



CANADIAN GLOBAL AFFAIRS INSTITUTE
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NATO, Canada and the U.S. Bank of Mom and Dad

by Julian Lindley-French
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“Is your [Canadian] plan as cunning as a fox who’s just been appointed Professor of Cunning at Oxford University?”

T

Blackadder, *Blackadder Goes Forth*

he news that by 2024 Prime Minister Justin Trudeau’s Canada will increase its defence spending from a self-proclaimed brilliantly spent one per cent of GDP to a no doubt equally brilliantly spent two per cent of GDP, and meet the 2014 Wales Summit defence investment pledge (DIP!) is very good – at least on the face of it. Canada is in many ways the country that makes the Alliance an alliance, rather than America’s somewhat unconvincing European protectorate. But what should Canada spend its new money on?

Earlier in the year, I attended the NATO Resource Conference 2017 in Reykjavik, Iceland. Three issues were central to the debate. First, the habit NATO Europeans have acquired of relying on the U.S. Bank of Mom and Dad when they cannot be bothered to spend enough on their own security and defence. Second, a profound question was raised as to whether aforesaid NATO Europeans will ever really honour the DIP, the now Holy Grail of contemporary alliance. Finally, upon what should NATO and the Allies spend any additional monies? Canada?

The goodish news first. Apparently, the decline in NATO defence spending stopped in 2015, and even increased a bit (3.8 per cent or some \$10 billion) in 2016. And if NATO Europeans ever do honour the DIP – the biggest “if” since “if” was introduced into the English language by King Ethelred the Literately Uncertain – NATO would suddenly have an additional \$100 billion to spend.

And yet, read between European lines and the message was (as ever) clear as mud: hurry up and wait! Yes, it was repeated *ad nauseam* that all NATO Europeans are “fully” committed to spending two per cent of GDP on defence. However, the “but” in the room was positively thermonuclear. In fact, most Europeans are still driven by the assumption that sooner or later the U.S. Bank of Mom and Dad will come out late on a dark, stormy night to pick up their wayward relatives, who not only forgot to save the bus fare home, but also got hammered on a toxic brew called “Welfare”, ended up in a heap in the middle of strategic nowhere, and missed the last bus.

The trouble is that Mom and Dad might not always be there. First, there is growing irritation in some parts of the U.S. administration about Euro-Junior’s refusal to get off its fat ass and get a job. Second, Mom and Dad are not as flush as they used to be. Third, Mom and Dad now have to deal with a noisy and bolshie Chinese neighbour at the other end of the street. Fourth, Mom and Dad are simply too tired and too busy.

NATO itself is also deeply divided. One group – for sake of argument, the easterners – wants the additional monies others are going to spend to be spent on high-end, expensive, big-bang stuff that defends them. The hope is that such increased expenditure will render the NATO defence and deterrence posture credible not just in the eyes of the brigade of budgeteers who control



everything, but also Russia. Another group – for sake of argument, the southerners – thinks this is nonsense, and wants the bulk of the additional monies others will spend on defending them to be spent on counter-terrorism and counter-criminal activities, most notably human trafficking. Very few want NATO to have the money and most would prefer to spend it on themselves.

Here's the problem: if NATO is to remain the West's ultimate security and defence insurance, then henceforth NATO must be able both to deter and defend at the high end of conflict. It must prepare to fight and if needs be win a war, playing a full role in protecting its home base from penetration and attack by terrorists and globally-capable criminals. In other words, all of us are going to have to buy into all of the above if the Alliance is to be credible in the face of threats.

Which brings me back to the DIP and Canada. Yes, I am the first to say that two per cent of GDP spent on defence is better than one per cent, however brilliantly that one per cent is spent. What concerns me is the growing obsession among all the non-American NATO members with measuring inputs as a way to avoid looking seriously at desired and necessarily expensive outcomes, which at the end of the day is what security and defence must be about. Worse, I am not at all sure any NATO nation knows what it is really spending its defence budget on these days, let alone how it can get from, say, one per cent of GDP to two per cent of GDP. Other, that is, than by fiddling the books. Britain, are you listening?

The two per cent target forces Ottawa to face a profound set of strategic choices it has long been fudging. This is not least over that most fundamental of Canadian defence posers: should Ottawa invest the planned new funds in NATO or the Americans, and what mix of the two? It is a question that can no longer be dodged. For the first time in decades Canada lives in strategically relevant neighbourhoods in which others have a profound interest – and not always friendly “others”.

The Russian Northern Fleet is again contesting the North Atlantic. The Royal Canadian Navy and Royal Canadian Air Force will have critical roles to play therein. However, given the United States Navy's focus on Asia-Pacific, much of that effort might have to be with the Royal Navy, albeit embedded in the NATO Command Structure. History beckons, eh? The High North and the Arctic Circle are also fast becoming contested. The Arctic is in the Euro-Atlantic area and thus formally a NATO responsibility. However, in addition to the Americans, it is likely that Canada will not only find itself more engaged with NATO ally Norway, and to some extent the U.K., but also non-NATO partners such as Finland and Sweden.

Canada is also a Pacific power. Given the emerging threat posed by the likes of North Korea to continental North America, as well as the coming advent of new war technologies, the defence of Canada and its neighbour is likely to call for a much reinforced, more agile and more advanced NORAD. And, the need for Canadian influence over its American neighbour to the south is, of course, a central plank of Ottawa's grand strategy (do you Canadians do “grand strategy”, or is that too American?). One has only to look at the size and location of the Canadian embassy in D.C. to understand that.

So, where should the focus be of Ottawa's balance of defence investments? Given evolving Canadian security and defence interests, it is again vital that Ottawa exerts influence over the



Americans and the Alliance. Ottawa needs to understand this truism of Canadian strategy. There is some evidence that Ottawa does indeed get this, which is why Canada sent a battle group to Latvia as part of NATO's Enhanced Forward Presence to deter an aggressive Russia. Equally, Canada's skills in stabilization and reconstruction are also recognized the world over, as is Canada's mastery of soft power, and all that goes with it. These skills must not be lost.

However, if Canada really wants to influence the Americans – Donald Trump or no – Ottawa must avoid falling into the European trap by claiming to spend two per cent of GDP on defence, when it is not. The use of soft power dressed up as hard power is a trick some Germans and other Europeans are trying to pull at the moment. The aim is to achieve the two per cent DIP target, but only by political sleight-of-hand. Nor should Canada follow the British down the road of creative defence accounting by which everything that might have even the most tenuous link to defence is included in the defence estimate. Britain is fast abandoning sound defence in pursuit of sound money and losing a lot of influence over both – large, empty aircraft carriers or no.

You see, at the end of the day, the two per cent DIP is meant to be spent on hard defence, of which 20 per cent each year must be spent on new hard defence kit, because that is what sound strategy demands right now. And what is really cunning about the increase in defence expenditure implied by the DIP is that it is not only about enhanced or strengthened defence. It is about the use of cutting edge military capabilities to strengthen the role an ally might play in the coalitions that will be the strategic method of the 21st century, in order also to strengthen the strategic and political influence a state has over the structure and conduct of such coalitions. Given Canada's new strategic reality, Ottawa has no choice but to ensure it can indeed exert such influence over the Americans and the Europeans. Well, no, I am wrong. Ottawa could instead choose to retreat into defence pretence, like so many of its allies, and see what happens.

Until political leaders in NATO capitals, including Canada, stop sacrificing sound long-term strategy for the sake of facile short-term politics and continue to hide hard defence truths, then I fear the artifice of input will continue to exercise tyranny over the strategy of outcomes. Cunning, eh?

Canada, you had better spend on a hard two per cent, and mean it!

▶ **About the Author**

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