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# **Redefining Security in the Post- Afghanistan Era: The Future of Canadian Military Policy in an Uncertain World**

**A Policy Update Paper**

By

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## ABOUT THE AUTHOR

**Ron Wallace** completed his undergraduate and graduate training at the University of Saskatchewan, Queens University and the University of Waterloo, respectively. In 1988 he completed the Stanford University Graduate School of Business Executive Program for Small Business.

He has worked extensively throughout the Canadian and Russian Arctic regions and completed other international assignments in locations such as Venezuela, Burkino Faso West Africa, Israel, China and Mexico. His experience encompasses basic environmental research, oil sands mining, Arctic environmental enforcement and training. He has managed major projects, including the Alberta Acid Deposition Research Program and the Alberta Southwest Medical Diagnostic Review Program. He has lectured and written widely on northern issues and environmental research and also successfully completed major mediations between northern peoples and major development interests in Alberta, B.C. and the NWT.

Has led or managed professional teams that were recognized for the following achievements:

- **1994** Alberta Business Award of Distinction (International Exports)
- **1996** Alberta Emerald Award for Environmental Excellence (Environment)
- **1997** Alliance of Manufacturers and Exporters Canada Award (Engineering)
- **1998** Canadian Association of Consulting Engineers Award (International Service)
- **2001** Corporate Technical Achievement Award (Advanced Alumina Ceramic Materials Manufacturing for Defense Products) - American Ceramic Society.
- **2005** Entrepreneur of the Year – Alberta Region Manufacturing Technologies

In 1985 he founded a successful Calgary-based art gallery, Wallace Galleries, Inc. specializing in western Canadian visual arts. His environmental consulting firm, Dominion Ecological Consulting, Ltd. was acquired by a major Canadian engineering firm where, as Executive Vice President, he led environmental and engineering consultant teams in global assignments. Appointed in 1997 as Chief Executive Officer of a publicly-traded Canadian defence manufacturer, he retired in 2006 having acquired facilities located in Calgary, Delaware and Florida. In 2008 he was appointed as interim Executive Director of the NWT Water Board and successfully completed the restructuring and relocation of the Board from Yellowknife, to Inuvik, NT under contract to Indian and Northern Affairs Canada (INAC).

He has two children and resides in Calgary, Alberta with his wife Bonnie.

## EXECUTIVE SUMMARY

This paper attempts to review certain facts and assumptions that may influence Canada's definition of 'national security' in the looming 'post-combat Afghanistan era'. These definitions underpin, and are the ultimate basis for, national defence policies. Prior to the 2001 (9/11) terrorist attacks on New York, North Americans tended to believe that Fortress America was secure behind its strategic nuclear 'umbrella', located far from the instabilities and conflicts that raged elsewhere, well outside the North American political consciousness. Terrorism happened someplace else to other, less fortunate, peoples. That calculus has changed.

This paper will critically examine the changing environment affecting the North Atlantic Alliance (NATO), and Canada's role in it, while considering the consequences of the Canadian past, and potential future, role in Afghanistan. In a rapidly-changing world, redefinitions of many traditional, or long-accepted, concepts of 'security' may soon impact Canadian defence policies and priorities. It is suggested that imminent re-evaluations of Canadian defence needs and wants may significantly affect the structure, and future evolution, of the entire Canadian defence establishment.

The increasingly limited financial resources of the Western powers within the NATO alliance may also force a reconsideration of current approaches to the seemingly intractable 'asymmetrical' global conflicts. In the recent past these conflicts have been spawned, and supported, by terrorist organizations, or nations that harbour hostile intent to Western interests. Many entities have chosen to effect such confrontations through unstable, or 'failed', nation-states. Reconciling what may be unsustainable, 'asymmetrical', conflicts with the realities of Western economies may be the single most pressing strategic military consideration now facing Western politicians and strategic planners. In short should, or will, the West be willing and able to fund future, broad-based, military interventions in distant regions? The attainment of 'victory' following such active combat operations may require concomitant, very costly, post-conflict programs for nation-building.

Canada may have a real opportunity to renew our international and domestic commitments to North American defence, and to that of NATO, by enhancing its defence establishment and capabilities. Governments, including Canada, are not immune to the pressures for expansion of financial leverage (so-called 'quantitative easing'); however, almost uniquely among Western nations, Canada had the stellar good sense to maintain a sound, well-regulated financial and banking sector that first addressed, and subsequently resisted, huge, unsustainable deficits and excessive financial sector leverage. Assuming this fiscal performance can, indeed, be maintained it could be argued that Canada now stands at a crossroads, not so much as a result of its involvement *in* Afghanistan but by the consequences of imminent plans to exit *from* it.

Will Canada opt to continue to be the poor cousin of the U.S. and NATO, with a virtual total domestic and international military reliance on the U.S., or will Canada seize this opportunity to resume its rightful, historic place, to project our unique brand of international leadership in the maintenance of democratic traditions through global peacekeeping *and* active combat operations?

## SOMMAIRE

La présente communication tente d'examiner certains faits et certaines hypothèses qui peuvent influencer la définition que donne le Canada à l'expression « sécurité nationale » dans l'imminence de la nouvelle « ère de l'Afghanistan d'après le combat ». Avant les attaques terroristes du Onze-Septembre 2001 sur New-York, les Nord-américains avaient tendance à croire que *Fortress America* était en sûreté derrière son « parapluie » stratégique nucléaire situé loin des instabilités et des conflits qui faisaient rage ailleurs, bien loin de la conscience politique nord-américaine. Le terrorisme, c'était quelque chose qui arrivait ailleurs à d'autres peuples moins bien nantis. Cette équation a changé.

Nous allons examiner ici de façon critique l'environnement changeant qui affecte l'Alliance du Traité de l'Atlantique Nord (OTAN) et le rôle qu'y joue le Canada, tout en considérant les conséquences du rôle passé du Canada, et de son rôle futur possible, en Afghanistan. Dans un monde en changement rapide, des redéfinitions de plusieurs concepts traditionnels de « sécurité », acceptés depuis longtemps, pourraient bientôt avoir un impact sur les politiques et les priorités du Canada en matière de défense. On suggère l'idée que d'imminentes réévaluations des besoins et des désirs de défense canadiens puissent affecter de façon significative la structure et l'évolution future de l'establishment canadien de la Défense tout entier.

Les ressources financières de plus en plus limitées des puissances occidentales au sein de l'alliance de l'OTAN peuvent également forcer une reconsidération des façons actuelles d'aborder les conflits mondiaux « asymétriques » apparemment insolubles. Ces derniers temps, ces conflits ont été engendrés, et soutenus, par des organisations, ou des nations, terroristes qui sont un havre d'intentions hostiles aux intérêts occidentaux. Beaucoup d'entités ont choisi d'effectuer de telles confrontations par le biais d'États-nations instables, ou « défailants ». La conciliation de ce qui peut être des conflits « asymétriques » insoutenables avec les réalités des économies occidentales peut être la considération militaire stratégique la plus pressante à laquelle doivent présentement faire face les politiciens et les planificateurs stratégiques occidentaux. Bref, l'Ouest peut-il vouloir, ou voudra-t-il, financer des interventions militaires futures à large base dans des régions éloignées, et sera-t-il capable de le faire ? L'atteinte de la « victoire » à la suite de telles opérations de combat actif peut nécessiter, après les combats, des programmes concomitants très coûteux de construction d'un pays.

Le Canada peut avoir une occasion réelle de renouveler ses engagements internationaux et internes en matière de défense de l'Amérique du Nord, et de l'OTAN, en améliorant son établissement et ses capacités de défense. Les gouvernements, dont celui du Canada, ne sont pas à l'abri de la pression qui les pousse vers l'expansion de l'effet de levier financier (appelé « détente quantitative »), mais, presque seul parmi les nations occidentales, le Canada a eu le bon sens irréfutable de maintenir un secteur financier et bancaire sain et bien réglementé qui a d'abord affronté, pour ensuite y résister, d'énormes déficits insoutenables et un effet de levier excessif du secteur financier. En supposant que cette performance financière peut, de fait, être maintenue, on pourrait prétendre que le Canada est maintenant rendu à une croisée des chemins, pas tellement à cause du résultat de son implication *en* Afghanistan, mais à cause des conséquences de plans imminents de sortie *de* l'Afghanistan.

Est-ce que le Canada choisira de continuer d'être le cousin pauvre des États-Unis et de l'OTAN, avec une dépendance intérieure et internationale virtuellement totale vis-à-vis des États-Unis, ou le Canada saisira-t-il cette occasion de reprendre sa juste place historique afin de projeter

notre marque unique de leadership international dans le maintien des traditions démocratiques par le biais du maintien de la paix *et* d'opérations de combat actif?

*“As President Obama and NATO Secretary General Rasmussen have noted, my assumption of command represents a change in personnel, not a change in policy or strategy. To be sure, I will, as any new commander should, together with ISAF, Afghan, and diplomatic partners, examine our civil-military effort to determine where refinements might be needed. But our military objectives will remain the same. Together with our Afghan partners, we must secure and serve the people of Afghanistan. We must help Afghan leaders develop their security forces and governance capacity so that they can, over time, take on the tasks of securing their country and see to the needs of their people. And, in performing these tasks, we clearly must pursue the insurgents relentlessly.”*

Remarks by Gen. David H. Petraeus rendered in Afghanistan upon his assumption of command of the NATO ISAF/US Forces on July 4, 2010.

## INTRODUCTION

Perhaps one of the most significant lessons of history is that unintended consequences have, since time immemorial, often been shown to exert a material influence on political and military outcomes. In many ways, it could be argued, the Iraq and Afghanistan military interventions by Western forces may be, once again, about to provide further substantiation for this unwritten ‘law’. Right or wrong, such concepts have been championed by many libertarians who follow the advice of Austrian economist and philosopher Friedrich August von Hayek.<sup>1</sup> These philosophers have long cautioned against the use of what may be termed ‘big, all-inclusive, solutions’ to deal with complex economic systems. At least in terms of economic theory, such thinkers warn that massive interventions in complex systems may have many unintended and unforeseeable consequences. Perhaps these philosophic principles may also warrant consideration when applied to geopolitical, strategic interventions?

In parallel with these concepts, here it is argued that Canada may be entering a time when prior assumptions and definitions about the nature of ‘security’ may be changing, perhaps dramatically so. What have we learned from the Afghanistan experience and what consequences for Canada’s defence establishment will flow from it?

It is, perhaps, timely to examine the consequences, both intended and unintended, of Canada’s participation in the UN-mandated ISAF intervention led by NATO in Afghanistan. It could be argued that Canada now stands at a crossroads, not so much as a result of its involvement *in* Afghanistan, but by the consequences of imminent plans to *exit from it*. This paper attempts to set out some present and future considerations which may influence the debate about Canada’s future definition of security upon which national defence policies must be based. The effects and results of such a debate will not be insubstantial; indeed, it could be postulated that what is increasingly at stake is the nature and future of the entire Canadian defence establishment.

## THE TRANSFORMATION OF DEFENCE POLICIES IN AN ERA OF REDEFINITIONS

Here I attempt to critically examine internal and external changes affecting NATO, especially those that may affect the Canadian role in and, soon to be, outside of Afghanistan, to perhaps

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<sup>1</sup> Friedrich August von Hayek (1899 - 1992), noted author of *The Constitution of Liberty* and the 1944 book *The Road to Serfdom* that became a bestseller and political lightning rod, was known for his defence of free-market capitalism and liberal democracy. He was proven prescient by the eventual breakup of communist Eastern Europe and shared the 1974 Nobel Memorial Prize in Economics. In 1991 he was awarded the Presidential Medal of Freedom.

better comprehend their potential impacts on Canadian strategic interests. It is argued that the emerging redefinitions of many traditional concepts of 'security' may soon impact Canadian defence policies and priorities.

General Stanley McChrystal, the former commander in Afghanistan of NATO and US forces, sought to achieve stability in that country by furthering indigenous capabilities to confront the growing insurgency. As noted in the introductory quotation, in July 2010 General David Petraeus re-affirmed this strategy upon the assumption of his command to represent "*a change in personnel, not a change in policy or strategy.... We must help Afghan leaders develop their security forces and governance capacity so that they can, over time, take on the tasks of securing their country and see to the needs of their people....*"

Irrespective of whether or not these objectives are achievable, what are the consequences for Canada, and the Canadian Forces (CF), as we approach the July 2011 deadline set by the Canadian Parliament for our withdrawal from Afghanistan? In short, what does Canada do next with our beleaguered, returning forces as we consider the future roles and responsibilities for our entire defence establishment?

My colleague Elinor Sloan (2010) has thoughtfully addressed some of these issues by suggesting that: "*When Canada's current commitment comes to an end, a new mission should be established that encompasses several hundred specialist trainers and advisors located in or near Kabul, charged with training Afghan military and police units over a period of time of at least three years. Such a mission would be eminently feasible and would constitute a tangible, visible enduring contribution to Canadian and Afghan security.*" This suggestion is altogether sensible and is undoubtedly receiving serious policy consideration in Ottawa. She also perceptively observes that Canada: "*...cannot ignore the fact that after almost five years in a war zone the CF's resources, particularly those of the army, are overstretched. There is a need to regroup, bring some of our troops home to train our own new recruits and devote funds to refurbishing or buying new equipment. Continuing on at our current force level commitment is probably not an option.*" So, in the broad sense, what are Canada's future options and how do we set about reformulating our policies and directions for the looming 'post-Afghanistan' engagement? How also do we best prepare to take the Canadian Forces into the next decades of the 2000's?

Policy deliberations on national security need to be informed by concomitant national policies for social and economic development. Several of my CDFAI colleagues have previously broached such examinations with respect to Canadian defence interests. In his examination of the *Canada First Defence Strategy*, Macdonald (2009) noted that: "*Adjustments to the Strategy will certainly be required as circumstances and priorities evolve, suggesting the need for a mechanism to make modifications from time to time.*"

Roussel and Battis (2010) subsequently evaluated some possible approaches for such mechanisms 'to make modifications' in their evaluation of the "*New Strategic Concept*", an analysis presently under consideration by NATO. The 'concept' document is an attempt by NATO defence thinkers to determine future guidelines as a result of issues raised in the course of the Afghan campaign. Roussel and Battis (2010) perceptively observed that: "*This war is reactivating debates about issues that were supposed to be settled: the relevance and the legitimacy of conducting operations outside the Euro-Atlantic area, especially since its European member states are obviously reluctant to commit their troops to this kind of operation, or of widening the organization's list of functions.*" In short, the authors considered that outcomes of the Afghanistan campaign could tend to reinforce opinion among the allies' that the North

Atlantic Alliance should get 'back to geographical basics,' both in terms of membership and areas of operation and force a reconsideration of attitudes that have tended to favour the expansion of NATO.

We may be entering a period marked by examinations of profound issues facing the member countries that constitute the alliance. Indeed, the very legitimacy and scope of NATO current and future operations may be subject to new political *and* economic examinations of the assumptions that underpin the current alliance. In what may perhaps be termed an 'unintended consequence' of the Afghan campaign, certain ongoing weaknesses have also been exposed in the NATO alliance, many of which have been shown ultimately to affect active combat roles and operations in Afghanistan caused by the encumbrances placed upon the operational commitments by participant countries. Said bluntly, not all our NATO allies are actually prepared to enter the fight with the degree of commitment shown by Canada. As a result of these weaknesses in the alliance, will there be 'mechanisms to make modifications' within the NATO alliance and what might be the ramifications and consequences for the Canadian Forces?

Next, and closer to home, my colleague James Fergusson (2009) examined the ongoing transformation of the Canada-US North American defence relationship. He pointed out the subtle, but material, changes that have taken place in continental defence since the end of the Cold War, concluding: "*The extent to which the policies of the Obama Administration will truly differ from its predecessor remains to be seen. At the same time, the attention of the Obama Administration, like its predecessors, is focused elsewhere and the relationship continues to be driven by the perceptions of the organizational and bureaucratic actors directly involved. It is these perceptions, and their underlying beliefs, which in the end will determine the state, nature, and benefits of Canada-U.S. North American defence relations. For now, it may simply be prudent for Canadian officials to remember the line from the Joni Mitchell song: 'you don't know what you got until it's gone.'*" 'Gone' indeed. Fergusson is probably touching diplomatically upon what could become issues of material consequence for the ultimate defence of Canada and even North America.

Canada has unarguably delivered an exemplary performance in fulfilling its NATO commitments in Afghanistan. Indeed, the Canadian Forces, in spite of challenges in equipment and logistical support, have demonstrated a capability to 'punch well above their weight-class'. While laudable, these strident actions have caused Canada to suffer material costs in lives and national treasure, whose full measure may not, at least as yet, be fully appreciated by the Canadian body politic. Now as Canada prepares to meet the Parliamentary requirement to withdraw after eight years from its Afghan "combat role" in 2011, it may be timely to undertake a broader examination of the events and circumstances that have brought Canada, and NATO, to this present juncture.

The material stresses exerted upon the CF as a result of their heroic exertions in the Afghan campaign are parenthetically 'coming home to roost' with the imminent return of our personnel. Hence, a thoughtful discussion among Canadian defence planners of nagging operational questions may well be overdue, not the least of which is: "*...Ottawa should consider the possibility of limiting NATO's activities to the European continent, and its immediate neighbourhood, in order to avoid such future plights like Afghanistan that poison Canadian defence policy*" (Roussel and Battis, 2010). Poison indeed. These are strong words, but many other examples of a 'poisoned' defence experience exist, and not all are limited to Canada.

The US itself may have entered into a process of profound self-examination, the prime example of which may be the resounding election of Obama as US President on November 4, 2008. That US election was called amid a time of growing public resentment of the policies of, and consequences resulting from, the Bush Administration with decisions that led to the invasion of Iraq and the subsequent ongoing operations in Iraq and Afghanistan. The documented, post-invasion finding of a complete absence of weapons of mass destruction (WMD) in Iraq, one that perhaps represented a singular, monumental intelligence and policy failure for the West, may be said to have completed a saga of unanticipated results with parallel unintended consequences. Other examples of 'unintended consequences' of the US-led Iraqi adventure are abundant: the Abu Ghraib (*Place of Ravens*) incident with the, perhaps parallel, rise of the Iraqi international insurgency and the simultaneous revitalization of the Taliban in Afghanistan. Of course, these events may yet be further compounded and exacerbated by the developing political and rampant economic instabilities extant in Pakistan.

All these turbulent events were aggravated by the 2008 US financial crisis that led directly to a severe global economic contraction. In what has been termed to be the 'Great Recession', or even the 'Great Contraction,' is now thought to have started in the United States in late 2007. Its effects rapidly spread throughout much of the industrialized world with sharply increased unemployment and significant declines in economic activity, the former of which continues stubbornly today in spite of massive financial stimulus actions. Many consider that loose, perhaps even reckless, US lending practices, coupled with the international securitization of dubious, but hard to assess, US mortgage loans, caused a speculative real estate and equity market that led to a series of crises. The collapse of Lehman Brothers in September 2008 produced a global financial panic with the collapse of long-established, major commercial and investment banks. Many banks and financial institutions, not restricted to the US, were subjected to massive losses and faced, or entered, bankruptcy. World leaders were shocked by the rapidity of the contraction in international trade, the parallel collapse of commodity prices and the serious rise in unemployed workers.

In a sense, the financial panic having arrived just before the US 2010 Presidential election not only sealed the fate for the outgoing Bush Administration and its policies, but re-awakened the American voting public to the seriousness of their pending decision at the polls. Obama wisely adopted the election slogans of "Hope" and "Change", themes that appear to have reverberated with a traumatized, perhaps disillusioned, electorate.

As Obama heads into the continued turbulence of the November 2010 US mid-term elections, many critics in and outside of the US may be beginning to question if the US can, or should, maintain its financial support of its military exertions throughout the region and continue to prop up, with huge subsidies, such unstable, perhaps even corrupt, distant regimes? In fact, many have begun to question if the laudable goal of creating stable economic, political and military establishments in places like Afghanistan and Iraq are sustainable, or even achievable.

The invasion of Iraq and the UN sanctioned NATO-ISAF intervention in Afghanistan have evolved from a military action into a subsequent 'nation-building' exercise that appears to require material continued support by Western forces of occupation. Early short-term military combat operations have been expanded to embrace principles of 'nation-building' – that is to say, military units have been faced with achieving economic and political stability in distant regions unused to democratic traditions. These initial efforts implemented in Iraq and Afghanistan may have expanded consequentially now at least to the borders of Pakistan. Have these events led to uncertain, and perhaps further unintended, outcomes for strategic defence?

Canadian political leaders may think that we can simply 'opt out' of combat operations in Afghanistan, but we cannot relinquish the much broader, existing commitments to NATO and the joint defence of North America without creating other profound consequences for our neighbours, and us. These issues engender material political considerations for Canada.

Equally consequential are the parallel economic realities that have emerged during the ten years of the Iraq/Afghanistan engagements, especially since 2008. In this brief time span, America has evolved from a status of the 'world's only superpower' to what Johns Hopkins University foreign policy expert Michael Mandelbaum (2010) describes as the world's first 'frugal superpower'.

The impacts of the 2008 global economic collapse, the full effects of which have probably not even now been fully appreciated, will surely have direct and material consequences on the *furtherance* of such prolonged military and associated 'nation-building' operations in Afghanistan, and perhaps elsewhere. President Obama announced at West Point in December, 2009 that he had approved a troop 'surge' of 30,000 additional troops for Afghanistan. In late 2010, there is projected to be 100,000 US forces in Afghanistan, twice that sent by the previous Bush Administration. Obama also sought a parallel increase in numbers for the Afghan National Army from 110,000 soldiers in 2010 to 171,000 by 2011 and an increase in the Afghan National Police from 90,000 to 134,000 (Sloan, 2010).

This 2010 requirement for additional troops was certainly not anticipated at the time of the initial ISAF actions. Also, can policy makers be assured that these actions will increase, not diminish, the certainty of desired outcomes in Afghanistan? These are policy decisions and dilemmas that no US President would envy having to address. Additionally, these policies and actions may have profound consequences for global military alignments, including those that involve Canada. The parallel policy decision by President Obama to withdraw US units from active combat operations in Iraq by September 2010 will unquestionably begin to show consequences sooner or later, and possibly in more ways *unintended* than are presently intended. Indeed, the continuing political deadlock in Iraq may even now be spawning another cycle of violence.

Increasingly, economists may view these seemingly intractable wars to be funded, in whole or in part, with borrowed monies. As demonstrated throughout history, such conflicts must be fought either to the limits of the publics' willingness to shoulder the consequences of continued losses (in both human suffering and national indebtedness), or to the limits of comfort of certain external financial lenders, or both.

As Kinchen (2010) noted in his review of Mandelbaum's *"The Frugal Superpower"* (2010): *"America today equals huge debt. America today equals huge military. Few have seriously attempted to reconcile the two, and Mandelbaum does here, to provocative result. An authoritative thinker on America's role in the world, he makes the case that a slimmer U.S. defence budget will leave a vacuum at the top of the global power structure that no other country can fill."* Or, as more succinctly stated by Mandelbaum: *"One thing worse than an America that is too strong, the world will learn, is an America that is too weak."*

With a US national debt predicted to balloon above the current estimated \$9 trillion for foreseeable decades, US voters, especially those from the "Boomer Generation", may well be soon forced to choose between their presumed entitlements or defence/aid programs prosecuted in distant lands. CDFAI Fellow Cameron Ross (2010), in his summary review of the fate of empires, had dire inferences for the US economy when he catalogued many of the 'underlying economic catalysts' that potentially affect US policies: the US deficit and national

debt; public and consumer confidence; and American political bipartisanship, which he characterized as being 'destructively intense.' This destructive intensity may, in fact, be the first sign that the American public is increasingly disenchanted not just with their economy, but their political leadership. One could assume that these heightened US public concerns may increasingly be focussed on defence spending with ramifications for the projection of US military power throughout the world. Military operations that involve protracted nation-building are, and will continue to be, very expensive undertakings.

The US is not alone in facing such economic and political dilemmas. One needs only to examine the books of European economies such as the United Kingdom, France, Ireland, Greece, Portugal and Spain and to observe the ongoing, difficult financial struggles currently embraced by the US Federal Reserve and the European Central Bank. The realities that attend the 'dismal science' of economics may be about to intrude forcibly into the spheres of defence and Western strategic policies.

Ross (2010) pulled no punches when he concluded that: *"The potential demise of the U.S. has several implications for Canada. Foremost are trade, foreign, and defence policies. As a commodity exporter whose dependency on foreign trade is three times the OECD average, we would be wise to diversify as quickly as possible....Expeditionary activities such as peacekeeping should be pegged in the 'desirable' and not 'essential' category."*

Canada, as an active participant in the NATO ISAF Afghan operations for better or worse, has also been subjected to dramatic forces of social, economic, political and military change. In effect, Canada is caught within a huge international socio-economic and political 'vortex' that appears to be spinning without clear direction or certain outcome. These global economic and political issues may engender significant upheavals in Canadian economic and defence policies. These events are not, nor have they ever been, trivial issues, most especially now.

The increasing debt burdens of the Western powers, not just those within the NATO alliance, may soon begin to exert effects on the projection of Western military power into the seemingly intractable 'asymmetrical' global conflicts that have been spawned and supported by terrorist organizations and/or unstable, 'failed' nations. Reconciling these 'asymmetrical' military requirements with the stark realities of Western economies may be the single most pressing consideration facing politicians and strategic planners. In short, can the West continue to fund such broad-based interventions throughout the Third World? If so, how should we prosecute such interventions and with what types of equipment?

In a recent opinion piece Friedman (2010) somewhat brutally commented: *"Yes, the US has gone from being the supreme victor of World War II, with guns and butter for all, to one of two superpowers during the Cold War, to the indispensable nation after winning the cold war, to "The Frugal Superpower" of today...Ever since the onset of the Great Recession of 2008, it has been clear that the nature of being a leader – political or corporate – was changing in the US. During most of the post-World War II era, being a leader meant, on balance, giving things away to people. Today, and for the next decade at least, being a leader in America will mean, on balance, taking things away from people. And there is simply no way that the US' leaders, as they have to take more things away from their own voters, are not going to look to save money on foreign policy and foreign wars. Foreign and defence policy is a lagging indicator. A lot of other things get cut first. But the cuts are coming - you can already hear the warnings from secretary of defence Robert Gates. And a frugal US superpower is sure to have ripple effects around the globe..."*

'Ripple effects' indeed. Moreover, one could perhaps surmise that nowhere will such 'effects' be felt more than in Canada where defence spending has relied so heavily on the US to support Canadian national defence capabilities.

Friedman then turns his attention to the conflict in Afghanistan: *"I presume that with infinite men and money we can succeed in Afghanistan. But is it vital? I am sure it is desirable, but vital? Finally, we need to shore up our balance sheet and weaken that of our enemies, and the best way to do that in one move is with a much higher gasoline tax. America is about to learn a very hard lesson: You can borrow your way to prosperity over the short run but not to geopolitical power over the long run. That requires a real and growing economic engine. And, for us, the short run is now over. There was a time when thinking seriously about American foreign policy did not require thinking seriously about economic policy. That time is also over. An America in hock will have no hawks—or at least none that anyone will take seriously."*

The linkages between US foreign policy and Western economic stability have been taken as a 'given' for at least the past 60 years; however, that era may rapidly be changing or regrettably perhaps even approaching a close. One could pause to reflect back to the campaign slogans of the Clinton era and conclude that increasingly, in more matters than just US domestic policy, *"It's the economy, stupid!"*

The state of pessimism extant in the US electorate is a significant concern not just for US politicians facing mid-term re-election. The US consumer-driven economy has economic and social effects that are felt throughout the world. As Bercuson (2010) observed: *"Most American consumers – or the potential consumers who are part of the 90 per cent of Americans who have kept their jobs – have money to spend. They are saving more than at any time in recent history and they are paying down their debts. But they are not spending out of fear that things will get worse. They have not only seen or experienced an economy in near collapse, but they have also experienced the great oil spill, in some ways reminiscent of the Hurricane Katrina disaster. Their roads, bridges, dams and electric grid seem to be crumbling around them. They have lost thousands of troops killed in Iraq and many more grievously wounded and seem to be undergoing the same thing again in Afghanistan. Wherever they look they see incompetence, particularly in government."*

These observations may indicate that the American electorate may increasingly be overwhelmed, or at least spooked by, the seemingly endless reams of bad economic data presented to them by a media not always inclined to understatement. There is much to think about here. *RealtyTrac*, a US body that follows home foreclosures, reports that US bank repossessions in August 2010 rose to their highest level since the US housing meltdown. Repossessed properties in the US reached 95,364, a 3% increase over July 2010 and a 25% increase since August 2009. Shockingly, the repossession numbers were even larger in September 2010. Meanwhile, according to the US Census Bureau the US poverty rate rose to 14.3%, its highest level since 1994 (Whitman, 2010), while the official rate of unemployment remains stubbornly above 9%. That translates into roughly 20 million Americans presently out of work or inadequately employed. These figures are compelling and they may yet engender serious political and economic consequences.

Reinhart and Rogoff (2009) termed the international financial crisis of the latter part of 2000's as the 'Second Great Contraction'. They assert that this economic contraction "*will have a profound effect on economics, particularly the study of linkages between financial markets and the real economy.*" They stress that, while their interpretation of the way that North America, and indeed the world, entered into the crisis is sobering: "*... we show that the way out can be quite perilous as well. The aftermath of systemic banking crises involves a protracted and pronounced contraction in economic activity and puts significant strains on government resources.*"

One could predict from events and trends that future strategic US defence planning may ever more be concerned with, or perhaps be constrained by, the realities of the US domestic 'real economy' with the inevitable required reassessments of US economic policies. Additionally, should suggestions like Friedman's proposal for a 'much higher gasoline tax' be considered by the US? It does not take too much intuition to see how this supposed US 'policy cycle' may result in enhanced attention being focussed on Canada, with our strategic, 'world class' oil reservoir in the oil sands. In spite of the vocal concerns raised by certain environmental activists, the US may have unknowingly, but progressively, entered into an era of diminished opportunities for the purchase of vital oil resources, so pivotal to their economic engine, from friendly powers who have formerly welcomed US investment. In this regard Canada stands as a unique, although probably underappreciated, strategic neighbor to the US.

As further economic realities 'trickle down' to the already spooked US consumer, the US may also be forced to take occasion to remind Canada of its strategic importance to the US and the growing necessity for shared defence responsibilities for both North America and the world. In short, Canada may be about to enter an age in which our past dependence on, and assumptions about, US defence intentions and capabilities for North America may be compromised. As the US increasingly redefines its defence policies so as to conform with its developing economic realities, Canada may be required to contemplate much greater and proportional defence spending just to maintain the current capabilities for North America and NATO. These are heady issues indeed, most of which will not be obscured to the watchful eyes of our adversaries.

Many prior assumptions about priorities for defence spending, not just in Canada, are changing. The absurd, and thoroughly discredited, past predictions of the Bush Administration that the oil wealth of Iraq could be relied upon to fund America's post-invasion costs in that country may, ironically, have had a positive effect. The US may have to reassess the costs and benefits of such foreign adventures. As Rich (2010) noted in his scathing commentary of the US political and financial systems: "*We were delighted to accept tax cuts, borrow other countries' money, and run up the federal deficit long after the lure of a self-financing was unmasked as a hoax. The cultural synergy between the heedless irresponsibility we practiced in Iraq and our economic collapse at home could not be more naked.*"

Increasingly, it would appear that the key issue for both military and foreign policy experts and Western democratic leaders is this: If the US is compelled to diminish, or at least reallocate, increasingly scarce financial resources from military programs to other priorities within their economy, including less dependence on foreign energy supplies, which of the Western nations will step up to fill the resulting vacuums for international economic aid and defence

requirements? If 'borrowing to achieve prosperity' is indeed no longer feasible, US foreign and defence policies may be about to transform. As Mandelbaum (2010) stated succinctly: "*The defining fact of (US) foreign policy in the second decade of the 21<sup>st</sup> century and beyond will be 'less'*". As Canada has been so economically and militarily reliant on the US in the past, one could infer that Canada may soon have to consider doing 'more', and not just for national defence. Indeed, perhaps *much* more.

Rich (2010) coldly presented evidence that: "*In recent polls, 60 per cent of Americans surveyed thought that the war in Iraq was a mistake, 70 per cent thought that it wasn't worth American lives and only a quarter believe it made us safer from terrorism.*" Such public views may, in part or in whole, be influenced by increasingly difficult revelations of how Western reconstruction funds have been dispensed in Baghdad and Kabul: "*While we were distracted searching for Iraq's non-existent weapons of mass destruction, Iran began revving up its actual nuclear program and Osama bin Laden and his fanatics ran free to regroup in Afghanistan and Pakistan...For this sad record, more than 4400 Americans and some 100,000 Iraqis (a conservative estimate) paid with their lives. Some 32,000 Americans were wounded, and at least two million Iraqis, representing much of the nation's most valuable human capital, went into exile. The war's official cost to the US taxpayers is now at \$750 billion.*"

Notwithstanding the clear warning signs that decreased Western defence spending may soon, if not now, be subject to the imperatives of strained national budgets, there are more examples cited by Mandelbaum (2010) of the unintended consequences that have resulted from US foreign policy initiatives. He argues that President Bill Clinton's administration is responsible for what he terms to be past 'major foreign policy errors,' namely the expansion of the North Atlantic Treaty Organization (NATO) to include former republics such as Latvia, Lithuania and Estonia, former satellites of the former Soviet Union (FSU). He argues that by having NATO reach into lands that had previously been within the communist sphere of eastern Europe these actions "*soured relations with Russia because expansion broke the promise that Soviet leaders believed....The result was to create festering doubts in the minds of Russians about the trustworthiness of the West, and especially the United States.*"

He also argues that the Bush Administration's March 2003 decision that led to 'Operation Iraqi Freedom' constituted another major US policy error: "*The debacle in Iraq resembled, in important ways, the misstep of NATO expansion. The resemblance strongly suggests that the root of both was a feature of post-Cold War foreign policy that transcends partisan differences.*"

Surely there is an irony that has not escaped the attentions of many military historians? Has an invasion of Iraq, predicated upon the false presumption of their imminent achievement of nuclear capability, led directly to Iran moving, perhaps decisively, toward an achievement of that very end? Notwithstanding the terrible human cost of the war, many might also consider that US\$750 billion is a steep financial cost to be shouldered by the American people, especially when 20 million of them are caught in a seeming intractably cycle of high unemployment. The sea-change in the economic and international political environment may account, at least in part, for the diminished expectations of the US electorate.

If the eastward expansion of NATO and the subsequent invasion of Iraq are, in the subsequent light of history, viewed to be 'missteps' by the US, what about our *current* direction in Afghanistan?

While the US was occupied with an unanticipated runaway insurrection in Iraq, Canada could be said to have 'held the enemy at the gates' in Afghanistan through a series of sustained, near-heroic actions. Unfortunately, these appear to have been poorly reported and probably remain largely unappreciated by the Canadian public; however, during *Operation Enduring Freedom* Canada was one of few NATO countries prepared to take an active combat role against the insurgency, a decision that did much to preserve Western options in Iraq in the face of a rising insurgency in Afghanistan. In so doing Canadians paid a significant price.

Even today, however, NATO struggles to embrace and adequately support the well-defined, and critical, future mission in Afghanistan to supply adequate numbers of trainers to enhance and develop a disciplined and capable Afghan army – a goal that is absolutely central to the future security and stability of Afghanistan (Sloan, 2010).

Canada's Parliament has voted an end to Canada's 'combat role' in Afghanistan by 2011. Some Canadians may believe that this date will mark an 'end' to Canada's role in the conflict, but will it? Commentator Derek Burney (2010) rightly clarified that: *"...this is being translated, in some instances, to mean a complete withdrawal of all of Canada's military activity in this beleaguered country, leaving unanswered many critical strategic questions. Parliamentary and media debate has centered around the dated and peripheral issue of detainees, but discussion on Canada's future role has been sterile, reflecting little analysis of the consequences for our non-military role as well as for the volatile region in which we have made such a significant commitment of treasure and blood for over eight years."* Burney further notes that: *"The Canadian public may be immune or fatigued by a steady stream of negative reports about Afghanistan. Questions persist about what our future role should be and why. The lack of serious debate on these questions, along with the exaggerated attention devoted to the marginal issue of detainees, saps the most basic commodity of all: public trust in the value or efficacy of what we are doing and why."*

These are questions and policies for Canada that will yet require significant political and policy attention. Or, said differently: *"It ain't over until it's over."* While many Canadians may think that Afghanistan is about to recede into history for our nation and our forces, will it, and possibly equally as importantly, should it?

Maharaj (2010) wrote compellingly about what he termed 'Afghan Amnesia'. He cited the Afghan expression directed wryly to the West that: *"You have the watches, but we have the time."* Time indeed! Such expressions surely capture the long history of the Afghans in which vastly superior military forces were slowly worn down through relentless, perhaps senseless, tribal resistance. However, the author perceptively provides a warning for Canadians that: *"...if we allow the national debate to continue to retreat into the comforting political myth that the Canadian Forces are in Afghanistan primarily as social workers rather than as soldiers, then the mission will surely fail, because it will be impossible for us to come to a meaningful national consensus on what we are trying to achieve."* This 'meaningful national consensus' is surely a worthy, timely objective for Canadians at a time when so many material changes are occurring within the domestic economic, and geopolitical, landscapes.

In sharp contrast to tightening Western economies is the continued, perhaps even expanding, Western bankrolling of the Karzai government in Kabul. The consequences of these 'investment practices' are perhaps exemplified by the recent case, and resignation, of Mr. Fazel Ahmad Faqiryar.

This top Afghan prosecutor was widely reported (LA Times: August, 2010) as having complained that the Afghan Attorney-General and others were blocking corruption cases against high-ranking government officials. He also claimed that he had subsequently been forced into retirement when his boss, Attorney General Mohammad Aloko, issued him a 'retirement letter' that President Hamid Karzai subsequently accepted. This action was taken in spite, or perhaps because, of Faqiryars' stated intention to pursue corruption allegations against several senior Karzai Government officials. This 'resignation' has come at a time when the US Congress is becoming less sanguine about continued support for Afghanistan in the face of such strident allegations of internal corruption.

Worse, many critics believe increasingly that future military efforts cannot succeed without a resolution of such alleged cases of corruption, cases which may extend to the highest political levels in the Karzai government. There have also been similar allegations made against several Afghan ambassadors.

Many Canadians are entitled to question whether our national blood and treasure expended in Afghanistan has been worth the price paid, most particularly with the lives of our soldiers? Indeed, some may now begin to question if the West, without intention, has engendered with so much blood and treasure an emerging 'gangster-state.' Filkins (2010) wrote that: *"Afghanistan is now widely recognized as one of the world's premier gangster-states. Out of 180 countries, Transparency International ranks it, in terms of corruption, 179<sup>th</sup>, better only than Somalia."* Such comparisons are not entirely complimentary to the current Afghan regime or, perhaps to the role played, knowingly or not, by the Western powers who operate there. Indeed, Kingstone (2010) wrote that: *"Corruption is rife in Afghanistan – old school mafia-type corruption. While it's always been a problem in this part of the world, over the last five years the situation has deteriorated."*

The persistent shambles of state governance in Afghanistan may be caused by long-standing corrupt practices. On the other hand, has such strident Western financial and military support reinforced them? Either way, public perceptions of these widespread practices have become ever more apparent to the Western electorates who support these operations and, in the midst of these activities, NATO could be perhaps said to have become a 'hostage' in its new-found role as a nation builder. Is this role one of its own creation or has it been thrust upon it by circumstances?

In March 2009 [NATO](#) announced that 15.6 million voters had registered to vote, roughly half of Afghanistan's population, and that 35 to 38 percent of registered voters were women (Wikipedia, 2010). In spite of what could be considered as a significant achievement for democratic advancement in the country, one not without considerable risk, many serious questions were raised about the conduct and outcome of the August 20, 2009 Presidential election.

The Presidential vote, along with 420 Provincial Council seats, remained initially unresolved over competing claims of alleged instances of fraud. A [second run-off vote](#) between incumbent President [Hamid Karzai](#) and his main rival [Abdullah Abdullah](#) was announced for November 7, 2009; however, Abdullah withdrew from the runoff because certain conditions for the Afghan electoral commission would prevent, what he termed, a 'transparent election'. On November 2, 2009, officials of the Afghan Election Commission subsequently [cancelled the planned run-off](#) and declared [Karzai](#) as President for a second consecutive five year term (he won the previous 2004 election). The most recent Afghan Parliamentary election in September 2010 was quickly

declared to have been a 'success' by President Karzai; however, observers with the Independent Election Commission (IEC) reported that there were probably a million fewer votes cast in September 2010 than in the flawed 2009 Presidential poll (Tait and Salahuddin, 2010). Once again, as in 2009, there were reports of ballot box stuffing, repeat voting, ballot-buying and related fraud.

Nonetheless, Canada's Foreign Affairs Minister, Hon. Lawrence Cannon, was moved to praise the process while condemning as "cowardly" the sporadic, but determined, acts of violence aimed at disrupting the vote. He also noted that these were "the first Afghan-led Parliamentary elections since the fall of the Taliban in 2001". Notwithstanding the brave resolve of the Afghans who did manage to vote, with such a thin voter turnout accompanied by so many ongoing allegations of fraud, can this effort to impose democratic principles on such a determinedly-feudal society truly be deemed a 'success'?

Recently Agence France-Press (2010) reported that even the Obama Administration has entertained new doubts about the will and ability of the Karzai government to overcome corruption. This reality may cause to founder the US-led plan to build a sustainable, respected government in Afghanistan. Indeed, the political situation appears to be suspiciously parallel to that described by Hayek for economic systems: Is this another case in which massive interventions in complex systems (in this case social and feudal-tribal governments) may result in many unintended, and perhaps unforeseeable, consequences? Is the consequence a corrupt, unsustainable government thinly propped up by Western interests? Does the West have no better alternative than a 'least-worst', unsustainable choice for Afghanistan that is smothered in corruption as it constantly flirts with collapse? What, in this case, is our definition of 'victory'?

There are several dilemmas that arise from these consequences, all most certainly unintended. Damned if they do or don't, both the UN and NATO may be forced to participate in what may be increasingly viewed as a flawed process of nation building. Some observers may conclude that both NATO and the US, notwithstanding many valiant efforts, seem to be inadequately prepared for the task. That in and of itself may yet imperil the eventual outcome of the conflict. If the Western powers move against the disputed Afghan leadership in an attempt to remove it by means of judicial or military force, the resulting power vacuum may cause more problems to long-term stable peace and development in the region than not. As Filkins (2010) notes with some alarm: *"American officers have every right to worry about stability. But the trouble with this argument is that, increasingly, there is less and less stability to keep. And if Afghans like Mr. Mahmood and Mr. Hakimi are to be believed, it's the corruption itself that is the instabilities root cause."*

The avalanche of US-led spending in both Iraq and Afghanistan was made with the intent of a hoped-for military and political solution in the former and, in the latter, the creation of a stable, albeit embryonic, democracy. There was perhaps a too optimistic hope that people could overcome centuries-old traditions of feudal tribal rule. Is this a demonstration that some cultures may be resistant to any alternative Western governance and favour traditional incessant, local, tribal conflicts, or are we making it so? As Filkins notes, the ironic consequence of this massive Western spending in Afghanistan may lead to a downward spiral of continued instabilities and, worse, to searing inequities for the populace caused by corrupt practices in a population increasingly saddled with incapable governance.

Perhaps even worse, as Burney (2010) notes: *"Stability in Afghanistan is inextricably linked to stability in Pakistan, a nuclear weapons state wobbling precariously under pressure from*

*terrorists who see no border distinction between Afghanistan and Pakistan, but who use the open geography of the frontier as safe havens for attacks in both countries.”*

If, indeed, our fortunes in Afghanistan are ‘inextricably linked to stability in Pakistan,’ one may be forgiven for harbouring grave concern not just for the Canadian mission in Afghanistan, but perhaps for the entire region. The devastating Pakistan earthquake of 2005 was followed by what some would describe as a ‘man-made catastrophe’ in 2009 when Pakistani forces attacked Taliban strongholds in the northern frontier provinces. The UNHCR (2010) reported that the humanitarian situation declined dramatically in Pakistan in the first half of 2009, with approximately 2 million people uprooted by the emergency in the North-West Frontier Province (NWFP) and the Federally-Administered Tribal Areas (FATA). The UNHCR concluded that the speed and magnitude of the crisis was unprecedented, requiring a significant humanitarian operation plan. Within months of the emergency, Pakistan initiated an earnest ‘return strategy’ to shift the emphasis from providing immediate humanitarian assistance to support returnees with local reconstruction efforts. Additionally, the UNHCR noted that while they have assisted some 2 million refugees who fled their homes and villages, Pakistan continues to host some 1.7 million registered refugees, one of the largest populations of its kind in the world. Almost all are from Afghanistan, and they are forced to live in refugee camps or in poorly-serviced villages and urban areas.

Subsequently, with almost incredible bad fortune, in July/August 2010 torrential rains set off massive flooding that extended throughout the Indus River basin from provinces in the north downriver to more southern coastal regions. Although the World Bank and the Asian Development Bank were unable to complete damage assessments throughout the affected regions until mid-October, initial estimates by some experts “*put total damage anywhere between \$25bn and \$40bn (£16bn - £26bn)*. Minister for Food and Agriculture Nazir Mohammad Gondal says some 20% of the country's total cropland has been inundated, causing a loss of \$2.8bn. Experts expect inflation to exceed 12% in coming months, which will obviously hit the most vulnerable segment of the population the hardest” (BBC, 2010).

In addition to the estimated 20 million victims of the flooding, it would appear that the infrastructure in key areas of Pakistan have been extensively damaged, the most affected are being the mountainous north where roads, bridges and rail tracks have been very badly damaged in the Punjab and Sindh provinces. Initial reports indicate that more than 45 major bridges and thousands of kilometres of roads have been destroyed or badly damaged, with thousands of electricity poles and communications towers uprooted. In the north-west, a dam that irrigated nearly 200,000 acres of farmland has been destroyed.

While Pakistan's rulers have faced mounting criticisms over the adequacy of their response to the flood crisis, the Pakistani Army, who many thought was indelibly tarnished from its previous role in military offensives done throughout the northern provinces, may have in fact boosted its public image in the region through its strenuous humanitarian efforts.

Notwithstanding what may well be the near-heroic efforts by military and international aid agencies to respond to such an unremitting series of catastrophes, the question remains: is Pakistan becoming more, or less, ‘stable’? The news is not entirely encouraging.

Pakistan President Asif Ali Zardari recently issued a statement on the occasion of Defence of Pakistan Day: *"The nation is confronted with an existential threat from fanatics, zealots and extremists on the one hand and from the material devastation caused by history's worst floods on the other"* (Crilly, 2010).

With the clear associated warnings of deteriorating social and political institutions in Pakistan, it is little wonder that General David Petraeus, working just across the border in Afghanistan, has reportedly sought fit to request another 2,000 military and training personnel for the ISAF to aid its attempt to boost the Afghan army to 171,600 by October 2011 and the Afghan police to 134,000 (Reuters, 2010).

But will these ever-more strenuous efforts be enough for the ISAF to bring 'stability' to Afghanistan, in such a perilous regional environment? Pakistan has loomed ominously over attempts to reconcile the various forces that have torn Afghanistan to pieces. As Filkins (2010) noted: *"The Pakistani Army and its spy agency, the Inter-Services Intelligence, continue, by most accounts, to support the Taliban, despite receiving billions of dollars in American aid. Most of the Taliban's senior leaders, including Mullah Omar, are living there. And most Afghan and American officials believe that no deal between the Taliban and the Afghan government can last without Pakistani support...For all the military force being applied by the United States, the Taliban do not appear to have lost any of their lethality; more American and NATO forces have died in 2010 than in any other year since 2001."*

Charles Krauthammer (2010), ever the scourge of the Obama administration, pointed out the apparent lack of commitment by the US when he felt the US sent out mixed signals as to continued troop commitments: *"What kind of commander in chief sends tens of thousands of troops to war announcing in advance a fixed date for beginning their withdrawal? One who doesn't have his heart in it"*. He cited further evidence based on comments of US Marine Corps Commandant James Conway that such ambivalent decisions were *"probably giving our enemy sustenance"*. These comments were derived from intercepted Taliban communications that contained messages suggesting that the Taliban simply had to wait out the American forces. This could be yet another demonstration of the maxim that the Afghans do indeed 'have time'.

All these issues may be symptoms of the 'cluster of hard choices' that Yale historian Paul Kennedy says may be facing the West, particularly the Americans. In his book *The Rise and Fall of Great Powers*, he has argued that 'imperial overreach' dooms empires. He maintains that military power derives fundamentally from economic strength, that huge military expenditures tend to erode pools of wealth and that this can lead to an inexorable fall (Verma, 2010): *"The US is facing a set of choices where there is no good choice, there's just bad choice or worse choice. One choice is to balance the budget in a time of severe economic crisis. Another is to do something with the dollar and the trade deficit, allowing the further steady rise of China. The third is realising that there are some parts of the globe where we can cut back the military geographically because those locations are not vital to US interests. Fourth, is cut back the overextended US military full stop."*

Kennedy argues forcibly for cuts in expensive US military programs, such as the *F-22 Raptor*, while citing evidence of the relative strengths of the Canadian economy: *"It just does not have the massive social ills and weaknesses that the great American republic has. It's staggering."*

Canada may indeed be 'staggering' in some respects in comparison with its neighbour, but notwithstanding such praises, Canada will nonetheless be faced with a parallel 'cluster of hard choices' much like the Americans. These choices will have consequences that extend into Afghanistan through to even the remote regions of Pakistan. As Canada redefines itself and its role in strategic defence, so will Canada play a role in redefining and shaping the global security environment.

## CONCLUSION

The Canadian public, accustomed to decades of peacekeeping and apparently becoming ever-more disenchanted with the concept of its military forces actually engaging in shooting wars, may well naively be anticipating more comfortable times after Canada's planned withdrawal from Afghanistan in July 2011. Indeed, a 2009 poll by Ipsos Reid found that: "...the share of Canadians who think the army should only conduct peacekeeping operations rose from 46% in 2008 to 50% last year" (The Economist, 2010).

In light of the relative financial strength of Canada among the G-8 Group of nations (ironically coming at a time in 2010 when Prime Minister Harper is also the G-8 President) Canada may, in fact, be faced with a new reality: That of shouldering an *increased* role in relative and absolute defence spending in the face of almost certain reductions by other Alliance Members, the most important of which is the United States.

This looming reality would appear to fly directly in the face of a minimal 1.5% budget increase planned for 2011 Canadian defence spending, a budget plan that represents a material reduction from the average 9% growth in Canadian defence spending from 2006 – 2009. It has been estimated that ending the mission in Afghanistan may save Canada defence expenditures almost C\$1 billion per year. Many Canadian defence planners are probably contemplating how those projected 'savings' could be re-allocated. Will they be used for badly-needed operational capabilities throughout the Canadian Arctic, or to renewed capabilities for peacekeeping duties or, perhaps, for reinvigorated capital purchases to support both duties? Or might the 'operational savings' so accrued be used simply to reduce the Canadian deficit?

What are some economic and fiscal indicators of where Canada may be headed? Although Canada may have emerged from the immediate post-2008 contraction with a banking sector demonstrably stronger than our neighbours, particularly the US, Canada's economy is far from being in the clear.

Veldhuis and Lammam (2010) issued a sober analysis of current and pending Canadian deficits: "...Canadians can expect \$105 billion in deficits over the next five years in addition to the \$54 billion deficit last year. As a result, the federal debt will swell to \$622 billion in 2014-15 from \$464 billion in 2008-09, undoing a decade of debt repayment." They also warned that: "By the end of this year (2010-2011) the federal debt to GDP ratio will increase by 6.4 percentage points from its 2008-09 level. And that's just the federal debt. Add in the provinces (in particular Ontario where the provincial debt-to-GDP ration is expected to increase to over 29% in 2013-14 from 18.0% in 2007-08) and the picture is truly alarming."

This fiscal analysis indicates that Canada may be headed down familiar and unhappy pathways that may force significant decisions to reallocate spending. This does not augur well for the CF, a traditional easy target for spending reductions of previous Federal governments of both political stripes. In fact, Canada may soon confront very difficult decisions. Simultaneously,

presumed, but likely US and NATO defence spending reductions may require Canada to become less dependent on these 'external' partners, who have represented such a large role in the assumption of Canadian defence needs, while we work to bring under control our rising federal and provincial debts. Something will have to 'give'.

Canada may be called upon for a far different course of action than merely to reduce post-Afghanistan defence spending. Instead, we may, and perhaps rapidly, confront the reality of having to support the progressively declining finances for, and capabilities of, the Atlantic Alliance. Many Western nations, including Canada, may soon have to rely less on the accustomed power of the United States, projected so prominently during the past century, and more on their own capabilities. In this regard Canada, perhaps foremost among Western powers has, since the 1950's, tended to exhibit a near state of denial about the requirements for its defence and has tended to rely on the US to perform such duties on its behalf. These assumptions could be rapidly changing in ways that may force Canadians to re-examine past assumptions and practices for national defence, including our roles in the NATO alliance and within North America. These considerations may imply proportionately more, not less, defence spending by Canada.

At the same time, Europe may be undergoing profound economic changes. Some observers have even described these trends as perhaps constituting the beginnings of a re-division from the former East-West European strategic and economic alignments into those of alignments that extend North and South: *"North and South: Not everybody is going to like that concept, especially not the new South, some of whose members are not necessarily in the southern half of the continent. For these are not geographical designations, but political terms of art. The South contains all those countries whose political classes have not been able to balance their national budgets, whose bureaucrats have not been able to reduce their numbers, whose voters have not learned to approve of austerity: Greece, Spain, Portugal, Italy, Hungary, Bulgaria and – at the moment, Ireland"* (Applebaum, 2010). Although the 2010 German-EU financial bailout of Greece (perhaps an example of the developing 'north-south divide' in Europe) may have been characterized as an act of solidarity within the European Union, many observers think that it was a grudging, forced intervention by Germany on the behalf of German and French banks that owned too many non-performing Greek bonds.

The demonstrations and protest rallies that began to surface across European Union countries triggered by budget and spending reductions in the summer of 2010 accelerated in magnitude and extent through September (Thomson, 2010) and into October. Cities in Spain, Belgium, France and Greece have been reduced to virtual standstills with public demonstrations that were held to "say no to austerity."

These fundamental financial pressures within the US, the European Union, and NATO may cause the West to lose its appetite for, and patience with, the prosecution of protracted asymmetrical conflicts like Afghanistan. Indeed, with the US current annual budget deficit approaching in excess of US\$1 trillion, the West may be running out of patience, time and money to sustain such extended commitments to nation-building.

These financial realities surely cannot escape our adversaries in Afghanistan, and probably many others elsewhere. Nor should they escape the attentions of strategic planners in the West who may be forced not only to redefine the historic US-based international projection of strategic power since WW II, but to reconsider how best to fund such concomitant elements of post-conflict nation-building. How do the Western nations do that?

Pre-election speculation about potential budget cuts emerged in the UK in the summer of 2010 over the Royal Navy's slated refurbishment of their strategic nuclear submarine fleet. This may have been the first material signal of looming Western re-evaluations of defence needs and capabilities. By October 2010, UK Chancellor George Osborne announced a four year spending review to Parliament and policies brought by the Cameron coalition government entailed some of the most significant cuts in public spending in decades (BBC, 2010). The cuts will result in certain shrinkage of UK armed forces and the scrapping of key assets as part of sweeping public sector cuts. Prime Minister David Cameron announced that: "*We cannot go on like this*" (National Post, October 20, 2010). The UK Ministry of Defence is slated to decline by 25,000 civilian staff out of 86,000 over the next five years, Trident nuclear weapons on boats will be reduced from 48 to 40 with missile tubes cut from 12 to 8 and one new major aircraft carrier will be mothballed on launch rather than entering service. Another significant decision as to whether or not to renew the Trident nuclear deterrent has been delayed until 2016. It was, perhaps, ironic that the UK defence cuts were announced on the same day that terrorists stormed the Chechen Parliament in Grozny, holding deputies and killing three people before two intruders were killed by security forces and another two killed by self-inflicted suicide charges. The dramatic raid was yet another blow to Kremlin claims of regional stability and perhaps constitutes a warning to the West that an age of 'terrorist-inspired asymmetric warfare' may be here to stay.

The economic realities and trends affecting traditional defence postures developed in, and derived from, the Cold War may be subject to ever-increasing financial scrutiny throughout the Western alliance. In short, can the West afford to maintain the costly strategic nuclear deterrents from the Cold War while simultaneously prosecuting protracted ground operations, coupled with nation-building, in numerous remote theatres? And, perhaps just as important, what weapons systems are appropriate in this post-Cold War era? One could anticipate that a resolution of these questions may exert an ever-more material influence within the Western alliance, particularly the US, NATO and, certainly Canada.

Prior to the 2001 (9-11) terrorist attacks on New York, North Americans tended to believe that Fortress America was secure behind its strategic nuclear 'umbrella' – far removed from the instabilities and conflicts that raged elsewhere, perhaps 'out of sight and out of mind' of the American political consciousness. In short, terrorism was something that happened someplace else to other, less fortunate people. That calculus for defence changed early in the decade with more interventionist, 'pre-emptive' approaches apparently championed by the Bush Administration; however, since the financial crash of 2008, can the US afford to maintain the enormous strategic nuclear 'shield' developed during the Cold War while it prosecutes major interventions around the world? How do we reconcile the costs to maintain North American strategic nuclear defences in an era in which terrorists have, in effect, arrived at our doorstep? How have these events redefined North American defence and security requirements?

What may also be emerging, against this backdrop of changing assumptions about 'defence', is an outline of vast new 'frontiers' in the use of offensive tactics that include cyber warfare and the manipulation of vital trade goods. Bradsher (2001) reported that China has recently blocked exports to Japan of a category of rare earth elements that are essential components of manufactured products such as hybrid automobiles, wind turbines and guided missiles. This action was taken by China in a 'confrontation' over the Japanese detention of a Chinese fishing boat captain. In spite of the near-comical aspects to this international spat, the US House Armed Services Committee scheduled a hearing on October 5, 2010 to review American military dependence on Chinese rare earth elements. There is a high and growing dependence on the

Chinese market to supply the US with key components for their defence chain, made worse after the Chinese government announced in July 2010 that it had reduced export quotas by 72% for the balance of 2010. Until this latest 'incident' with Japan, China had largely refrained from using its virtual monopoly position in rare earth elements to lever its interests over other governments. By October 2010, *China Daily* reported plans by the Ministry of Commerce to further reduce export quotas for rare earth minerals by up to 30% in 2011 in what many view as an attempt by China to reserve supplies for domestic consumption (Reuters, 2010). China has been steadily reducing such export quotas since 2005, resulting in a dramatic squeeze in supply that led to an average 300% increase in prices for the rare earths between January and August 2010.

While China may be reducing exports of strategic minerals, their military expenditures do not appear under threat. Indeed, given the very large current account surpluses and new calls for enhanced domestic spending programs, it would appear probable that Chinese spending on strategic defence programs may continue unabated, or perhaps even increase. The calculus of the international strategic balance of power may be changing.

Meanwhile, terrorist elements are active on many international fronts at various levels of intensity, including so-called 'home-grown' individuals who have recently emerged with deadly, although some with mercifully largely incompetent, intent. Nonetheless, the possibility of a delivery to our shores of illicit nuclear weapons, however they may be obtained, presents the civilized world with vexing problems. John Brennan, the foremost antiterrorism and homeland security advisor in the Obama Administration, has warned that al Qaeda has sought to obtain nuclear weapons for 15 years, and "*...its interest remains strong today*" (Watkins, 2010). If such a weapon was ever successfully 'delivered' to our shores, where and how would our strategic nuclear defensive shield retaliate? Indeed, who would the West hold to account for such an attack?

In short, if Western strategic military spending programs are to be increasingly under scrutiny, or in material decline, at what point will these declines in capability cross with the rising, or at least continued, spending by China and by terrorist interests? What will be the effect of these emerging economic realities on traditional Western concepts of strategic military defence?

Such questions imply not only a re-formulation of our thinking about traditional strategic alliances for Canada, they perhaps imply a re-definition of the basic terminology that underpins our concept of 'defence'. Canada will not escape the looming debate about priorities for defence spending, as may be possibly witnessed by the emerging Canadian debate over the proposed US\$15.4 billion purchase of 65 *F-35* fighter jets. These inordinately expensive, albeit world-beating, new-generation aircraft may indeed be required to enable Canada to service its own defence commitments and those to the US and NATO. Indeed, these aircraft may be an essential defence system required to protect the air space of the second-largest nation on earth. But what about other priorities, not the least of which is the defence of our national coastal interests in three oceans and our ability to project an effective defence posture throughout the vast regions of the Canadian Arctic for which we claim sovereign interests? The latter represents a territorial holding larger in size than the continental landmass of Europe and presents Canada with challenges not just for defence, but for communications, transport and the proper infrastructure and support of the Inuit people.

Canada, in a post-Afghanistan world, may be about to enter a progressive series of re-evaluations not only how we view ourselves as a world power, but how we value and use our

defence establishment. Our military may be about to enter a phase of material, perhaps even historic, changes.

After having emerged from what former chief of defence staff Gen Rick Hillier termed a “decade of darkness” for the Canadian military, the Harper government increased annual defence spending from C\$14.8 billion when it assumed office to C\$21 billion. Indeed, Harper’s first trip in office was made to Kandahar, unquestionably to underline his governments’ commitment, among other things, to demonstrating and expanding Canada’s ability to discharge its defence obligations to alliance partners. Ending the Afghan mission may save Canada a projected C\$1 billion per year; however, will those levels of defence funding be maintained, or will they be re-directed to other budget priorities?

After decades of neglect, Canadian political leaders and military planners have initiated an examination, and potential re-definition, of how Canada protects its sovereignty in the Arctic. This renewed interest by the CF is consistent with recent statements by Prime Minister Harper and Defence Minister Mackay who have advocated a “use it or lose it” approach to the Canadian Arctic. These intentions are also echoed by Foreign Affairs Minister Lawrence Cannon who asserts that Canada’s sovereignty in the Far North boils down to a “number of elements,” such as increasing the military’s presence, becoming more active diplomatically and mapping Canada’s continental shelf. Cannon noted in September 2010 that Canada wants “to have a clean slate,” referring to the ongoing territorial disputes in the Far North. He remarked that: *“These are issues that have been sort of shovelled forward for a number of years”* (CTV, 2010).

At the same time, Cannon announced that Canada was taking a new approach to the Arctic with the release of *“Canada’s Arctic Foreign Policy”* (2010) that called for a ‘stable, rules-based region’ where neighbours like the US, Russia and Denmark co-operate, rather than compete, with Canada. An August 20, 2010 press release from Foreign Affairs and International Trade Canada stated: *“This statement provides a strengthened platform from which we will send our message to the rest of the world. A message of leadership and stewardship firmly rooted in our commitment to sovereignty in the North. We will pursue targeted actions at the international level to advance our sovereignty agenda in concrete ways. Making progress on outstanding boundary issues will be a top priority. Our government will give a high priority to our work on securing recognition for the full extent of the extended continental shelf. We will be ready to meet the UN’s 2013 deadline for data submission.”*

The 2010 policy paper appears to be a continuation of Harper’s 2005 Conservative election campaign platform that called for the purchase of three large icebreakers, the construction of an Arctic deep-water port and the establishment of a training centre for Canadian Forces. The 2010 foreign policy statement also made note of an earlier quote from Harper given in Inuvik, NT in August 2008: *“The True North is our destiny...To not embrace its promise now at the dawn of its ascendancy would be to turn our backs on what it is to be Canadian...As Prime Minister Diefenbaker said...in 1961, ‘There is a new world emerging above the Arctic Circle.’ It is this world, a new world for all the peoples of the Arctic regions that we in Canada are working to build.”*

But will Canada actually do all this? Or, as in the past, will alternative Canadian fiscal priorities eclipse the abilities and capabilities of the broader Canadian defence establishment? Canada has pledged to reduce present budget deficits that have approached C\$50 billion down to C\$1.8 billion by 2014-2015. In such a fiscal environment will Canada have the political courage to

maintain, or perhaps even significantly expand, the Canadian defence establishment? By so doing, Canada could re-emerge on the international stage with the prestige and capability shown prior to the long and agonizing military decline that began in the 1960's.

In many ways, the emerging Canadian fiscal debates appear to mirror those that may sweep across all political stripes, in many elected offices, throughout the US and NATO as each nation not only re-defines their financial 'ways and means' for strategic defence, but as they increasingly review their post-Cold War defence priorities.

We have witnessed decades of self-imposed and presumptive, and at times resentful, reliance by Canada on the US for the bulk of North American defence. Now may be a moment when Canada can truly step up and resume the mantle of responsibility for the defence of its sovereign interests. In so doing, Canada has an opportunity to truly begin to influence and shape global defence policies and to project internationally its own distinct values of peace, order and good government. Canada may not be able, after decades of neglect, to return to the global leadership that it enjoyed following the conclusion of WW II. In those heady days, when our absolute and relative military power was at a zenith, Canada protected itself and Europe under the North Atlantic Treaty Organization during a time of international reconstruction<sup>2</sup>.

Now, decades later, Canada, has emerged with a proven, sound banking and financial system within a functioning economy that, however fragile, appears to have emerged from the financial crisis of 2008 in a position of relative strength to the US and Europe; however, looming debt loads resulting from deficit spending, particularly within certain major Canadian provinces, could yet imperil this economic growth just at a time when defence needs and demands for investment may peak.

Ontario, for instance, anticipates a \$20 billion deficit in 2010 (3.4 % of GDP). Many Canadian analysts are watching budget forecasts for 2011 for evidence of credible plans to achieve balanced budgets. However, the fiscal health of Canadian provinces may be tethered to external, international economic forces beyond their control: *"The kinds of struggles faced by Greece, Spain, Ireland and others could quickly cross the Atlantic, forcing some provinces to make tough and painful fiscal choices."* (McKenna, 2010).

Canada had the stellar good sense in the recent past to maintain a soundly regulated banking sector within a financial system that first addressed, and subsequently resisted, the huge deficits and excessively-leveraged finances entered into by private and government bodies in the US and Europe. Partly in response to the economic crisis of 2008, this recent calculus of fiscal conservatism in Canada has shifted dramatically. The recent spending cuts in the UK may prefigure similar types of choices that will have to be made in North America, indeed, throughout the Western alliance. While not at first apparent, the rapid realignments in international

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<sup>2</sup> 2010 also marks the 100<sup>th</sup> anniversary of the Royal Canadian Navy brought originally into being through Parliament with the Naval Service Bill of May 4, 1910. The subsequent Charter, received from King George V on August 29, 1911, designated the maritime force the "Royal Canadian Navy" with its official abbreviation being "RCN". After a century of proud service and commitment that has so capably protected Canadians, what better time for Canada also to renew its commitment to the RCN?

currencies that are occurring may be but the first signs of eventual, material international strategic realignments.

Canada, the US and other members of the Western alliance have faced, and overcome, past challenges far darker than those visible on the current international economic stage. Nonetheless, Western leaders are increasingly confronted by tough choices that will require resolve and determination.

Will Canada opt again to be the poor cousin of NATO, with a virtual total military reliance on a diminished US? Or will Canada seize this opportunity to resume its rightful place for North American defence and also to project our unique brand of democratic, international leadership for global peacekeeping *and* active combat operations? The choice is Canada's. As difficult as these choices may be for Canadians, the time for tough decisions is at hand.

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