



ABOUT CDFAI

A charitable organization founded in 2001, CDFAI disseminates materials and carries out activities to promote understanding and stimulate discussion of national defence and foreign affairs issues relevant to Canada. We are developing a body of knowledge to be used for Canadian policy development, media analysis and educational support.

Our distinguished network of Fellows supports CDFAI by authoring academic and policy papers.

MISSION

To be a catalyst for innovative Canadian global engagement.



"The Dispatch" is a quarterly publication of the

Canadian Defence & Foreign Affairs Institute
Suite 1600, 530 8th Avenue SW
Calgary, Alberta, Canada T2P 3S8

www.cdfai.org

ARTICLES IN THIS ISSUE

Message from the Editor-in-Chief
by David Bercuson
Page 5

Mulcair's Defence Policy:
A Delicate Balancing Act
by David Pratt
Page 6

F-35: Just Another Example of
Harper's Obsessive Secrecy
by Sharon Hobson
Page 8

A Raucous Political Year for
America
by Derek Burney
Page 9

Oil, Pipelines, Asia and Canadian
Security
by Rob Huebert
Page 11

Take Five: NATO's "Smart Defence"
Initiative
by Elinor Sloan
Page 12

DFAIT and CIDA Cuts
by Ferry de Kerckhove
Page 14

A Non-Partisan Look at the AG's
F-35 Report
by James Fergusson
Page 15

Arrival of the Drones: Our Debates
on Security Policy Pay Them Too
Little Heed
by Denis Stairs
Page 17

Who Loses in the Defence Cuts
Game?
by Barry Cooper
Page 19

Containing the Global Authoritarian
Threat: Beyond the "Canada First
Defence Strategy"
by Hugh Segal
Page 20

The F-35: We Need to Cool Our Jets
by George Macdonald
Page 23

Thank you to our Supporters...



Raytheon Canada Limited

Customer Success Is Our Mission



RBC Foundation®

Article Summaries from the Assistant Editor

Mulcair's Defence Policy: A Delicate Balancing Act

David Pratt purports that newly elected NDP leader, Thomas Mulcair will have to perform a delicate balancing act when it comes to managing the party's defence and foreign policy given the party's historical positions in these areas, its large Quebec caucus, and strong membership on the political left.

F-35: Just Another Example of Harper's Obsessive Secrecy

Sharon Hobson points to the lack of information surrounding the F-35 procurement process as an example of a disturbing pattern of process manipulation and obsessive secrecy adopted by the Harper government. She concludes that the current environment is preventing discourse on important matters of public policy.

A Raucous Political Year for America

Derek Burney contends that the upcoming US Presidential elections could become bitterly divisive, based on a theme of class warfare. As a result, as election fever takes hold of the US, very little of consequence will be done to address serious fiscal imbalances or other pressing policy issues.

Oil, Pipelines, Asia and Canadian Security

Rob Huebert argues that as trade between Canadian and Asian markets expand, particularly as it applies to oil and gas exports, more focus will be placed on defence and foreign policy in this region and Canada will have to be aware of this strategic shift when it comes to Naval and Air Force procurement.

Take Five: NATO's "Smart Defence" Initiative

Elinor Sloan studies the most recent NATO Summit meeting where it was concluded that more needs to be done to lessen the gap between US capabilities and its NATO allies. She concludes that the requirements for air missions have remained consistent over the years, and rather than formulating new initiatives Canada should focus on being as interoperable with the US as possible.

DFAIT and CIDA Cuts

Ferry de Kerckhove argues that same percentage cuts across the board for the Department of Foreign Affairs and International Trade are not the right method, as cutting in this manner oversimplifies the resources needed for missions abroad and ignores the linkages between international partnerships and domestic departments.

A Non-Partisan Look at the AG's F-35 Report

James Fergusson examines the Auditor General's report on the F-35 procurement project and concludes that it should be taken seriously and not exploited for crass partisan reasons. Additionally, Parliament should look at its own failures in the process to develop new systems to improve procurement processes in the future.

Arrival of the Drones: Our Debates on Security Policy Pay Them Too Little Heed

Denis Stairs examines the debates around the use of drone technology and indicates that there are concerns relating to privacy, morality and military utility within the debate. He concludes that drone potential is huge, but the questions around their use are wide-ranging and must be investigated.

Who Loses in the Defence Cuts Game?

Barry Cooper examines the past two decades of defence spending and touts the restoration of the Canadian Forces as one of the most important accomplishments of recent governments, but he cautions that there is work to be done and leadership is required to maintain the readiness of the forces in the face of budget cuts.

Containing the Global Authoritarian Threat: Beyond the "Canada First Defence Strategy"

Hugh Segal urges Canada to pursue a coherent increase in strategic and deployable capacity, including a larger armed force with specific commitments to cyber and space defence to protect Canada from malevolent authoritarian forces. He concludes that joining the US Ballistic Defence Network is also long overdue.

The F-35: We Need to Cool Our Jets

George Macdonald investigates the procurement process for the F-35. Given the requirements necessary of a new Fighter Jet, he concludes that the deal presented through the Joint Strike Fighter Program is the best and only option; however, he cautions that the procurement process must move forward with better communication and transparency.

CDFAI Advisory Council



PERRIN BEATTY

Perrin Beatty is the President and CEO of the Canadian Chamber of Commerce and former Minister of National Defence.



JOCELYN COULON

Jocelyn Coulon has been a visiting Fellow with the Research Group in International Security (REGIS) at the Université de Montréal's Centre for International Research and Studies (CERIUM) since 2004. He is a member of the International Institute for Strategic Studies (IISS).



BOB FOWLER

Bob Fowler is a Senior Fellow at the University of Ottawa's Graduate School of Public and International Affairs. He had a distinguished 38-year public service career in which he served as Foreign Policy Advisor to Prime Ministers Trudeau, Turner and Mulroney, as the Deputy Minister of National Defence, and as Canada's longest serving Ambassador to the United States.



J.L. GRANATSTEIN

J.L. Granatstein is one of Canada's most distinguished historians focusing on 20th Century Canadian national history.



PETER HARDER

Peter Harder is a Senior Policy Advisor for Fraser Milner Casgrain and a former Deputy Minister of Foreign Affairs.



DAN HAYS

Dan Hays has been a member of the Norton Rose law firm since his call to the Bar in 1966. He is the current Chair of the firm and has been active in different practice areas, most recently in corporate, commercial and international operations. He was appointed to the Senate of Canada by Prime Minister Trudeau in 1984, which he retired from in 2007.



RAY HENAUT

Ray Henault has a long and distinguished career with the Canadian Forces and is the longest-serving 4-Star General in CF History. From June 2001 to February 2005, Gen. (Ret'd) Henault served as Chief of the Defence Staff, a period marked by the highest operational tempo for the Canadian Forces in 50 years.



SHARON HOBSON

Sharon Hobson has been the Canadian correspondent for *Jane's Defence Weekly* since 1985. For the past decade she has also been a regular contributor to *Jane's Navy International* and *Jane's International Defense Review*. She is also the 2004 recipient of the Ross Munro Media Award.



DON MACNAMARA

Don Macnamara is a specialist in national and international security affairs and strategic intelligence analysis and teaches on the Queen's Public Executive Program and at the Canadian Forces College in Toronto.



JOHN MANLEY

John Manley, former Deputy Prime Minister of Canada and Chair of the independent panel on Canada's Future Role in Afghanistan, is the President and Chief Executive of the Canadian Council of Chief Executives.



DAVID PRATT

David Pratt is a former Minister of National Defence and is now a Senior Vice President for GCI. He was stationed in Baghdad, Iraq as a Senior Parliamentary Expert with the USAID sponsored by Iraq Legislative Strengthening Program. He also served as Special Advisor to the Secretary General of the Canadian Red Cross from 2004-2008.



ROBIN SEARS

Robin Sears is a senior communications and public affairs advisor. He is a senior political consultant to the National Democratic Institute, and has served as the national director of the NDP and Chief of Staff to Bob Rae during the "Accord" government.



ELINOR SLOAN

Elinor Sloan is Associate Professor of International Relations in the Department of Political Science at Carleton University, Ottawa, and a former defence analyst with Canada's Department of National Defence.



DENIS STAIRS — CHAIR

Denis Stairs is Professor Emeritus in Political Science and a Faculty Fellow in the Centre for Foreign Policy Studies, Dalhousie University. He specializes in Canadian foreign and defence policy, Canada-US relations and similar subjects.

Message from the Editor-in-Chief



Written by:
David Bercuson

What are we to make of the deep cuts to the national defence budget announced by Finance Minister Jim Flaherty in the March 29 federal budget? Are there signs that the Tories are about to reverse course on oft-

stated pledges to restore Canada's military capability after the last round of deep budget cuts by the Liberals during the 1990s? Without a revised defence policy statement – an updated Canada First Defence Strategy at the very least – it is impossible to say what precisely lies ahead for the Department of National Defence and the Canadian Forces, but existing evidence does present a pretty clear background picture.

For one thing, this government has obviously decided that it does not want to achieve the 2% of GDP spending on defence that NATO calls for from its senior members and, in fact, is going to allow the Canadian defence budget to fall back to the close to 1.1% of GDP that it was when the Tories replaced the Liberals in 2006. To be sure there is more method in the budgetary madness than there was in the 1990s – and the cuts are not as deep – but the net result will be a diminishing of the CF's current capabilities.

How are the methods different? For one thing they are following the well-thought-out plan laid out by former Chief of the Land Staff Andy Leslie in the transformation report he submitted to the government late last summer. There isn't the space here to go into the details of that report but in short he laid out a scheme that would cut excessive civilian and military managerial expenses that had ballooned since 2005 or so to use the savings to bulk up troop strength at the cutting edge. For example, he recommended consolidation of several of the headquarters created by Rick Hillier's own transformation – Canada Command, Canadian Expeditionary Forces Command and Canadian Operational Support Command – into a single command while preserving the Canadian Special Operations Forces Command that Hillier had also set up.

The government has pledged to maintain current troop levels, but it's clear that much of the more than 10% cut in the DND/CF budget (taking into account the last fiscal year and the current fiscal year) will not be reallocated in the department and the CF but simply cut out as a deficit

reducing measure. Other cuts announced either before the budget, or after it, include hundreds of policy jobs, cuts to Canadian contributions to joint NATO projects such as AWACs and UAV programs, cuts to the military colleges, cuts to training and readiness programs, etc. The forces will remain at the same size as at present but won't have the same capabilities. At the same time a number of major new capital acquisitions will be put off by at least three years.

Defence has always been a soft target for Ottawa cutbacks. The Americans may complain that we are not doing enough for the collective defence (as they are once again doing even though we are less than a year out of taking casualties in Kandahar), but Americans don't vote in Canadian elections. The simple political fact is that in cutting the defence budget the "pro-defence" Tories won't lose any votes but hope to give themselves room to cut anything else they wish to chop (like the CBC) without fear that they will be accused of favouring the military.

They are certainly right about the first thing. After a long war in Afghanistan, Canadians are going back to sleep on matters military; but as for escaping the brickbats of the anti-military crowd, the Tory cuts won't buy a minute of peace. For those folks, any army is too much of an army if it has guns and even occasionally uses them.

David Bercuson is the Canadian Defence & Foreign Affairs Director of Programs, the Director of the Centre for Military and Strategic Studies at the University of Calgary, and a former Honorary Lieutenant Colonel of the 41st Combat Engineer Regiment.

Mulcair's Defence Policy: A Delicate Balancing Act



Written by:
David Pratt

Tom Mulcair has plenty of work ahead of him as he seeks to establish himself as a credible leader of the Official Opposition and develop new policies. Perhaps nowhere will the

NDP's vision, creativity and discipline be tested more than in foreign and defence policy.

During the leadership campaign, Mulcair produced a broad foreign and defence policy background.

He advocated a values-based foreign policy and noted that "for too long Canada has been sheltered in the shadow of our closest friend – the United States." He said

we must recognize that "new partners and new challenges are emerging." Mulcair also pledged to scrap the F-35, called for a defence review and promised to "fortify the ability of Canada's armed forces to respond to crises and disasters."

With the leadership race over, Mulcair has made some deft political moves. On policy, he is reaching out to his former leadership rivals and all party members for the "best ideas" to move the party forward. His appointment of shadow cabinet members Paul Dewar, as Foreign Affairs Critic, and Jack Harris, as Defence Critic, also means he will have two experienced, well-spoken and well-briefed MPs.

Inasmuch as Mulcair might wish to remake the NDP as a political force on the centre left, he will have to tread very carefully. On foreign and defence issues, he does not start with a clean slate. The party's history looms large. As the perennial third party, past NDP policy resolutions were typically self-indulgent and moralizing statements that tended to be anti-American, neutralist and pacifist.

In recent years, Jack Layton moderated some of these positions and the NDP became more astute about what it said on foreign and defence matters. It did not openly advocate getting out of NATO or NORAD. Instead, the party's 2004 election platform talked about working with other nations to develop alternatives.

The party's 2011 election document was an indication of how far the NDP has evolved on defence issues. It promised to maintain current planned levels of defence spending and pledged that the CF would be "properly staffed, equipped and trained to effectively address the full range of possible military operations".

Importantly, the 2011 policy platform established three NDP priorities for Canada's military that are a significant departure from traditional defence policy. Since the Second World War, the policy under Liberals and Conservatives has been based upon the defence of Canada, the defence of North America with the United States, and contributions to international peace and security.

"As the perennial third party, past NDP policy resolutions were typically self-indulgent and moralizing statements that tended to be anti-American, neutralist and pacifist."

In contrast, NDP policy speaks of defending Canada, supporting peacekeeping and peacemaking, and assisting with natural disasters at home and abroad. This change is noteworthy for two reasons.



Photo Source: vancouversun.com

First, providing peacemaking and peacekeeping support is quite different in scope from contributions to international peace and security. With the exception of the Libyan bombing campaign, the NDP has shown a marked reluctance to commit the CF to combat missions. Consequently, it is reasonable to believe that the party will be predisposed against any future combat missions.

Second, the absence of any reference to the defence of North America with the United States certainly leaves the

(Continued on page 7)

(Continued from page 6)

impression that NORAD and the multitude of defence agreements we have with the Americans would be abrogated under an NDP government. In a post 9-11 world where security still trumps trade for our American partners, a lack of cooperation with the US on security could result in negative economic consequences.

As Official Opposition Leader, Mulcair can expect enhanced scrutiny on these and other foreign and defence policy issues. Indeed, he will have a delicate balancing act to perform, especially considering the party's history and traditions, its large Quebec caucus and its outspoken left wing. Success will probably be determined on the basis of party discipline and whether or not he can convince Canadians that we do in fact need new partners to confront new challenges in the years ahead.

David Pratt is a Senior Fellow of the Canadian Defence & Foreign Affairs Institute and served as Paul Martin's Minister of National Defence from 2003-04.

CDFAI BOARD OF DIRECTORS

Robert Booth
Bennett Jones LLP
Calgary

Brian Flemming
Policy Advisor
Halifax

Robert Gibson
Stuart & Company Limited
Calgary

Robert Hamilton
RBC Private Banking
Calgary

Stephen Letwin
IAMGOLD Corporation
Toronto

Robert Millar
President, CDFAI
Calgary

Hugh Segal
Senate of Canada
Ottawa

Michael Shaw
Corporate Director
Calgary

F-35: Just Another Example of Harper's Obsessive Secrecy



Written by:
Sharon Hobson

The F-35 program has attracted its share of criticism as politicians and pundits have decried the government's secrecy and misleading statements to Canadians. But why the shock? The F-35 is only the most recent egregious example in a long list of projects and events in which government and military officials have exhibited a disturbing pattern of process manipulation and obsessive secrecy.

Just two years ago, Auditor General Sheila Fraser excoriated DND for its handling of the Cyclone and Chinook helicopter acquisition projects. Specifically, she said the Department understated "the complexity and developmental nature" of the programs, as well as their costs, and said it had not followed its own acquisition rules and procedures.

"Both helicopters were described to internal decision makers and the Treasury Board as non-developmental, using 'off the shelf' technologies," Fraser said. "On that basis, overall project risks were assessed as low to medium. In each case, however, significant modifications were made to the basic models." Those modifications led to schedule delays and higher costs.

There are other examples of procurement officials bending the rules, as in the case of the Fixed-Wing Search and Rescue aircraft. This \$1.55 billion project was announced in the 2004 budget but has languished since over industry concerns that the contract would be awarded without competition. A government-ordered review by the National Research Council of the never published Statement of Operational Requirements (SOR) found that the SOR was "over-constrained to the extent that very few compliant solutions are possible." In other words, it appears the SOR was slanted towards the aircraft preferred by the Royal Canadian Air Force.

The submarine program offered an example of extreme budget secrecy. The acquisition of the four Upholder class submarines from the Royal Navy was presented to

Canadians in 1998 as a barter arrangement. That fell through, but then-Assistant Deputy Minister (Materiel), Alan Williams (who is now the prime critic of the F-35 acquisition process) neglected to inform Parliamentarians until 2005 that the government would have to shell out nearly \$900 million for the purchase.

The government's obsession with information control has created a culture in which accountability to the public is secondary to military and political expediency. While questions from the media about budgets and particular projects used to receive speedy and detailed answers from subject matter experts, now DND just ignores them. Reporters asking for interviews are routinely denied out of fear that detailed information could be released. Instead, the military responds to media inquiries with e-mails that provide government spin on the questions asked but no real information.

Some military observers have decried the media's "scathing accounts" of the AG's report on the F-35 program, suggesting that the actual facts tell a different story. But it depends on perspective, and this is where a good communications policy comes into play. If the government and the DND continually treat the media with disdain, they shouldn't be surprised when reporters treat any government-supplied information with suspicion.

After 10 years of pretty much getting whatever it asked for because of its Afghanistan mission, DND appears to have developed a sense of entitlement. Gone are the days when military officials felt an obligation to explain what they were doing and why. With the support of the most pro-military and secretive government in decades, DND has happily withdrawn behind closed doors, and shut out all inquiries.

What we have now is a military that manipulates the truth, a government that views honesty through its own special prism, and media who are prepared to believe the worst. It's hardly a recipe for intelligent discourse about important matters of public policy.

Sharon Hobson is a Fellow of the Canadian Defence & Foreign Affairs Institute and contributor to *Jane's Defence Weekly*.

A Raucous Political Year for America



Written by:
Derek Burney

Judging from the results of the Iowa caucus, the political mood of Americans is fractious and fluid and augurs for a bitterly divisive presidential campaign in the ten months ahead. If nothing else, the Occupy Wall Street movement has provided a compelling theme. President Obama is already pitching his remarks at the 99%, running against Wall Street and seeking to corner the Republicans, and whoever his ultimate competitor will be, as the “defenders of the 1%”. It is being judged by some as “class warfare”, echoing a theme attempted unsuccessfully by Democratic contenders in the past – from Dukakis to Gore to Kerry – but conditions generally in 2012 are markedly worse than they were for previous campaigns. Obama may get more traction because the gaps between rich and poor in America have become larger and middle class voters, on whom elections ultimately turn, are beleaguered with concerns about jobs, housing, education and health care. Underpinning the mood is a stark divide in America over the role of government as a driver of economic investment and the redistribution of wealth.

There is little optimism in the political air, and much frustration, even anger, about Washington. While the President gets a good chunk of the blame, Congress, and notably Republicans, fare even worse. Positive views about the performance of the House and Senate have fallen to single digit percentages.

The fact that the TV debates for the Republican primaries have attracted record audiences is a symptom of the unease in America, fuelling ever-shifting polling support for one lead candidate after another. Governor Romney may well be the last man standing. He has the money, the organization and a decent track record. Romney may indeed have broader appeal in an election than with hard core Republican supporters. He carries the unenviable label (among Republicans) of being a “moderate”! But, as a multi-millionaire whose business background with Bain Consulting invokes images of Wall Street, he will have a major challenge connecting with the electorate. Assuming he wins the nomination, Romney will need more than an anti-Obama platform. While Independents are deeply disappointed in the performance of President Obama, they

are skeptical that Republicans offer anything better. And, as the Republicans slag one another more aggressively in the primary home stretch, that sentiment will undoubtedly prevail. Should the irrepressible and erratic Ron Paul or Donald Trump choose to run as an Independent, either would hurt Romney’s prospects much like Ross Perot did for George H.W. Bush in 1992. (In that election, Clinton won with 43% of the vote; Bush garnered 37.5%; Perot 18.9%.)



Photo Source: itunes.apple.com

Ordinarily, unemployment numbers hovering around 9% and approval ratings in the 40-50% range would be lethal for an incumbent. That is precisely why Obama is choosing to run away from his record and that of Washington and instead, on a “fairness” theme, invoking basic American values while castigating those (the 1%) who have benefited at the expense of the vast majority of Americans. His formidable \$1B campaign war chest and equally formidable talents as a campaigner (just ask Hillary) are tailor-made for this kind of rhetoric.

(Continued on page 10)

(Continued from page 9)

Obama set the tone for his campaign in a speech in Osawatimie, Kansas: "I believe this country succeeds when everyone gets a fair shot, when everyone does their fair share and when everyone plays by the same rules. Those aren't Democratic or Republican values. They're American values and we have to reclaim them."

Romney advocates reclaiming a different version of American values, emphasizing principles of individual freedom and the exceptionalism of America, while rejecting any notion of fading power or decline. He assails Obama as a "European-style social democrat".

As Kimberly Strassel observed in the Wall Street Journal, "If 2012 is a referendum on a president that Americans know and personally like, who might be presiding over a marginally better economy, and who might be no worse than the other guy, they may well stick with what they know." Others suggest that, if the election is about Obama, the Republican will win but, if it is about the Republicans, the President will be re-elected. The payroll tax debacle before Christmas and an unexciting field of presidential candidates has weakened the Republican brand across America.



Photo Source: lifehealthpro.com

Foreign policy may prove to be the soft underbelly for the President. In the coming months, unpredictable flashpoints like Iran, Pakistan, or North Korea may become defining factors for the election.

What is certain, however, is that as election fever grips America, not much of consequence will be done this year to address serious fiscal imbalances or other pressing policy issues. The art of 2012 politics will be tactics to postpone difficult choices for at least another year.

The one saving grace may be the resilience of the US private sector. US corporations are demonstrating yet again, an impressive ability to adapt, registering healthy profits despite difficult business conditions, restricted access to credit and bleak political prospects. Especially compared to Europe, the outlook for America is downright sunny! There are even signs that business and consumer confidence is starting to improve. That would be a welcome tonic and not just for Americans.

The underlying mood is definitely cranky and many Americans seem to be "fed up" with a political system that produces so little, even in times of crisis. The "checks and balances" that epitomize the US system were designed by those apprehensive of the power of government. In that sense it is perhaps working as initially intended. But fasten your seat belts. It is much too soon for predictions but this promises to be a rocky, raucous political year for America.

Derek H. Burney, Senior Strategic Advisor to Norton Rose Canada LLP and Senior Research Fellow at the Canadian Defence & Foreign Affairs Institute, was the Ambassador of Canada to the United States from 1989 to 1993.

Oil, Pipelines, Asia and Canadian Security



Written by:
Rob Huebert

Issues surrounding Canadian exports of its oil sands products beyond traditional American markets have dominated the news. Difficulties facing Canadian efforts to build new pipelines to the United States and new Asian markets have caused concern amongst those interested in the economic and environmental issues surrounding the oil sands. However, the issue has not yet attracted much attention from a security and foreign policy perspective. There has been some discussion on what American reluctance to support the construction of the Keystone Pipeline means to the Canadian-American relationship, but there has not been much discussion of the larger strategic context of the efforts to expand the export of energy to Asia through the Northern Gateway.

Should Canada succeed in building the pipeline to the west coast, and should Canada succeed in substantially expanding its export sales to countries such as South Korea, Japan and China there will be a significant transformation and challenges to its foreign and defence policy. Historically, Canadian defence and foreign policy has been shaped by its core trading policies with its largest markets. First it was the United Kingdom and then it was the United States. As trading patterns shifted from one to the other, so too did the focus of Canadian foreign and defence policy. Thus it is possible to hypothesize that a shift to Asian markets will have significant changes for future Canadian policies.

What will these changes be? First and most obvious, the deployment of Canadian Forces has tended to be skewed towards the geographic region where the bulk of the trade takes place. Thus, the Royal Canadian Navy has tended to place a greater emphasis on the Atlantic Ocean. As trade expands with Asia, it stands to reason that this will shift. As trade expands, the Navy will find itself increasingly shifting resources to the Pacific. This will require a change in force deployment, but equally important it will also call for a shift in the mentality of a navy that has traditionally been much more focused on the Atlantic.

The most significant change is that this new trade will place Canada in the middle of any future disputes between the United States and China. As the Chinese economy grows, it has drastically increased its defence

expenditures. It has given special emphasis to its navy. Many observers suggest that this increased naval power will be used to strengthen the Chinese position regarding the ongoing disputes that it has with the United States and its Asian neighbours. In the event that hostilities should erupt, the question facing Canada is what it does regarding any ongoing trade? Does it simply turn off the pump and wait out the conflict? If it does this, how long would a Canadian economy, grown accustomed to the Asian markets, be able to sustain such a disruption? Furthermore, would it be realistic to posit that the Chinese would be willing to tolerate such an action and thus be willing to resume sales once any such conflict was resolved? Would Canada want to continue to sell oil to China? If Canada maintained this trade during any US-China conflict what would be the effect on existing Canadian-American relations? If a conflict was to erupt over Taiwan, or any other issue that the United States considers to be a core security issue, it is unlikely that the United States would simply stand aside as Canadian oil continues on the way to China.

This leads to another issue: would the Canadian forces be required to play a role in safeguarding the transport of oil to Asian markets through conflict zones? The Royal Canadian Navy is not going to be used to break an American blockade against China, if one were ever put in place, as it has neither the capability or the political will to ever think of such actions. But what of any future trade with Japan or South Korea in the event of a US-China conflict, or a renewed war on the Korean peninsula? Oil would be transported in tankers without Canadian flagging. What are the international legal ramifications of protecting Canadian products? Does the navy have both the capability and training to perform this mission either with the United States or, more problematically, without their assistance?

While these issues seem very far away today, they will become very real once the shipment of Canadian oil and other energy supplies to Asia begins. The development of the Northern Gateway will be an economic boon to Canada. But this new trade carries with it significant security ramifications that need to be considered today as Canada begins rebuilding both its navy and air force. The strategic context of the Pacific will no longer be a side-show.

Rob Huebert is a Fellow of the Canadian Defence & Foreign Affairs Institute and Associate Director of the University of Calgary's Centre for Military and Strategic Studies.

Take Five: NATO's "Smart Defence" Initiative



Written by:
Elinor Sloan

A high intensity air campaign close to NATO territory starkly reveals the growing gap in military capabilities and technologies between America and its allies. At

their summit, NATO heads of state and government, therefore, launch an initiative to enhance Alliance forces. Operation Unified Protector in Libya and the "Smart Defence" initiative of the 2012 Chicago summit? No, Operation Allied Force in Kosovo and the Defence Capabilities Initiative (DCI) of the 1999 Washington summit. The parallel between these two scenarios is an indication of the sustained challenges NATO faces in the area of military capabilities, and forms the backdrop to five recent initiatives to address the gap.

Take one was the DCI, approved in the midst of the Kosovo operation. Comprised of fifty-eight capability goals categorized into five areas of military activity, the initiative included requirements for strategic lift; precision force; intelligence, surveillance and reconnaissance (ISR) assets; and interoperable command and control; and information sharing systems. A high-level steering group monitored progress by each country, but after three years it was clear little had been accomplished. The Prague Capabilities Commitment (PCC), launched at the 2002 summit, was less ambitious and promoted multinational pooling and specialization. Allies agreed to increase their military capability in one or more of eight specific areas, among them air-to-ground surveillance; command, control, and communications; combat effectiveness, including precision-guided munitions; airlift and sealift; and aerial refueling. In some areas a specific country agreed to take the lead in pushing the capability forward, teaming with other countries. Yet commitments were only statements of intent and there were no definitive timelines. Four years later there remained almost as many capability gaps as before.

Take three, the Comprehensive Political Guidance of the 2006 summit, took on the timeline issue. Allies agreed that over the subsequent 10 to 15 years they would "put a premium" on ten capability requirements, for example conducting joint expeditionary operations far from home; contributing to stabilization and reconstruction missions; and fielding interoperable forces. Leaders endorsed a set

of initiatives in areas like strategic airlift, special operations forces, alliance ground surveillance (AGS), and networked information sharing. The CPG was last mentioned in the 2008 summit declaration as a "continuing process." A fourth initiative, the Lisbon Capabilities Package, agreed at the 2010 summit, was less formal and used language conveying a greater sense of urgency. The Alliance's "most pressing capability needs" included, among other things, countering improvised explosive devices, improving air and sea lift, ensuring helicopter lift in Afghanistan, networked information sharing, and AGS.



From Left: US President Obama, NATO Secretary General Anders Fogh Rasmussen, Afghan President Hamid Karzai, Azerbaijani President Ilham Aliyev, and Pakistani President Asif Ali Zardari talk during a family photo of NATO leaders at the NATO Summit in Chicago, Monday May 21, 2012
Photo Source: csmonitor.com

The outcome of all these good intentions? In 2009, ten NATO countries jointly acquired, and are managing out of an air base in Hungary, three C-17s for strategic airlift. (Canada has four C-17s of its own). In 2012, fifteen NATO countries signed an agreement to field an AGS system by 2015, comprising five Global Hawk unmanned aerial vehicles for advanced ISR (Canada recently withdrew for budgetary reasons). No doubt an impetus was the Libya campaign, which revealed continued Alliance dependence on US ISR systems. Other shortcomings highlighted by Libya were in air-to-air refueling, stocks of precision-guided munitions, and a secure networked information sharing system among allies. These are familiar issues. In fact, the vast majority of key shortfalls included

(Continued on page 13)

(Continued from page 12)

consistently over time in each of the DCI, PCC, CPG, and at Lisbon remain unaddressed.

Take five, the smart defence initiative, was discussed at the May 2012 Chicago summit. Billed as a specific response to the world economic situation, it focuses on multinational solutions and specialization. Suggestions are for allies to work together not just for AGS and strategic lift, but also when it comes to replacing aging armoured vehicles, acquiring capabilities to protect against roadside bombs, and other areas. The idea is not that NATO would own the capabilities; rather, NATO would have national or multinational capabilities available when the need arises. There is little reason to believe this initiative will be any more successful than those before it – though the naming of two special envoys for smart defence might help generate political pressure in capitals. More troubling is the concept's approach. Those who pool, share and specialize must be confident they will have access, when necessary, to others' assets – a questionable assumption after Afghanistan and Libya, where some countries decided not to participate or engage in combat.

Requirements for missions like Kosovo and Libya have remained largely consistent over time, with the addition of special operations forces. For Canada the immediate way forward should be to focus on interoperability with the United States with respect to both information sharing and platforms; maintaining stocks of precision munitions; enhancing special operations forces; and fast-tracking high altitude unmanned aerial vehicles for ISR. No new initiative is needed to arrive at these conclusions.

Elinor Sloan Senior Fellow of the Canadian Defence & Foreign Affairs Institute, Associate Professor of International Relations in the Department of Political Science at Carleton University, and a former defence analyst with Canada's Department of National Defence.

PAPERS AND PUBLICATIONS

CDFAI has continued to provide essential commentary on Canada's defence and foreign policy. In answer to the 2012 budget proposed by the Harper government David Perry produced "[Defence After the Recession](#)" and we continued to explore the strategic pivot towards the Asia-Pacific region with Roger Girouard's work, "[China's Shadow: A Canadian Concern](#)". Additionally, a CDFAI delegation represented the Institute at the Chicago Council's conference "Smart Defense and the Future of NATO" where Senior Fellow Elinor Sloan presented her paper "NATO and Crisis Management Operations: A Canadian Perspective". A more extensive review of this topic was published by CDFAI: "[Canada and NATO: A Military Assessment](#)".

In an effort to raise the level of debate, and make it more accessible, CDFAI, through the Strategic Studies Working Group, is participating in an E-conference: "[The Future of Fighting: How the Canadian Military Must Adapt](#)". For more information, or to join the conversation visit our website at www.CDFAI.org

Our Policy Update series continues to offer insight on issues around the world. Research Fellow Ferry de Kerckhove produced a series on the Egyptian elections that provided essential commentary on the process. His conclusions can be found in the piece "[A President Soon? Where is Egypt Heading To?](#)"

Remember to visit www.cdfai.org for a full list of our publications.

DFAIT and CIDA Cuts



Written by:
Ferry de Kerckhove

The President of the Professional Association of Foreign Service Officers, Mr. Tim Edwards, recently replied to questions put to him by *The Embassy* on cuts at the Department

of Foreign Affairs and International Trade. It is clear that the hits will be severe. I have argued elsewhere that inasmuch as cuts are unavoidable, they have to be made intelligently. Same percentage cuts across the board between headquarters and missions abroad are not the right method. In fact, same percentage cuts across the board for all missions abroad are equally flawed.

DFAIT introduced a new business model aimed at rationalizing the ratio between administrative support and the mission's other programs – a useful innovation, but it failed to take into account the difference of “management hardship” between countries, for instance between a country where banking is not yet offered online or where transportation is horrific, and a country where communications are sophisticated and online transactions are the norm. One would hope that the review process would capture these differences.

Equally interesting is the reference to a review of Canada's participation in international organizations. This sounds easy. After all, Canada belongs to so many international organizations that one used to say that even before an institution was created Canada wanted in. But, as Voltaire used to say, “If you want to talk to me, first let us define the meaning of our words”. Indeed, for starters, there is a fundamental distinction to be made between “statutory contributions” we make to international organizations to which we belong, i.e. organizations we adhered to through a binding international agreement, on the basis of a percentage share of the budget, and “voluntary contributions” that the Government of Canada may decide to allocate to an organization because of the work it carries out. Such voluntary contributions can be add-ons to statutory contributions, or simply a commitment to an international non-governmental organization such as Transparency International or some other ad hoc arrangement.

It is obvious that Canada's memberships in international organizations are based on our national interests, the effectiveness of the organization in its field of endeavor, and on the absence or insufficiency of alternative modes of delivering on the objective. Another important fact is that while there is a perception out there that all international organizations are within the purview of DFAIT or CIDA, because most of the funding transits through these departments, a majority of organizations are in fact linked to domestic departments. Thus, any attempt to reduce Canada's participation in international organizations would have to demonstrate to the principal department – or departments – of interest that the membership to some international organization is no longer required. Ranking the importance of international organizations between all departments concerned could become a nightmare. Indeed, it has all the hallmarks of apples and oranges comparisons. Benchmarks are not easy to define!

“Before all ministers come to a consensus on which to jettison, many a bureaucrat's blood will have been spilled.”

Furthermore, membership is like pregnancy. One is either in or not. If our statutory contribution to, say, the Food and Agriculture Organization is around \$20 million, one cannot pare it down to \$10. For instance, the US from time to time has tried to cut their contributions to certain United Nations organizations to express their displeasure at their actions, but as there is no “à la carte” menu, they eventually penalized the whole network of organizations compelled to reallocate across the board rather than close down the “culprit” body.

And there are different types of organizations in funding terms. For example, international financial institutions such as the World Bank, or the European Bank for Reconstruction and Development, are financed through “statutory investment payments,” which could call for a differentiated approach.

So while the proposal to cut sounds easy enough, good luck on its implementation. Before all ministers come to a consensus on which to jettison, many a bureaucrat's blood will have been spilled.

Ferry de Kerckhove is Fellow of the Canadian Defence & Foreign Affairs Institute and former Ambassador to Indonesia and Egypt.

A Non-Partisan Look at the AG's F-35 Report



Written by:
James Fergusson

The Auditor-General's (AG) report on the F-35 has been portrayed as a scathing and devastating condemnation of National Defence (and to a lesser degree Public Works)

by the opposition and the media. Yet, the actual report is neither. Instead of condemning National Defence, the AG only raises "several concerns" and actually states that "National Defence did several things well."

These concerns should not be minimized, nor should they be solely placed at the feet of National Defence. If National Defence is guilty of failing to do "due diligence", so is the government, Parliament, the opposition and the media.



Photo Source: nationalpost.com

Failure, if this is indeed an appropriate label, is overwhelmingly the function of the relative uniqueness of the project as a whole in the annals of contemporary Canadian military procurement. For the first time, successive Canadian governments opted to participate in an international research and development consortium for a possible replacement platform, rather than buy an off-the shelf platform.

Instead of negotiating industrial and regional benefits relative to the value of the Canadian purchase, governments sought to obtain a wider range of industrial, technological, and economic benefits in the research and development phase, with the possibility of greater benefits from the future production and sale of a next generation fighter globally. This possibility was premised on three conditions fundamental to any consortium arrangement: Canada would remain a member, Canadian companies would remain competitive, and Canada would purchase the platform

Initial benefits followed the signing of the 2002 Memorandum of Understanding (MOU), came to about \$435 million out of a government investment of \$150 million. At the same time, the F-35, as the only next generation fighter under development, became the obvious, if only, choice to replace Canada's CF-18, as well as the US and other allied fighter fleets.

The die was cast, although National Defence clearly communicated to the Liberal government of the day that it did not entail a formal commitment to purchase. Risk of development failure certainly existed, arguably making a formal commitment premature. Nonetheless, the likelihood of failure was minimal. The US had placed all its eggs in one basket, and the program could not be allowed to fail.

It was at this point that the government, Parliament, and the media should have begun examining the program, thereby providing National Defence with greater guidance. Instead, all were silent.

The situation was repeated again with the 2006 MOU, which the AG argues was the point when the development project had actually become procurement. Existing and future economic benefits, which would include a share in the production of roughly 3,000 aircraft, technology transfer, and royalties on sales on non-consortium purchases, such as to Israel, ensured that the government could not walk away. Indeed, imagine the opposition and media furor if it had done so.

The AG argues that National Defence, in communicating that the 2006 MOU was not a formal commitment to buy, should have been more forthcoming in laying out the implications of walking away. But, it is hard to believe that government ministers and their advisors were so naïve as

(Continued on page 16)

(Continued from page 15)

to not know. Parliament, the opposition, and the media were again silent.

All were silent when the government announced in 2008 the purchase of 65 next generation fighters. The F-35 was the only next generation fighter. In 2002, 2006 and 2008 Parliament, the opposition and the media failed to do any diligence. Their shock and dismay after the initial purchase announcement in 2010 and following the AG report masks their own failure and culpability.

Furthermore, it was in 2002, or 2006 at the latest, that the issue of a competition should have been raised, not long after the fact. Certainly, military officials did due diligence when evaluating the options internally, and perhaps this should have been made public. But that is the government's choice. Once fully engaged in this unique project, any competition would have been seen as fixed, a waste of money, and likely would have lead to legal action on the part of the losers.

As an alternative, observers point to the National Shipbuilding competition as a model of fairness. Yet, even this was a waste of time and money. Anyone paying true attention to the shipbuilding market in Canada would have predicted the winners years earlier (and no one has estimated what the real production and life-cycle costs of these development projects are likely to be in the future).

In the end, the report should be taken seriously, rather than used for crass partisan politics, which, in the end, will have no impact. Parliament in particular should closely examine its own failures and develop a model for similar projects in the future in consultation with National Defence. The F-35 may be unique today, but similar projects are likely to be the future given the evolving nature of the defence marketplace.

James Fergusson is a Research Fellow of the Canadian Defence & Foreign Affairs Institute and Deputy Director of the Centre for Defence and Security Studies at the University of Manitoba.

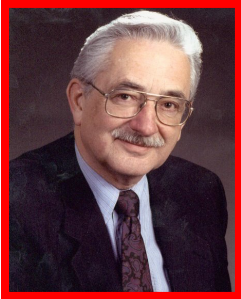
CONNECT WITH US

CDFAI continues to develop to provide the best, up to the minute commentary, on Canada's defence, development, and foreign policy. To this end we have launched our new website, which features event more content for the curious Canadian and insights for policy-makers. Our online presence continues to grow substantially through Facebook, Twitter, Linkedin, and our Blog. The 3Ds Blog, moderated by Jack Granatstein, is quickly becoming the go to source for information and analysis on Canada's defence and foreign policy. If you would like to contribute to the blog please send your submissions to contact@cdfai.org. We want to hear from you.

You can also join the conversation by visiting our Facebook page at <http://www.facebook.com/CDFAI> or following us on Twitter @CDFAI. You can also find us on Linkedin at <http://www.linkedin.com/company/canadian-defence-and-foreign-affairs-institute>.



Arrival of the Drones: Our Debates on Security Policy Pay Them Too Little Heed



Written by:
Denis Stairs

Most of us may not notice, but we live now in a military world once imagined only in sci-fi comic books, computer games, and the special effects of over-the-top movies. It's a world in which surveillance is conducted, intelligence acquired, and weaponry launched from pilotless robots in the sky.

The robots are commonly called "drones." Professionals in the military and intelligence agencies refer to them generically as UAVs, or "unmanned aerial vehicles." If they carry weapons as well as cameras, radar and other surveillance sensors, they're identified as UCAVs, or "unmanned combat aerial vehicles." Other acronyms abound.

The drones come in both helicopter and fixed-wing formats. Some are so small and so festooned with antennae and other gear as to resemble ungainly Alaskan crabs. Others, like the armed General Atomics MQ-9 (variously called the "Predator B," or "Guardian," or more grimly, "Reaper") have wing spans as wide as 66 feet (20 metres), a range of 1,000 nautical miles (1,850 km), a flight endurance of 14-28 hours, depending on load, and a cruising speed of 150-170 knots (276-313 km/hr). Earlier this month, General Atomics announced a new model under development with an 88-foot wing span and a 42-hour endurance capacity. Some drones currently in service can operate at altitudes over 50,000 feet, and there are plans for versions that can go to 70,000 feet.

These are not experimental devices. They've had gradually intensifying operational use ever since the Vietnam War, and their numbers and configurations are proliferating. So are the countries that deploy them.

Serious planning for modern UAV development began in the United States as early as 1959 and accelerated over time as requisite technologies advanced and in response to pilot casualties resulting from conventional manned aircraft surveillance operations.

Currently, the United States, Israel, and Iran are among those known to have operational armed drones of their own manufacture, and the Americans have made them available to the United Kingdom, Italy and Turkey. Israeli drones have been sold or leased to Turkey, too, and also to Russia, France, Germany, India and Canada. China, Russia, the UK and a number of other countries have drone development programs, and several other governments, including Australia, are seeking Washington's permission to buy models produced in the US. A French surveillance drone with a 200 km range has been deployed for varying lengths of time by Canada (in Afghanistan), Denmark, Greece, the Netherlands, and Sweden. And these are only partial lists of the publicly known players. This is not, after all, a field in which governments are always eager to advertise their activities.

Operationally, drones have been used for surveillance and reconnaissance purposes and/or to deliver firepower in military engagements ever since the Vietnam War, and there have long been reports of the Americans using them to hunt down terrorist adversaries in various parts of the world, Yemen, Iran and Pakistan notably among them. The death of Osama bin Laden is said to have resulted, in part, from confirmation of his location through drone reconnaissance.

"And what are the international consequences of continuing drone proliferation?"

Thus far, drones appear to have been navigated by remote control, but experimentation with UAVs that are programmed to function automatically once launched is underway, and systems for re-fuelling them in mid-flight are also being designed. New sources of energy may make it possible for some versions to be airborne for periods as long as five years without a break.

The remote sensing capabilities of drones have drawn them increasingly into non-military realms, as well, including scientific research, search and rescue, livestock and wildlife monitoring, pipeline inspections, highway patrol, natural disaster assessment, crop management, exploration for natural resources, and home security, among others.

Most of these functions are government-related even if they are not strictly military. Canadians need no reminder

(Continued on page 18)

(Continued from page 17)

that the Americans are now using them to patrol remote sections of the Canada-US border. Police forces in an increasing number of jurisdictions have been authorized to make use of them. But purely commercial functions are constantly being envisaged, and American regulatory agencies are expected to make room for them within the next few years. They may be used, for example, to wash skyscraper windows.

Because drone technology has developed only gradually, and even more because the initial focus was largely on classified military and intelligence operations, public knowledge and hence public debate have been slow to materialize. But the implications are beginning to attract more attention, and three main debates seem to be underway.

The first has resulted from the growth of civilian and private sector uses of the technology, particularly in the United States. It focuses on the potential threats to privacy that these developments may entail. Attentive Americans, always vigilant in defending their liberties, have begun to take a closer look at the problem. These threats aren't considered here, but the residents, say, of glass-enclosed high-rise condo and apartment buildings in Toronto might want to think about the prospect of their being subject to visual and other forms of surveillance by bug-sized objects flying silently past their windows.

The second debate is concerned with issues of morality and international law that arise from the clandestine use of drones in foreign jurisdictions, without the agreement of local authorities, for both reconnaissance and payload delivery purposes. Sovereignty is violated. Innocent bystanders are hurt or killed. International rules of law are ignored. Discussion of these matters is well-intentioned, and is certainly worth having. In the rough-and-tumble world of international affairs, however, it is unlikely to constrain government behaviour.

The third debate is about military utility. In Canada, there hasn't been much sign of this debate in the public domain at all, which is unfortunate because it could conceivably affect important procurement priorities and expenditures.

There have been a few signs of rumination on the subject inside the hallowed halls of government itself. It was reported last November that the Navy has been testing the ScanEagle, a relatively small surveillance and reconnaissance drone manufactured by Boeing and earlier used by the Army and Air Force in Afghanistan, with a

view to operating it from frigates deployed in the Mediterranean. In mid-February, it became clear that the Cabinet had been considering the possible purchase of a half-dozen of the much larger MQ-9 Reaper UCAVs in lieu of some of the much more expensive F-35s it had planned to order.

It is time now, however, for the military, financial, legal and ethical implications of these sorts of options to be carefully considered, not only by government experts, but also by well-informed independent observers. How reliable are drones as compared with conventional platforms with similar functions? How much cheaper are they? How accurate is their targeting capacity? Do they make the avoidance of 'collateral damage' harder (as some critics have complained) or easier? Because they can deliver military payloads without immediate risk to their operators, will they generate new and undesirable incentives to opt for warlike responses to conflict? Or will they reduce the risk of escalation by making more limited 'surgical' responses increasingly possible?

From the international point of view, what are the consequences of their continuing proliferation? China appears to be working hard on its drone development projects. Meanwhile, the Americans, worried about Chinese naval expansion, are developing UCAVs that can attack targets 1,500 nautical miles away – roughly triple the range of carrier-based jets. Will such adversarial interactions in drone deployments produce a straightforward stalemate, or intensify the danger of Sino-American fisticuffs?

In Canada, could drone technology really help us with Arctic surveillance, and if so, should it lead us to re-think the acquisition of Arctic patrol vessels? What other Canadian military priorities could drones help us to meet at lower cost?

These and other questions like them are wide-ranging. The answers could have transformative implications – some good, no doubt, some bad, no doubt. We should think them through and we need independent authorities to pay attention to them.

Which is one of many reasons why it's so unfortunate that government support for independent inquiry in the defence and security field is being dismantled.

Denis Stairs is a Senior Research Fellow of the Canadian Defence & Foreign Affairs Institute and the Chair of its Advisory Council.

Who Loses in the Defence Cuts Game?



Written by:
Barry Cooper

General Rick Hillier, former Chief of Defence Staff, famously described the 1990s as a “decade of darkness” for the Canadian Forces (CF). It was a time when Canada’s Foreign

Minister spoke at length and with apparent conviction about a “responsibility to protect.” He and the government of which he was a member forgot about an ability to protect.

Things began to change with Paul Martin’s government. Today we have a reasonably coherent strategic document, the Canada First Defence Strategy, produced by the Department of National Defence (DND). Harper’s governments have continued Martin’s initiative, raising the defence budget from \$10B in 1998 to \$20B in 2011. Long overdue air transports led the list of new equipment. A few weeks ago the Strathconas took delivery of the new Leopard-2 tanks, which are significantly more robust than what they used in Afghanistan a few years ago.

Equally important, the CF have matured and grown in the unforgiving crucible of combat. Operational achievements in Afghanistan, in the Persian Gulf, and in Libya have been worthy of those undertaken in Korea and in the general wars of the twentieth century. Today the CF have succeeded in reminding Canadians that although the military can do many things, they must be able to fight. As a result, morale and confidence have improved beyond measure from the 1990s.

The restoration of the CF has been one of the most important accomplishments by recent governments. Unquestionably, there is more to do, notably in the Department of Veterans Affairs and at National Defence Headquarters. Retired Colonel Pat Strogan made the first problem public when he was the first Ombudsman for vets. Retired Lieutenant-General Andy Leslie brought the second problem to the attention of the government last fall. It would be useful to recall his findings.

Leslie was under no illusions. He knew as well as any Ottawa veteran that the CF/DND budget expansion after the decade of darkness would be followed by reductions in federal spending and that both DND and the CF would

have to do their part. Recent budget cuts could not have been a surprise. He also took note of at least 15 major studies of the military since the end of WW II and of their typical fate in the lower drawers of filing cabinets. He even mentioned why: recommendations were difficult to implement because they threatened the status quo. This has not changed.

Leslie’s analysis was as meticulous as it was shocking. Between 2004 and 2010 the number of people in DND/CF grew by 18%. The Regular Force grew by 11%, but the number of full-time reservists at NDHQ grew by 22% and the number of civilians by 33%. In sum, the non-operational “tail” grew by 40%; the front-line trigger-pullers, the “tooth”, by 10%.

His recommendations were obvious: reduce NDHQ staff, especially civilians, consultants, and full-time reservists, but maintain expenditures on spare parts, capital, and infrastructure, to maintain future effectiveness. Unfortunately, the most valuable part of the DND/CF “diarchy,” namely the front-line forces, are also the most vulnerable when it comes to cuts.

We all know that Canadians do not admire the CF because of the valiant work of tweedy, bow-tied civilian consultants at NDHQ. We also know how good bureaucrats are at protecting themselves and that their measure of success has nothing to do with military effectiveness or taking care of veterans.

This is the context within which to understand the F-35 controversy. Of course the RCAF requires an “affordable replacement” for the CF-18. The serious strategic question is this: twenty years hence, will Canadian pilots be flying an up-to-date or an obsolete aircraft?

General Leslie’s report has provided the government with principles for decision and excellent detailed advice. They have an opportunity to act in the interest of all Canadians. Even with fiscal restraint, all it takes is leadership.

Barry Cooper is a Fellow of the Canadian Defence & Foreign Affairs Institute and Political Science professor with the University of Calgary.

Containing the Global Authoritarian Threat: Beyond The “Canada First Defence Strategy”



Written by:
Hugh Segal

The cycling through with NATO forces in Afghanistan of 20 rotations involving over 15,000 Canadian men and women in uniform has had a profoundly positive effect on the morale and preparedness of our regular and reserve forces who served seamlessly together in that dangerous, but essential, deployment.

But that CFDS bridge is well behind us. It is now time for a re-calibrated and integrated global and national security strategy that takes into account critical factors on the ground, on and under the sea, in the air, in space and in cyberspace both at home and abroad.

What keeps our society moving forward as a caring and economically viable society is what I have called in the past the “infrastructure of civility”. This infrastructure is a mix of laws, borders, resilient institutions (like our Armed Forces and the Reserves), organizations like police forces, and private charitable organizations like the Red Cross or the Salvation Army to name but two. Local government first responders, the even-handed and open operation of our courts and legislatures, an economy that is open, with robust opportunity, the positive role played by religious institutions, not-for-profits and community groups are all part of the core civility that defines us and that we must seek to protect and enhance. What we defend as Canadians is our right to choose to make private, community, corporate, and government decisions as we deem fit, undeterred by aggression from others or subversion from within.

Beyond our borders, there is also a mix of organizations like the UN, NATO, the Commonwealth and others that form their own infrastructure of constraint and balance vital to the stability we need to move ahead as a trading Canadian economy for whom safe sea routes and the stability of markets is of vital concern.

The risk management task globally is complex and replete with actors who may be benign, hostile, friendly, or, on occasion, too self-interested to notice anything beyond themselves.

The geopolitical restructuring that sees the US and the UK constrained by financial pressures does not mean that Canada gets to do less in the area of defence and the protection of our values. Nuclear terrorism and non-state proxy terrorist networks are real challenges. The growth of Chinese naval, air, space and land capacity does not mean that we necessarily face a new hostile forum in the Pacific. I know of no country that would ever aspire to attack China, so it's fair to reflect on why its defence spending increases are so large.

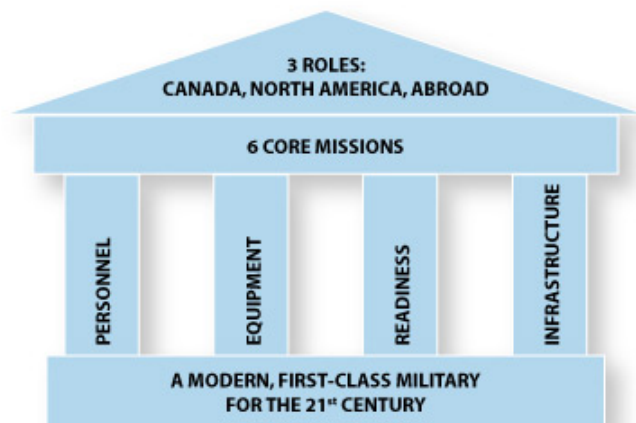


Photo Source: forces.gc.ca

Trade and economic partnership with China is good for Chinese and Canadian economies and is to be largely welcomed; naivety in terms of outcomes, risks and the impact of rebalancing is to be seriously avoided. An authoritarian, non-democratic, capitalist country is still an authoritarian country.

If we are to sustain the two freedoms simultaneously in the Pacific region more joint air and sea exercises with Japan, India, South Korea and other allies in the region are called for, as well as our usual multi-national US joint exercises as per past practice. Canada should also be pushing for more NATO and Shanghai Cooperation Council engagement in constructive and determined ways.

From the Arctic to the Caribbean, from the South China Sea to the Straits of Hormuz, abdication is not a viable option or constructive tool in Canada's interests. And any reduction in defence budgets that promotes abdication by

(Continued on page 21)

(Continued from page 20)

making deployment impossible is bad public policy. We need to go in the opposite direction.

A determined increase in the regular force target to 100,000 as opposed to 68,000, and a reserve force of 50,000, as opposed to 27,000 for a standing capacity of 150,000 would be a constructive target to have in place by 2017, Canada's 150th anniversary as a country. If we are to do the job well, in the Arctic, in the key regions of the world, on both coasts with Special Forces, and with aid to the civil power available, that is the goal we need to embrace. Strategic redundancy both within systems and within task groups that are themselves a system of systems is not a luxury – it is an operational exigency for the navy, army, air and Special Forces and for the protection of Canada. Reducing defence and development expenditures now would be a serious mistake. Taking from Peter to pay Paul or Jim or Tony is unsafe for Canada.

It is also essential that Canada's Special Force capacities, techniques and complement be increased. They are already Tier 1 as operations in Afghanistan and elsewhere have indicated. But a flexible capacity to fight the purveyors of fear, be they terrorist, drug cartels, pirates or otherwise is vital to both freedom from fear and want.

The efficiency and impact of our forces and the safety and effectiveness of our men and women in uniform is directly tied to the actual integration of our civilian, military, and domestic and international intelligence streams. Afghanistan was a theatre in which this real-time integration was greatly advanced, with a mix of electronic and analytical capacities deployed very constructively. This capacity must be enhanced and deepened if a modest middle power country is to maximize its effective deployable capacity, and, be effective when forces – humanitarian, stabilization or combat – need to be deployed.

The real threat that we face on a global basis, in terms of peace and stability and in terms of our domestic and international values and interests, comes not from either the right or extreme left, or from any one region or any specific geopolitical aspiration. The enemy is not Islamic or Christian or Asian or Russian. Our enemy, and the enemy of all democratic, essentially balanced societies all over the world, is first and foremost authoritarianism of the right, left or centre or of the extreme religious variety.

Authoritarian governments that have no democratic accountability cannot be replaced or diminished however

unpopular or corrupt. Authoritarian governments require obedience. They brook no dissent. Democracy and elections are feigned with pre-approved lists of candidates, or parliaments that have no real power. They are usually run by a tight clique of individuals, united by intense family, ethnic, paramilitary or military ties. They exist for each other in a frame that is a composite of mutual and self-serving corruption, raiding of public treasuries, and a mutual blackmail or fear.

In some cases, diplomatic and political work may be enough, for example sanctions have appeared to play a constructive role in Myanmar.

In some cases it is necessary for military engagement with allies, as when Canadian pilots and naval assets flew and sailed in unison with NATO and Arab League assets to protect civilians from the Gadhafi regime; or when our air force flew with NATO air forces over Kosovo and Serbia; or when ground troops engaged alongside US and then NATO forces in Afghanistan; or NATO forces in Bosnia Herzegovina to deal with authoritarian state or non-state actors like Milosevic or Al Qaeda and the Taliban to contain or prevent further humanitarian destruction. But not engaging on all of the above would have been a serious mistake.

"A coherent increase in strategic and deployable capacity and a larger Armed Forces with critical new commitments..."

The great, literate, cultivated and advanced Persian population of Iran is not our enemy, America's enemy or, for that matter, Israel's enemy. The clear source of deep and pervasive threat and menace is the authoritarian, non-democratic government and its authoritarian religious leaders.

The cult of authoritarian self-reverence in North Korea is of a similar, highly destabilizing, portent. While Russia has moved away from the worst excesses of authoritarian and totalitarian communism, it has, at best, a very shallow form of democracy-light with authoritarianism not far removed from the day-to-day toolkit of their government. So, when Russia and China coalesced at the UN Security Council to prevent, through their veto, any real progress on the deplorable, ongoing military attack by Syria's authoritarian government on its own people, we can see how authoritarian fellow travellers can spread a web that paralyzes the rest of the world. We know where the failure to act in face of authoritarianism took us in the late 1930s. We understand why the need to engage was vital sixty years ago in Korea. And today, while a democratic South Korea thrives and prospers and its authoritarian northern neighbour creates deeper poverty and isolation for its people around a clique of totalitarian communist rulers,

(Continued on page 22)

(Continued from page 21)

the clear differences and challenges on our road ahead begins to crystallize.

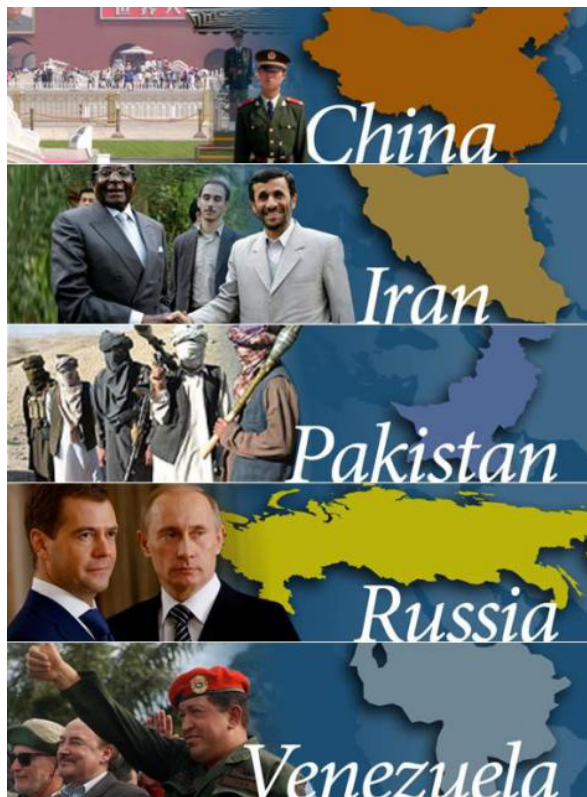


Photo Source: underminingdemocracy.org

Authoritarianism in the beginning and in the end succeeds because of the use of fear. Iran's many executions, its imprisonment of the Baha'i and anyone who has the courage to dissent, and its support through the Iranian Revolutionary Guard of terrorist organizations like Hezbollah through client governments like Assad's in Syria is simply the extension of the string of fear at home and abroad to achieve their junta's self-preservation, as is the newly articulated theocratic necessity of eradicating the "Zionist entity". As democracies, we justifiably fear war and loss of life. Authoritarians worldwide count on that fear to make their intimidation ever more potent and far-reaching. So, we in the democratic and open societies always have a choice to make: do we engage the fear used as authoritarian's key weapon, or do we turn away?

A coherent increase in strategic and deployable capacity, and a larger Armed Force with critical new commitments for cyber and space defence, are vital to protecting the freedom from fear. Joining US Ballistic Defence Network worldwide is also long overdue.

Hugh Segal served in the public and private sector for thirty-three years before being appointed by Prime Minister Martin to the Senate, as a Conservative, in 2005. He is an Adjunct Professor (Public Policy) at the Queen's School of Business and Senior Research Fellow of the Canadian Defence & Foreign Affairs Institute.

Editor-in-Chief:

David Bercuson
Program Director, CDFAI

Assistant Editor:

Sarah Magee
Program Coordinator, CDFAI

Design:

Lynn Arsenault
Administrative Coordinator,
CDFAI

Crew Brief:

The Dispatch is the official communiqué of the Canadian Defence & Foreign Affairs Institute. Comments and subscription requests are welcome and should be sent to contact@cdfai.org.

1600, 530—8th Avenue SW
Calgary, Alberta T2P 3S8
(403) 231-7605 or (613) 288-2529
www.cdfai.org

The F-35: We Need to Cool Our Jets



Written by:
George Macdonald

Political and media attention to the government's decision to purchase the F-35 Joint Strike Fighter (JSF) continues at a never-ending intensity. Every new revelation regarding cost, flight testing, procurement process, and government messaging seems to draw fire. The recent release of the Auditor General's report has stirred up an even greater frenzy of critical comment. Most everyone seems to agree that the Government has not done well communicating the need for a new fighter or their reasons for choosing the F-35. We all need to pause, take a deep breath, and reflect more strategically on what a new fighter project is all about.

"Acquisition of the F-35 at the beginning of its operational life will provide the Canadian Forces an effective fighter capability..."

The Requirement. Most people will acknowledge that Canada should have the capability to defend the sovereignty of Canadian air space and to be able to deploy an effective and modern capability for international operations when required. It is true that unmanned aerial vehicles are assuming some of this role and may even replace the need for a manned fighter someday, but that day has not yet arrived. It is also true that there are other fighters currently available to do this, but their relevance will decrease over time as they compete with newer technologies and capabilities over the forty-year-plus operational life of the F-35. Canada needs to begin those forty years with the best available fighter and the F-35 is the only one that will provide effective interoperability with allies, state-of-the-art sensor and data fusion, and pilot survivability.

The Deal. Conducting a competition for a complex weapon system is not always the best approach. The F-35 is a case in point with the unique opportunity it presents. Canada joined the JSF Program in 2002 to provide access to our industry in system development and demonstration phases of the program. Canada's contribution of \$US150 million is leveraging a development program that is now approximately \$US50 billion, funded by the US. As a partner nation, Canada is involved in decisions related to the development of aircraft capabilities now and will participate actively in the future program of growth and

improvement of the aircraft. And our JSF partnership will ensure that we get the 'members' price on the aircraft we buy and, importantly, will benefit from the economies of scale in the support costs for a worldwide fleet of more than 3000 aircraft.

Work for Canadian Industry. A persistent concern regarding the F-35 decision is the absence of a traditional industrial and regional benefit (IRB) package. Normally, for large defence purchases, Industry Canada requires work to be provided in Canada equal to 100% of the contract value. The JSF partnership has adopted a more competitive model for contracted work, anticipating that all will receive a fair share throughout the life of the program. Canadian companies have already received about \$440 million in F-35 contracts, well before any actual purchase of the aircraft. Canadian industry is very capable of accessing this work – an ongoing Industrial Participation Plan identifies about \$12 billion in downstream opportunities. If Canada chose to withdraw from the program, contracts would soon dry up and follow-on work would be relocated to participating nations.



Photo Source: jsf.mil/index.htm

(Continued on page 24)

(Continued from page 23)

Bottom Line. Acquisition of the F-35 at the beginning of its operational life will provide the Canadian Forces an effective fighter capability that will evolve over the four decades it is likely to be in service. We can't predict the future missions for which the aircraft might be needed but we can ensure that the air force has the most capable aircraft available to meet the challenge. A competition will not produce a better result. The requirement has been established and it is consistent with that developed by our allies. Canada's aerospace industry is well-positioned to take advantage of the many opportunities that JSF partnership brings.

As with any large defence procurement, there are many issues that have to be monitored carefully. Hopefully, the newly-announced F-35 Secretariat will help coordinate the efforts of the departments involved, with better communication and transparency for Canadians. There will be considerable pressure to keep the CF18 fleet going longer than originally anticipated, but this is 'doable'. Throughout, we need to cool our jets, focus on the objective and work towards it.

George Macdonald is a Fellow of the Canadian Defence & Foreign Affairs Institute and Senior Partner with CFN Consultants, which includes Lockheed Martin as a client.



There are two ways to donate to CDFAI. You can either go to our website at www.cdfai.org and hit the "Donate" button on the right hand side or you may fill out and return the form below.

DONOR FINANCIAL SUPPORT FORM

Thank you for investing in CDFAI

Name: _____

Company: _____

Address: _____

Postal Code: _____ Email: _____

Phone: _____ Fax: _____

Yes, I would like to support the Canadian Defence & Foreign Affairs Institute (CDFAI) through the donation of:

- ☐ \$ 250
- ☐ \$ 500
- ☐ \$ 1,000
- ☐ \$ 5,000
- ☐ \$ 10,000
- ☐ \$ 25,000
- ☐ Other \$ _____

Each donation is eligible for a charitable tax receipt.

- ☐ Cheque enclosed is payable to "CDFAI"
- ☐ I wish to remain anonymous

We hope to raise \$860,000 at an estimated cost of \$56,000 (6.5%).

Charity Registration #87982 7913RR0001

Thank you for investing in CDFAI and please mail your form and payment to:

Canadian Defence & Foreign Affairs Institute
1600, 530—8th Avenue SW, Calgary, AB T2P 3S8

CDFAI Senior Research Fellows



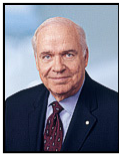
DAVID BERCUSON

David Bercuson is Director of the Centre for Military and Strategic Studies at the University of Calgary and Program Director for CDFAI.



COLIN ROBERTSON

Colin Robertson is Senior Strategic Advisor for the US-based law firm of McKenna, Long and Aldridge. A former foreign service officer, he was part of the team that negotiated the Canada-US FTA and NAFTA. He is also President of the Canadian International Council: National Capital Branch.



DEREK BURNEY

Derek H. Burney is Senior Strategic Advisor to Norton Rose, Chairman of the Board of GardaWorld's International Advisory Board, a director of TransCanada Pipelines Limited, a Governor of the Ottawa Hospital Board of Governors and a member of the Advisory Board of Paradigm Capital Inc. He is also a visiting professor and Senior Distinguished Fellow at Carleton University and served as Canada's Ambassador to the United States from 1989-1993.



HUGH SEGAL

Hugh Segal served in the public and private sector for thirty-three years before being appointed by Prime Minister Martin to the Senate as a Conservative in 2005. He is an Adjunct Professor (Public Policy) at the Queen's School of Business.



J.L. GRANATSTEIN

J.L. Granatstein is one of Canada's most distinguished historians, focusing on 20th Century Canadian national history.



ELINOR SLOAN

Elinor Sloan is Associate Professor of International Relations in the Department of Political Science at Carleton University, specializing in US, Canadian, and NATO security and defence policy. She is also a former defence analyst with Canada's Department of National Defence.



FRANK HARVEY

Frank P. Harvey is University Research Professor of International Relations at Dalhousie University. He held the 2007 J. William Fulbright Distinguished Research Chair in Canadian Studies at the State University of New York (Plattsburg).



GORDON SMITH

Gordon Smith is Director of the Centre for Global Studies, and Adjunct Professor of Political Science at the University of Victoria. He is a former Deputy Minister of Foreign Affairs Canada and Ambassador to the European Union and NATO.



MIKE JEFFERY

A retired member of the Canadian Forces and a former Army Commander, Mike Jeffery is a consultant focusing on defence, security, and strategic planning.



DENIS STAIRS

Denis Stairs is Professor Emeritus in Political Science and a Faculty Fellow in the Centre for Foreign Policy Studies, Dalhousie University. He specializes in Canadian foreign and defence policy, Canada-US relations and similar subjects.



DAVID PRATT

David Pratt is Senior Vice President of Public Affairs for GCI Canada. He is the former Advisor to the Secretary General and Special Ambassador for the Canadian Red Cross and former Minister of National Defence.

CDFAI Research Fellows



BOB BERGEN

Bob Bergen is Adjunct Assistant Professor, Centre for Military and Strategic Studies, University of Calgary and a former journalist.



JAMES FERGUSSON

James Fergusson is Deputy Director of the Centre for Defence and Security Studies, and an Associate Professor in the Department of Political Science at the University of Manitoba.



GAVIN CAMERON

Dr. Cameron received his Ph.D. in 1998 from the University of St. Andrews. He is an Associate Director of the Centre for Military and Strategic Studies at the University of Calgary and a member of the Executive Board of the Canadian Association for Security & Intelligence Studies (CASIS).



JOHN FERRIS

John Ferris is a Professor of History, and a Fellow at the Centre for Military and Strategic Studies at the University of Calgary. He is a specialist in military and diplomatic history, as well as in intelligence.



AURÉLIE CAMPANA

Aurélié Campana is Associate Professor in Political Science at Laval University, Quebec City. She holds the Canada Research Chair in Identity Conflicts & Terrorism. She is also a member of the Institut Québécois des Hautes Études Internationales.



BRIAN FLEMMING

Brian Flemming, CM, QC, DCL, is a Canadian policy advisor, writer and international lawyer. He established the Canadian Air Transport Security Authority (CATSA), and served as its Chairman from 2002 to 2005.



DAVID CARMENT

David Carment is a Professor of International Affairs at the Norman Paterson School of International Affairs, Carleton University. In addition, he is the principal investigator for the Country Indicators for Foreign Policy Project (CIFP).



ANDREW GODEFROY

Andrew B. Godefroy CD, Ph.D (RMC), is a strategic analyst and historian working in Canadian strategic studies, foreign and defence policy, defence conceptual modeling, leadership and command, and science, technology, and security.



BARRY COOPER

Barry Cooper, FRSC, is a Professor of Political Science and Fellow, Centre for Military and Strategic Studies, University of Calgary.



HRACH GREGORIAN

Hrach Gregorian is President of the Institute of World Affairs (IWA) a non-governmental organization specializing in international conflict management and post-conflict peacebuilding and Associate Professor, Graduate Program in Conflict Management, Royal Roads University.



FERRY de KERCKHOVE

Ferry de Kerckhove has served as Canada's High Commissioner to the Islamic Republic of Pakistan, Ambassador to the Republic of Indonesia, Director General, International Organizations with the Department of Foreign Affairs and International Trade, and most recently served as Ambassador to the Arab Republic of Egypt.



SHARON HOBSON

Sharon Hobson has been the Canadian correspondent for *Jane's Defence Weekly* since April 1985. For the past decade she has also been a regular contributor to *Jane's Navy International* and *Jane's International Defense Review*. She is also the 2004 recipient of the Ross Munro Media Award.



MARK ENTWISTLE

Mark Entwistle is Vice-President, International and Government Affairs with ExecAdvice Corporation. A former diplomat, he served as Canada's Ambassador to Cuba from 1993-1997 and is a leading expert on Cuba.



ROB HUEBERT

Rob Huebert is Associate Director of the Centre for Military and Strategic Studies and Associate Professor in the Department of Political Science at the University of Calgary.



WHITNEY LACKENBAUER

Whitney Lackenbauer, Ph.D., is Associate Professor and Chair of the Department of History at St. Jerome's University. He specializes in Arctic security and sovereignty issues, modern Canadian military and diplomatic history, and Aboriginal-military relations.



STEPHEN RANDALL

Stephen J. Randall, FRSC, is Professor of History at the University of Calgary. He is a specialist in United States foreign policy and Latin American international relations and politics.



ERIC LERHE

Eric Lerhe is a retired naval officer who served as the Commander Canadian Fleet Pacific from 2001 to 2003. Cmdre. (Ret'd) Lerhe is currently completing his doctoral degree at Dalhousie.



CAMERON ROSS

Major-General (retired) Cameron (Cam) Ross holds the honorary appointment of the Colonel of the Regiment of Lord Strathcona's Horse (Royal Canadians). He is the President of HCR Security International Ltd., a private company which provides strategic advice to governments and the private sector.



GEORGE MACDONALD

George Macdonald retired from the Canadian Forces as Vice Chief of the Defence Staff in 2004. He then joined CFN Consultants in Ottawa where he continues to deal with defence and security issues.



STÉPHANE ROUSSEL

Stéphane Roussel is Assistant Professor at the Department of Political Science, Université du Québec à Montréal (UQAM) and the Canada Research Chair in Canadian Foreign and Defence Policy.



SARAH JANE MEHARG

Dr. Sarah Jane Meharg is President of Peace & Conflict Planners Canada and serves as Adjunct Professor at the Royal Military College of Canada. She is Canada's leading post-conflict reconstruction expert.



RON WALLACE

Ron Wallace recently retired as Chief Executive Officer of a Canadian-US defence manufacturer. He has worked extensively internationally, including the Arctic regions of Canada and Russia, where he gained experience in northern engineering and environmental research.



ALEXANDER MOENS

Alexander Moens, the author of *Foreign Policy of George W. Bush*, is a Professor of Political Science at SFU and a Senior Fellow at the Fraser Institute in the Centre for Canadian American relations.



DAVID WRIGHT

David C. Wright is an Associate Professor of History at the University of Calgary specializing in imperial Chinese and Mongolian history. Dr. Wright graduated magna cum laude with baccalaureate degrees in History and Chinese language. He went on to complete his M.A. and Ph.D. in East Asian Studies from Princeton University.



ROLAND PARIS

Roland Paris is the University Research Chair in International Security and Governance, and Founding Director for the Centre for International Policy, at the University of Ottawa. His research interests are in the fields of international security, international governance and foreign policy.



ROB WRIGHT

Rob Wright served as the Canadian Ambassador to China from 2005–2009. He served as the Ambassador to Japan from 2001–2005.

Canadian Defence & Foreign Affairs Institute

CDFAI is a research institute focused on Canada's international engagement in all its forms: diplomacy, trade, the military, and aid. Established in 2001, CDFAI's vision is for Canada to have a respected, influential voice in the international arena based on a comprehensive foreign policy, which expresses our national interests, political and social values, military capabilities, economic strength and willingness to be engaged with action that is timely and credible.

CDFAI was created to address the ongoing discrepancy between what Canadians need to know about Canadian international activities and what they do know. Historically, Canadians tend to think of foreign policy – if they think of it at all – as a matter of trade and markets. They are unaware of the importance of Canada engaging diplomatically, militarily, and via international aid in the ongoing struggle to maintain a world that is friendly to the free flow of goods, services, people and ideas across borders and to the spread of human rights. CDFAI seeks to inform and educate Canadians about the connection between a prosperous and free Canada and a world of globalization and liberal internationalism.

In all its activities CDFAI is a charitable, nonpartisan organization, supported financially by the contributions of foundations, corporations and individuals. Conclusions or opinions expressed in CDFAI publications and programs are those of the authors and speakers and do not necessarily reflect the views of the Institute staff, fellows, directors, advisors, or any individuals or organizations that provide financial support to CDFAI.

