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## MESSAGE FROM THE EDITOR

Both the Liberal government's 2005 International Policy Statement and the Conservative government's 2008 Canada First

Defence Strategy placed failed or failing states near the centre of Canada's future defence concerns. In both cases it was asserted that failed or failing states were a major source of international instability particularly because such fundamentally lawless states were used by major terrorist groups as bases of operation. It was also held that the social and economic instability within those states invariably spilled over their borders to affect neighbouring regions in areas of the world that were and are of obvious concern to Canada. A good example might be the impact that the perpetually failing state of Haiti might have on the surrounding Caribbean basin that has long been an area of strategic and economic interest to Canada.

At the time the two policy declarations were issued (they were most decidedly NOT White Papers), it certainly seemed as if failed and failing states were very much a major concern to Canada. After all, the nation was at war in Afghanistan, which had allowed itself to become the main base of Al-qaeda and the staging ground for the 9/11 attacks on the United States.

It would be a significant mistake, however, if Canadian foreign and defence policy from here on is to be based on the danger to Canada of failed or failing states.

No one can deny that there are states in the world that are virtually without government or in which a central authority is so weak that all manner of international brigands – political, religious, or criminal – can carry out their daily business without hindrance or interruption. But a brief review of the most significant issues that will shape international relations over the next several decades show that virtually all of them are the outgrowth of the good old fashioned state to state rivalry that the world has experienced since the dawn of states – city, regional or national.

In the Indo-Pacific region, the push and pull of four states, Japan, China, South Korea and India will be the main struggle that will determine what the Asia of 2064 will look like. To add to that power struggle that is being played out in political, diplomatic, economic and military spheres, there is the question of how Australia will defend itself if

US power is in fact in decline, how Indonesia might cope with a sudden rise of Islamic militancy and how the Philippines' growing desire for a renewed US security relationship will play off against Philippine nationalism.

Those who insist the greatest problem in central Asia today is still the possibility of civil war in Afghanistan after the final pull out of the US and NATO at the end of this year forget that at least one of Afghanistan's major sources of instability is that it was the prize in the Great Game that pitted the United Kingdom against Tsarist Russia from the 18th century to the onset of the Cold War at least and that the geopolitical struggles that have been at work in that part of the world for centuries – Persia/Iran versus India, India versus China, China versus Russia – will still dominate Central Asia for decades if not centuries to come.

One of the great questions that hangs over international relations today is the extent to which the United States will be able to project both hard and soft power in the future. The US will be dominant in the western hemisphere for decades if not centuries to come, but how much longer will the United States Navy be the ultimate guarantor of the freedom of international navigation? And if not the USN, then what navy or combination of navies will police the global commons?

In central Europe the clash between Russia and Europe, played out in maneuvering over issues such as gas pipelines and trade agreements, is starkly in display in the streets of Ukraine's major cities. Vladimir Putin's Russia is trying to build an informal empire in what was once the Soviet Union. Its campaign to rule its "near abroad", however, is clashing with the aspirations of former satellite states, or parts of the USSR, that now desire stronger trade and economic relations with the West. Russia may still be a wealthy state today due to its oil and gas resources, and it is certainly the world's second most powerful state in military terms, but the Russian demographic picture - aging population, widespread alcoholism, and a standard of living gap that makes the EU and the US egalitarian paradises by comparison – is not a basis for future economic dynamism.

What this all means in practical terms is simple: although significant state to state war seems immensely unlikely at the moment, our political leaders need to remember that the military provides the glint of steel that ultimately makes diplomacy work. And because of that, a credible military capability that (alone or in combination with other nations), gives pause to those whose interests run afoul of ours, is still vitally necessary.

**David Bercuson** is a Fellow of CDFAI and Director of the Centre for Military and Strategic Studies at the UofC.



## THE TRANS-PACIFIC PARTNERSHIP: DISPELLING THE MYTHS

by HUGH STEPHENS

he failure of Trans-Pacific Partnership (TPP) trade ministers to conclude the TPP agreement this past December in Singapore will no doubt have pleased many critics of the agreement. Criticisms have been widespread, ranging from the "secrecy" of the negotiations to possible limits on national sovereignty arising from required changes to Canadian law to wild accusations that it will undermine internet freedom for Canadians. The Council of Canadians, never a friend of trade liberalization, has had particularly harsh words for the TPP. According to one of the many anti-TPP posts by the Council, the TPP "could lead to the dismantling of Canada's important supply management regimes for dairy, poultry and egg production; the race-to-the-bottom potential in a proposed regulatory harmonization chapter; extreme intellectual-property protections for big drug companies that would limit access to life-saving medicines; investorstate provisions that would allow companies to sue governments over rules to protect the environment; government procurement restrictions and copyright rules that undermine internet freedom".

## Could it get worse!

To cite another commentator, Devon Black in iPolitics, "The agreement....doesn't just involve trade provisions. It could also require signatories to change domestic law in a huge range of areas". She goes on to say, "this treaty

could end up radically changing how Canadians are able to engage with each other — and with the rest of the world — through the Internet." This theme has been echoed by others, such as Michael Geist, writing in the Toronto Star who claimed that "a TPP based on the (leaked) US (IP chapter) proposals would signal a near-complete surrender of a made-in-Canada approach to intellectual property, leading to risks of lost internet access, expansive border seizures, increased health care costs, and criminal liability for non-commercial infringement".

Why, one might ask, has Canada embarked on such a "foolish" proposition? The Canadian government promotes the TPP as a "key pillar of Canada's pro-trade plan", arguing that the TPP will "deepen Canada's trading relationships with dynamic and fast-growing markets" and that it "will help ensure that Canadian business is not disadvantaged with respect to its global competitors". One could cite more supportive pro-business views ranging from the Canadian Council of Chief Executives to Canadian Manufacturers and Exporters to the Canadian Cattlemen's Association, but let us accept as fact that there will be advantages from the TPP for both exporters and consumers. The real issue for the opponents seems to be both the cost of the "concessions" that Canada may have to make to gain these commercial benefits, along with the negotiating and ratification process of the TPP.

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The first and most vocal objection of many of the opponents is that the TPP is a "secret" deal.

While it is true that the provinces are not at the negotiating table as they were with the Canada-EU (CETA) negotiations, the unprecedented provincial presence in that negotiation was a result of EU insistence that Canada be in a position to deliver on removal of trade restrictions falling under provincial jurisdiction. The consultative process with non-government stakeholders was essentially the same as it has been with the TPP and all recent trade agreements. For the TPP, there have been parliamentary studies and public consultations, a range of stakeholder meetings at each negotiating round and, although not planned, probably more leaked negotiating texts than any other trade agreement. These leaks are, in fact, part of the problem because incomplete negotiating texts, where maximum demands and extreme positions are set forth by one negotiating partner or another, lead to a distorted view of possible outcomes, and a resultant flood of "worst-case-scenario" commentaries. All trade negotiations are conducted on a confidential basis, for good reason. The TPP is no exception; it is the norm.

A number of "the sky is falling" commentaries have focused on the draft text of the intellectual property (IP) chapter of the TPP where the US, as the principal "demandeur" in this area, has laid out its negotiating wish -list. Resistance to some of these demands, by Canada and others, gives them more value as negotiating coinage when trade-offs have to be made, so it is not surprising to find Canada and the US on opposite sides of some of these issues as the negotiations near completion. Should US demands be so objectionable as to be totally unacceptable to Canada or other countries, the political cost of agreeing to some of these US proposals would be deemed to be too costly politically, and would be considered nonnegotiable. But, for the most part, such is not the case.

First, US negotiators themselves are limited by current US laws on intellectual property, unless they could get amendments approved by Congress, a highly unlikely outcome. It is worth noting that over the last decade and the negotiation of more than a dozen bilateral agreements by the US, the intellectual property provisions of those agreements have not gone beyond US intellectual property laws prevailing at the time. Much ink has been spilled in Canada by TPP opponents arguing that US proposals on internet service provider (ISP) liability will

limit internet freedom for Canadians. Devon Black argues that "the U.S. proposal would require ISPs to disable access for customers accused of infringing copyright, and block content that is alleged to infringe copyright". She goes on to say that "for people who think of the Internet as a safe place for the open exchange of ideas, these changes would invoke stunning new restrictions on that freedom".

All trade negotiations are conducted on a confidential basis, for good reason. The TPP is no exception; it is the norm.

Like much of what is written about the TPP, this is misleading, and draws alarmist conclusions based on incomplete information. There is nothing in current US law that requires ISPs to disable access to subscribers who are accused of copyright infringement. If a subscriber is a repeat copyright infringer, actions against them could involve various steps up to and including termination, but it is worth noting that Canadian ISPs have similar termination provisions for copyright violation contained in their subscriber agreements, and have had them for years. Moreover, there is nothing in US law that would allow site-blocking on the basis of accusations and allegations. In the US, there is a "safe harbour" regime in place for ISPs. They cannot with impunity ignore illegal activities of their clients and if notified by copyright holders, must take action to disable or take-down hosted infringing content. If they act responsibly and promptly, they are indemnified from liability. Prompt takedown action is required because in the digital age, damage from copyright infringement can be widespread and immediate. In the rare event that a mistake has been made by the copyright holder in notifying the ISP, there is a provision for timely redress and restoration of the content. The proposed system in Canada that is pending proclamation into force, is the so-called "notice and notice" system (i.e. ISPs would be obliged to inform consumers—to provide them notice—of allegations of infringement, but would have no obligation to do anything other than to forward notice after notice after notice). This is unlikely to be effective in protecting the rights of copyright holders given the current scope, scale and practices of major pirate sites today that base their business model on widespread copyright infringement. To suggest that more robust measures to deter copyright infringement in Canada,

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(along the lines of those that already exist in the US), would undermine the role of the internet in this country, or radically change how Canadians use the internet, is sheer fantasy. Does anyone really think that Americans have less access to free expression on the internet than Canadians?

Other objections to the IP chapter in the TPP revolve around patent duration for pharmaceutical products. According to the Council of Canadians, this could "limit access to life saving medicines". Canada and the EU were able to agree on sensible compromises that will give brand -name pharmaceutical manufacturers some additional patent protection to compensate for time lost during the drug review and approval process without compromising the health of Canadians or bankrupting the health care system. There is no reason to believe that similar sensible compromises could not be made in the TPP.

In addition, the Council objects to the potential relaxation of government procurement restrictions that limit bidding on public projects to Canadian and, in many cases, local companies despite the fact that all evidence indicates that opening up government procurement to outside bidders results in lower costs and wider selection for the benefit of all taxpayers. The Council also insists on advocating for the continued protection of Canada's "important" supply management system, (important primarily for Canada's 12,500 dairy farmers and the three major dairy processing companies that dominate the market) that imposes a "tax" of several hundred dollars annually on every Canadian family, whether income levels are at, above, or below the poverty line. Its unequivocal support for this regressive "tax" is hard to reconcile with its stated motto of "Acting for Social Justice".

What about the argument that the TPP will require Canada to pass laws that will limit the government's ability to impose restrictions in specified areas? This of course is true, but is nothing new. It is the essence of what a commitment in a treaty or trade agreement is all about. Just about every trade agreement ever signed has required some changes to domestic law. The Canada-US Trade Agreement in 1989, for example, required an omnibus implementation bill (Bill C-130) that amended 27 pieces of legislation to bring them into compliance with the agreement.

The point of trade agreements is that governments agree

to limit their sovereign powers to legislate in discriminatory ways against foreign entities in return for reciprocal benefits. At the end of the day, if they don't want to comply with the obligations they have taken on they have the option of paying the price by losing reciprocal benefits, or renouncing the agreement and withdrawing from it.

Critics argue that the TPP is intrusive because it goes beyond trade, with the Council of Canadians claiming that only two of the twenty-six chapters have to do with trade. This ignores the reality that trade agreements moved beyond simply tariff reductions and customs procedures years ago. As tariffs have come down, the real obstacles to moving goods and services lie in the wide array of behind-the-border measures that governments have created, ranging from trade barriers disguised as standards to discriminatory regulatory practices, to other non-tariff barriers such as procurement preferences. The objective of TPP negotiators is to tackle these market distortions and facilitate trade.

If you are against lowering trade barriers, despite plenty of evidence over the past half century demonstrating that liberalizing trade has created enormous wealth and reduced poverty globally, and if (like the Council of Canadians) you support the maintenance of Canada's outdated supply management system, oppose the opening of government procurement markets, and equate "internet freedom" with copyright abuse, then I suppose there is some internal logic in opposing the TPP. However, to suggest that the TPP negotiations are significantly different from the process employed for other trade agreements, that the TPP will undermine the internet, damage our health care system, reduce government's ability to protect the environment or regulate labour, or any of the other litany of criticisms laid at its doorstep, is nonsense. It is time we dispelled these myths and started looking at the TPP for what it is, an opportunity for Canada to establish its footprint in the fast -growing Asia-Pacific region and to position itself to take advantage of the growth prospects offered by freer trade and investment across the Pacific.

**Hugh Stephens** is a Fellow of the Canadian Defence & Foreign Affairs Institute and the Executive-in-Residence at the Asia Pacific Foundation of Canada.



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## **WE DON'T NEED A NEW COLD WAR**

by COLIN ROBERTSON

fter the anthems still and the athletes go home, will the enduring picture of the Sochi Olympics be that of Putin and the snow leopard as the precursor to a new Cold War?

That was the warning of Ukraine's Greek Catholic Patriarch Sviatoslav Shevchuk who last week called on the West to adopt a "proactive policy" in the face of Russian aggression. Humanity, he declared, "may well be on the verge of a new Cold War."

Russian Foreign Minister Sergei Lavrov responded by accusing the West of trying to build "spheres of influence" in Eastern Europe. "Attempts to isolate our country," argued Lavrov, "inevitably set in motion processes that led to the catastrophes of the world wars."

The U.S. Intelligence Community in its recent Worldwide Threat Assessment concludes that Russia "presents a range of challenges." Top U.S. intelligence chief James Clapper says that Russia's military took an "increasingly prominent role" in out-of-area operations last year, notably in the eastern Mediterranean, Latin America, and the Arctic.

Canada's Conference of Defence Associations Institute Strategic Outlook 2014 reaches a similar conclusion.

Putin's 104-point foreign policy doctrine, write authors Ferry de Kerckhove and George Petrolekas, is a "declaration of difference" bent on establishing Russia as

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one of the "influential and competitive poles of the modern world." This explains Russian behaviour towards its neighbours: armed intervention in Georgia, cyberattack on Romania and now interference in the Ukraine.

The West's relations with Russia have been on a roller-coaster since the end of the Soviet Union. The West needs to develop a partnership with Russia, recognizing it has limits, argues Angela Stent in her excellent new book.

Stent says that Putin is determined to make Russia the leader of a new conservative international system with Russia upholding traditional family and Christian values and respecting states; sovereignty. In Putin's view, it is the West that is the disruptive force, imposing on others its system and ways.

After Putin granted asylum last year to Edward Snowden, President Obama cancelled their proposed summit. An aggravated Obama broke his customary cool, saying that Putin's "got that kind of slouch, looking like the bored kid in the back of the classroom." But he continued, "when we have conversations, they're candid, they're blunt, oftentimes they're constructive."

Constructive must be our watchword.

The West, including Canada, has to invest time and effort in Russia. Russia matters because of its strategic location, its nuclear arsenal and its ability to support – or thwart – the West in the United Nations and other forums.

We co-operate on counter-terrorism. The Russians are party to the discussions on Syria, Iran and North Korea. They have been helpful in Afghanistan, where assistance is even more necessary as we withdraw.

One of the best Canadian observers of the Russian mind was Robert Ford, our 'constant diplomat' in Moscow for 20 years.

Ford noted "the almost psychopathic feeling of inferiority of Russians" and their readiness to hear insults even when none was intended. The Russians, Ford observed, "secretly admire those who stand up to them." Ford would later worry that Canada's diplomatic service put too

much weight on management skills rather than expertise in foreign affairs and original thinking.

After Ambassador Ford's retirement, then U.S. Secretary of State George Shultz brought him to Washington for advice.

Russia matters because of its strategic location, its nuclear arsenal and its ability to support — or thwart — the West in the United Nations and other forums.

Prime Minister Harper would profit from reading Ford on both Russia and diplomacy.

Long critical of the President Putin's "self-serving monopolistic political strategies", Harper described last year's G8 meetings as "G7 plus one", accusing Putin of "supporting the thugs of the Assad regime." Foreign Minister John Baird has denounced Russia's anti-gay laws as "hateful and mean-spirited" and last week sent medical aid to the Ukrainian activists.

Blunt talk and action can be useful tactics as long as they fit into a strategy of constructive engagement with Russia. In addition to the multilateral agenda, we share the same challenges in our North and in stewardship of the Arctic.

Our bilateral entrée starts with Russian Ambassador to Canada, Georgiy Mamedov.

Now the Dean of Ottawa's diplomatic corps after a decade in Canada, Mamedov is highly experienced: a former deputy foreign minister who negotiated arms control with the United States and helped negotiate the removal of nuclear weapons from the Ukraine. We should be using his knowledge and network.

The West's relationship with Russia has always been complicated but stretching the uneasy partnership to its limits is essential for peace and security. We don't need a new Cold War.

**Colin Robertson** is Vice President of the Canadian Defence & Foreign Affairs Institute, Senior Strategic Advisor to McKenna, Long and Aldridge LLP and works with the Canadian Council of Chief Executives.



## THE HARPER GOVERNMENT AND ECONOMIC DIPLOMACY

by ROLAND PARIS

hen the government of Prime Minister Stephen Harper unveiled its Global Markets Action Plan in late November, several commentators argued that its emphasis on "economic diplomacy" as a priority in Canadian foreign policy merely echoed the strategies of previous Conservative and Liberal governments.

Toronto Star columnist Thomas Walkom, for example, wrote that the new emphasis on economic diplomacy was, in fact, "not new" because it echoed Pierre Trudeau's 1968 pledge to make Canada's foreign policy better reflect domestic interests, including economic ones.

Retired Canadian diplomat John Noble went a step further, arguing that economic objectives had been key foreign policy priorities not only for Trudeau, but for all of the post-World War II prime ministers. commentators are correct that other governments have prioritized trade, but they nevertheless reach the wrong conclusion because their analysis neglects to consider the context in which the Global Markets strategy was

announced.

Unlike prior governments since World War II, all which pursued broad-based foreign policies including in multilateral forums, the Harper Conservatives have allowed many areas of Canadian foreign policy - other than trade – to atrophy.

Canada is no longer a leader in arms control. It is a laggard in efforts to address climate change. It has repeatedly snubbed the United Nations. It has hinted that it might pull its funding from the Commonwealth. It ham -fistedly withdrew from the UN Convention on Desertification. It has even been criticized by NATO for its diminished interest in the alliance - a criticism that I heard from several officials when I visited NATO headquarters in early 2013.

Canadian foreign policy has been reduced to a "boutique" of narrow issues - including religious freedom, Sri Lanka,

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Ukraine, Israel, Iran, gun ownership rights, and maternal and child health (but not reproductive rights) – that have been placed in a showcase largely for the appreciation of domestic constituencies.

Beyond these and a few other issues, the Conservatives have shown very little interest in foreign policy since they entered office in 2006.

But trade has been a different matter: the Harper government, including the Prime Minister himself, poured itself into the negotiation of new free trade and investment agreements with all manner of countries, large and small. This strategy finally began to pay off in a big way when Ottawa announced an agreement in principle with the European Union in 2013.

There is nothing inherently wrong with this emphasis on international trade – on the contrary, since economic growth in Canada and in other older established markets has slowed, expanding commercial links with faster-growing emerging markets is imperative.

The point, rather, is that international trade policy has loomed over the rest of Canada's foreign policy, and it did so long before the announcement of the Global Markets strategy in November.

Any doubt about the Conservatives' relative lack of interest in *non*-trade foreign policy should have been put to rest by the government's Throne Speech of October 2013, just weeks before the Global Markets strategy was released. The speech, which ran over 7,000 words and took a full hour to deliver, contained only a few brief paragraphs on foreign policy.

In fact, it would be misleading to suggest that the Throne Speech addressed "foreign policy" per se — if that term connotes the government's broad approach to international affairs. Rather than a foreign policy, there were passing references near the end of the speech to a few of the "boutique" issues mentioned above.

In short, economic diplomacy is supreme today, but not only because trade is a priority for the Harper government, as the Global Markets strategy makes clear. Just as importantly, it is supreme because the other elements of Canada's foreign policy are so weak – to a degree that is unprecedented among recent Canadian governments.

**Roland Paris** is a Fellow of the Canadian Defence & Foreign Affairs Institute, University Research Chair in International Security and Government at the University of Ottawa, and founding Director of the Centre for International Policy Studies, University of Ottawa.







## MOSCOW'S WEAKNESSES EXPLAIN CRIMEA CRISIS, NOT WASHINGTON'S

by FRANK HARVEY

here is a common but seriously flawed thesis running through too many commentaries on the unfolding crisis in Ukraine's Crimea peninsula. According to this widely shared view, Russian President Vladimir Putin's decision to invade Crimea was a direct product of America's declining global influence, President Barack Obama's weak and feckless foreign policies in places like Libya, Syria and North Korea, and a dangerous deficiency in American capabilities and resolve to credibly deter opponents.

According to GOP Senator Lindsey Graham, for example, "it started with Benghazi. When you kill Americans and nobody pays a price, you invite this type of aggression." This interpretation of the link between contemporary U.S. foreign policy and Mr. Putin's motivations is seriously flawed.

Mr. Obama's application of U.S. power and coercive diplomacy in Syria succeeded. It was virtually impossible for officials in Damascus and Moscow to know with any certainty whether U.S. officials would be able to limit the threatened air attacks to an "unbelievably small" campaign (to use Secretary of State John Kerry's words). If the airstrikes produced no clear signs of progress, if the regime retaliated by using chemical weapons again, or if humanitarian conditions on the ground continued to deteriorate, the pressure on Washington to sustain the bombing campaign would have been significant. When Mr. Kerry suggested in a press conference that Bashar al-Assad could avoid the air strikes if he turned over "every single bit of his chemical weapons to the international community," Mr. Putin jumped at the offer, persuaded Mr. Assad to take the deal, and immediately initiated discussions leading to the UN disarmament resolution.

Consider the evidence of U.S. power and influence in this case: without firing a single shot, Washington forced Mr. Assad (Russia's key ally in the Middle East) to acknowledge Syria's possession of chemical weapons, sign the Chemical Weapons Convention prohibiting further production and deployment of proscribed weapons, and identify the exact location of the regime's stockpiles and production facilities. In light of the strategic role chemical weapons played in the conflict up to that point, and the deterrent value Syrian officials assigned to these weapons in relation to their rivalry with Israeli, a formal agreement to destroy these weapons constitutes an impressive foreign policy success and a clear victory for the credible

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application of coercive diplomacy. None of this would have occurred had the Obama administration lacked power and credibility, or followed the critics' recommendation to back down and retreat.

North Korea's annual outbursts during U.S.-South Korea military exercises are a product of Pyongyang's weaknesses, not Washington's. Kim Jong-un is completely isolated and becoming increasingly reliant on a strategy of exploiting fabricated irrationality to extort concessions from the West, precisely because the regime is too weak to do anything else. Even China was persuaded to sign the U.S.-sponsored (unanimously endorsed) UN Security Council Resolution imposing a new round of economic sanctions on the regime after its underground nuclear test in February, 2013.

With respect to the Ukraine crisis, Mr. Putin's actions are largely motivated by his perception of threats from NATO's (military) and the European Union's (economic) expansion eastward. Ukraine's parliament was contemplating a free-trade deal with the EU that would have loosened Russia's economic grip on a vital piece of the former Soviet Union – Ukraine is arguably a red line for Mr. Putin. Negotiations over the Ukraine – European Union Association Agreement were abandoned by the deposed president Viktor Yanukovich, but that move spawned the widespread protests and sniper attacks that led to his removal. In sum, Mr. Putin's admittedly risky strategy in the Crimea is driven, in large measure, by fears associated with the 'expansion' (not contraction) of American, NATO and EU power and influence in the region.

Mr. Obama's credibility was never on the line in this case; he had very few options before the crisis and even fewer now. His critics certainly have complaints about the U.S. response but offer no credible alternatives.

Now that Russia has deployed troops to the Crimea, Mr. Putin is very likely to be concerned about his own credibility, particularly if he remains convinced that his strategy will have a positive impact on regional and global impressions of his resolve to protect Russia's interests. Unfortunately, if this is how Mr. Putin sees the world, the international community will have a very hard time convincing him to retreat. Ironically, the very strategy Mr. Putin has adopted to demonstrate his resolve will also convince Ukraine that its economic and territorial security

lies with the West - a self-fulfilling prophecy Mr. Putin and his advisors appear to be missing.

Frank P. Harvey holds the Eric Dennis Chair of Government and Political Science at Dalhouise University and is a Research Fellow of the Canadian Defence and Foreign Affairs Institute. His most recent book, Explaining the Iraq War: Counterfactual Theory, Logic and Evidence (Cambridge University Press), won the 2013 Canadian Political Science Association Book Prize for the best book on international relations.

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## CANADA'S ARCTIC: SOVEREIGNTY VS. COOPERATION

by NATALIA LOUKACHEVA

The establishment of the Arctic Economic Council this year will become the first tangible success of the Canadian two-year chairmanship of the Arctic Council. By working closely together with its regional partners Canada has succeeded in sustaining multi-layered and deeper collaboration provides cooperation. This opportunities, reduces costs, offers a platform for cooperation, while enhancing trust, good will, and interdependence in the region.

Sitting in the chair of the Ottawa-based and revitalized Arctic Council, Canada bears growing responsibilities for the state of affairs in the Circumpolar North, which are best served by positive relations and innovation. A Canada-led shift in the work of the Arctic Council to business and economics is timely as good governance is a major prerequisite of sovereignty. In the changing Arctic, and with growing global attention towards Arctic resources and new transportation routes, stronger cooperation among the Arctic states means enhanced sovereignty for all Arctic states.

Geographically, Canada is the second largest Arctic nation after Russia. Having Russia as an active, influential and responsible member of the Arctic family is essential. Defense Secretary Chuck Hagel's statement during the introduction of the Pentagon strategy on the Arctic in November 2013 emphasized that "the United States and Canada share common interests in the Arctic" with Russia. Moreover, despite possible misunderstandings elsewhere, when it comes to the Arctic, Russia is Canada's major

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natural partner and both countries should be focused on enhancing their national sovereignty and protecting their borders to withstand new security challenges brought on by climate change and the thawing of the ice in the Arctic Ocean. Thus, Russia's call to restore its military bases and airports in the Arctic is guided by the same intention as Canada's to protect its sovereignty and ensure its security in the North. It is not a Cold War era zero-sum game in an us-versus-them world. We all need to protect our borders and Exclusive Economic Zones; prevent terrorism and illegal immigration; assure the safety of maritime shipping and critical industrial infrastructure; provide facilities for search and rescue; and maintain industrial safety in the Arctic.

In light of current realities, we should think more about our collective sovereignty and security in the Arctic. This is debated increasingly in all Arctic capitals. We simply cannot afford to step back into a conflict among the Arctic states as it would undermine the sovereignty and security of everyone involved. Although we still have some unresolved issues (i.e., Canada–US delimitation in the Beaufort Sea), these matters should be sorted out calmly and professionally, on the basis of UNCLOS and through other existing international law frameworks.

The only reasonable stance for Canada in the Arctic is sovereignty *through* cooperation. The same applies to all Canadian neighbours in the Arctic.

The natural need to protect our sovereignty should not compromise cooperation. The protection of Canada's Arctic sovereignty remains a top-of-mind issue in our domestic politics, but as we develop strategies to address this domestically, Canada should be cautious not to raise concerns with our neighbours - USA, Russia, and Denmark. This is especially important in our discussions around the continental shelf. All four nations should be required to prove to the Commission on the Limits of the Continental Shelf that the ridges and rises on the Arctic Ocean are the geological continuation of the continent. Each has to prove this same thing from its own side. Currently Canada is in the same boat as Russia and Denmark (and the USA). Regardless of any domestic political issues/priorities we have to cooperate in this crucial area. Only when it is proven that the Arctic continental shelf belongs to us will we be able to begin looking into possible overlapping claims. Doing the opposite would weaken our scientific argument on the key point – that the continental shelf belongs to Canada as per UNCLOS rules. It is indeed premature to speculate about any possible conflict with Denmark or Russia on this

matter. Exaggerating this possible disagreement only plays into the interests of those who want to "internationalize" the Arctic on the grounds that it is not properly governed by the Arctic states.

The only reasonable stance for Canada in the Arctic is sovereignty *through* cooperation. The same applies to all Canadian neighbours in the Arctic. The success of Canada's chairmanship in the Arctic Council is another reminder that our sovereignty and security in the Arctic should be defended in accordance with other Arctic states, and together with them by showing the able leadership, good governance, team spirit and long-term strategic vision.

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## "SECURITY PERIMETER": FROM HORRIFYING TO HO-HUM IN TEN YEARS?

by BRIAN BOW

Tt has been ten years now since the Chrétien ■ government launched the Commission of Inquiry to investigate Maher Arar's deportation to Syria. Back then, the Arar case was seen by many Canadians as a reflection of the worst excesses of George W. Bush's war on terror, and it cast a long, dark shadow over post-9/11 security The war in Iraq stirred widespread cooperation. opposition to US foreign policy, but it was the Arar case that raised apprehensions that cooperation with US "homeland security" efforts might not only undercut Canada's political autonomy, but also endanger-in a much more direct and tangible way-the lives, legal protections and privacy of ordinary Canadians.

Canadian officials, on the other hand, were worried about the risks associated with **not** supporting US homeland security initiatives. With the disruptive closure of the border after 9/11, and frequent reminders from Washington that "security trumps trade," Ottawa was determined to demonstrate that Canada was a reliable

partner, and that trade could be expanded-or at least maintained-without compromising security. Some proposed a "perimeter" approach, wherein the security fence at the land border might eventually be lowered, if Canada pursued its own more aggressive counterterrorism strategy away from the border, and the two governments were able to work together to build up a much higher fence around the whole continent. Security cooperation quietly carried on, but the perimeter concept was politically poisonous, and it took more than five years - and the eventual replacement of George W. Bush by Barack Obama — to get the conversation going again. Ten years later, there is finally real momentum behind Canada-US security cooperation. Canadian officials are even using the phrase "security perimeter" in public, without flinching.

The Beyond the Border (BTB) initiative was officially launched in February 2011, as a bilateral replacement to (Continued on page 18)

the failed trilateral Security and Prosperity Partnership (SPP, 2005-09). SPP was a bureaucrat-driven process, with high-profile summit meetings; BTB is a bureaucratdriven process with virtually no political profile. SPP talked in broad terms about dialogue and cooperation; BTB has a list of specific policy adjustments to make, and a timetable for their implementation. SPP avoided politically-charged issues, and its summits usually ended with a press conference at which the leaders swore they hadn't been talking about anything important. BTB is aggressively tackling previously untouchable issues like joint policing and entry-exit tracking, and its lead negotiators are trying hard to demonstrate that they are getting things done. In fact, one of their main responsibilities is to convince business stakeholders to stay engaged, and to showcase BTB's policy-coordination accomplishments through public outreach.

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It is of course good news that BTB has found ways to reduce costs and increase the effectiveness of homeland security efforts (at and "beyond" the border), and that this has fostered a new sense of confidence in Washington. The challenge for BTB now is to go beyond listing areas where "enhanced cooperation" has been achieved, and talk more openly about the things that Canadians were worried about back in 2004. Particularly given the suspicions raised by NSA wiretapping and domestic drone surveillance, there ought also to be some relatively candid discussion of the political and legal safeguards built into the new security perimeter, to protect due process and privacy.

The lesson taught by the Arar case ten years ago was not that Canada should refuse to cooperate with US counter-terrorism efforts, nor that it had no choice but to do whatever the US wanted; it was that there must be clear rules to govern the cooperation that would inevitably take place. Those rules—like all homeland security and counter-terrorism policies—must be designed not only to effectively deter or prevent threats to the public, but also to reinforce the public's confidence in the system itself. The public is evidently prepared to defer to policy-makers

on these issues for now; but we know, from bitter experience, that it only takes one mistake — one failure to detect, explain and correct abuse of the system — to destroy public trust, and thereby derail all of the diplomatic momentum that it has taken so long to build.

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## **MANAGING A LIMITED DEFENCE BUDGET**

by GEORGE MACDONALD

The current defence budget allocation is about \$19 billion, up from about \$13 billion in the first half of the last decade. The Government can certainly claim that it has increased funding for Defence significantly over the past seven years, but they have also dramatically reduced the flexibility to manage the budget to achieve the best possible result. This presents a considerable challenge to those managing the budget and trying to make ends meet, all the while maintaining the military capabilities anticipated for the future.

In the Canada First Defence Strategy issued in 2008, the government identified a 'shopping list' of major equipment procurements along with a projected level of budgetary spending, to include a modest growth factor. With the global recession, which began soon thereafter, and the extraordinary spending that followed to stimulate the economy, the government has been aggressively working to return to a balanced budget. For Defence, funds allocated for capital equipment acquisitions have remained at a healthy level, protected, or 'fenced off' from other defence spending. Initiatives to restrain and reduce defence spending to slay the deficit have, therefore, been concentrated almost exclusively on the operational budget

allocation - that related to personnel, exercises and training, repair and maintenance, equipment operating costs, etc.

By far the largest component of the defence budget relates to personnel costs. In addition to salaries, there are costs for benefits, healthcare, relocation of military members, personnel services, training, etc. This will continue to consume a greater and greater portion of the budget as One budget-cutting initiative by the costs increase. government is the mandated absorption of any pay increases into departmental budgets. At a time when contracted public service salaries have been negotiated to increase 5.3% over a three-year period, budgets have been frozen, forcing all departments to seek ways to find offsetting reductions. For the Canadian Forces, where pay increases follow those of the public service, the government has signaled its unwillingness to reduce Regular Force strength below 68,000 personnel. This leaves the military leadership with drastically decreased flexibility to address other budget restraints and cuts.

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One area that becomes a natural target is what is known as the National Procurement budget – funding for spares, repairs and overhauls, contracted services, ammunition, clothing and a myriad of other items. Many of the contracts in place to provide these items and services are multi-year and not easily modified. The result is that cuts in this area end up being what can be done as opposed to what should be done. This creates inefficiencies and violates normal spending priorities. The immediate need to reduce spending is achieved but will almost certainly have to be addressed at greater cost in a year or two, and with the concomitant risk to support an operational capability.

Overall, managing the defence budget is a perpetual game of 'whack a mole'.

The result of these limitations in reducing the defence budget is an ever-increasing search for efficiencies and cuts to other discretionary areas. Travel budgets can be cut. Flying hours, ship sea days and vehicle use can be reduced, saving the direct cost of fuel and maintenance, but not making a dent in the much larger overhead. Training exercises can be curtailed, resulting in reduced readiness. However, activity related to search and rescue, NORAD operations, deployed forces, disaster response, etc. must be given priority, further constraining opportunities for restraint.

Overall, this is a serious situation and its impact should not be underestimated. Moreover, it is not going to improve any time soon. With advance notice, some budgets can be managed to avoid unnecessary spending and loss of effectiveness, but other steps take time to see real results. The defence transformation initiative currently underway should help but the short term pressures will continue to be acute.

A more permanent solution for managing the defence budget would be to seek a rebalancing of its various components. While many would likely agree that the capital budget is healthy and appropriate, its protection has resulted in disproportionate decreases elsewhere. One might ask whether some capital expenditures make sense if the department is unable to afford to support and train with the equipment acquired. The real elephant in the room relates to the number of military personnel. The effort to recruit, train and develop qualified military members is protracted and expensive, so it is important not to make any precipitous decisions that may cause long term demographic perturbation. Any rebalancing, or reduction in military personnel, should therefore be made with due attention to the longer term consequences and the impact on essential military capabilities.

Overall, managing the defence budget is a perpetual game of 'whack a mole'. For every action that can be taken, there are inevitably impacts — anticipated or not — that materialize to complicate the issue. Throughout, there are limited opportunities to restrain costs by simply stopping some activities. Those that can even be considered are invariably related to mandated government policies, would only provide temporary relief, or would result in marginal savings. Only a methodical, in-depth, government-supported effort to achieve an appropriate balance among the components of the defence budget will ultimately result in extracting the best bang for the taxpayer buck.

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## CANADA'S MULTILATERAL FUTURE

by STEVE SAIDEMAN

The Harper government has gained a reputation for ▲ being hostile to multilateral institutions such as the United Nations. There have even been significant murmurings in Ottawa about hostility to the North Atlantic Treaty Organization [NATO]. While this government and subsequent ones can discard some international organizations, I am pretty sure that Canada will remain tied to NATO well into the future. Why? Because it is, for all of its failings, better than the alternatives.

Sure, there were significant burden-sharing problems in Afghanistan where some countries, including Canada, paid a higher price than others. My new book with David Auerswald, NATO in Afghanistan: Fighting Together, Fighting Alone, documents the various differences in how members in and partners of NATO operated, but also explains why these challenges arise whenever countries try to cooperate on the battlefield.

Put simply, civilian control of the military does not stop once the fighting starts. Leaders of democracies have a variety of tools to manage their militaries, to make sure they stay within the mission's design. The tools they use depend critically on the nature of the politics at home does one have to negotiate with coalition partners to deploy troops and extend missions? If so, then a country is likely to impose caveats, restrictions, upon what their troops can do.

The key is that this dynamic plays out in any effort that includes two or more countries. Even during World War II, allies disagreed with each other over what to do and how to do it. A key moment in Australia's political history

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is when its Prime Minister, John Curtin, resisted Churchill and Roosevelt about where to deploy the Aussies coming back from North Africa. In more recent times, the U.S. discovered that many members of the Coalition of the Willing in Iraq actually were not so willing, imposing restrictions on themselves that would make the Italians in Afghanistan appear to be positively aggressive.

"There is at least one thing worse than fighting with allies — and that is to fight without them."

NATO is distinct from these other multilateral efforts in several ways. First, it does have legitimacy, far more than ad hoc associations. This makes it easier to get both members and outsiders on board. In more than a few members of NATO, otherwise pacifist parties find themselves in difficult spots as being opposed to NATO makes them appear to be less fit to take national office. Second, NATO now has generations of experience of interoperability. This means that while mishaps can occur on or near the battlefield, NATO members can work together relatively easily compared to other combinations of countries. Members can anticipate the restrictions and habits of other members, so surprises by one's friends are less frequent. Third, even sub-optimal burden-sharing is still burden-sharing. The U.S. may like the speed of operating by itself, but it learned that it could not fully commit to two wars without significant assistance. While the U.S. did more than it would have preferred in the skies over Libya, it still did less than otherwise would have been the case.

Why does this matter for Canada? Because Canada's military is too small to operate on its own. It lacks key capabilities that allies provide. If Canada wants to be involved in the world, and Harper's rhetoric about the Mideast suggests that it does, then the primary means will be through alliances and especially through this one alliance. For all of the rhetoric, one key reality stands out in Conservative Defence policy: the best arguments for the F-35 are tied to multilateral efforts and especially NATO ones. The plane is designed to have robust capabilities for operating with other F-35s and with equipment designed to work with F-35s. Who is going to have F-35s? Mostly NATO. Who is going to have the equipment that connects

well with the F-35s? Mostly NATO. While the F-35 decision is still up in the air, the previous commitments to this plane signal a greater interest in multilateral ties than may have been advertised.

Churchill said two things that are relevant here: "Democracy is the worst form of government save all the others" and "There is at least one thing worse than fighting with allies – and that is to fight without them." Together, these suggest that NATO is the worst kind of coalition except for all of the other possibilities. So, expect it to stick around, and expect Canada to continue to participate whether Stephen Harper is the Prime Minister or someone else is.

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