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PARLIAMENT BEGINS REVIEW OF NEW NATIONAL SECURITY LEGISLATION

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BAD NEIGHBOUR POLICY COULD LEAVE BOTH CANADA AND U.S. AS LOSERS [P.8]



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MESSAGE FROM THE EDITOR

Canada's new Minister of National Defence, Jason Kenney, has a well-deserved reputation as a serious political leader, focused, who gets things done. Long a stalwart of the Harper government, Kenney has already earned his place in Canadian history for both the reforms he pushed through as Minister of Immigration and for shifting the political allegiances of many of Canada's more recent immigrants from their once traditional support of the Liberal Party to Harper's Conservatives. He is also a partisan, no-nonsense minister whose presence at the head of National Defence may be taken as symptomatic of the Tories' ongoing support of robust Canadian defence policies.

But "may be taken" is no assurance that Kenney's leadership of the Department of National Defence (DND) will lead anywhere positive for Canada's military any time soon. Quite simply, it is the Prime Minister himself and Joe Oliver, Minister of Finance, who will determine the state of the nation's defences if the Harper government is re-elected, which is by no means certain.

No one should doubt Mr. Harper's commitment to ensuring the military has an important role to play in achieving the government's foreign policy goals. Canadian jets participated in the campaign in Libya in 2011 and they are now involved in the fight against ISIS in Iraq, along with some 70 special forces soldiers who are training Kurdish fighters. Harper knows that his dispatch of half a dozen jets to the Middle East and another half dozen to central Europe to counter Russian air activity in the Baltic and Black Sea keeps Canada "in the game". But at the same time, there simply is no publically-stated, long-term, strategic plan for the Canadian military and there won't likely be one as long as Mr. Harper can avoid declaring one. The Canada First Defence Strategy (CFDS), promulgated in 2008, is almost completely out of date, but it was never a defence strategy in the first place. The revised CFDS – if indeed there is one – remains behind locked doors at least till after the election.

Thus Jason Kenney, with all the influence he wields in Ottawa, will at all times be subject to Mr. Harper, who is Canada's real Minister of National Defence and Joe Oliver,

who is Mr. Harper's banker. Although all three men may harbour the best of intentions to actually acquire a new fighter aircraft, begin to rebuild a blue water navy, re-equip at least one brigade's worth of army troops, and train the men and women of the Canadian Armed Forces adequately, the state of the federal budget and the Canadian economy will always have first claim on their loyalties.

Here's hoping that Mr. Kenney can bring some balance back when it comes to defence spending in Canada and the maintenance of a properly sized, equipped and trained military. The times certainly demand it, but as always, partisan domestic politics will remain the most important factor in the decision to do so.

David Bercuson is Director of the Centre for Military and Strategic Studies at the University of Calgary, Area Director, International Policy for the School of Public Policy, University of Calgary and Program Director, Canadian Defence & Foreign Affairs Institute.

COVER STORY



Source: freeenterprise.com

PARLIAMENT BEGINS REVIEW OF NEW NATIONAL SECURITY LEGISLATION

by NEIL DESAI

Parliament has begun its review of the new national security legislation tabled by the Government of Canada in an effort to curb the nefarious activities of lone-wolf terrorists, among other things. The usual debates on the efficacy and ethical conundrums of such legislation and the tools and tactics it allows law enforcement officers to utilize will likely emerge.

There is often willingness from the general public to cede some civil liberties, including privacy, in periods of heightened security. Here in Canada, public safety and national security are again, top of mind. A recent poll by Abacus Data shows that 18 per cent of Canadians list public safety and terrorism as one of their top three issues. In March 2014, the poll showed only four per cent responding this way.

As we enter another period of global instability, Western, liberal-democracies, must strive to reshape the security-civil liberties dichotomy. This is ever so relevant here in Canada as the memory of our Parliament and Canadian Forces members being attacked by assailants, motivated by the hateful propaganda produced by ISIS, is fresh. This is exacerbated by the recent attacks at the offices of *Charlie Hebdo* magazine in France.

At the heart of solving the security-civil liberties dichotomy is technology. Unfortunately, much of the **global skepticism in government and law enforcements'** respect for civil liberties is perceived to be technologically-driven. However, the data unveiled by Snowden and Wikileaks is not an indictment of technology or technological capability.

Just as technology has enabled global commerce at rapid rates, crime has globalized and reached velocities never seen in history.

The nature of national security and public safety threats continues to evolve quickly. Just as technology has enabled global commerce at rapid rates, crime has globalized and reached velocities never seen in history. The internet has become a tool for terrorist recruiting and training, human trafficking and child exploitation among other crimes. A whole new category of crime, cybercrimes, has proliferated. According to a study by the Centre for Strategic and International Studies, the

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annual cost of cybercrime to the global economy is estimated at \$445-billion. Law enforcement officers are saddled with the burden of dealing with these new types of crime and digital evidence while under resource constraints.

Beyond cybercrime, law enforcement is also faced with unprecedented jurisdictional challenges as it tries to protect citizens from the unscrupulous. A Council of **Canadian Academies report**, titled “*Policing Canada in the 21st Century*,” suggests that “the lack of coordination has the potential to become a much greater concern in the future given the growing cross-jurisdictional nature of crime.”

Law enforcement and national security agencies in Canada and around the world have the arduous task of understanding new technologies while balancing jurisdictional and civil liberties challenges. The technology industry has an important role in addressing these challenges.

First, the industry must be a partner of police and security agencies in managing technology and technological challenges. Governments, under the best of fiscal circumstances, cannot be expected to continually evolve to match the constant innovation of the technology sector.

Details of these partnerships must be transparent to build trust with each other and the general public.

Second, the technology sector, police, and national security organizations need to partner to develop new **tools to not only address today's threats, but to also** anticipate future threats. Such a partnership should put respect for civil liberties and managing jurisdictional challenges at the heart of its dialogue. It is only through the purposeful co-development of such tools that we will see the technological lag between crime and law enforcement closed as well as the tension between security and civil liberties turned into a false-dichotomy.

***Neil Desai** is an executive with Magnet Forensics, a digital forensic software company in Waterloo, Ont. He also serves as a Fellow with the Munk School of Global Affairs at the University of Toronto and the Canadian Defence & Foreign Affairs Institute and is a former Chief of Staff to the CIDA Minister.*

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Source: nationalpostcom.files.wordpress.com

BAD NEIGHBOUR POLICY COULD LEAVE BOTH CANADA AND U.S. AS LOSERS

by LAURA DAWSON

Among Canada-U.S. watchers, I have been one of the slowest to admit that we are at a low ebb in bilateral economic relations.

Presidential permit on for Keystone XL pipeline? I argued **that it's not about Canada, it's a U.S. domestic squabble.** Country-of-origin labelling that excludes Canadian meat exports? I rationalized that Americans are concerned about the safety of food products from China and Canada got caught in the crossfire. No money for a bridge across the Detroit River but tens of millions of dollars to upgrade crossings to Mexico? Sure, I said, it makes sense to focus **on security and immigration, and we'll get it next time** around. Buy America restrictions on goods and services for a port terminal on Canadian soil? Okay, I give up.

There is nothing left but to admit that the White House is behaving with callous disregard for the relationship with **Canada. Once in a while, you've got to do the right thing** for your neighbours, even if doing so fails to score political points at home. This argument is lost on the current President.

And it's not just the United States. When faced with the opportunity to sit down and talk about North American priorities with President Barack Obama and President

Enrique Pena Nieto of Mexico, Prime Minister Stephen Harper decided to cancel a long-planned **leaders' summit** proposed for early this year. The reasons he cancelled are **not clear. Some speculate that pique over Obama's recent salvo against Keystone and Canada's unwillingness to give** Mexico any comfort on visa reforms led the Prime Minister to avoid engaging with the North American free-trade agreement neighbours entirely.

Big ideas require sustained co-operation, **dialogue** and a willingness to do the right thing.

As any marriage counsellor (or playground monitor) will **tell you, you can't solve a problem if you don't talk about** it. The silent treatment achieves precisely nothing and it leaves the shunner feeling even worse if the shunned go off and talk to each other.

It seems as though Mr. Obama and Mr. Harper are thinking more about the elections taking place over the next couple of years than they are about the economic

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challenges facing North America. The President, who cannot be re-elected, is attempting to carve out a legacy as an eco-warrior and an idealist. He will not yield to reason or concede to Republican wishes, even if it denies opportunities to Americans.

The Prime Minister, who wants to be re-elected, seeks to stop the clocks in order to better construct a campaign that claims credit for the positive elements of the Canada-U.S. relationship (primarily found in the Beyond the Border and Regulatory Co-operation Council initiatives) while heaping shame on U.S. bullies for pipelines, pork and ports.

But locking in the status quo and eschewing progress in favour of legacies and campaign promises serves the public very poorly. Change is the only constant in the global economy. Through investments in technology and reshoring, manufacturing in North America may be wobbling back to life even as the carbon fuels cash cow is faltering. What we need to manage this paradox and widen the window of opportunity is leadership, vision and big ideas.

Do you remember the role of big ideas in the North American relationship? They are now the stuff of history books but they gave us the confidence to build great trade routes such as the St. Lawrence Seaway and cross-border stewardship plans like the Boundary Waters Treaty and the acid rain agreement. They gave us bold trade agreements such as the auto pact, the Canada-U.S. free-trade agreement and NAFTA.

Today, the relationship is characterized by churlish griping with very little forward motion. Big ideas require sustained co-operation, dialogue and a willingness to do the right thing.

The world is changing around us. North America's relative economic strength in the world is plummeting. Citibank and PricewaterhouseCoopers predict that by 2030, Asia will be the centre of most global trade and by 2050 even Africa will leave North American trade in the dust. **We can't afford to sit around and watch an election clock before taking action.**

Canada and Mexico are the largest U.S. trading partners. The United States gets away with shoddy treatment of its best customers because the partners pose no credible

threat of retaliation. We're not going anywhere. We're not going to stop selling them goods and services. Similarly, U.S. companies invested in Canada are tuned into long-term economic signals, **they're not going to leave as a result of short-term political melodrama.**

But succumbing to petty squabbles misses the larger point. Canada and the United States are not going **anywhere in the global economy if we don't do it together.** Mexico offers us a lifeline into emerging markets and we mostly ignore it. Meanwhile, China has eclipsed us in basic manufacturing and development of new markets.

North America can strike back with rapid, focused investment in human capital, technologies, infrastructure, and red tape reduction to make the border less important. But a counterstrike requires big thinking and big co-operation, not the bad-neighbour policy. As long as we are held captive by small mindedness, we are going nowhere.

Laura Dawson, is a Fellow at the Canadian Defence & Foreign Affairs Institute and is President of Dawson Strategic. She is an expert in international trade and cross border issues.



BALANCE BETWEEN LIBERTY AND SECURITY IS CRUCIAL, EVEN AS GOVERNMENTS PRESS FOR WIDER SURVEILLANCE TO FIGHT TERROR

by COLIN ROBERTSON

Liberty and security: we want both. But at what price? The federal government's proposed legislation to bolster our defences against terrorist threats raises, again, the see-saw debate between rights and responsibilities and the state's obligation to preserve order.

Governments, whether right, left or centre, naturally want to cover all contingencies – what is more basic than protection of the state and its citizens. The natural tendency to overreach follows from this.

Abraham Lincoln suspended habeas corpus during the American Civil War. When Pierre Trudeau was asked how far he'd go to preserve order against bandits and blackmail during the FLQ crisis, the then-prime minister, and later father of our Charter of Rights, famously responded, "Just watch me."

Hastily enacted and liberally applied wartime measures – alien and sedition laws and internments – are usually the subject of second thoughts and retrospective regrets. The best counterweights to abuse are threefold: continuing oversight by elected representatives coupled

with sunset provisions within the legislation; a vigilant media; and the courts with their judicial override in protection of our liberties.

Laws, law enforcement and our armed forces play a vital role but they are only a piece of the solution.

Prime Minister Stephen Harper argues that because the international *jihadist* movement has declared war on Canada and its allies, the proposed measures – the additional security powers; restrictions on suspected *jihadists'* mobility and propaganda – are necessary and in line with those of our allies.

Announcement of the new measures coincides with the third-reading debate on legislation introduced after the October assassinations of two members of the Canadian

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military in Ottawa and Saint-Jean-sur-Richelieu, Que. The Protection of Canada from Terrorists Act is necessary, said Tory MP LaVar Payne, to “degrade and destroy” the terrorists before they bring their “barbaric, violent ideology to our shores.”

The opposition asks appropriate questions about the constitutionality, scope and extent of the legislation and wonders about the roots of *jihadism*. Justin Trudeau was mocked when he raised this question but it is pertinent.

Preventing radicalization confronts and frustrates all Western governments. Good intelligence and law enforcement can contain the threat but blocking the road to radicalization obliges the active involvement of family, community and schools.

Islamic religious leadership also needs to step up. The divide between church and state that the reformation established for Christianity is much more tentative for Islam.

It's not easy, as the British government discovered when it was accused of Islamophobia after writing to more than 1,000 imams to ask them to explain how Islam can be “part of British identity.” The government argued that it had a duty to fight extremism.

Canadians are justly proud of our pluralism. That our identity derives from two official languages, our First Nations and the people of many different cultures and countries is cause for celebration. We continue to encourage nation-building through an active immigration policy and generous refugee resettlement.

It's not without challenges but, comparatively, it works and continues to enjoy broad public support.

To its credit, the Harper government has sustained, even increased immigration, while remedying abuse and putting the emphasis on the responsibilities that come with citizenship.

The defence of liberty, especially individual liberty, is integral to being Canadian. But liberty, as the British philosopher Isaiah Berlin explored, is often in contradiction with other values, like equality.

At its root, *jihadism* is an idea, like communism and fascism, that promises a new utopia. Mr. Berlin observed **of utopias that “nothing so wonderfully expands the imaginative horizons of human potentialities – but as guides to conduct they can prove literally fatal.”**

We witness the spread of *jihad* abroad and worry about its attraction at home. Laws, law enforcement and our armed forces play a vital role but they are only a piece of the solution. This is why Islamic leadership, especially the imams, have a responsibility to get actively involved.

Writing in *Two Concepts of Liberty*, Mr. Berlin warned that **“when ideas are neglected by those who ought to attend to them – that is to say, those who have been trained to think critically about ideas – they often acquire an unchecked momentum and an irresistible power over multitudes of men that may grow too violent to be affected by rational criticism.”**

Preserving liberty is often about making choices that temporarily curb our liberties. We must ensure any abridgment is accountable and truly temporary.

The current and impending anti-terrorist measures alone will not end *jihadism*. This requires an attitudinal shift, especially amongst those best placed to stop those attracted to the call of *jihad*.

Inscribed on the Canadian Pavilion at Expo 67 was the **phrase: “Rights are the rewards of responsibility.”** Good enough for our centennial year, it has equal application for our approaching sesquicentennial.

Colin Robertson is Vice President of the Canadian Defence & Foreign Affairs Institute and Senior Strategic Advisor for McKenna, Long and Aldridge.



Source: beefcentral.com

CANADA AND AUSTRALIA IN ASIA: TWO NATIONS—TWO APPROACHES

by HUGH STEPHENS

Canada and Australia share much of the same heritage and history, and these days Prime Ministers Harper and Abbott seem to be each other's best friends, but their strategies in Asia couldn't be further apart, at least when it comes to concrete results. Australia grasped the reality some time ago that its future is inexorably linked with Asia. Australia, like Canada, still looks to the U.S. for its security umbrella and as an important trading partner. The U.S. is Australia's number three trade partner, after China and Japan, but unlike its trade with China, Japan and Korea, Australia has a large trade deficit with the U.S. Canada is clearly in a different geopolitical situation from Australia when it comes to both economic and security relations with the U.S., but Canada still needs to invest in strengthening ties with Asia, starting with trade and investment, but going beyond economics to a broader overall commitment.

There is hope. After the early years of neglect under the Harper government, Ottawa has been playing catch up in its commitment to Asia. Mr. Harper's recent visit to China last November was, by all accounts, a success. The visit was another step in repairing a frayed relationship with China and resulted in \$2.5 billion in completed or potential contracts for Canadian companies. Canada was also prompted to ratify the long-delayed Foreign

Investment Promotion and Protection Agreement (FIPA) with China. Lastly, mechanisms for an annual strategic dialogue were established along with the creation of a Chinese currency trading hub in Toronto – the first in North America. Assessing the results, Chinese Ambassador Liu Zhaohui declared in the *Globe and Mail* that in 2014, “booming China-Canada relations achieved remarkable progress.”

While Canada shuffled a step or two forward, Australia has taken a giant leap.

However, just days after Mr. Harper left China, Australia — one of Canada's key competitors in China, and Asia generally — announced that after ten years of negotiations it had concluded a bilateral free trade agreement. Canada, meanwhile, is still mulling China's invitation to begin negotiations, and a 2012 Canada-China Economic Complementarities study that explored areas for closer economic cooperation has sat gathering dust on the shelf. While Canada shuffled a step or two forward, Australia

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has taken a giant leap. In relative terms, Canada is now even further behind a key competitor.

Much has been made of the growth of Canadian trade with China over the past few years. Our exports to China have more than tripled in absolute terms since 2004, from \$6.8 billion to almost \$21 billion in 2013, despite Canada running a significant trade deficit. But, our market share **of China's imports has stagnated, remaining at just over 1% during this period. By contrast, Australia's market share has more than doubled during this period, increasing from 2% of China's imports to 5%, with Australian exports to China reaching \$95 billion in 2013. The conclusion of Australia's trade agreement with China marks the third deal between China and a developed country, but the first with real economic significance**

Our competitors are not standing still, and neither can we.

Reportedly the deal will be worth \$18 billion over the next decade to the Australian economy. It brings a range of benefits to Australian exporters: 85% of Australian imports will be duty-free upon entry into force of the agreement; tariffs on thermal and coking coal are to go within 2 years (a key area where Australia competes with Canada); tariffs on wine, seafood and meat will be progressively eliminated; a range of service providers benefit from being able to do business more easily in China. To mitigate concerns about the level of Chinese investment, Australia will be able to screen proposals from private investors involving agricultural land, and **Australia's equivalent of Investment Canada will still screen proposals from State Owned Enterprises.** In almost every area where Australian and Canadian products compete in the Chinese market, Australian producers will now have an advantage, either immediate or over time.

But China is not the only Asian market where Australia is well ahead of Canada in both market share and trade infrastructure. According to the Asia Pacific Foundation of Canada, Australia has eleven Bilateral Investment Treaties with Asian countries. Canada, by contrast, has three. Where Australia has eight Free Trade Agreements with Asian countries either in force or concluded, Canada has

just one (with Korea). Australia has decided to join the new Asia Infrastructure Investment Bank, led by China. Canada has remained silent. Currently Canada and Australia are part of the Trans-Pacific Partnership (TPP) negotiations, which will keep Canada in the Asian game, but we are far behind our competitive Commonwealth partner.

We may never be able to match Australia's Asia-Pacific strategy, but there is much we can learn. We need to diversify our exports and compete better in Asia. Our competitors are not standing still, and neither can we. If we do not move forward, we will fall further behind. Australia has shown us that trade infrastructure counts, and that a deal *can* be reached with China. Let's get moving.

Hugh Stephens is a Fellow at the Canadian Defence & Foreign Affairs Institute and a Senior Fellow at the Asia Pacific Foundation of Canada. He is Vice Chair of the Canadian Committee on Pacific Economic Cooperation.



Source: storage.edmontonsun.com

HOW SHOULD WE DEAL WITH PUTIN?

by J.L. GRANATSTEIN

In 2001 President George W. Bush met Vladimir Putin for the first time. "I looked the man in the eye. I found him to be very straightforward and trustworthy and we had a very good dialogue. I was able to get a sense of his soul," Bush said then. "He's a man deeply committed to his country and the best interests of his country and I appreciate very much the frank dialogue and that's the beginning of a very constructive relationship." Bush is gone, but Putin still remains and no one in the West any longer considers the Russian leader trustworthy.

Fourteen years later, President Putin's soul is clearly bent on a different course. He seized the Crimea from Ukraine in violation of signed treaties, and he has sponsored and armed pro-Russian separatists in the eastern Ukraine and surreptitiously backed them with Russian troops. He has made threatening noises at neighbouring nations, some of them NATO members, and his air force and navy have stepped up provocative patrols around North America and Scandinavia.

The Western alliance has responded with economic sanctions against some Russian businesses and individuals and, while these have not been all-inclusive,

they have begun to have an effect on the Russian economy. The collapse of oil prices, initiated by Saudi Arabia's aggressive pricing and production decisions, have also had a major effect, and the ruble has lost much of its value while the Russian Gross National Product and exports have sagged. President Putin's policies are having serious effects on his citizens, however pleased they might be by his seizure of the Crimea and nationalist talk, and these effects will only become more serious. How Putin will react when he gets forced even more tightly into a corner remains in doubt, but it is not at all impossible that he will lash out militarily somewhere in an effort to distract his restive people.

Stephen Harper's Canada has played its part in the Western response thus far. Canada has slapped on sanctions and deployed a frigate to the Black Sea, CF-18s to Eastern Europe and the Baltic States, and sent some soldiers on exercises with NATO's Eastern European members. The Prime Minister has talked toughly about the Ukrainian incursions and sworn never to recognize Moscow's control of the Crimea. This plays well at home, not least with the large Ukrainian-Canadian community,

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and Conservative Party polling numbers are on the rise as a general election looms closer.

But what is the Harper government doing to prepare **Canada if Putin's actions move the rhetoric and action to another and more dangerous stage?** When he came to office in 2006, Stephen Harper looked as if he were the most pro-military Prime Minister in a half century. He supported the Canadian Forces (CF) deployment in Afghanistan and secured the equipment the soldiers need to fight well in Afghanistan, everything from artillery to transport aircraft to mine-resistant vehicles. Budgets rose, personnel numbers increased, and it was Fat City for the CF.

Budget deficits are bad, but cutting the budget on the backs of soldiers—and the national interests and citizens they are supposed to protect—is never a good idea.

This didn't last, of course. The Afghan War became unpopular at home as casualties increased (and future bills for veterans' care skyrocketed). Procurement plans foundered in the Ottawa bureaucracy while aircraft aged and supply ships and destroyers, no longer operable, were removed from service and replaced with ship-building plans on the never-never. The percentage of GDP spent on defence sagged to 1 per cent, the lowest level since the 1930s, and even committed NDPer Professor Michael Byers, ordinarily a harsh critic of military spending and **CF deployments, wrote that Harper's cuts to defence amounted to the unilateral disarmament of Canada, cuts so deep that the Prime Minister might soon deserve the Nobel Peace Prize.** Byers jests, I think, but if even an intellectual ordinarily opposed to defence spending believes that the Conservative government has gone too far... **Budget deficits are bad, but cutting the budget on the backs of soldiers—and the national interests and citizens they are supposed to protect—is never a good idea.**

So what should Canada do about President Putin? Tough talk plays well at home and goes unnoticed abroad, so we **really don't need much more of this. What we do need is more, more defence, more political action.** Ottawa should

be pressing its NATO allies to toughen sanctions even further and should do so itself. It ought to be pressing the NATO countries to increase defence spending and to get more boots on the ground permanently in the Baltic States and Eastern Europe. This means that Canada must reverse the cuts the Tories have imposed on defence and look to stationing well-equipped troops in Europe once more. Nothing Canada does on its own will deter Putin, but even small actions can have an effect if they inspire **emulation from NATO's junior members.** And with a Republican majority in Congress, Canadian actions to bolster defence spending and to back NATO will win plaudits—and perhaps some legislative benefits—in the U.S.

The real reason to bolster defence spending and political action against Russian expansionism is simpler still: it is the right action to take. Russia is a third world nation with a first world military (and a first world bloated oligarchy); it has historically been expansionist, and it is now evident that the post-1991 period was the exception in its history, not the rule. Vladimir Putin is not Joseph Stalin, not yet, but as a G7 nation and a democracy, Canada needs to be prepared if and when he morphs completely into Uncle Joe.

J.L. Granatstein is both a member of the Advisory Council and a Fellow of the Canadian Defence & Foreign Affairs Institute.



Source: youne.com

TIME TO UP OUR GAME IN HAVANA

by ERIC MILLER

On December 17, 2014, Cuba and the United States ended their five-decade old confrontation. Canada had long worked to facilitate a rapprochement between Washington and Havana and again made an important diplomatic contribution to the December agreement.

As the initial euphoria of success passes, Canada must urgently confront the question of its place in a post-December 17 Cuba. The restoration of relations with the United States is likely to accelerate economic changes on the island and its full entry into the world economy.

Without a fundamental re-thinking of its strategy, Canada could face a loss of its privileged position in the pantheon of Cuba's economic and foreign relations.

It used to be easy. During the Cold War, Canada could get credit in Havana just for showing up. The Cubans were grateful that Canada never broke diplomatic relations after the 1959 Revolution.

Engagement with Havana also provided an easy way for Canada to demonstrate its foreign policy independence. Pierre Trudeau maintained such close relations with Fidel

Castro that the Cuban President served as an honorary **pallbearer at the late Prime Minister's funeral.**

The loss of its main patron, the Soviet Union, in 1991 pushed Cuba into a slow re-thinking of its economic policies.



Source: financialpostcom.files.wordpress.com

Canadian resource multinational Sherritt invested in Cuba in the early 1990s and has built successful mining and petroleum businesses over the past two decades. The

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reforms also opened the Cuban tourist industry. Canada now supplies 1 million visitors per year.

Over the past decade, Canada's official relations with the Cuban Government have been relatively cool. In the **current political context, Havana's statist economic model** and relatively dim human rights record have hardly been an attractive combination.

Now that the December 17 agreement has re-set the table, Canada will have to pivot if it is to protect and advance its interests in Cuba.

So what should Canada do to up its game?

A good place to start would be for the Canadian government and private sector to work collaboratively on a Cuba strategy.

It should include an export promotion component that **seeks to protect Canada's leadership in key market segments**, such as foodstuffs and machinery, while growing trade and investment in other areas.



Source: si.wsj.net

It should address financing options. Cuba, for example, needs a lot of infrastructure. Export Development Canada or one of the pension funds could provide low-cost funding in exchange for using Canadian products and service providers.

It should also address the building of Canada's brand on the island. To be successful, Ottawa may need to reallocate human and financial resources from other regions to Canada Mission in Havana.

Luckily, we have a little time to get this right. Because Congress legally codified the Cuba embargo in the 1996 Helms-Burton Act, it will formally have to remove it. What President Obama did on December 17 was use his executive authority to blow large holes in this restrictive edifice.

The transition period to full normalization of relations provides Canada with a window of opportunity to recalibrate its approach. This should not be wasted.

The U.S. government is implementing the December 17 changes. U.S. businesses are making their first trips the Havana. Bipartisan bills have been introduced to remove the remaining restrictions. Each month, more American business, brands, and financial institutions will enter the market and competition will steadily grow.

Cuba is also changing. In March 2014, its government passed a law to significantly strengthen its foreign investment regime and make its economy more business-friendly.

The changes that will unfold in Cuba over the next 5-10 years offer great opportunities for Canada. Yet, the new era requires new responses. If Canada does not take the initiative, its interests will be eroded and its brand will come to look as outdated as those pictures of young Fidel and Che.

Eric Miller is Vice President of Policy, Innovation, and Competitiveness at the Canadian Council of Chief Executives and a Fellow at the Canadian Defence & Foreign Affairs Institute.



Source: blogs.reuters.com

2015: NATO'S TIPPING POINT

by JULIAN LINDLEY-FRENCH

On 5 March, 1946 Winston Churchill gave his famous “Sinews of Peace” speech at Fulton, Missouri, during which he warned of an “Iron Curtain” descending across Europe. Less well known is the passage Churchill committed to strategy: “What then is the overall strategy that we should inscribe today? It is nothing less than the safety and welfare, the freedom and progress, of all the homes and families of all the men and women in all the lands”. Churchill might well have been speaking of the challenge NATO faces today and the strategy it must adopt if the Alliance is to prove its twenty-first century worth in a rapidly changing world.

The most pressing challenge is the rise of illiberal power and the relative decline in liberal power. This is most evident in Russian aggression against Ukraine, which is again underway in an offensive against Mariupol. The balance of both economic and military power is shifting rapidly away from the Western democracies to the emergent powers in Asia, most notably China. Russia is of course an economic basket-case, but with 40% of all public investment in the armed forces the danger posed by the militarisation of the Russian state is exacerbated by continued cuts to NATO forces.

The challenge posed by Islamic State is both ancient and new. It is ancient in the sense that the barbarous values they espouse have more to do with the eleventh than the twenty-first century. It is new in that for the first time an insurgency is attempting not just to seize a state but create one in the form of an anti-state. As such the threat Islamic State poses combines both a conventional threat and an unconventional threat. The conventional threat is something which the Alliance could address. The unconventional threat puts at risk the relationship between protection and projection upon which NATO and its strategy is established.

NATO's two great North American allies are being pulled inexorably away from the defence of Europe. This ‘pivot’ is not the result of political decision but rather a consequence of the new geopolitics and the emergence of illiberal peer competitors. For all the dangers imposed by Russia's aggression in Ukraine, it is East Asia which today represents the epicentre of systemic fracture and which for the sake of the world will consume more and more of both American and Canadian political and strategic energy.

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However, perhaps the greatest threat to the Alliance of which Churchill was the prime architect is the political and financial paralysis of Europe itself. Lost between integration and disintegration, Europe today is a financial **black hole into which taxpayer's money is poured never to be seen again.** Defence budgets are routinely raided to maintain the appearance of an EU that has become a giant Ponzi scheme. The January decision by the European Central Bank to effectively print €1.1 trillion was the last throw of the dice to prevent a deflationary cycle that would devastate European public finances. The election of Syriza in Greece marks a European house increasingly divided against itself. And no alliance, however august, can survive such division over time.

All of these threats to NATO are further leavened by levelling technologies and the challenge to the established order they pose. Cyber threats – be they national or criminal – threaten to keep Allied states politically off-balance and undermine the relationship between leaders and led that could destroy the social cohesion of complex Allied societies.

If NATO is to survive as a credible strategic cornerstone alliance, then sharing new burdens will be the challenge. In short, Canadians and Europeans must keep Americans strong where America must be strong. For that to happen Canadians must be better able to support America in Asia-Pacific and the High North, and Europeans will need to become effective first responders in and around Europe – no easy task.

January 2015 marked fifty years since Churchill died. With his passing an idea of power and strategy passed with him. In September 2014 the NATO Wales Summit – the strategic reset summit – took place amidst much fanfare. With Russia again increasing its unforgiving pressure on Ukraine perhaps NATO and its leaders might **remember one of the great man's other insights: "However beautiful the strategy you should occasionally look at the results".**

2015 will be NATO's tipping point when the great peoples of the Alliance choose between relevance and irrelevance, capacity and incapacity. It will be a big year. Are we up to it?

***Julian Lindley-French** is a Canadian Defence & Foreign Affairs Institute Fellow. He is also Distinguished Visiting Fellow at the National Defense University in Washington DC, Senior Fellow of the Institute of Statecraft in London and a member of the Strategic Advisory Panel of the UK Chief of Defence Staff.*

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Source: greenwaylegal.ca

RESULTS OF THE CANADIAN CHAIRMANSHIP IN THE ARCTIC COUNCIL

by NATALIA LOUKACHEVA

Canada's chairmanship of the Arctic Council from 2013-2015 has met many challenges. It marked the beginning of the second round of two-year chairmanships of the 8-member body at a time of unprecedented interest in the Arctic along with increased collaboration among **Arctic States**. The Council's further ambitions in this collaboration were reflected in the 2013 Kiruna Ministerial "**Vision for the Arctic.**" One of the obstacles Canada had to overcome was its harsh criticism of Russian actions in Ukraine. However, despite tensions with Russia that risked affecting multilateral Arctic diplomacy, Canada and other Arctic nations have been able to compromise and work together to reaffirm their substantial common interests in the Arctic.

Canada has been faced with the delicate task of balancing the unique role of its Northern indigenous peoples with interests of its other Arctic Council partners who tend to view the region from a geo-economic and geopolitical perspective. Controversy over Arctic continental shelf claims also pose a challenge to relations with Denmark, Russia, and possibly the U.S. Hopefully, these discussions will be eased by the 2008 *Ilulissat Declaration*, which obliges these states to sort out possible overlapping claims "in an orderly way."

While these challenges have made Canada's leadership of the Council an uneasy task, its obvious positive accomplishments made its chairmanship an even more substantial success.

The establishment of the Arctic Economic Council (AEC) is by far its greatest achievement. With the promise of bringing new business opportunities to companies and the northern regions of Arctic States, the AEC will help harmonize the interests of big business such as oil and gas along with traditional, indigenous peoples businesses. It will also bring new weight to the work of the Arctic Council and provide better practical opportunities for cooperation among Arctic nations and businesses. While the AEC is still a work in progress, hopefully it will prove itself to be an efficient and productive institution.

A special Arctic Council Task Force is due to deliver a set of concrete measures to curb the release of black carbon and methane. But without the additional support of major non-Arctic states in the future, this will only partially address this key climate change factor.

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New arrangements are also expected to strengthen international scientific cooperation in the Arctic, which will boost information sharing and Arctic programs, such as the International Polar Program initiative (IPPI) – initially International Polar Decade – that will build on the achievements of the International Polar Year (2007/2008).

Work is under way in the area of environmental protection and a concrete action plan is expected to prevent marine oil spills in the Arctic. It will be addressed by the Council as part of its Arctic environmental protection efforts, and will reinforce the 2013 Arctic Marine Oil Pollution Preparedness and Response Agreement signed by all Arctic states. Current decline in world oil prices and the consequent slowdown of Arctic oil exploration do not at all diminish the significance of these efforts.

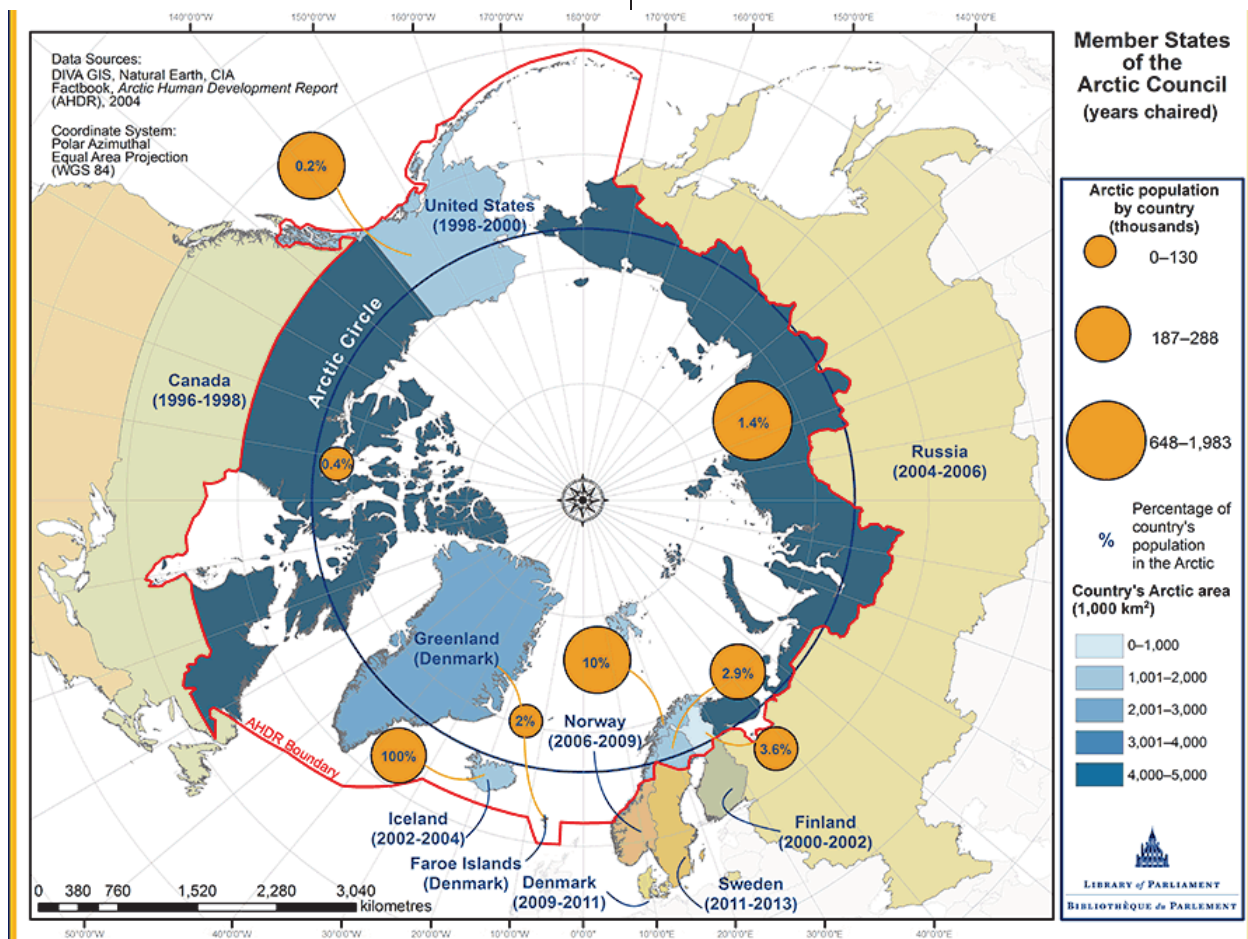
Proposals to enhance the role of “Permanent Participants” in the Arctic Council are expected to be worked out, as well as the evaluation of implementation of the Arctic

Marine Shipping Assessment, reports on adaptation measures to the changing Arctic and other deliverables.

Last year Canada successfully negotiated a compromise on trade in seal products with the EU that provided an exemption for Canadian indigenous peoples. This was instrumental to eliminating controversy over the **provision of the EU’s Arctic Council observer status**. However, this status will not be ensured automatically due to increased tensions between Russia and the EU over the Ukraine situation. This status will be considered at the 2015 Arctic Council ministerial meeting.

Canada has sustained its status as a leader of Arctic cooperation and assured an excellent foundation for the U.S. to take over chairmanship of the Council later this year.

Natalia Loukacheva is a Fellow of the Canadian Defence & Foreign Affairs Institute and Canada Research Chair in Aboriginal Governance and Law at the University of Northern British Columbia.



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General (Ret'd) Raymond Henault is an Advisory Council member of Canadian Defence & Foreign Affairs Institute. He served as the Chairman of NATO Military Committee in Brussels, Belgium from 2005-2008, and is President of the Conference of Defence Associations Institute.

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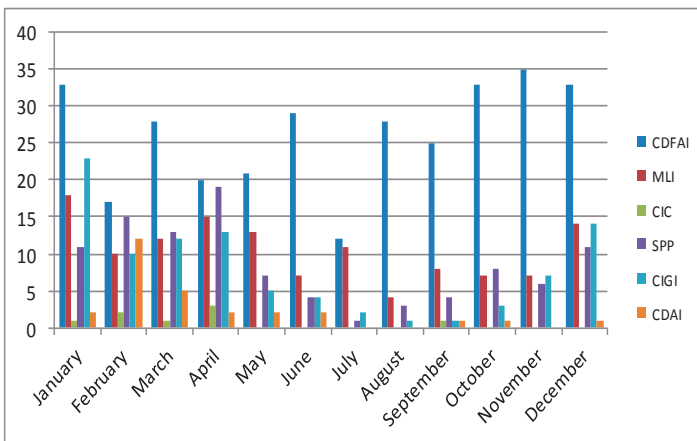
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