed April 2002.
- Dobson, Wendy. 2002. "Shaping the Future of the North American Economic Space: A Framework for Action." *C.D. Howe Institute Commentary* 162. Toronto: C.D. Howe Institute. April.
- Dubé, Francine. 2002. "Canada has trouble manning warships." *National Post*, May 16.
- Eakin, Emily. 2002. "All roads lead to D.C." *New York Times*, March 31.
- Erlanger, Steven. 2002. "Military gulf separates US and European allies." *New York Times*, March 16.
- Fife, Robert, 2002a. "No more money for defence: PM," *National Post*, March 19.

- . 2002b. "Staff shortage may require 30 years to fix." *National Post*, April 17.
- Fortmann, Michel, and David Haglund. 2002. "Canada and the Issue of Homeland Security: Does the 'Kingston Dispensation' Still Hold?" *Canadian Military Journal* 3 (Spring): 17–22.
- Goldberg, Jeffrey. 2002. "The Great Terror." *The New Yorker*, March 25.
- Granatstein, J.L. 1981. *A Man of Influence: Norman A. Robertson and Canadian Statecraft, 1929–1968*. Ottawa: Deneau.
- . 1986. *Canada 1957–1967: The Years of Uncertainty and Innovation*. Toronto: McClelland and Stewart.
- . 1992. "Mackenzie King and Canada at Ogdensburg, August 1940." In J. Sokolsky and J. Jockel, eds., *Fifty Years of Canada–United States Defense Cooperation: The Road from Ogdensburg*. Lewiston, NY: Edwin Mellen Press.
- . 1996. *Yankee Go Home? Canadians and Anti-Americanism*. Toronto: Harper Collins.
- , and Robert Bothwell. 1990. *Pirouette: Pierre Trudeau and Canadian Foreign Policy*. Toronto: University of Toronto Press.
- Haydon, Peter T. 1993. *The 1962 Cuban Missile Crisis: Canadian Involvement Reconsidered*. Toronto: Canadian Institute of Strategic Studies.
- Hillmer, Norman, and Maureen Molot, eds. 2002. *A Fading Power. Canada among Nations*. Don Mills, Ont.: Oxford University Press.
- Holman, D.F. 2000. *NORAD in the New Millennium*. Contemporary Affairs. Toronto: Canadian Institute of International Affairs.
- Ibbitson, John. 2002. "One date isn't a relationship." *Globe and Mail* (Toronto), March 14.
- Jockel, Joseph T. 2000. "National Missile Defence and the Future of Canada–US Defense Cooperation." In David Rudd et al., eds., *Canada and National Missile Defence*. Toronto: Canadian Institute of Strategic Studies.
- . 2002. "After the September Attacks: Four Questions about NORAD's Future." *Canadian Military Journal* 3 (Spring): 11–16.
- Koring, Paul. 2002. "US set to unveil its plan to defend continent." *Globe and Mail* (Toronto), April 17.
- Knox, Paul. 2002. "Are we being integrated into the US without having any real public debate?" *Globe and Mail* (Toronto), April 20.
- Leblanc, Daniel. 2002. "Eggleton to end pact's secrecy." *Globe and Mail* (Toronto), May 1.
- Lemann, Nicholas. 2002. "The Next World Order." *The New Yorker*, April 1.
- Lindsay, George. 2002. "Ballistic Missile Defence and Canada." *On Track*. 3 (1, March 29): 21–23.
- Liu Centre. 2001. "The Missile Defence Debate: Guiding Canada's Role." Vancouver: University of British Columbia. February 15–16.
- McCarthy, Shawn. 2002. "US plays down Northcom threat." *Globe and Mail* (Toronto), April 19.
- , and Paul Koring. 2002. "Canada opts out of plan to defend North America." *Globe and Mail* (Toronto), April 18.
- Macdonald, Brian S. 2002. "The coming mass extinction of Canadian forces operational readiness in 2010–15." *DANN National Network News* 9 (Spring): 19–22.
- Martin, Lawrence. 1982. *The Presidents and the Prime Ministers: Washington and Ottawa Face to Face: The Myth of Bilateral Bliss 1867–1982*. Toronto: Doubleday.
- Milnes, Arthur. 2002. "'Everybody is focusing on our southern border, they should be looking North': Axworthy." *The Hill Times*, April 22.
- Nunez, Joseph. 2001. "Homeland and hemisphere." *Christian Science Monitor*, December 20.
- Oliver, Dean. 2000. "Human Security and Canadian Foreign Policy." In David Rudd, et al., eds., *Advance or Retreat? Canadian Defence in the 21st Century*. Toronto: Canadian Institute of Strategic Studies.
- Pugliese, David. 2002. "US to install missile shield at NORAD base." *National Post*, March 2.
- Rebick, Judy. 2002. "There's a war to be stopped." *Globe and Mail* (Toronto), March 13.

- Richter, Andrew. 1999. "Canada-US Security Relationship Policy Forum: A Review of the Proceedings." On-line, Department of National Defence, ADM (Pol), Directorate of Public Policy.
- Ross, Jen. 2001. "Manley applauded in the House for his comments." October 6. From website: www.politicwatch.com. Accessed May 2002.
- Sokolsky, Joel. 2002. "Sailing in Concert: The Politics and Strategy of Canada-US Naval Interoperability." *Choices* (Institute for Research on Public Policy) 8 (April).
- Tennyson, Brian, and Roger Sarty. 2000. *Guardian of the Gulf: Sydney, Cape Breton, and the Atlantic Wars*. Toronto: University of Toronto Press.
- Trickey, Mike. 2002. "Plans for closer ties with U.S. stalled." *National Post*, April 30.
- United States. 2002a. Department of Defense. *Quadrennial Defense Review Report*. Washington, DC: Department of Defense.
- . 2002b. Department of Defense. "Unified Command Plan," *News Release*, no. 188-0. April 17.
- White, Orrick. 2000. "Canada-US Security Issues: A Review of the Policy Consultation Proceedings." On-line, Department of National Defence, ADM (Pol), Directorate of Public Policy.
-

Recent Issues of *C.D. Howe Institute Commentary*

- No. 165, June 2002 Warburton, William P., and Rebecca N. Warburton. "Measuring the Performance of Government Training Programs." 27 pp.; \$12.00; ISBN 0-88806-556-6.
- No. 164, May 2002 Hartt, Stanley H., and Patrick J. Monahan. "The Charter and Health Care: Guaranteeing Timely Access to Health Care for Canadians." 28 pp.; \$12.00; ISBN 0-88806-557-4.
- No. 163, May 2002 Aba, Shay, Wolfe D. Goodman, and Jack M. Mintz. "Funding Public Provision of Private Health: The Case for a Copayment Contribution through the Tax System." 20 pp.; \$12.00; ISBN 0-88806-550-7.
- No. 162, April 2002 Dobson, Wendy. "Shaping the Future of the North American Economic Space: A Framework for Action." 32 pp.; \$12.00; ISBN 0-88806-551-5.
- No. 161, March 2002 Palmer, John P. "Bread and Circuses: The Local Benefits of Sports and Cultural Businesses." 18 pp.; \$12.00; ISBN 0-88806-545-0.
- No. 160, February 2002 Slack, Enid. "Municipal Finance and the Pattern of Urban Growth." 25 pp.; \$10.00; ISBN 0-88806-544-2.
- No. 159, February 2002 Jaccard, Mark. "California Shorts a Circuit: Should Canadians Trust the Wiring Diagram?" 27 pp.; \$10.00; ISBN 0-88806-546-9.
- No. 158, February 2002 Laidler, David, and Shay Aba. "Productivity and the Dollar: Commodities and the Exchange Rate Connection." 15 pp.; \$10.00; ISBN 0-88806-547-7.
- No. 157, January 2002 Donaldson, Cam, Craig Mitton, and Gillian Currie. "Managing Medicare: The Prerequisite to Spending or Reform." 20 pp.; \$10.00; ISBN 0-88806-540-X.
- No. 156, November 2001 Richards, John. "Neighbors Matter: Poor Neighborhoods and Urban Aboriginal Policy." 37 pp.; \$10.00; ISBN 0-88806-542-6.
- No. 155, November 2001 Finnie, Ross. "Measuring the Load, Easing the Burden: Canada's Student Loan Programs and the Revitalization of Canadian Postsecondary Education." 32 pp.; \$10.00; ISBN 0-88806-538-8.
- No. 154, November 2001 Bird, Richard M., and Kenneth J. McKenzie. "Taxing Business: A Provincial Affair?" 32 pp.; \$10.00; ISBN 0-88806-539-6.
- No. 153, May 2001 Chant, John F. "Main Street or Bay Street: The Only Choices?" 24 pp.; \$10.00; ISBN 0-88806-532-9.
- No. 152, May 2001 Prentice, Barry E., and Tamara Thomson. "An Electronic System for Railcar Market Access." 22 pp.; \$10.00; ISBN 0-88806-530-2.
- No. 151, April 2001 Donaldson, Cam, Gillian Currie, and Craig Mitton. "Integrating Canada's Dis-Integrated Health Care System: Lessons from Abroad." 24 pp.; \$10.00; ISBN 0-88806-526-4.
- No. 150, March 2001 Bish, Robert L. "Local Government Amalgamations: Discredited Nineteenth-Century Ideals Alive in the Twenty-First." 35 pp.; \$10.00; ISBN 0-88806-525-6.
- No. 149, February 2001 Kesselman, Jonathan, and Finn Poschmann. "A New Option for Retirement Savings: Tax-Prepaid Savings Plans." 39 pp.; \$10.00; ISBN 0-88806-524-8.
- No. 148, February 2001 Robson, William B.P. "Will the Baby Boomers Bust the Health Budget? Demographic Change and Health Care Financing Reform." 29 pp.; \$10.00; ISBN 0-88806-523-X.
-
-

The C.D. Howe Institute

The C.D. Howe Institute is a national, nonpartisan, nonprofit organization that aims to improve Canadians' standard of living by fostering sound economic and social policy.

The Institute promotes the application of independent research and analysis to major economic and social issues affecting the quality of life of Canadians in all regions of the country. It takes a global perspective by considering the impact of international factors on Canada and bringing insights from other jurisdictions to the discussion of Canadian public policy. Policy recommendations in the Institute's publications are founded on quality research conducted by leading experts and subject to rigorous peer review. The Institute communicates clearly the analysis and recommendations arising from its work to the general public, the media, academia, experts, and policymakers.

The Institute was created in 1973 by a merger of the Private Planning Association of Canada (PPAC) and the C.D. Howe Memorial Foundation. The PPAC, formed in 1958 by business and labor leaders, undertook research and educational activities on economic policy issues. The Foundation was created in 1961 to memorialize the late Rt. Hon. Clarence Decatur Howe, who served Canada as Minister of Trade and Commerce, among other elected capacities, between 1935 and 1957. The Foundation became a separate entity in 1981.

The Institute encourages participation in and support of its activities from business, organized labor, associations, the professions, and interested individuals. For further information, please contact the Institute's Development Officer.

The Chairman of the Institute is Guy Savard; Jack M. Mintz is President and Chief Executive Officer.
