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A THREATENED FUTURE: CANADA'S FUTURE STRATEGIC ENVIRONMENT AND ITS SECURITY IMPLICATIONS

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A Threatened Future:
Canada's Future Strategic Environment and its Security Implications

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EXECUTIVE SUMMARY

In a world that will remain a dangerous place for the foreseeable future, Canadians cannot take their security for granted. Recent investments in the Canadian Forces and in other security instruments are steps in the right direction, but much of their impact has been nullified by current operations in Afghanistan. Given the many security threats that Canadians (with others) will continue to face, both at home and abroad, a great deal still needs to be done.

In responding to this challenge, some of the effort can usefully be focused on the so-called 'root causes' of conflict. But initiatives of this kind are long term, and they will often not be effective even in that time frame. Not all threats, in any case, are susceptible to 'root cause' remedies. Security measures of the more immediate sort are therefore still required, particularly since the available instruments of global governance remain rudimentary and unreliable. The traditional state system, moreover, is increasingly challenged by the intrusion of new kinds of players in international politics and by the impact of other transforming forces such as climate change; demographic trends, both national and global; shifts in the international distribution of power; the persistence of a seemingly unsolvable array of complex political, social, and economic problems and the 'hot-spots' that accompany them; the recurrence of natural disasters on a calamitous scale; and so on.

While Canada's geographic location, abundant resources and living space, proximity to the United States, and general prosperity provide it with many security advantages not enjoyed by less fortunate countries elsewhere, it is not exempt from threats and vulnerabilities similar to those that challenge others. These include, among others: natural disasters; a variety of potential sources of internal disorder; escalating challenges to its territorial sovereignty; the security demands and expectations of its impressively powerful American neighbour; and the possibility of so-called 'terrorist' attack, to say nothing of the continuing need to engage in 'indirect defence' from time to time by responding under United Nations or other auspices to conflicts – actual or potential – that develop overseas. Even the recurrence of major wars remains a possibility in some regions.

Given these and other conditions likely to prevail over the next two decades and more, a number of initiatives are suggested in this report, among them: enhanced investment in an efficient intelligence-gathering apparatus abroad; more extensive measures to protect Canada's airports, seaports, coasts, and land borders; better arrangements for effective liaison among police forces at various levels and in different jurisdictions; improved preparatory training for 'first responders' to calamities of natural or human origin; an increase in the defence budget to a level equivalent to 1.5 or 1.6 per cent of GDP, to be phased in over three years; a 50 per cent increase in the Land Force component of the Canadian Forces, with accompanying upgrades of equipment and air transport capability; careful planning for the eventual replacement of fighter-interceptors for the protection of Canadian airspace, and if resources allow, the possible maintenance of a strike-fighter capability for operational use overseas; and the introduction of a "continuous build" policy for the construction of naval, Coast Guard, and other marine vessels for government agency use, including particularly the currently planned joint support ships and Arctic patrol vessels, as well as replacements over the longer term for the current fleet of Canadian patrol frigates.

Without measures like these, Canadians will not be able to contribute effectively to the maintenance of their own security, much less perform as significant and responsible participants in maintaining the security of the world at large.

SOMMAIRE

Dans un monde qui va demeurer un endroit dangereux pour un avenir prévisible, les Canadiens ne peuvent pas prendre leur sécurité pour acquis. Les investissements récents consentis dans les Forces canadiennes et autres instruments de sécurité sont des pas dans la bonne direction, mais une grande partie de leur impact a été annulée par les opérations actuelles en Afghanistan. Étant donné les nombreuses menaces à la sécurité que les Canadiens (avec d'autres) vont continuer à devoir affronter, à l'intérieur autant qu'à l'étranger, il reste encore beaucoup à faire.

En relevant ce défi, on peut utilement concentrer une partie de l'effort déployé sur les soi-disant « causes fondamentales » du conflit. Mais les initiatives de ce genre sont à long terme, et elles vont souvent ne pas avoir de résultat, même dans ce cadre temporel. Ce n'est pas à toutes les menaces, en tout cas, qu'il y a lieu d'appliquer des remèdes qui s'attaquent aux « causes fondamentales ». Des mesures de sécurité d'un genre plus immédiat sont donc encore nécessaires, particulièrement puisque les instruments de gouvernance mondiale disponibles restent rudimentaires et d'un fonctionnement incertain. Le système traditionnel des États, en plus, est de plus en plus mis au défi par l'intrusion de nouveaux genres de joueurs dans la politique internationale et par l'impact d'autres forces de transformation, comme le changement climatique, la persistance d'une chaîne apparemment insoluble de problèmes politiques, sociaux et économiques complexes et des « points chauds » qui les accompagnent, la récurrence de catastrophes naturelles à une échelle de calamités et ainsi de suite.

Malgré que l'emplacement géographique du Canada, l'abondance de ses ressources et de son espace vital, sa proximité avec les États-Unis et sa prospérité générale lui offrent de nombreux avantages de sécurité dont ne jouissent pas d'autres pays moins fortunés, nous ne sommes pas exempts de menaces et de vulnérabilités semblables à celles auxquelles d'autres pays doivent faire face. Notons, parmi d'autres : les catastrophes naturelles, une variété de sources possibles de désordres intérieurs, les défis sans cesse plus menaçants à sa souveraineté territoriale, les exigences et les attentes de son voisin américain, à la puissance est impressionnante, en matière de sécurité, et la possibilité d'une soi-disant « attaque terroriste », sans parler de la nécessité continue de s'engager, de temps à autre, dans une « défense indirecte » en répondant, sous les auspices des Nations Unies ou d'autres instances – réelles ou potentielles –, à des conflits qui se développent à l'étranger. Même la récurrence de grandes guerres demeure une possibilité dans certaines régions.

Étant donné ces conditions, et d'autres qui sont susceptibles de prévaloir au cours des deux prochaines décennies et plus, nous suggérons dans ce rapport un certain nombre d'initiatives, dont notamment : un accroissement de l'investissement dans un appareil efficace de cueillette de renseignements à l'étranger, un plus grand nombre de mesures extensives visant à protéger les aéroports, les ports de mer, les côtes et les frontières terrestres du Canada, de meilleures dispositions pour assurer une liaison efficace entre les forces policières de divers niveaux et de différentes juridictions, un entraînement préparatoire amélioré pour les « premiers intervenants » dans les cas de calamités d'origine naturelle ou humaine, une augmentation du budget de la défense jusqu'à un niveau équivalant de 1,5 à 1,6 pour cent du PIB (à introduire graduellement sur trois ans), une augmentation de 50 pour cent de la composante Forces de terre des Forces canadiennes, avec les mises à niveau parallèles de l'équipement et de la capacité de transport aérien, une planification soignée du remplacement des chasseurs-intercepteurs pour la protection de l'espace aérien du Canada et, si les ressources le permettent, le maintien possible d'une capacité d'attaque à des fins opérationnelles à l'étranger, et l'introduction d'une politique de « construction continue » pour la production de vaisseaux de marine, de la garde côtière et autres à l'usage des organismes du gouvernement, dont particulièrement les navires de soutien conjoint et les vaisseaux de patrouille de l'Arctique présentement à l'étape des plans, ainsi que le remplacement à long terme de la flotte actuelle des frégates de patrouille canadiennes.

Sans des mesures de ce genre, les Canadiens seront incapables de contribuer efficacement au maintien de leur propre sécurité, et encore moins d'agir comme des participants significatifs et responsables au maintien de la sécurité du monde dans son ensemble.

FOREWORD

The three authors of this report – a historian, a political scientist, and a former senior public servant – know that no one can foretell the future. It is hard enough to understand the past, let alone peer into the mists that hide events yet to occur.

But governments, like individuals, must plan, and given the years it takes to implement policy changes or to acquire equipment, planning must be based on a realistic assessment of future events. In this examination of Canada's future strategic environment, we look at what might happen in the next twenty to twenty-five years in order to assess the threats Canada faces and to offer our judgements on where Canadians might be most vulnerable. We also suggest measures that, in our opinion, need to be taken now to begin to address the coming threats.

Our focus is on security, appropriately enough in a study of the future strategic environment. We understand that national and global social measures have a part to play in creating the future, but that is a topic for another day. We know, as well, that Canada can by itself accomplish relatively little in creating the global future. What is most important to us and what should be most important to Canadian governments, now and in the future, is protecting Canada and Canadians. This requires that we understand our national interests and devise strategies to protect and enhance them. This requires strong political leadership, a sophisticated media, and a public willing to pay the price to protect what is most important to Canadians.

We want a strong Canada that can take care of itself and play a useful role in the world, and we believe that Canadians want this as well. The analysis we present here, especially the recommendations we offer for consideration, are meant to help achieve these ends. We invite our readers to engage with us and each other as we grapple with current challenges and those we expect to face tomorrow.

J.L.G., Toronto

G.S.S., Victoria

D.S., Halifax

September 2007

PART I: INTRODUCTION

The purpose of this report* is to identify developments at home and abroad that could affect Canada's security over the next twenty to twenty-five years and to assess their potential policy implications. We took on this task for two principal reasons. First, like many other observers, we have become increasingly alarmed by the weaknesses in Canada's defensive capabilities, not only in traditional military terms, but also in the context of our more broadly conceived national security requirements. We have also been concerned about the impact of these weaknesses on Ottawa's ability to play a constructive role in the world at large in support of Canadian interests.

Given Canada's exceptionally fortunate geopolitical and economic circumstances, it has usually been possible for Canadian policy-makers to link the security of Canada itself very closely to that of the international community as a whole. In most cases, therefore, though not in every case, Canadians have been able to avoid the appearance of a clash between Canadian security interests, on the one hand, and what they have regarded as international security interests on the other. This has been a comforting circumstance. Not all states have been so happily positioned. But it is not a circumstance that should lessen the importance of the instruments of security either to the preservation of the welfare of Canadians directly or to the effective prosecution of their government's diplomacy in security-related fields.

These concerns are not peculiar to us. Similar preoccupations have been expressed by a host of other observers in a long series of reports issued in recent years not only by organizations clearly dedicated to supporting the military, but also by parliamentary committees, independent think-tanks, academics operating in a wide variety of university centres and institutes, and professional analysts working independently.[1] Even among observers who prefer to focus on the complex issues associated with the concept of human security and to concentrate on the root causes of conflict rather than waiting to deal with the perpetrators of violence directly, there are some who have become increasingly uneasy about the inadequacy of several of the principal components of Canada's military establishment such as infantry resources and strategic airlift.[2]

Preliminary attempts to deal with the problem of declining military capabilities were launched under the auspices of the short-lived Liberal government of Paul Martin. Earlier, in the wake of the 9/11 attacks on the United States, the Chrétien government took a number of steps to respond to the problem of transnational terrorism, not least of all because of the importance of convincing the Americans that Canada was doing everything it could to ensure that the security of the United States would not be threatened from Canadian soil. Further measures aimed at reviving the Canadian Forces have been initiated by the Conservative government of Stephen Harper.

But the resulting improvements have not yet gone very far in rectifying the deficiencies, and the recovery is complicated by the necessary and urgent operational requirements of the NATO-sponsored campaign in Afghanistan. Although advances have certainly been made, given on-going domestic political realities and priorities (especially in a minority government context), it is not clear that the resources necessary to meet future long-term needs will be readily forthcoming. An enhanced public awareness of what form those needs might take is therefore required, along with an informed debate on the actions that should be taken in response to them. Very long lead times are commonly required not only for skill development but also for equipment procurement (it can take fifteen years or more to go from initial conception to the launching of a new warship, for example), and this makes it particularly important to think and plan ahead. We hope our reflections will encourage this process and provide further stimulus to substantive public debate. Both are crucial to the making of sound policy.

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Our concerns have been intensified in the second place by increasingly dramatic evidence that the world continues to be a dangerous place. The Cold War, as perilous and wasteful of resources as it indisputably was, nevertheless generated a relatively stable international structure, at least for us. When it dissipated, the most common initial reaction was relief, and the prevailing assumption was that we could now contemplate the arrival of much more peaceful international conditions that could and would be nurtured and protected by a reinvigorated United Nations. Relieved of the four-and-a-half decades of paralysis that resulted from the stalemated politics of a polarized world, the United Nations would have another opportunity to make its collective security mechanism work in the way intended in the middle 1940s by most of its war-weary founders. In this optimistic atmosphere, Canadians, like others, gave themselves a peace dividend in the 1990s, taking advantage of what seemed like the arrival of a more secure and amicable age to help them with the task of getting their government deficits under control.

Sadly, however, it soon became very apparent that peace was not at hand after all, and that the Cold War was being succeeded by other sources of national, transnational, and international disorder, both actual and potential. The principal powers did not use the United Nations effectively to redress the disorder. Some ethnic conflicts were very familiar from the experience of earlier times – between the two world wars, for example, as well as before them. Others, brought to the fore by globalization, technological innovation, and other transforming forces, were relatively new in form, if not fundamentally in kind. One of the more obvious and immediate of the practical consequences for Canada was that the Canadian Forces were involved in more overseas deployments (of greater magnitude and at more robust levels of military engagement) in the 1990s than at any time during the preceding four decades, that is, in the period following the 1953 end of the Korean War.

The instabilities that appear to have been driving this unexpected phenomenon remain very much with us and show little sign of receding. They pose daunting challenges, and a panoply of imaginative, if demanding, policy proposals have been developed in response to them. These have been clearly articulated at the conceptual and theoretical level, although not always executed faithfully or effectively in practice. The underlying forces that are widely thought to be involved and hence to need remedial attention are both varied and multi-faceted. They include, for example:

- the internal breakdown of an alarming array of once-centrally-governed sovereign states, along with evidence that a number of others are in grave danger of following suit;

- the appearance in increasing numbers of powerful non-state actors in world affairs, many of them supported by independently-mobilized and highly armed “irregular” military or paramilitary forces;

- the development of menacing cadres of sophisticated, transnational guerrilla warriors, some of them motivated to the point of being willingly suicidal and operating with the help of globalized electronic networks, including financial ones, in a multiplicity of national jurisdictions at once; and

- the intensification of incentives to engage in conflict as a result of a lengthy list of possibilities: the depletion of resources; environmental decay; the proliferation of disease; the prevalence in many parts of the world of unusually high levels of unemployment and hence of citizen alienation (perhaps most notably among young males); the persistence of oppressive forms of government in the company of grave and repeated violations of human rights; the constantly widening gap between the rich and the poor (both within states and regions and between them); the increasingly disruptive, in-your-face encounters of the inhabitants of traditional societies with the secular and materialistic pragmatisms typical of globalized modernity; and other developments of similarly destabilizing character.

To define the problem in terms as complex as these invites consideration of a comparably complex array of policies in response – a process illustrated best in Canada by Ottawa’s elaboration of the human security doctrine under the Chrétien government, and by the elaborate argumentation underlying the four-sided analysis (Diplomacy, Defence, Development, and Commerce) proffered in the *International Policy Statement* issued by the succeeding government of Paul Martin.

In this general context, there is a tendency in Canada, and indeed in Norway and other smaller countries of similar mind, to emphasize policies that target the root causes of conflict, including those highlighted, implicitly or explicitly, in the list above, and to leave more forceful forms of defensive intervention to others. This preference is often manifested more by rhetorical enthusiasm than by a willingness to allocate substantial public funds to the very expensive, uncertain, and long-term initiatives that a serious assault on root causes would entail, but in principle, it is an understandable, sometimes even an admirable, inclination.

However, while such measures can sometimes be an important adjunct of military and other security-enhancing capacities (e.g., policing, border protection and surveillance, intelligence collection and analysis, and the like), they cannot be a substitute for them. In the first place, not all challenges to security can be attributed to root causes in quite this way.

In the second place, many of what are purported to be root causes are not amenable to quick or easy remedy by acceptable public policy means, whether under national or international auspices, particularly in the short term.

In the third place, we need to recognize that some root causes – given the perpetual scarcity of government resources relative to the demand for public services and given also the persistence of profound differences in culture, doctrine, belief systems, and other intangibles of comparable import in the world at large – may not be open to remedy at all. Certainly they may not be open to remedies available to the representatives of liberal societies, who are prevented by their own values in addition to the limits of the possible, from trying to control how others think and what they believe.

In the fourth place, attempting to manipulate the factors associated with root causes frequently runs into the law of unanticipated reactions. Change, even change intended to be benign, can be unnerving. More than unnerving, it can be disruptive and can threaten, for example, the privileged survival of power elites in the targeted countries and/or the normal workings of entrenched patterns of economic activity and ways of making a living. In so doing, it can generate animus and enmity. Instability, far from being eased, may be deepened as a result.

The purpose of these observations is not to suggest that Canadians should ignore the need to respond to root causes. Quite the contrary. They are intended, however, to remind us that tackling conflict by emphasizing root cause strategies is usually a very long-term enterprise and is likely to be highly unreliable as a peace-inducer in the short term, even if the resources required to do the job are mounted both effectively and in sufficient quantity, which they rarely are. Leaving aside the disconcerting reality that such strategies cannot even be attempted unless a reasonable degree of order is first established and maintained, they cannot guarantee by themselves the de-fanging of the security threats at issue.

Our conclusion is clear, therefore: whatever steps we take by the use of other policy instruments to enhance our security in the world, we will still require a military capacity along with an ability to deal head-on not only with traditional military challenges, but also with unconventional agents of violence. That being so, the practical policy questions have to do with the nature of the threats we are likely to face and the kinds of capabilities we should be developing in order to counter them.

Our Approach

Much of the discussion that follows naturally reflects our sense of trends that are already evident in the world around us. We are very aware of the danger confronting all security policy planners which is to assume that violence in the future will take forms very similar to the violence of the present or recent past. All the same, the evidence that we can actually observe is the only solid evidence we have, and extrapolating from it is therefore both sensible and unavoidable.

We have also tried to reflect on the threats to Canada's security that could conceivably emerge over the course of the relatively long term, extending out twenty to twenty-five years. Such a focus poses formidable methodological challenges and difficulties, and we are very much aware of the perils of indulging in overly dramatic displays of futurology. The forecasting literature is littered with examples of predictions proven to be

hopelessly ill-founded or to have been based on an assumption that developments would move much more quickly than in fact they did. Even where the forecasts themselves have been accurate, their predicted implications have often been confounded by other influences whose appearance and impact were not anticipated at all.

But in the security field, some threats are perennial, and others can be predicted from currently evolving circumstances. Still others, while uncertain, can nonetheless be identified as clear possibilities in the light of longer-term transformations in global conditions: changes in the international distribution of power as a result of the arrival of new actors at the upper end of the hierarchy, for example, or the intensification of major environmental stresses, or dramatic declines in the supply of non-renewable resources, or increasingly frequent demonstrations of how quickly infectious or contagious diseases can travel the world in a globalized environment, and so on. Even in cases where security challenges would be triggered by single events that cannot be predicted in advance such as a catastrophic earthquake in British Columbia, or a nuclear exchange in the Middle East, or the unexpected devastation of a great city by a clandestine organization in control of a black-market weapon of mass destruction, considering such possibilities can at least help draw our attention to broad categories of problems that we may have to face and for which it would be prudent to prepare ourselves.

We are fully aware that prognosticating is a relatively easy exercise. It is important here to recognize again, however, that estimates of what might happen do not need to be literally true to be useful to the making of public policy. To be helpful as a guide to the sorts of possibilities that should be taken into account by security planners, prognostications only need to seem plausible to well-informed and reasonable persons free of institutional prejudices. All such planning is a matter of judgment entailing, among other things, assessments of probability. The purpose of any forecast is to inform that judgment by alerting decision-makers and others to important possibilities. It is not, and cannot be, to predict the future in detail, since the future is unknown. All that we can know with any confidence is that threats to our security are inevitable – after all, no generation of humanity has ever lived without them – and that we need, within reason, to be prepared for a very broad range of possibilities.

Almost any student of history, however casual, would presumably have little difficulty in subscribing to this proposition, and we have already drawn attention to how quickly those who thought the end of the Cold War would usher in an age of peace were compelled by actual events to change their assessments. World War I was supposed to be a war to end all wars. But a relatively recent example, drawn specifically from the making of Canadian defence policy, provides a more immediately pertinent demonstration of our point. In 1994, the new government of Jean Chrétien launched major parliamentary reviews of both defence and foreign policy. Yet no one at that time would have predicted, much less argued, that within a few short years Canada would have 2,500 military personnel deployed in Afghanistan, much less that they would be engaged in active combat. Some were aware of the problem of failed states, but to have raised an Afghan scenario in a policy planning meeting in the Department of National Defence would almost certainly have resulted in an instant loss of credibility.

With these various considerations in mind, we have divided the substantive discussion that follows into two main parts. The first is concerned with what seem to us to be the most directly relevant of the potential sources of security problems for Canada, along with the kinds of threats they could generate, both at home and abroad. We presented these threats as a series of axioms, and thus we have labelled them. The second is devoted to a general analysis of their practical implications for Canadian defence and security policy.

We have some very broad recommendations to offer in light of our thinking, and these are summarized in a list appended to the end of our discussion. But this is not a treatise on the infinite details of the available procurement options, or on force structure, or on the many other technical and professional issues with which the professionals who staff the armed forces and the Department of National Defence, or any of the other organizational components of Canada's security apparatus, have to deal. We attempt, in other words, to indicate in relatively broad and general terms the kinds of capabilities we believe Canada will need to develop and maintain, but we do not presume to define the particular instruments it will need to acquire for this purpose.

Finally, we have tried to consider the problem before us in the light of what we think are feasible and reasonable options for a country in Canada's geopolitical position, given the economic and other resources at its disposal and given the many other legitimate demands on its public treasure. Canada is not a great power, much less a superpower, and we are perfectly aware that in the security field, as in the medical field and many others, practitioners will always be quick to say that they do not have enough. This is particularly true in a context in which the potential challenges are both varied and extensive, but at the same time uncertain. How much it is reasonable for us to acquire by way of security assets, therefore, is inevitably a matter of judgment, reflecting in turn an implicit assessment of probabilities. We think some measures are essential, while others, at the very least, would be prudent. We do believe that more must be done. On the other hand, we have tried not to propose the acquisition of capabilities that informed Canadians would reject out of hand as unnecessary pie in the sky, obtainable only at the expense of too many other reasonable priorities of government.

Part II: THE FUTURE STRATEGIC ENVIRONMENT

Many Canadians think they live in a safe haven, well protected from the world's storms. This is a dangerously false image, for the climate is changing, both figuratively and literally. Others think that if only the United States were not so aggressive and belligerent, Canada, which has no serious grievances with any other country, would be forgotten by those planning the use of violence to achieve their goals. The reality is not that simple.

Canada is a large country geographically, one with abundant natural resources. For its size, it has a relatively small population, partly as a consequence of a relatively inhospitable climate. A wealthy country, it is widely seen as one of the best in terms of quality of life, and no country threatens our destruction. But Canada does face threats, and it is dangerously vulnerable to some of them although less so to others. The result is that Canadians have choices (or at least seem to have choices) that many other countries do not have. We shall examine these choices.

This segment provides an estimate of the global strategic environment that we believe will emerge over the next two decades or so and focuses on the dimensions of security. It is not an analysis only of today's global strategic environment, much less of proposals for a current policy response to it. While the evidence provided by present conditions is relevant to the task, one of the challenges in looking ahead is to avoid simply making linear projections based on the world as it is today. In this longer time frame, uncertainties are inevitable, and we have provided a series of axioms that we believe point to key areas of future concern.

Axioms: Distant Proximities[3]

It is a truism to say that we live increasingly in a world in which events in faraway places can have important impacts on us. The world is constantly becoming "smaller," thus distance and time decrease dramatically, and we become ever more interconnected. Such trends will continue.

Yet global governance lags badly, and we lack many of the means to manage global interdependence. It has proven difficult to reform the United Nations, the World Bank, the regional banks, and the International Monetary Fund. We are far from a successful conclusion of the Doha "Development Round" of multilateral trade negotiations, and the terms of trade are still stacked against the majority of the world's citizens who live in poverty in the Third World. Nor do we have a mechanism in place to deal with the greenhouse gas emissions that drive climate change.

Why are international institutions not adapting as they should? Could not summits be better used? Summits of various kinds are held, of course, of which the most significant is the annual meeting of the G8. The presidents and prime ministers of the most important countries can and must provide leadership to deal with global public policy challenges, but they face difficulties. Russia is in the G8, for example, while China and India, representing over a third of the world's population, are not. Although this is far from certain, we believe the most likely scenario is that there will be changes that will enlarge the G8 and help it provide leadership in resolving global deadlocks. The reason is self-interest. If, however, this does not occur, it will continue to be very difficult to resolve issues that are now deadlocked (for example, trade, climate change, and widespread poverty), and the United Nations Security Council will continue to be stymied when it attempts to deal with threats to international security. The G8 needs to step forward for, if it fails to do so, then no one will be in charge.

Not even the Americans can lead by themselves. Certainly, the immense power of the United States is clear, but the Americans are no longer as dominant as they were a decade ago. In relative terms, the power of the United States is likely to decline even more over the next two decades. This is partially a consequence of Americans, bruised by the Iraq imbroglio, beginning to believe again that they can (and should) turn their back on the world and remain secure in "Fortress America." But it is also the result of the rise of other countries, particularly China and India. Power in the world is thus becoming more widely dispersed, and the European Union already has a larger population and a higher gross domestic

product (GDP) than does the United States. The European Union lacks, however, an effective common foreign and security policy, and we doubt that it will achieve one in the foreseeable future. If China follows the path taken to industrialization and economic growth by Japan, and there is every indication that this is precisely what it is doing, in a few decades China's GDP may surpass that of both the United States and the European Union. China, of course, does have a clear foreign and security policy, and it is rapidly increasing the money it spends on its armed forces. It also has serious internal tensions that might explode. Neither possibility is very comforting.

We have already seen to what extent power can be used asymmetrically – for example, how insurgents armed only with rifles, rocket-propelled grenades (RPGs), and so-called improvised explosive devices (IEDs) can tie up the most powerful and technologically capable militaries in the world. This is an important factor to take into account in assessing future balances of power.

The power of major multinational corporations is also immense, greater than that of many states, and further, that power is almost uncontrollable. Global civil society is increasingly organized by and into non-governmental organizations (NGOs) which are developing real power in certain areas and demanding ever more. Such highly focused single-interest groups and lobbies constitute a significant threat to representative government, at least as it has operated to date in democratic societies. As domestic and foreign policies continue to blur, moreover, provincial or state-level governments are playing, and will continue to play, a larger role in formulating and implementing global public policy.

Axioms: Globalization and Fragmentation

There is little question that, barring world conflict or economic disaster, the globalization phenomenon will loom larger over the next two decades. At the United Nations' Millennium Summit, one government leader after another asserted that this trend was both inevitable and desirable. The real issue, however, is whether globalization's course can be steered so that more people can benefit from it. There simply must be more winners and fewer losers.

The difficulty is that globalization has thus far left too many people behind. The world has always been plagued by major differences between the rich and the poor, of course. Apart from the successes achieved for some successful members of the new middle class in countries like India and China, these differences are growing larger in much of the world. Certainly this is the case for a billion Africans, who are becoming ever more marginalized from the world's economic system. The much heralded Millennium Development Goals will not be met.

Making matters worse, the breadth of the gap between the wealthy few and the masses of dispossessed will become more evident – particularly to the unfortunate many – as a result of the information and communications revolution. No one should be surprised that issues of unfairness lead to frustration and anger, and anger can easily lead to violence. If the process of globalization is stopped or even reversed, the likelihood is that this will be because of the failure of governments to deliver more equitable results. Nonetheless, our assessment is that the progress of globalization will almost certainly continue and accelerate.

The world, however, is both globalizing and fragmenting at the same time. This is often seen as a paradox, but the reality, as James Rosenau has pointed out, is that globalization and fragmentation are two sides of the same coin. In particular, the forces of fragmentation feed on the forces of globalization by reacting to them. We believe the trend towards fragmentation will also continue.

The developed world benefited hugely from the technological revolution, especially in its information and communications sectors. But that revolution also increased our vulnerability to various forms of attack that can be carried out from a great distance. This is another genuine paradox; as we become more advanced, we become more vulnerable – especially if we fail to address the vulnerabilities as we move forward.

Human beings seem compelled to search for identity, and in a globalizing world, that often means looking inward. The changes driven by globalization are regarded by many as threatening, and they seek their security instead in what is familiar and traditional. Often the recourse is to religion, which seems to have replaced ideology as a motivating force in many parts of the world. Religion provides a centering function for people, helping them define who they are and who they are not. For many, and the numbers are certainly increasing, faith provides both a sense of certainty and a mission in the world. Believing that one is part of the Creator's grand strategy is a powerful impetus.

The drive for identity and the tendency in many cultures to associate it with religion, when coupled with the reduction of the geographic buffers between previously distant peoples, has led to dissimilar cultures bumping and grinding against one other. A "clash of civilizations" is certainly not inevitable, but it cannot be dismissed as academic fiction.

Osama bin Laden's al-Qa'ida and other jihadists who would like to see the Caliphate restored and westerners driven from Islamic lands have a clear view about who should be in charge: they should. Canadians should not forget that Canada is fifth on the list of countries that bin Laden has said should be targeted; it is the only country on the list that has not yet been successfully attacked.

Axioms: Proliferation

Terrorists armed with IEDs can do serious damage, but nothing compares with the power of nuclear weapons. The unfortunate likelihood is that there will be further nuclear proliferation, and there is also a clear possibility that one or more non-state actors will acquire access to some sort of nuclear capability.

The United States has stressed the importance of threats from so-called "rogue nations," North Korea and Iran being the prime current examples. In fact, it is hard to see what interest either – if they are rational – would have in attacking the United States, for they would be wiped out in response. It seems much more likely that North Korea and Iran are most interested in deterring attack by the United States and their neighbourhood enemies. North Korea, in any event, has almost certainly already crossed the nuclear threshold, and while the situation appears to have been stabilized for the time being, efforts to control its nuclear production will need to continue. Should these fail, or fail to hold, and should there be concern about the commitments of the United States in the region, none should doubt the capacity and potential interest of Japan, Taiwan, and South Korea to develop their own nuclear weapons. Proliferation in the Pacific region might not end there.

If, as is very likely, Iran soon acquires nuclear weapons, Saudi Arabia will probably want them too, in time, and Egypt would be tempted to follow suit. The credibility or otherwise of America's commitments to both these powers would be a major factor in the balance. Israel, of course, already has a nuclear capability.

What this all means is that the present non-proliferation regime is in serious difficulty. None of the existing nuclear powers are prepared to give up their nuclear weapons. Substantial reductions in their nuclear arsenals, which might provide inducements as non-nuclear powers debate whether to proceed or not, have not been forthcoming. That will not change. Almost certainly, there will be more nuclear powers within the next two decades, and nuclear weapons, we regret to say, will never be abolished.

The more nuclear powers there are and the more unreliable their political stability, the greater is the risk of an "inadvertent" use of a nuclear weapon. By this we mean that even if the use of nuclear weapons was not intended, through miscommunication, misperception, or trigger-happy behaviour, it could easily occur. Moreover, the chances of a nuclear weapon being used intentionally, or at least of radioactive nuclear material being used, are steadily increasing. The greatest risk comes from a nuclear weapon, even of the most rudimentary form, coming into the hands of, or being made by, a terrorist group. The use of such a weapon cannot be deterred – there is no target against which retaliation can be threatened. Any attack on the United States would have devastating consequences for Canada, and we should also never assume that Canada itself is immune from such an attack.

The prospect of biological or chemical weapons being used by either state or non-state actors also remains clearly visible on the horizon, and scientific advances are likely to increase the risk by making such weapons easier to produce.

Moreover, the struggle to control outer space, still in its early stages, will continue and accelerate. Control of the high ground has always mattered in warfare, and it will continue to matter. We can expect WMD to be capable of being used from above within the next generation or two; the capacity to launch attacks against satellites, we expect, will begin even sooner.

Axioms: Climate Change and Energy Security

The fact that the globe's climate today is changing is debated only at the fringes of the scientific community. That human behaviour is partially responsible is denied by a few more. Yet both these realities, until recently, were repeatedly and publicly denied by the leaders of the United States, China, India – and Canada.

Political leaders are only now starting to grapple with the need to cut back greenhouse gas emissions. They are beginning to focus on who should pay and how market mechanisms can best be used to advance the process. Meanwhile, developing countries respond by saying, in effect, "Not us!" From their point of view, the problem was caused by the industrialized countries, who should therefore bear most of the remedial burden. Developed countries in a number of notable cases counter that there is no point in undertaking major reductions themselves if the biggest developing countries are not also prepared to make substantial efforts (perhaps even greater ones, given their greater projected rates of emissions increases), resulting in a classic Catch 22 situation.

This means that climate change, already occurring, will accelerate. To the extent there continues to be a deadlock on emissions mitigation, the world will be faced more and more with major impacts and the need to adapt to them. The result may render some heavily populated parts of the world uninhabitable or at least very dangerous. It may render others impossibly short of clean drinking water. There will likely be massive migrations of people away from low-lying and desert areas, and they are unlikely to be welcomed anywhere else. The implications for human health and the pandemic spread of infectious disease, as well as for violent conflict, are significant.

The only way to deal effectively with climate change is to stop talking about it as a hypothetical proposition and to start acting to develop and deploy low carbon sources of energy. This is probably not going to occur for at least another decade. Meanwhile, the use of carbon sources will go up as China and India continue to industrialize. In particular, the demand for oil will continue to rise. One can already see the resulting jockeying for position in their attempts to secure sources of supply.

A substantial amount of the oil that finds its way into the international marketplace comes from unstable or potentially unstable countries. The risk of armed conflict in those areas is real. The United States will not accept a world in which Americans are denied the oil they need to make their economy work. Neither will the Chinese, the Indians, or the Europeans. Conflict over energy in several dimensions is unfortunately all but certain.

Axioms: Demography

Important demographic changes are occurring in the world. Throughout Europe, North America, and Japan, people are not reproducing at a level sufficient to maintain replacement populations. On the other hand, the birthrate of immigrants is much higher and will be key to avoiding depopulation. As the ethnic balance changes, however, there will likely be impacts on perceived national interests and foreign policy. Growing Muslim populations in Europe, for example, will be certain to demand that the European Union nations reconsider some of their policies regarding Israel and the Palestinians, and they will likely be less amenable to pro-American policies, as well. The implications could be profound.

Just as seriously, there is a "youth bulge" occurring in a number of the poorest countries of the world. Projections suggest that 95 per cent of the world's population increase in the next decade will occur in the poorer countries of the world, most notably in urban areas. There will be no jobs for most of these young, ill-educated people, and there is every reason to be concerned about the prospects of violence as these burgeoning populations seek greener pastures or fight among themselves. The consequence of the growing economic disparity in the world, the effects of climate change, and the population boom in poorer countries is that migratory movements from the south to the north may grow and become increasingly difficult to control, even for relatively sheltered countries such as Canada.

The same factors of economic disparity, climate change, demographics and change – to which cultural frictions can be added – suggest that the prosperous countries of the north, including Canada, will remain the targets of terrorist attacks launched from desperate and unstable countries in the south, and perhaps increasingly so.

Axioms: Whither America?

Looking ahead two decades, there are broadly two possible and incompatible ways in which the United States might develop. We have been through a period of American unilateralism, tempered slightly with "coalitions of the willing." These coalitions are as much a matter of convenience as necessity. The administration of George W. Bush has not been interested in strengthening the international order, if by that we mean international institutions and international law. Indeed, it has weakened both.

The United States feels threatened, and is threatened, by terrorism, above all of the al-Qa'ida, jihadist kind. We condemn those who kill indiscriminately to advance sectarian visions, but we recognize that there is also a political impetus in the United States (and other countries, too) to identifying an enemy with whom one is "at war." The Cold War is over, but having an enemy is a political convenience, and the United States seems to find it difficult – as the history of its relations with China, Cuba, and Vietnam illustrate, to let go of old animosities. If the United States is unable to come to terms with political Islam, an unlikely scenario, or if the Islamists are unwilling to moderate their unrelenting hostility to America and the West, which is even more unlikely, we are surely faced with a period of prolonged conflict.

This is puzzling on one level because it is clear that successful nations like the United States and Canada—and failed states, too--benefit from international stability. Iraq, Iran, Somalia, Zimbabwe, Haiti, and Afghanistan could greatly improve their peoples' lots with stability.[4] For its part, the First World, especially including the US, has much to lose from uncertainty, instability, and conflict. Moreover, the United States led the world in the creation of international regimes, above all in the postwar 1940s. The winner of the next presidential election in November 2008 will need to consider whether the United States should return to leading the advance of liberal internationalism.

There are signs pointing in both directions. Recent reports and books by Joseph Nye, Richard Haass, Zbigniew Brzezinski, Henry Kissinger, Strobe Talbott, and John Ikenberry and Anne-Marie Slaughter all delineate the need for the United States to work with the international community to a much larger extent.[5] The international community, including Canada, also has a vital interest in keeping the United States involved. As former Liberal Defence Minister David Pratt said in the 2007 Ross Ellis Lectures at the University of Calgary, "Like the rest of our NATO allies, Canada looks to the United States for leadership on strategic issues. When that leadership is absent, Canada's strategic objectives suffer. Whether we like it or not, on a geo-strategic level, we are joined at the hip with the Americans. We succeed when the Americans succeed, and attempting to de-couple ourselves from this equation is an absolute and utter waste of time."[6] Pratt is surely right.

But there are also contrary indications pointing America away from liberal internationalism. United States exceptionalism is strong, and both political parties use exceptionalist rhetoric to justify their positions on foreign policy. The rise of the Christian right in the United States brings to a substantial portion of the American population (perhaps a third) the conviction that God and United States foreign policy are inseparable. For many, therefore, the United States has a duty to advance its God-given values – sometimes seen as truly

universal values and sometimes not as universal, just better – in the world. It is not a big jump from there to unilateralism or isolationism. Even among American liberal internationalists, there is a tendency to think of multilateral institutions as vehicles for advancing what are really unilateral interests. This tendency is not confined to the United States, but the American version of it leads more seamlessly to the notion that the good multilateral institutions are the ones the Americans can dominate, and the bad are the ones in which they have to compromise.

Axioms: China and Other Potential Global Hotspots

The United States has had an "enemy" for most of the period since it entered the Second World War. With the end of the Cold War, a debate began over whether China was destined to become the next enemy. That debate was somewhat displaced by 9/11 and the subsequent focus on terrorism, but the issue is still very relevant.

There is no question about the growth rate of the Chinese economy. In purchasing power terms, China will soon be the second biggest investor in its military in the world. Some see China as a present-day threat; others see it as a failed state on steroids. Both views will jostle for primacy for the next decade and beyond.

Certainly, China's new-found prosperity depends on its global trade, so it is difficult to imagine Beijing deliberately starting a conflict with the United States, its major trading partner and creditor. What would it have to gain? A democratic China can be a good trading partner (if it establishes and enforces health and safety standards) and competitor. An authoritarian Communist or authoritarian capitalist China may not be so benign and will demand careful handling and concern.

Wars, however, do not always begin as a result of careful deliberation. They can occur even in contexts in which no one seems to want them. The situation in Taiwan remains the most likely trigger to a classic conflict (including the possible use of nuclear weapons) in the world. The Chinese have made it absolutely clear that they will attack if Taiwan declares its independence. The United States has made it equally clear that, if China attacks Taiwan, the United States will respond. How will elected Taiwanese governments behave? Will they push too far in the belief that the United States will always be there for them and that Beijing will therefore be constrained? Much depends on leadership in this part of the world, particularly the successful management of the risks of inadvertent war.

The next decade or two will see India playing a larger role on the international scene. There is always the risk of conflict with Pakistan, especially over Kashmir, more likely triggered inadvertently than deliberately by either side. The fact that both countries have nuclear weapons is at the same time dangerous and stabilizing, the latter being a consequence of the mutual deterrence that such weapons provide.

The situation in Russia is troubling. If President Putin's rhetoric is taken at face value, we may be on the verge of a new Cold War. While Russia's military power may be diminished, it has by no means disappeared as its plans for naval bases in Syria and its aggressive use of its bomber force to intrude on others' airspace suggests. Russia has also acquired significant economic power with its ruthless control over energy exports to a vulnerable Europe. As long as oil prices remain high, these exports will allow the Russian economy to grow and to mask some of its internal problems.

Putin may not be at centre stage for much longer, but he is not the only Russian who feels beleaguered. For many Russians, the collapse of the Warsaw Pact, with its members racing with each other to get into NATO and, even more unsettling, the collapse of the USSR itself, with some of its component parts similarly rushing to NATO, are threatening developments. And now we have Ukraine debating whether it, too, should be in the European Union and NATO. The American decision to deploy radars and ballistic missile defences in Eastern Europe has rubbed more salt into the wound. The American and European determination to allow Kosovo to be an independent state is another indicator, at least in Russian eyes, of Russia's weakness. Russia fears that the separation of Kosovo from an already fragmented Yugoslavia will become a precedent for a string of Russian problem-states in the Caucasus in the years to come.

Putin, moreover, has unquestionably shut down important sectors of what was an increasingly free press. Reporters have disappeared or been killed. Former KGB members have mysteriously died. Yet Russia's president seems unconcerned, if not downright defensive.

But will Putin really try to stir up conflict? The answer is probably not. The costs would be too great. Its population shrinking and its life expectancies shortening, Russia remains heavily dependent on Western economic co-operation, and Putin's popularity has been largely a function of Russia's economic growth. As with Taiwan, however, inadvertent war (or more likely a return to the Cold War) cannot be dismissed. Any serious offer from NATO that might tempt Ukraine to join NATO could lead to a Russian attempt to undermine Ukrainian independence. No such offer seems imminent today, but tomorrow …? If the Russian population in the ex-USSR states feel they are being badly treated and call for help, it is difficult to imagine none being given. In that event, the West might be forced to respond in some fashion.

The Middle East remains a tinderbox with increasingly powerful Islamist movements seeking to overthrow the corrupt and autocratic governments of the area. Saudi Arabia, especially, is potentially unstable over the longer term, with its Wahhabism, its youth bulge significantly unemployed, and its lack of democracy. Should the regime in Saudi Arabia be overthrown (by an even less democratic Islamist opposition), neighbouring countries, particularly the Gulf states, might find it difficult to avoid being caught up in the resulting instabilities.

We are also far from resolving the Israeli-Palestinian situation. The threat of nuclear weapons proliferation in the area could precipitate preventive strikes by Israel. Although this may be difficult to see today, the division amongst Palestinians, so obvious in Gaza, will moderate in time, probably out of a perceived need for a united front in dealing with Israel. Finally, it is difficult to estimate what the situation will be in the critically important states of Iraq and Iran. The likelihood in Iraq is an ever more violent civil war which progressively draws in its neighbours. Perhaps some group will have enough power to assert control; more likely, Iraq will fragment in a violent way with large scale emigration of those fortunate enough to be able to do so. If the Iranians continue to engage in a level of interference in the Iraq conflict which results in a sharp increase in American casualties, it won't be ignored by the present administration – perhaps encouraged by Israel – which would like the opportunity to attack Iran in order to deal with the nuclear threat before functioning weapons and delivery systems are in place. All these scenarios would threaten oil production in the region.

This report looks to the future, but this is especially difficult in the case of Afghanistan. The prospects for success in the present war there against the Taliban are fifty/fifty at best. The troop levels committed by NATO and friends are but a twentieth of what was deployed in Bosnia and Kosovo on a per-capita inhabitant basis and far fewer than the USSR deployed in its war in Afghanistan. Many countries have imposed national caveats restricting the use of their forces. There has been insufficient relief and assistance money to make people in the south of Afghanistan feel that their lives are improving. There is major corruption and drug dealing, as well as widespread availability of weapons. The Afghan government is ineffective, moreover, in delivering public services.

Complicating matters, Pakistan is an unstable but nuclear neighbour whose government does not control the northern territories abutting Afghanistan. Not only is Pakistan unable to maintain order on the border, but it cannot (or says it cannot) control areas where al-Qa'ida is regrouping and the Taliban is recruiting. The re-Talibanization of Afghanistan is a prospect no one can look forward to with anything but dismay, and Canada must continue working to prevent this.

Axioms: A Return to Balance of Power Politics?

Throughout the nineteenth and most of the twentieth century, the world became accustomed to "balance of power" politics. Dominance of one or two powers was assured by the natural tendency of other powers to form alliances. Key countries could switch from one side to another in order to assure a relatively stable balance. After the Second World War, the world moved into a bipolar system. The United States and the USSR each had its allies, and those who could and did wish to stay outside were non-aligned. Since the end of the Cold War, there has been one dominant power that is sometimes described as a hyperpower to distinguish it from a

mere superpower. This does not sit easily with Russia or China (or for much of Europe, for that matter), with France typically being the most outspoken.

Are we likely to return to a balance of power system? This seems unlikely for several reasons: the overwhelming military and economic power of the United States, still significant even if it has weakened recently; the apparent inability of the European Union to act in a unified way; and the fact that Russia and China have as many problems with each other as they do with the United States.

There will be no lack of threats to Canada and its friends from places not normally on our map. Failing and failed states, post-conflict reconstruction, and counter-insurgency operations will be the norm. The threat will likely be from far away, or may seem far away, and it will be replete with issues that many Canadians will not immediately grasp. They will need to be ready to learn and sometimes, be ready to fight.

PART III: THE IMPLICATIONS FOR CANADA

If we accept, as we must and as we do, that the primary responsibility of the Government of Canada is to protect and promote the interests of the Canadian people, then this has implications for the future of the Canadian Forces and the nation's security services. As we have shown, Canada continues to live in a dangerous world, and some of its dangers, like the growth of terrorism, are more difficult to contain now and, likely, in the future. The national interests of Canadians require a military and a security structure that can meet the likely threats and vulnerabilities of the next decades. Where we are most vulnerable is where our efforts must be focused.

What We Face

The first such threats are natural occurrences: pandemics, floods, ice storms, earthquakes, forest fires, and hurricanes. The impact of rapid climate change may increase the severity of such events, and Canada is very vulnerable to disastrous natural occurrences. All these demand governmental planning for disasters, the stockpiling of supplies and equipment across the country, and a military force that can be rapidly transported anywhere in Canada to provide a second response capability and, where necessary, have the training and capability to save lives and restore order. If a Hurricane Katrina-scale disaster struck Canada, for example, the local police forces would be as unable to deal with it as was the New Orleans Police Department, while the Canadian Forces Reserves would be as helpless as the Louisiana National Guard and less well-equipped. Working with first responders – the police and fire departments, paramedics, and emergency room staffs – only the regular forces ultimately could restore order, care for the injured and sick, and feed and shelter the displaced.

Threats at the next level come from both without and within. It gives us no pleasure to suggest that acts of major disorder are likely at home. As we have already noted, the calamitous effects of climate change elsewhere on Earth may lead to rapid migrations of people, many pouring into Canada by sea or land, whether or not we want to admit them or are ready for them. There are potential crises in such events that may require the use of military force, but for the moment, these are some time off in the future.

It is more immediately possible that at some point there might be a repetition of the crisis at Oka in 1990 which pitted the army against the distressingly well-armed First Nations "warriors." If major road and rail connections should be cut for a prolonged length of time by native protestors, for example, the demands on government to act would be overwhelming. Only the Canadian Forces could deal with a major threat of this type.

Similarly, and again with increasingly probability, disaffected racial, ethnic or religious groups located in Canada's major urban areas and furious at Ottawa's actions or inactions at home or abroad might resort to further terrorist acts. The nation needs to invest in an efficient intelligence-gathering apparatus, effective protection of Canada's airports, coasts, land borders, and seaports,[7] and establish good liaisons between police authorities at all levels so that it can know what might be coming. Certainly, the ready availability of high explosives and the increasing possibilities of access to WMD ("dirty" bombs and biological and chemical agents) make such threats extremely dangerous. First responders would certainly be overwhelmed in the hours and days after an attack. Once again, only well-trained and well-equipped military forces could deal with the ensuing problems.

A third level of threat arises when other states encroach on our territory and our sovereignty. The Danes, longstanding friends and NATO allies, have claims on Hans Island, a speck of rock in the Arctic that might sit atop undersea beds of petroleum, natural gas, and minerals. Copenhagen also has naval vessels better suited to Arctic operations than anything the Canadian navy will possess for at least a half-dozen years. While the prospect of military action between Denmark and Canada is extremely slight (but not wholly impossible if one recollects the "turbot war" between Canada and another NATO ally, Spain), the need to demonstrate our willingness to protect Canada's territorial integrity is clear. Other nations ranging from Russia to Norway to the United States have their own credible (or incredible) claims in the Arctic, and the United States in particular still has concerns that if Canada controls a soon-to-be navigable Northwest Passage as its internal waters, as Ottawa claims and intends, this will have major implications for the freedom of the seas elsewhere.

Of more immediate seriousness, Canada's superpower neighbour sees itself under present and future threat from terrorists and rogue states. We should not underestimate the impact of public opinion in the United States for, if there is another major terrorist attack there and if there is any sign of a Canadian dimension to such an attack, the pressures to take extreme measures on the border will be immense. Canada is very vulnerable here.

More than 30 per cent of Americans still mistakenly believe that 9/11 had a Canadian connection, and this matters because our economic dependence on the United States is huge; about four-fifths of our trade, generating nearly a third of our jobs and half our GDP, heads south. The United States is significantly less dependent on its trade with Canada, but Canada nonetheless is, and will remain, very important for America. The United States, moreover, is increasingly dependent on oil and gas imports, and a significant and likely growing percentage of such exports will be from Canada in the future. Indeed, a supply crisis originating in the Middle East or Venezuela could trigger demand for substantially increased Canadian energy exports. It is also possible that, within the next twenty years, the issue of bulk water exports from Canada to the United States will be raised in a serious way. The internal American migration patterns to parts of the United States that are already dry could trigger such a request. These possibilities will raise serious political questions in both Canada and the United States. The Americans have usually taken Canada for granted, but oil, water, and security will dramatically alter this benign, casual interest in the coming years.

Security questions are the immediate concern. As Robert Thompson (a long-forgotten Social Credit politician) said almost a half-century ago, "The Americans are our best friends, whether we like it or not." Ottawa sometimes seems to have forgotten this truism. Countries such as Iran and North Korea are developing nuclear missiles that might be able to strike North America in the next decade – or sooner. While the risk may be relatively small today, there are major implications for Canada in this developing situation: first, Ottawa must ensure that there are no threats to the United States that can develop on, or cross over into, Canadian territory, a policy that has been in force since 1938, but one sometimes honoured more in the breach than the observance. Today and tomorrow, there exists the real possibility that a United States administration may take *de facto* control of Canadian airspace and sea approaches to guarantee its self-defence. Such a move could not be resisted politically or militarily by Canada, given it has no "defence against help," and it implies the end of Canadian sovereignty.

Impossible? Not really. Not when a Canadian government refuses to participate in Ballistic Missile Defence (despite the United States asking neither for use of Canadian territory, nor for a financial contribution) and, as a result, hands over its ability to exercise control of a large part of North American airspace to the United States, apparently unaware that it has simultaneously ceded some of its sovereignty. It was Paul Martin's government that made this decision in 2005; the Conservatives have not rectified this situation and certainly will not (at least not while they remain a minority government), such is the level of mistrust of the Americans in the nation. We suggest as strongly as we can that in the case of non-participation in Ballistic Missile Defence (BMD), Ottawa has neglected the basic national interest: to protect the nation's people and sovereignty. To be sure, there are many technical problems to be resolved before BMD works effectively, and some have genuine concerns about the effect the program might have in sparking a new arms race. The threat of a small-scale nuclear missile attack from Iran and North Korea against the United States, though insignificant today, could easily increase over the course of the next twenty years. Moreover, nations such as China and India now also have nuclear missiles, and their friendship cannot be assumed to last indefinitely. Even non-state actors might secure a missile or two at some point in the future and, as threats of retaliation could not deter them, a BMD capability might prove to be very necessary. Neither can we assume that missiles launched by smaller powers will ever be accurate enough to fly safely over Canada en route to their American targets. A nation worthy of the name would have the defences – or at least a share in the defences – to protect against such incidental insecurity.

The fourth type of threat arises when, as in Darfur or Afghanistan, a state or a non-state actor becomes a regional threat, a host to terrorism, or such a danger to its own people that a coalition of nations join together to end the threat. The major security threats in the world today for Canada come from failing and failed states that harbour terrorist groups, whether willingly or unwillingly. Canada is now vulnerable to such threats and will remain so, and once states have failed, the international community has proven itself singularly inept in putting them back together.

Canada can decide for itself if it wishes to participate in such operations, basing its actions on its assessment of the threat, Canada's vulnerability, and its consideration of the national interest and the nation's values. In the former Yugoslavia in the 1990s, Ottawa decided that it served its interest to send troops; the same calculus applied more recently in Afghanistan. It might not apply in Darfur, say, if the Canadian government was unhappy with arrangements made by the United Nations for a peace enforcement force, or in another Korean War if Washington insisted on total control of the military operations or if Canadian public opinion was completely antipathetic to action.

It is clear, however, that there is a large and indispensable role for the military in building security in weakened states. A recent study by the RAND Corporation in the United States, led by James Dobbins and Seth Jones,[8] examined a substantial number of United Nations- and United States-led, post-conflict, peace-building operations. The analysis assesses what must be done in order of priority of investment. Security and humanitarian relief are at the top of the list, while democracy building and economic development come significantly later. The conclusion, surely correct, is that there can be no democracy and development without security. Achieving security is imperative, for without it, nothing else works. The need for technical assistance and military interventions around the world will almost certainly exceed the supply of dollars and soldiers, not to mention political will. How will we likely choose?

Canada has made a lot of noise about the "Responsibility to Protect" (R2P). There is little evidence at this point that we or anyone else meant it when we said in reference to genocide, "Never again!" When ten thousand people were being slaughtered each day for one hundred days in Rwanda in the spring of 1994, along with the rest of the world, we did absolutely nothing to stop the massacre. When five years later, 8,000 white, ethnic Albanian Kosovars were being slaughtered by Serbs, NATO, including Canada, intervened, but without the benefit of a United Nations Security Council sanction. When some 300,000 black African tribesmen began to be slaughtered in the three Darfuri states of Sudan by members of Arab tribes (with some support from Khartoum), the United Nations reminded everybody that the new world order was not supposed to allow such behaviour, that indeed, we had a responsibility to protect such defenceless people. There was, however, little more interest in risky African adventures than there had been ten years earlier in Rwanda, and it took years before the United Nations could come up with something more substantial than grudging financial and material support for an African Union peacekeeping mission. Regrettably, there is no reason to think this will change in the next couple of decades.

There is, of course, a case for arguing that Canada should always go wherever the need is greatest. But we are a country with a relatively small population and with limited armed forces and other resources available for development assistance. The latter two could be increased, but even doubling our expenditures on them (which is not likely to happen) would still leave us with the need to be selective, to make hard choices, and to set priorities.

It thus makes sense to look at where our interests are most engaged. The criteria for deciding on a major contribution should derive from our interests. Are there places from which a threat to Canada might actually be mounted? Are there places where we have something special to offer? And although this should not always be a determining factor, are there places that our closest ally would like us to consider going?

The types of engagement that are most likely are in cases in which the insurgents directly or indirectly affect our security. In such situations, it is often difficult to distinguish the "enemy" from those we are trying to help. Canada is then faced with asymmetric warfare in which an enemy chooses to avoid unit-to-unit combat in favour of sorties coming out of, and disappearing back into, greyness. Canada, in short, will be faced with more Afghanistans in the Middle East, Africa, or even in Asia and Latin America.

There are, of course, degrees of response: Canada might send 2,500 troops ready to fight or despatch a frigate to participate offshore; it could lend political support by putting its name on a coalition letterhead without participating militarily, or it can proffer development aid. When the United States is acting rashly (which may occur more often in the future, or when Canadian interests are not in accord with Washington's, the ability to respond to American pressures at the low end of the scale could be very useful and have far fewer negative consequences than would a direct "no."

Finally, there are major wars, usually, but not only, interstate conflicts. These have seemed unlikely since the end of the Cold War, but this may not be so tomorrow. The strategic analysis in Part II is far from reassuring, and it is possible that Canada might need to fight for its life and for the survival of its people at some point in the coming two or three decades. We are very unlikely to be alone in such a struggle; it is far more likely that we shall be part of a coalition, albeit as a junior member. Our stake in victory, as in the Great War, the Second World War, and the Cold War, will nonetheless be critical to our future. In other words, we will always be vulnerable to the threats to our survival posed by major wars.

Fortunately, a sensible Canadian defence policy can meet all the foreseeable challenges except the last one. We believe that a major war will likely be signalled by tensions and troubles that will allow time for appropriate measures – if our leaders are practical and if they can carry a sometimes dubious and often blind public with them.

What We Need

So, what will we need to meet the vulnerabilities posed by this array of threats in the coming two or three decades? The answer is more: more money for defence and security; more trained troops; more equipment; more planning; more preparatory work; more coordination amongst all elements of government; more effort to collect domestic and foreign intelligence, and more preparations for man-made or terrorist-inflicted disasters. We simply need more.

We are not calling for a Second World War mobilization with an army of 750,000 and government expenditures that came close to absorbing half or more of the GDP. Instead, the ideal would be spending on defence that meets the NATO average (excluding the United States from that calculation) of 2.2 per cent of GDP (about $25 billion in 2007 dollars). Such a defence budget would allow Canada to sustain a regular force of some 80,000 men and women, an increase of under a third over our present strength. That is what we need, but it is unlikely that any Canadian government in the foreseeable future will have the political courage to do it. Instead, the defence budget will probably rise slowly from its present level of just above 1 per cent of GDP and then remain in the 1.1 to 1.3 per cent range. Much more acceptable, indeed more achievable, would be to adopt the 2002 recommendation of the House of Commons Defence Committee to phase in a defence budget of between 1.5 and 1.6 per cent of the GDP over three years.

Governments have recently spent substantial sums (or more precisely, promised to spend substantial funds) on equipment purchases. Many of these have been driven by the necessity to give our troops in Afghanistan what they need, but others are long-term investments. The point is, however, that the limited budgetary increases for operations and maintenance over the last few years have been swallowed by the costs of the Kandahar operations. The Canadian Forces, as Doug Bland of Queen's University aptly put it, are rebuilding the house while living in it. The difficulty is that governments do not seem willing to pay for both rent and repairs at the same time. The result is that both the transformation and the day-to-day operations of the Canadian Forces are falling behind even as more money is being expended. In the long run, this will prove catastrophic. The answer is more money for the daily operations of the CF but, as was just suggested, this is far from assured.

What then? Priorities need to be chosen, and for us, given the threats Canada is likely to face, the army must be at the top of the list. While a case can be made that a wealthy, technologically sophisticated and casualty-averse nation such as Canada should raise high-tech military forces, the need now and for the medium-term future seems to be for "boots on the ground." We accept this premise. Thus the Land Force, presently about 20,000, should increase by 50 per cent or more; Canada's nine infantry battalions should be organized for deployment in permanently affiliated battle groups; and the JTF-2 unit should be increased to full strength. Indeed, the Canadian Forces need more JTF-2 soldiers (special forces able to operate in secret and with real effect) and a full-strength Special Operation Forces Regiment to back them up. At the same time, the army requires more combat engineers and the Land Force reserves need to be increased. The deployability of reservists is now, and will surely remain, essential, and this requires more personnel, better equipment, and improved training in local units.

These ballpark numbers are suggested because they seem likely to provide an army that will be able to sustain an expeditionary force operation like that in Afghanistan without strain and simultaneously play a small role in peacekeeping operations and in additional coalition operations with its fleet and air force. At home, sufficient trained regular and reserve forces would always be on hand to meet the threat of natural disasters and the possibility of uprisings or terrorist assault. Such a Canadian Forces could also reassure the United States of Canada's commitment to North American defence. In other words, army growth and renewal can resolve some of Canada's key problems: we can defend our territorial integrity and respond to disasters; we can eliminate or ease the necessity for the United States to offer "help" to Canada to serve its own security interests, and we can play useful roles in most types of overseas operations. By doing what we should do in our own national interest, we can resolve a host of difficulties. Moreover, Canadians have always preferred to fight their wars abroad, not at home. This will remain the sensible policy.

Trained personnel are the key but so, too, is equipment.[9] If the Canadian government and people despatch our forces abroad to serve the national interest, they must have everything they need to accomplish their task while protecting our servicemen and women's lives. It is simply unsatisfactory and unacceptable to send troops to Afghanistan, as Canada did in 2002, with the wrong uniforms and boots and with ill-protected ILTIS jeeps. Although there have been improvements since then and more promised, the Canadian Forces still have a long way to go to meet the army's requirements of the next decades. The House of Commons Defence Committee, reporting in June 2007, pronounced the nation's troops in Afghanistan the "most combat effective, best trained, best led, best equipped, best supported mission of its kind that Canada has ever deployed." We believe this to be true; it must also be the standard to be met in all future deployments.

For the army, equipment needs remain substantial. Infantry are undoubtedly reassured by the presence of armour, but the recent acquisition of used tanks from the Dutch may nonetheless be unnecessary. No one, however, doubts that the new five-tonne trucks that are on order to replace the present, more-than-twenty-year-old load haulers are essential. They will prove useful in every domestic and foreign mission. So, too, are armoured trucks if, as we expect, Afghanistan-type operations, where the threat of Improvised Explosive Devices are omnipresent, are the future norm. The LAVIIIs, the army's Canadian-made personnel carriers, have proven themselves in action, though many more will be needed to create a wholly mobile and well-protected force. Similarly, more anti-mine vehicles (for example, the South African-made Nyala purchased in small quantities for the Kandahar operation) will reduce casualties, as will enough capable Chinook medium-lift helicopters to provide (from Canadian-controlled sources) the support Canadian troops in the field simply must have. Some of these helicopters are on order, and Ottawa should also consider the acquisition of a small squadron of Apache helicopters to provide direct-fire support for soldiers in future combat operations. The army also needs more unmanned aerial vehicles (UAVs) to let it see beyond the next hill. These have also been ordered.

The Canadian air force has been the beneficiary of substantial government largesse in the last few defence budgets. The Harper government decided to acquire four huge CC-177 air transports, and the first one came into service in August 2007. With one stroke, these aircraft will resolve many of the equipment deficiencies that have hampered Canada's ability to operate at home and abroad in everything from overseas wars to domestic disasters. We believe that more CC-177s will eventually be required, but there is no doubt that the present purchases will be extraordinarily useful in permitting rapid deployments in Canada and abroad. At the same time, the government has decided to acquire C-130J aircraft as a replacement for the air force's more obsolete Hercules, some of which are more than forty years old. Again, this purchase will enhance and expand the Canadian Forces' ability to mount and sustain its operations around the world.

About all the Canadian air force now requires is a decision on whether or not it is necessary to replace the CF-18 fighter interceptors that were acquired in the early 1980s and recently upgraded at substantial cost. The CF-18s should be effective enough at home and abroad for our purposes for most of the coming decade, but decisions will need to be made regarding a future aircraft within five years. Canada has put some $650 million into the development of the international Joint Strike Fighter project, but no firm decision has been made on acquisition beyond suggestions that the air force expects to acquire eighty strike fighters at a fly-away cost of at least four billion dollars. We believe Canada should ideally have modern fighter aircraft to patrol Canadian air space and to assure the United States that Canada takes the defence of its air space – indeed, of North

American airspace – seriously. Whether Canada requires enough new aircraft to maintain a strike fighter capability for overseas employment is more debatable. The important question that must be resolved is whether the government is prepared to pay the billions required for this expensive kit without robbing the army. The costs of interceptors, however, must be weighed against the continuation of the North American Aerospace Defence agreement. In our view, everything that gets us a seat at the table with the United States should be encouraged.

Then there is the navy. Naval vessels are expensive, and there is a very long lead time involved in their planning and construction. If we are to build ships in Canada, a first priority is to develop the capacity of domestic shipyards to construct them. The country had this capacity when the navy's frigates were built in the 1980s and 1990s, but it was foolishly and wastefully broken up and scattered to the winds. A sensible naval construction policy (a "continuous build" policy) will see commitments to produce one or two ships a year in perpetuity for the navy and Coast Guard in addition to the development and maintenance of a cadre of skilled workers. We know that it will likely cost up to 25 or 30 per cent more to build naval ships in Canada, and almost everyone agrees that, if the navy is to get new ships, then domestic politics will demand that the ships be built in Canada. This might well be wasteful. We believe the extra costs are worth paying if, and only if, the government is prepared to commit the additional funds to maintain a real navy and to develop and maintain a modern ship-building capacity.[10] On the other hand, if cost is the first priority (as it usually seems to be in this country), it will make sense to add Canadian requirements for three or four ships of a particular class onto a United States or United Kingdom construction programme, thereby reaping the benefits of scale. The choice of domestic or foreign construction will always be largely a political one.

The navy needs Joint Support Ships (already on order) to transport and sustain Land Force expeditionary units. If we are to maintain the navy's interoperability with the United States Navy (and we must), the already announced modernization of the Canadian patrol frigates, now nearing the halfway point in their life expectancy, must include a command and control capacity. If this is accomplished quickly, the destroyers can be scrapped at the end of their lifespan without interfering with the navy's ability to work with our friends and to command task forces. Planning should also begin now for a replacement for the frigates. Furthermore, we need patrol ships able to sail into Arctic ice that is at least one metre thick, and the government (choosing wisely, we believe) has ordered at least six such vessels and thus far declined to invest in powerful *naval* icebreakers. The nation's Arctic patrimony may be at risk as the ice melts, and these new patrol vessels and a deep water port (as well as an army cold weather training centre) to support their operations will show the flag and help protect our interests. The need for costly new icebreakers remains, but the *civilian* Coast Guard should operate these ships and, to preserve the necessary differentiation between civil and naval vessels, they should be unarmed.

Ultimately, the government will need to make a decision to refit the navy as a substantial force or recognize that Canada will lose the capacity to deploy ships abroad. Mackenzie King, Canada's most successful prime minister, regularly said that what he prevented was more important than what he accomplished. Navy vessels are relatively self-sufficient and can loiter or linger for long periods, and their very presence can sometimes prevent situations from escalating. If they do not exist, however, the Canadian ability to accomplish anything when the sea is contested will disappear. The sea is almost always contested, and as NORAD's responsibility for the maritime approaches to North America inevitably expands, having an effective navy becomes very important in maintaining Canada's place in binational strategic discussions.

Simply put, the navy is very useful. It can protect our 240,000-kilometre-long coasts against environmental and criminal challenges and, as are sure to arise, from challenges regarding control of our seas and territory. Then, although we do not foresee our ships ever escorting convoys across the North Atlantic again, the anti-submarine capabilities that have been honed for sixty years are still essential. Potentially hostile states have substantial fleets of submarines, and prudence demands preparation. Our frigates, using their helicopters or co-operating with Aurora or other ASW aircraft, have superb capabilities that should not be relegated to the trash-bin. Similarly, a capacity to deal with mines is critical, as are ship-borne air defences.

What must be noted, as well, is that it will always be easier for Ottawa to despatch a frigate or two to distant crises than to send an infantry battle group or a fighter squadron. The risks are less, and this is important given the Canadian public's apparent casualty-sensitivity. In addition, the impact of sending a frigate can

sometimes have the same affect. Ships can also be withdrawn far more easily than can a battle group should changing circumstances warrant such action. The costs of building naval vessels are high, but their utility in supporting Canadian national interests at home and around the world is significant.

Recent Canadian governments have made many of the right decisions for the future in procuring equipment, but there are still serious choices facing the governments of today and tomorrow. Will we continue to maintain strike fighter jets? Will we have a larger, better-equipped army? Will we rebuild the navy and maintain its hard-won skills? Will we continue to work closely with our superpower neighbour on continental defence? Everything hinges on money, political will, and political and military leadership. A future Chief of the Defence Staff with the drive and flair for public relations of a General Hillier can make the case for a balanced Canadian Forces with real capabilities in the air, at sea, and on the ground. A time-server will not be able to do this. A prime minister convinced of the importance of the CF and of Canada's military relationship with the United States will campaign for more funds for the military and make the case compelling. To us, a balanced and well-equipped CF is what is needed to meet future challenges, but we do understand the political and fiscal constraints. We are far from certain that the political determination to fight to overcome them will be present in the immediate or longer-term future.

Senator Colin Kenny, the Liberal chair of the Senate's Committee on National Security and Defence, put it correctly when he noted that, despite the billions spent on ordering equipment in the last few years, "the government is going to have to spend many billions more on defence than its plans call for now. Otherwise the Canadian Forces are going to deteriorate once again. There will be huge holes in the navy, the air force, and in the army as well." The senator added that "Canada will not be able to play a responsible role in defending itself or advancing our interests around the world without a reasonably muscular military. That's not me, a senator, playing soldier. That's surviving in a world in which some countries and some movements won't listen to reason." [11]

Home Front Security and Foreign Intelligence Gathering

On the home front, Canada needs to be far better prepared to meet disasters and to counter threats of terror. Presently, Public Safety Canada is responsible for emergency management and national security, as well as crime prevention, law enforcement, and corrections. Like its Homeland Security counterpart in the United States, we believe that this portfolio may be too large and too multi-focused to concentrate properly on what is most important.

Canada needs better planning for catastrophic events. We need to have equipment pre-positioned near the nation's big cities and earthquake zones. We need substantial government money put into training programmes for first responders such as the police and fire departments. Above all, we need to make the Canadian Forces do what it has never truly wanted to do in the past for fear of being turned into a constabulary: to train and to prepare to assist in such disasters. If, for example, the Pickering nuclear power station located just east of Toronto went critical, there can be no doubt that the first responders could not deal with a crisis on this scale. What plans does the Canadian Forces have to intervene and assist? We expect there are none, or at least, none that have been developed in detail. If our premise is correct, this is a vacuum that must be filled.

On a different level, to be prepared to play useful roles in a future Oka-type situation, training in crowd control and psychological warfare simply must be on military training syllabi. Similarly, to do what might become necessary in responding to major future terrorist incidents, the CF must begin to think and prepare more, and train harder now.

Terrorism, as the security community in Ottawa knows very well, has become a real threat to CanaDa now, and it will become more threatening in the future. We are vulnerable because there are those who live elsewhere who want to do us harm because we are a Western liberal, democratic, and secular state. We are vulnerable because there appear to be some who live here, many in second- and third-generation families, who hope to emulate the suicidal terrorists who attacked public transit in London or Madrid, for example.

Canada needs to increase its domestic intelligence efforts to ensure that this does not occur. Over the long term, the nation needs to increase its educational efforts to better integrate these Canadians into our society and to ensure that ghettoes of the mind do not take permanent form. We also must be aware that the great majority of our immigrants today come to us from nations with no democratic tradition; they cannot absorb our values by osmosis alone. Canadian leaders must try to ensure that the nation's interests and values, rather than pressures exerted by the various diasporas in Canada, drive our foreign and defence policies.

But we also need more intelligence from abroad. We believe Canada needs a foreign intelligence agency, ideally as part of the Canadian Security Intelligence Service. Already the Communications Security Establishment collects electronic data (very quietly) abroad, but that is insufficient. If, for example, Sikh terrorists living in Canada respond to events in India as they have in the past, it makes sense for Canada to do more than rely on India's security agencies to provide information to us. New Delhi will give us what it chooses; that may not be sufficient, and the Canadian government will need sources that can provide it with what the Indians, in their own interests, may not share. Our friends in the United States, Britain, and Australia share information with us, but do they supply everything? To ask that question is to answer it: even our close friends withhold sensitive human intelligence from us, if only to protect their sources. We need agents of our own to collect such data, and if we can get it, we might be able to trade with our friends for the information that is normally not given to us.

A foreign intelligence service will be costly to operate, and it will take time to become effective. It cannot be expected, moreover, to cover the entire world. It will need to establish priorities in the light of its assessment of where the real dangers lie. If it is encompassed within CSIS, as we suggest, we recognize that there will be strains. At home, CSIS operates within Canadian law; abroad, agents will need to break other nations' laws, and the Canadian government must attempt to accept this. There will be two cultures warring within a single organizational bosom, and this will be difficult. But many other middle powers less populous than Canada – Australia and the Netherlands, for example – run such services, and there are no credible arguments for Canada not to have one. Moralists will conjure up a Canadian CIA murdering foreign leaders and running an Arctic Abu Ghraib or think of Canada's operatives playing roles in future James Bond films. No such scenarios will occur, but we do think that useful information, perhaps even essential information, can be collected to advance and protect Canada's national interests. In any case, it should be understood that most intelligence analysis does not in practice depend on reports that are generated by covert operations. It is based instead on an informed examination of readily available public sources.

What We Can Do

Canadian policy requires flexibility, but there are some basic principles that should guide our leaders in the next few decades. The first priority must be to ensure the security of Canadian territory and the Canadian people, something, it must be said, that has not been done over the last forty years. Next, we have responsibilities for the defence of North America and, we expect, increasingly for the Western Hemisphere in the coming years. These close-in concerns should be our highest priority. Far out priorities – Europe, the Pacific, Asia, and Africa – are important because they are the areas from which major threats of war will arise, along with large-scale humanitarian crises that can lead to calls for intervention. Canada needs to be prepared for such events, but they will always require careful consideration of the Canadian Forces' resources and the national interest.

At the moment, Canada has relatively few capabilities. If Canada and Canadians are willing to pay the bills that Senator Kenny and others forecast, then the nation can get its military restored to health, thus enabling the Canadian Forces to play a role of some power and influence with our allies. This means striving towards interoperability based on common training, interchangeable weaponry and communications systems, and the sharing of intelligence. We know that we will not be making allied policy or leading coalitions outside our region of the world; Canada has not had, and will never have, the resources and power to do that. But Canadian soldiers and sailors will be able to lead missions, to staff headquarters, and to play useful roles in combat or in peace support operations. Peacekeeping is a good and useful thing, but no military geared for peacekeeping alone can defend Canada or play a useful role in the struggles that seem all but certain to occur. These struggles will be important to our national interests on many occasions, and we need to be prepared to commit

forces to them. But first, Canada's voters and the governments they elect will need to make a commitment to the Canadian Forces and to our national security. We are not sanguine about the prospects of this commitment being made (or fulfilled, if made) in the next decades.

Canadians want to be proud of their servicemen and women, even if they do not want to pay the bills. This requires well-equipped, well-trained forces that can distinguish themselves in the full spectrum of military operations ranging from blue beret peacekeeping through peace enforcement, and finally, to war. That is the best way to ensure that our sovereignty is respected and our independence reinforced. We might also note that sovereignty is not exercised only through uttering an eternal "no." Instead, sovereignty is frequently exercised by demonstrating a willingness to co-operate with our friends.

We also believe that it will remain in the Canadian national interest and in accord with our values to support the United Nations. The public clearly agrees, and multilateral institutions will continue to be useful to Canada in trying to counterbalance the overwhelming weight of the United States. If we examine the likely threats faced by the world over the next decade or two, it is highly probable that there are likely to be even more United Nations-mandated peacekeeping operations in the future. We can imagine a force to support a Middle East settlement or to stabilize Iraq. But would it be welcomed by everyone? What would be the rules of engagement? Increasingly, it seems, the inhibitions against attacking United Nations peacekeepers are disappearing.

We want Canada to continue to play a role in United Nations peacekeeping as and when required, but we also recognize that peacekeeping has changed dramatically, becoming both more robust and increasingly the province of regional organizations. Canada will likely be faced with the need to choose, for example, between responding either to insurgencies in which our interests are at stake or to less robust peacekeeping engagements, as well as between competing peacekeeping "opportunities." Paradoxically, the result may be that the requirements for Canadian troop contributions will lessen, or they may change to emphasize technical support, the proffering of advice, or the provision of leadership cadres. When it serves both the world community's needs and Canadian interests, then Ottawa should agree to take up United Nations duties. But we must recognize that while there is a huge, uncritical constituency for United Nations peacekeeping in Canada, government must be careful in the future (as it has not always been in the past) to set out its reasons for participation – or not – before the informed public.

Still, we want Canada to participate in United Nations-mandated operations to the best of its abilities. We would be more optimistic about the future of United Nations peacekeeping if we had more faith in the United Nations' capacity to reform itself.

We are also supportive of continued Canadian support for, and membership in, NATO, considering the added weight given to this politico-military alliance by the nation's long history and ties to its mother countries and the Western democracies. Notwithstanding the challenges created by the expansion of its membership, NATO can yet become a counterweight to the United States, and to belong to it is in our interest. Trying to keep Europe and North America in harness on the big issues is a sometimes thankless chore, but it is worthwhile to strive towards this end. The game will continue to be worth the effort. That having been said, we cannot see Canada hastening to send troops to Europe if a resurgent and authoritarian Russia begins to press its neighbours, some of whom are new NATO members, to return to the chilly bosom of Mother Russia. Nor, to state the reverse, do we envision Canada ever counting on the new NATO members (never mind the old!) to come to its aid in the event of a crisis threatening our Arctic territory, for example; NATO will remain important as a trans-Atlantic bridge, as an alliance that is taking on out-of-area roles (though not without difficulty, as in Afghanistan), and as a grouping of friends. But its long-term future looks tenuous, and a reconsideration of its value to us may eventually become necessary. At the same time, the growing turmoil in much of the south of the world may provide concrete reasons to maintain co-operative relations among the core prosperous, democratic countries encompassing the two sides of the Atlantic, along with Japan, South Korea, Australia, and New Zealand. We understand and accept that the United States is key to this co-operation, and its participation is essential for its success.

If worse comes to worst and the growing divide between Europe and the United States widens, then there is little doubt that Canada will gravitate more and more towards the American pole. The reason is very clear; Canada's main priority in foreign and defence policy must continue to be to sustain good relations with the

United States. Again, there is a long history of friendship, but this is made even more critical by the economic weight of the relationship. New Zealand, to cite one example, has $6 billion in two-way trade with the United States each year. Canada has $6 billion in two-way trade with the United States every three days. The relationship, in other words, is critical to our survival, essential to our prosperity and, we believe, constitutes a great advantage for Canada in dealing with the rest of the world. Ottawa's policy must be to maintain this into the foreseeable future and certainly for the time frame envisaged by this paper.

This does not mean that maintaining good relations with the United States will not be a challenge; it is now, and it always will be. Nor does it mean that Canada must always snap to attention and salute when Washington issues orders. A sovereign state can decide for itself whether or not to participate in a coalition operation. It can similarly determine how best to participate if it chooses to opt in. The point surely is that each situation must be assessed on its merits – or lack thereof – and on how it accords with Canada's national interests and the values of its people.

We all want an independent Canada or, as someone once said on Peter Gzowski's *This Country in the Morning*, a Canada that is as independent as possible under the circumstances. Circumstances change over time and we will change with them. So independence, yes, as much as we can get. But as former Ambassador to Washington Allan Gotlieb has reiterated, there is no virtue in independence if it means starvation or defeat. Canadians need to keep this thought in mind, too.

PART IV: RECOMMENDATIONS

1. Given Canada's impressive economic capacity, we think an overall defence budget at a level equivalent to the NATO average (2.2 per cent of GDP) would be a reasonable target. In 2007 dollars, that would generate an annual budget of approximately $25 billion, or roughly $9 to 10 billion more than the current figure. In practice, however, we concede that this may be a politically unrealistic aspiration. More acceptable than the likely range of 1.1 to 1.3 per cent of GDP would be for government to adopt the recommendation of the House of Commons Standing Committee on National Defence on 21 May 2002 to phase in a defence budget of 1.5 to 1.6 per cent of GDP over a three year period.

2. In light of financial limitations, priorities have to be set. In the short and medium term, the most pressing requirement is for "boots on the ground." In this context, we think the Land Force, presently about 20,000, should be increased by 50 per cent or more, so that its nine infantry battalion battle groups and its JTF-2 unit can be raised to full strength. Land Force reserves also need to be increased.

3. Equipment for the Land Force also needs to be upgraded, with replacements for its aging fleet of 5-tonne trucks and further acquisitions of LAVIII armoured personnel carriers, along with anti-mine vehicles, Chinook medium-lift helicopters, a small squadron of Apache helicopters (to provide direct-fire support under combat conditions for troops on the ground), and additional unmanned aerial vehicles.

4. We support the current government's decision to acquire four giant CC-177 air transports (more may eventually be required) and to purchase a fleet of C-130J aircraft as replacements for the now-obsolete Hercules.

5. The air force's CF-18 fighter interceptors have recently been upgraded, but it will be necessary within five years to decide on their replacements over the longer term. We think it essential that Canada maintain a fleet of modern fighter aircraft to control Canadian airspace and to assure the Americans that the importance of defending it is being taken seriously in Ottawa. Given budget limitations, whether we should also maintain a strike fighter capability for use overseas seems to us to be more open to debate.

6. With regard to naval platforms, our first preference would be to see the present pattern of stop-go construction replaced by a "continuous build" policy that would allow one or two shipyards to remain constantly active, thereby sustaining an appropriately skilled workforce over the longer term and permitting the laying down each year of one or more new keels destined for Maritime Command, the Coast Guard, or other government agencies. Should this option be regarded as too expensive, we recommend as an alternative that the benefits of economies of scale be obtained by adding Canadian naval vessels to the appropriate production runs of shipyards in the United States or the United Kingdom.

7. The government should certainly proceed with its decision to acquire new Joint Support Ships to transport and sustain Land Force expeditionary units, as well as with its plans for the acquisition of patrol vessels for use in the Arctic. Planning for the eventual replacement of the current fleet of Canadian patrol frigates should also be hastened.

8. Governments at all levels need to do more planning for catastrophic events at home – earthquakes, floods, accidents at nuclear-powered generating stations, major assaults by terrorist groups, significant disturbances of the peace in urban communities, and the like. More training is required at all levels, and the need for more effective coordination between the pertinent federal and provincial agencies on the one hand and front-line first-responders on the other is particularly acute.

9. Canada should also establish a foreign intelligence service, recognizing that this could not be accomplished overnight, that its focus would have to be selective, and that covert operations would

constitute only a relatively small part of its responsibilities, most of which would in practice centre on conventional intelligence analysis.

10. All these recommendations are based on the premise that Canadians do not wish their country to confine itself to playing the role of a regional power, overshadowed even on its own continent by the American colossus, but wish it to be counted instead as a significant participant in the affairs of the larger world. In that context, we recommend that Canada continue to participate as best it can in those United Nations operations of which its government approves and that it maintain its commitment to the North Atlantic Alliance, while recognizing that its first priority must always be to preserve a fundamentally amicable relationship with the United States.

Notes

1. Among the most widely cited book-length studies of this question in recent years are Andrew Cohen's *While Canada Slept: How We Lost Our Place in the World* (Toronto: McClelland & Stewart, 2003), Roy Rempel's *Dreamland: How Canada's Pretend Foreign Policy has Undermined Sovereignty* (Montreal/Kingston: McGill-Queen's University Press, 2006), and J.L. Granatstein's *Whose War Is it? How Canada Can Survive in the Post-9/11 World* (Toronto: HarperCollins, 2007). A somewhat more technical book-length analysis of Canadian defence challenges in the post-9/11 environment is delineated in Elinor C. Sloan's *Security and Defence in the Terrorist Era* (Montreal/Kingston: McGill-Queen's University Press, 2005). Jennifer Welsh's orientation (in a book that was particularly influential when Paul Martin was prime minister) is somewhat different, but she, too, expressed concerns about the decline in Canada's capabilities. See her *At Home in the World: Canada's Global Vision for the 21st Century* (Toronto: HarperCollins, 2004). Douglas L. Bland, the Chair of Defence Management Studies at Queen's University, has sounded the alarm repeatedly; see, for example, his *Canada without Armed Forces?* (Montreal/Kingston: McGill-Queen's University Press, 2003).

The leading umbrella defence advocacy group is the Conference of Defence Associations at <www.cda-cdai/english-frame.htm>. One of its lengthier, although now somewhat dated, assessments of the CF can be found in its *A Nation at Risk: The Decline of the Canadian Forces* (Ottawa: Conference of Defence Associations Institute, September 2002). Among policy-oriented think-tanks, the Institute for Research on Public Policy has been particularly active in the defence and security field in recent years. Access to its publications in the field can be traced very easily on its web site at <www.irpp.org>. The C.D. Howe Institute has also published on the subject, most often in the context of the need to safeguard the free movement of North American commerce by reassuring the Americans that Canada is doing everything possible to ensure that they will not be molested from Canadian soil. Some of this work has linked the further integration of the Canadian and American economies to Canada-United States defence co-operation. The institute's publications can be found at <www.cdhowe.org>. Defence issues, of course, are even more central to the work and mandate of the Council for Canadian Security in the 21st Century and the Canadian Defence and Foreign Affairs Institute in Calgary. Their contributions are available from <www.ccs21.org> and <www.cdfai.org>.

The most extensive treatments by parliamentarians of Canadian defence and security problems have been those offered in the prolific work of the Senate Standing Committee on National Security and Defence, chaired in recent years by Senator Colin Kenny. Over that period, the committee's reports dealt with the defence of North America (September 2002), Canada's "military financial crisis" (November 2002), coastal defence (October 2003), land borders (June 2005 and again in March 2007), "Canada's Military and the Legacy of Neglect" (September 2005), "Securing the Military Options [the Government] Needs to Protect Canadians" (June 2006), "Managing Turmoil: The Need to Upgrade Canadian Foreign Aid and Military Strength to Deal with Massive Change" (October 2006), the security of Canada's seaports (March 2007) and airports (also March 2007), and a variety of other subjects, including intelligence, emergency preparedness, and the like.

Finally, many of these themes have been considered by academics associated with university centres and institutes in the defence and strategic studies fields. Most of these have links with the Security and Defence Forum programme of the Department of National Defence and can be traced through the *SDF Newsletter*, which is included on the DND's own web site.

2. See, for example, Ernie Regehr and Peter Whelan, "Reshaping the Security Envelope: Defence Policy in a Human Security Context," *Working Paper* (Waterloo, ON: Project Ploughshares, November 2004). The authors argue that "Canadian security policy should consist of a variety of military and non-military instruments," including Development, Democracy, Disarmament,

Diplomacy and Defence (their "five Ds"). Defence is defined as the "capacity to resort to the use of force in extraordinary circumstances in support of the full range of peace and security efforts" (p. 6). The emphasis of their "alternative military model" is on what they believe to be the specialized requirement, "humanitarian intervention" (see especially pp. 19–29).

3. The concept of "distant proximities" and several others in this and the next section have been developed by James Rosenau, perhaps the clearest conceptual thinker on how the world is changing; see especially, *Distant Proximities – Dynamics beyond Globalization* (Princeton, NJ: Princeton University Press, 2003).

4. See the "Failed States Index," in *Foreign Policy* (July-August, 2007).

5. Richard Haass, *The Opportunity: America's Moment to Alter History's Course* (Toronto: HarperCollins, 2005); Zbigniew Brzezinski, *The Choice: Domination or Leadership, Art of Mentoring* (New York: Basic Books, 2004); Joseph S. Nye, *The Paradox of American Power: Why the World's Only Superpower Can't Go It Alone* (New York: Oxford University Press, 2003); G. John Ikenberry and Anne-Marie Slaughter, *Forging a World of Liberty Under Law* (Princeton, NJ: Princeton Project on National Security, 2007); Henry Kissinger, *Does America Need a Foreign Policy?: Toward a Diplomacy for the 21st Century* (New York: Simon & Schuster, 2002); Strobe Talbott, *The Great Experiment* (New York: Simon & Schuster, forthcoming).

6. "Is There a Grand Strategy in Canadian Foreign Policy?" Lecture 3, 14 June 2007.

7. The Senate's Standing Committee on National Security and Defence's *Canadian Security Guide Book, 2007 Edition* (March, 2007) is a damning indictment of government unpreparedness.

8. *Beginner's Guide to Nation-Building* (Santa Monica: RAND Corp., 2007).

9. Equipment is very expensive, and creating a modern CF will cost substantial sums. The system of accrual accounting now in use by the federal government obliges DND to state the purchase cost of equipment *and* to add in the forecast cost for maintenance over the life of the equipment, creating hugely inflated figures that frighten many (e.g., four C-17s for $4 billion). Accrual accounting, however, also allows the amounts charged to the DND budget to be spread out over years with only the depreciation charged annually. A ship, for example, might cost $1 billion, but that capital cost would be paid off by DND over thirty or more years. The present equipment purchases under this system stretch out the capital budget and make it possible for the CF to acquire the equipment it needs. Before the advent of accrual accounting, capital purchases were "expensed" in the year of purchase.

10. VAdm Peter Cairns, "Shipbuilding and Industrial Preparedness," *Canadian Naval Review* II (Fall, 2006): 20.

11. Colin Kenny, "Stephen Harper is a Toy Soldier," *Montreal Gazette*, 27 May 2007.

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