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DIRECTORATE OF INTELLIGENCE

The Politics of Canadian Defense

9 May 1985

Summary

Canada's military capabilities declined as a result of 16 years of neglect by the government of Liberal Prime Minister Pierre Trudeau. Prime Minister Mulroney's Conservatives have begun to rectify these deficiencies, but in doing so have caused a storm of controversy.

[Redacted]

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The relatively small political opposition has taken advantage of this vagueness and has succeeded in confusing the defense issue -- by connecting SDI with the new US-Canada North Warning System, for example -- and in creating a public perception that the Tories are focusing on defence in order to curry favor with Washington. Nevertheless, we believe that Mulroney will continue trying to improve Canada's defense effort -- particularly its NATO component -- and will do so within the limitations imposed by a budget deficit that, as a percentage of GNP, is larger than that of the United States. We also believe that Ottawa is eager to reshape and curtail the country's NATO tasks to more nearly match Canada's desires and available resources.

[Redacted]

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This memorandum was requested by Major Frank McHugh, USAF, J-5, JCS and was prepared by [Redacted] EURA/WE/BBC. Please refer any questions to John McLaughlin, C/EURA/WE [Redacted]

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Trudeau and Defense: A Case of Neglect

During Liberal Prime Minister Pierre Trudeau's tenure -- 1968-1984 -- Ottawa devoted little attention and minimal resources to defense. Between 1968 and 1977, for example, Trudeau showed, according to a noted Canadian historian, an almost malevolent attitude toward the Canadian Forces (CF) and, in effect, starved them with parsimonious budgets. During this period, Trudeau established home defense, or "sovereignty protection," as the CF's primary task and consistently played down Canada's military contribution to NATO; in the early 1970s, for example, Ottawa withdrew half of its forces from West Germany. In the late 1970s, however, the Liberal government began -- in the face of strong pressure from its NATO allies -- to appropriate more funds for defense, particularly for the replacement of aging equipment. The current Canadian Frigate Program (CFP) and the on-going purchase of CF-18 fighters are the major replacement programs. [REDACTED]

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In our view, Trudeau's deliberate neglect of the armed forces was facilitated by negative or ambivalent Canadian attitudes toward defense. First, Trudeau himself was profoundly anti-military and saw little merit in defense spending when the funds could be used to address social problems. Second, and more importantly, Canadian society is to a great extent ambivalent toward the military, and generally considers only the the enforcement of sovereignty regulations and international peacekeeping duties as the proper tasks of the CF. Since 1945, for example, with the near-universal approval of the Canadian public, Ottawa has aided UN peacekeeping activities in Cyprus, the Suez Canal Zone, and the Golan Heights. Likewise, once Trudeau formally established sovereignty protection as the CF's major task in a White Paper in 1971 -- even though he introduced few measures to assist the Forces in performing such a task -- the public quickly approved and supported this role. Both these tasks detracted from the importance the public attached to Canada's NATO role, and thereby allowed Trudeau's neglect of the capabilities of the armed forces to pass virtually unnoticed -- except for some Tories, military analysts, and the NATO allies. [REDACTED]

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Also contributing to Trudeau's ability to run down the Canadian military was the Canadian public's general lack of a perception that the country is threatened militarily. US commentators often contend that Canadians historically have been content to take a "free ride" on defense, first allowing Great Britain to carry the burden and, since 1945, allowing the United States to carry it. We believe that this sort of analysis gives Canadians too much credit for consciously thinking about their country's defense needs. In our opinion, Canadians generally think little about defense and when they do, reject outright the idea of giving defense priority over maintaining the social welfare system. These attitudes made it easy for Trudeau to ignore defense, and will make it very difficult for Mulroney to implement a more expensive and efficient defense program. We believe that an aggressive government-sponsored "education" program for the public -- that emphasizes the existence of an external threat and the possible economic benefits of improving the CF's capabilities -- would have to be undertaken before Ottawa could push major increments in Canadian spending, no matter which party is in power. [REDACTED]

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Tory Defense Policy: Reality Replaces Rhetoric

The Conservative Party's policy pronouncements in 1983 and 1984 often focused on the Liberals' defense record, criticizing the sorry state of the Canadian Forces and promising to provide sufficient "first-class equipment" to allow them to perform their varied missions. In passionate speeches, Mulroney damned Trudeau's neglect of the military, evasion of Canada's NATO responsibilities, and failure to protect Canada's territorial integrity. The Tories promised 6-percent real growth in defense spending, significant increases in both regular and reserve manpower, and the acquisition of an ability to protect Canadian interests off each of the country's three oceanic coasts. [redacted]

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After winning a massive victory in September, 1984, however, Mulroney and his colleagues quickly discovered that they had inherited an economic mess from the Liberals -- including a deficit (\$27 billion) larger as a percentage of GNP than that of the United States -- that precluded them from fulfilling their defense pledges. Indeed, one of the Tories first acts was to cut \$154 million from the defense budget -- supposedly an adjustment for lower than expected inflation. More recently, Ottawa permitted to expire an option to buy 20 additional CF-18 fighters at the same cost as an earlier group, and has failed to place the follow-on order for more ships under the Canadian Frigate Program. In our opinion, these actions are evidence neither of Tory insincerity nor duplicity on defense -- indeed, we believe the Tories are intent on modernizing and moderately expanding Canada's defense capabilities -- but are rather the result of severe budgetary constraints. [redacted]

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Mulroney also faces a lack of Cabinet and party consensus on the direction Canadian defense spending should take. Many Tory MPs see little point in increasing defense spending if it does not bring the party tangible political benefits. This group -- which probably is dominant among backbenchers and which is looked on with sympathy, if not fully supported, by Mulroney and Defense Minister Erik Nielsen -- favors spending to maintain or expand the defense establishment in Canada, and with it those communities located near military bases. Sovereignty protection and/or continental defense, therefore, appeals most to this faction. Another group, led by External Affairs Minister Joe Clark and Disarmament Ambassador Douglas Roche, appears to favor spending that stresses the improvement of Canada's contribution to NATO. According to their public speeches, both men see the upgrading of the West's conventional forces as a means of raising the nuclear threshold, and, more importantly, believe that a bigger Canadian contribution would expand Ottawa's political clout in the Alliance. Finally, Mulroney inherited a number of defense hardliners in his parliamentary caucus -- including former Defense Minister Robert Coates and several longtime MPs from the western provinces -- who favor increasing defense spending to a degree sufficient to permit the CF to execute all existing tasks. This group is highly vocal and will press the Cabinet for action. Moreover, it may serve Mulroney as a tool with which to prod his less defense-minded colleagues to agree to military improvements simply to quiet the rightwing and thereby forestall public sniping from the group that might damage the government and party. [redacted]

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The Defense Debate: Key Players and Pressure Groups

The key Tory defense players are Mulroney, Clark, and Nielsen. Following are their basic positions:

- Mulroney - Mulroney appears to view the world almost exclusively through an East-West prism that places priority on Canada's commitments to NATO and NORAD. If he could have his own way, we believe that Mulroney would expand each contribution qualitatively and quantitatively. That said, however, Mulroney is first and foremost a shrewd politician determined to make the Tories into Canada's "natural" governing party -- as the Liberals were for most of this century. To this end, we believe he will pursue a defense policy that most of his party can support, and that will serve the party's political interests by bringing economic benefit to the country. In the overall defense debate, we believe that Mulroney will insist on at least minimal improvements in Canada's NATO and NORAD contributions -- he clearly believes this is necessary to keep his number-one foreign policy goal of better Canada-US relations on track. Beyond that, he will seek a cabinet, party, and public defense consensus. The disadvantage to Mulroney's step-by-step approach is that it is time consuming and therefore makes rapid substantive improvement or new departures unlikely. The advantage is that it may enable Mulroney to install a durable defense policy that more nearly matches current resources and desires to the country's NATO, NORAD, and home defense commitments.
- Clark - Clark is an almost prototypical representative of the internationalism that permeates postwar Canadian attitudes toward foreign and defense policy; he is, in fact, much closer philosophically to traditional Liberal party policy than is either Mulroney or Nielsen. Nonetheless, Clark, according to his public speeches, believes that Trudeau went too far in backing away from close relations with Washington and NATO, and in ignoring the needs of Canada's military forces. It now appears that Clark will try to enhance Canada's political influence in NATO -- he probably places slightly more importance on Canada's multilateral commitments than does Mulroney or Nielsen -- and regards an improved Canadian contribution to the Alliance as a key means to that end. In our opinion, Clark is likely to try to push the Cabinet toward an increase in Canada's commitment to NATO, and probably would welcome encouragement from the other allies to buttress his position. We also believe that Clark will attempt to use the Canadian public's traditional affinity for NATO to stymie the party's hardliners and home defense advocates by arguing that Tory support for NATO may be the most politically palatable way to increase Canadian defense spending at a time of budgetary restraint.
- Nielsen - Nielsen is a veteran Tory parliamentarian and a much-decorated World War II pilot. He reportedly was delighted to have the defense portfolio added to the one he holds as Deputy Prime Minister. During the Tories' opposition years, Nielsen was the party's most outspoken critic of Liberal defense policy; he now finds himself, however, with the power but not the funding to improve

Canada's defense effort significantly. Although vociferously pro-NATO, Nielsen has hinted that he is also concerned with addressing home and continental defense issues. He was, for example, the leading proponent of an early conclusion of the Canada-US North Warning System (NWS) Agreement. Like Mulroney, however, Nielsen's main concern is keeping the Tories in power, and he therefore probably will agree to make Canada's NATO commitments his Department's top priority on the grounds that it is the most politically expedient defense option. Moreover, Nielsen currently is charged with reviewing well over 1,000 federal spending programs with an eye toward reducing the deficit through program elimination. Nielsen has said that his preliminary report will not be ready before the end of November. Because Nielsen's review is the Tories' major deficit cutting effort, it seems likely that the Defense Minister will have little time for his defense portfolio until well into 1986. For that reason, we expect that the Canadian military's NATO orientation probably will remain undisturbed. [redacted]

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The opposition parties -- the Liberals and the New Democrats (NDP) -- and the media are making the development of Tory defense policy a frustrating, acrimonious, and time-consuming affair. Because the Tories' parliamentary opposition consists of little more than a tattered rump -- 40 Liberals and 30 New Democrats in a 282-member Parliament -- it must necessarily focus on issues that will win it media attention and will strike most deeply at public sensitivities and paranoias. Since Parliament convened last September, the opposition has fixed its attacks largely on defense-related issues, and has demonstrated an ability to unnerve and enfeeble the government, arouse the media, and worry the public. The opposition portrayed, for example, the modernization of the Distant Early Warning radar system -- now the North Warning System -- as part of the US Strategic Defense Initiative (SDI). The result of this tactic has been an on-going, sulphurous parliamentary debate that apparently has convinced much of the public and media that such a connection exists and that the Tories are bending to US wishes. Likewise, the government's decision to dispatch 1,200 additional troops to West Germany is being characterized widely by the press and opposition as a move aimed more at pleasing Washington than improving Canada's NATO contribution. In large measure, Mulroney caused much of the latter problem by announcing the decision just before meeting President Reagan at Quebec City in March. [redacted]

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The opposition's attacks are aided and made more effective by most of the Canadian media. The media tend to treat the United States and the Soviet Union as equals in regard to military matters, and describe various actions by Washington and Moscow in similar unflattering terms. The media also exude pride in the fact that Canada has no nuclear weapons on its soil or in the CF's control, and manifest particular delight in lecturing the superpowers on the issues of disarmament and arms control. Thus when the opposition is able to link, even tangentially, a government defense or foreign policy to nuclear weapons -- the NDP's attacks against the Liberals' decision to allow the testing of US cruise missiles in Canada, and the current attacks on the supposed link between the NWS and SDI are two prime examples -- the media hop aboard and sound a clarion call for the protection of Canada's supposed nuclear virginity. In our view, the consistent success of the opposition and media in gaining the public's attention via tenuous claims and allegations is evidence both of the unsophisticated nature of the defense debate in Canada,

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and the almost universal failure of the general populace, most of the media, and many politicians to perceive the existence of an external threat. [redacted]

According to senior officials in both the Department of External Affairs (DEA) and the Department of National Defense (DND), government opinion sampling in 1984 showed that the Tories' campaign for a thorough reexamination of defense policy caught the public's interest. The poll results showed that the public favored the development of a defense policy designed to match Canadian tasks with the available resources. In our opinion, however, the Tories wasted this opportunity -- [redacted] -- and now have little room to maneuver. Mulroney moved so quickly to establish better ties with the United States that he has left the Tories open to charges of toadyism whenever they strike an attitude or adopt a policy even roughly similar to Washington's. Mulroney's haste to dispatch new troops to Europe and to complete the NWS Agreement for signing at the Quebec Summit contributed to the public's growing perception of him as a US pawn. Most seriously, the government's early and strong support for SDI played directly into the opposition's hands, and may prove in the end to have preempted the chance for a comprehensive, nonpartisan, and effective national defense debate. [redacted]

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Given the divisions among the Tories, public attitudes, and Mulroney's, 25X1  
apparent abhorrence of any controversy that might hurt Conservative political fortunes, we believe Ottawa is likely to decide to place a clear emphasis on Canada's NATO contribution -- largely because it appears to be the safest course politically. The Canadian public supports NATO almost unanimously -- when polls showed a majority of Canadians opposed to the testing of US cruise missiles in 1983, for example, they also showed more than 85-percent supported Canada's membership in the Alliance -- and the Liberal Party and most of the media are staunchly pro-NATO; only the NDP advocates Canadian withdrawal from NATO and this position consistently limits its popularity. Moreover, if the Tories propose maintaining 3-percent real growth in defense spending at a time of overall budget cutting -- indeed a period of reductions in social programs -- a pro-NATO policy probably would minimize public and media criticism and limit the opposition's ability to score points against the government. [redacted]

The Bureaucracy: A Decidedly Pro-NATO Influence on the Tories

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The Department of External Affairs (DEA) has long regarded the Canadian Forces's role in NATO -- particularly its assignment in West Germany -- as an essential condition for Ottawa to have political weight in the Alliance. The hoary chestnut that a military contribution "keeps Canada's seat at the NATO table" is not an inaccurate synopsis of this attitude. Throughout Trudeau's years, therefore, it tried to insure that the largest portion of the sparse resources allocated to defense went for NATO commitments, even though such a course meant that the defense tasks which the Prime Minister designated as higher priorities -- e.g., sovereignty protection and continental defense -- were underfunded or not funded. We believe this attitude continues to hold the field in the Department under the Tories. At a recent conference on Canada-US security, for example, several senior External Affairs officials indicated that they favored Canada seeking release from its commitment to NATO's northern flank -- that is, the Canadian Air and Sea Transportable (CAST) Brigade's duties in Norway -- and boosting Canadian ground forces in West Germany to their pre-1971 strength. Moreover, External Affairs Minister Clark is committed to improving Canada's political influence in the Alliance,

and we believe that he supports his Department's position favoring a greater military contribution to NATO. This does not, however, insure that Clark would favor a greater ground force commitment in Europe since it would provide few of the domestic economic and political benefits that he and other Tories, with an eye toward the election due in 1988, are seeking. In our opinion, Clark and the DEA bureaucrats will produce nearly irresistible pressure within Tory councils for a defense policy emphasizing the NATO commitment. [redacted]

The Department of National Defense (DND) was in political eclipse throughout the Trudeau era, and was usually headed by rather nondescript ministers. In the Cabinet, the Defense Department wielded virtually no influence, and the Defense Minister seldom sat on the Priorities and Planning Committee (PPC), the most important Cabinet committee. Although Defense ostensibly has been refurbished under the Tories and Nielsen now sits on the PPC, we believe that the DND will have minimal influence on the formulation of the Conservatives' defense policy. The Green Paper/White Paper process the Tories had promised for defense appears now to have been folded into and replaced by the Green Paper being prepared by Clark and External Affairs. Because Mulroney and Clark are primarily concerned with the foreign policy implications of defense policy -- and because Nielsen has a full plate of domestic issues to focus on for the immediate future -- the Defense Department will have little to say regarding what tasks are assigned to it. Moreover, because it is enjoying a degree of political prominence and media attention -- if not influence -- which it has not had in more than 20 years, we believe that the senior Defense bureaucracy would be loathe to risk that prominence by pushing for policies conflicting with the wishes of Mulroney and Clark. In our opinion, although Defense probably would be much more willing to accommodate a redefinition of defense tasks than External Affairs, it probably will not actively pursue them in the near or medium terms, and will be content with the political necessity of stressing the NATO role. [redacted]

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The influence of Finance Minister Michael Wilson's budget on 23 May may render conflicting intra-government views on defense policy academic. Wilson currently is battling within the Cabinet for a budget that would begin reducing Canada's deficit. If he wins -- as now seems likely -- the defense estimates probably will meet but not exceed Canada's commitment to 3-percent real growth in defense spending. (Although Ottawa consistently has met the 3-percent goal in recent years, we do not believe, given the CF's overall deterioration during Trudeau's tenure, that this rate of increase will arrest the erosion of the CF's capabilities.) In such a case, the already existing NATO-centric orientation of Canadian defense spending probably will continue, with Ottawa maintaining such large-scale capital expenditures as the Canadian Frigate Program and the North Warning System. We believe that if Wilson has his way with the budget, Canada's defense debate will come to an abrupt end and the focus of defense spending will remain on NATO. In our opinion, however, this does not foreclose the possibility of Ottawa being receptive to suggestions for some redefinition and curtailment of its current slate of NATO tasks. [redacted]

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#### Future Canadian Defense Policy: Some Preliminary Conclusions and Estimates

The present state of the debate on Canadian defense policy is, to say the least, confused and contradictory. Despite this unsettled situation, we offer the following preliminary conclusions:



- Mulroney, his party, and his government are sincerely committed to revitalizing Canada's defense effort, and particularly its NATO component. Two decades of Liberal neglect and an acute budgetary crisis, however, will limit their ability to make rapid substantive improvements. In our opinion, Tory defense policy at least for the next several years will be long on rhetoric and short on substance.
- Mulroney's government to date is decidedly timid about measures that might disturb its current lofty standing in the polls. Part of this timidity is due to the Tories' lack of the governing experience. We believe, however, that the greater part is rooted in Mulroney's overriding ambition to make the Tories into a political machine capable of duplicating the Liberals' political longevity -- the Liberals have ruled Canada for 64 years in this century -- and his belief that opinion polls will guide him toward that goal along the path of least resistance. Because polls show that Canadian participation in NATO is almost universally popular, we believe that Mulroney will eventually steer Canadian defense policy toward an enhanced Alliance commitment.
- Within the NATO context, Ottawa probably will be willing -- perhaps eager -- to consider any suggestions by the Alliance that the list of Canada's tasks be reconfigured and shortened to match more closely its desires and available resources. We believe that the Tories would find particularly appealing any changes that might serve the threefold purpose of increasing Canada's credibility in NATO, bringing the country domestic economic benefits, and allowing the Conservatives to fulfill a campaign promise. A few examples of the type of adjustments that Ottawa might favor include the following.
  1. An increased maritime commitment requiring the construction of additional frigates, which would, in turn, give business to shipyards in Quebec and the Atlantic provinces where the Conservatives need to strengthen their political base.
  2. An increased ground force commitment in West Germany, with a simultaneous redeployment of Canadian fighter squadrons to Canada. Such a plan would:
    - Allow the Tories to benefit politically from the public and media approval that probably would greet such a decision.
    - The redeployment of CF-18s would provide a much-needed economic boost to the communities surrounding several now-withering or dormant air bases in Canada.
    - The restationed squadrons would allow the government to ease some of the opposition's pressure by claiming that it was providing for the defense of Canada by Canadians, and thereby lessening the country's reliance on the US military.
    - Such moves probably would satisfy all levels of the bureaucracy in Ottawa: External Affairs would be satisfied

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with the continued NATO commitment; Defense would take pleasure in its improved military capabilities in Europe, in North America, and in the public's eye; and the Finance Ministry would perhaps be pleased with a more rational expenditure of defense resources.

3. Ottawa might be receptive to an increased "northern" commitment -- perhaps in conjunction with Norway, Iceland, and the United Kingdom. Although we believe the DEA would initially oppose the adoption of a greater CAST-type commitment, it probably could not block a greater northern orientation for Canadian defense policy if it was clearly recognized as part of Ottawa's contribution to NATO.

-- A northern commitment probably would require increased maritime forces for Canada and would thereby bring some domestic economic benefits with it. It might also involve greater airborne surveillance responsibilities which would be a boon for the communities surrounding air bases in the coastal provinces and Arctic territories.

-- A northern commitment would be a politically marketable commodity in that the media, a number of MPs from all three major political parties, and the Senate Committee on External Affairs and National Defense are expressing increasing concern with Canada's inability to defend its Arctic region. In addition, a pride in being a "northern country" has long been part of Canada's national ethos, and plans for improving the country's Arctic defense and/or surveillance capabilities almost certainly would strike a responsive chord with most Canadians. [REDACTED]

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