This will be an important year for the Canadian-American North American defence alliance. There is a re-elected Bush administration in Washington, a new minority government in Canada, a foreign and defence policy review completed in Canada, and informal talks are beginning about renewing and possibly expanding the North American Aerospace Defense Agreement (NORAD) that expires in 2006. That agreement is the basic arrangement that the United States and Canada have for defending North America. Expanding NORAD would require some hard decisions in both countries concerning resources, program priorities, and assignment of responsibilities among the various players on each side of the border. The NORAD negotiation may shape both the priorities and configuration of the Canadian forces and United States-Canadian defence relations.

The defence relationship that the United States and Canada now enjoy is a legacy of World War II. The principal elements of this alliance relationship are that North America is a single military theatre, that each country has a duty to the other to defend North America, and that they will do this together. The origins of this arrangement lie in an exchange of remarks between President Roosevelt and Prime Minister Mackenzie King.

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in 1938. After the president had stated in a speech at Queen’s University that “the people of the United States would not stand idly by if domination of Canadian soil was threatened by any other empire,” Prime Minister King responded a few days later that “[w]e, too, have our obligations as a good friendly neighbour, and one of them is to see that...our own country is made as immune from attack or possible invasion as we can reasonably be expected to make it, and that should the occasion ever arise, enemy forces should not be able to pursue their way either by land, sea, or air to the United States from Canadian territory.”

The current view of this understanding was well stated in 2003 by John McCullum, then minister of national defence, when he told the house of commons, “[a]t least since 1940, Canada has entered into a solemn covenant with the United States to jointly defend our shared continent.”

The progression from the basic ideas of a single theatre and a defence duty to each other to the current numerous cooperative arrangements is in part due to the second step that President Roosevelt and Prime Minister King took in 1940 when they created the Permanent Joint Board on Defence (PJBD). In retrospect, this was a decision with major, long-term effects. The board is a high-level organization led by a United States chairman appointed by the president and a Canadian chairman appointed by the prime minister. Its mission is to “consider in the broad sense the defense of North America.”

The board decided to work on a consensus basis, beginning what quickly became a partnership approach to North American defence. This approach was given substance by an early decision of the board to develop a joint plan for the defence of North America (an activity that continues to this day but is no longer handled directly by the board). This single action led to a host of additional sub-groups all working together in the same manner on joint projects. It set the style and pattern for today’s United States-Canada defence partnership: 1) formal equality, consensus building, and a great deal of informal contact, and 2) the use of an

increasing number of binational institutional arrangements to manage the deepening bilateral defence relationship.

The establishment of the board itself in 1940, the Military Cooperation Committee (MCC) in 1946, the North American Aerospace Defense Agreement and Command in 1958, and the Binational Planning Group in 2003 illustrate this approach to North American defence management.

The MCC was established because the board could no longer handle its workload; the depth and extent of the defence relationship had reached the point where far more staff support was needed. The committee is organized much like the PJBD. At present, it addresses a large number of matters including mapping and charting, meteorology, oceanography, information operations, training coordination, rules of engagement, interoperability, intelligence, cooperative research and development, space activities, search and rescue, and a range of defence production sharing arrangements.

In the 1950s, the threat to North America changed. The new problem was Soviet bombers armed with nuclear weapons. The speed with which these weapons could be delivered and their lethality demanded a new level of United States-Canadian cooperation. There was a new requirement for rapid warning and characterization of incidents as well as pre-planning for a timely and effective response to them using the forces of both countries as appropriate (launching or moving fighters forward, for example). There was no longer time to negotiate and to plan responses to individual events as they appeared.

Canada and the United States responded to this situation in the traditional manner by the creation of a new institution—the North American Air (and later Aerospace) Defence Command, or NORAD. NORAD took the partnership and cooperative approach to the defence of North America to a new level. First, NORAD had operational responsibilities. Second, members of both countries’ armed forces were integrated into a single, binational structure where funding, responsibilities, and leadership are shared. Thus, Canadians can and do lead parts of NORAD that include Americans and vice versa. For example, the director of NORAD’s combat operations on 11 September 2001 was a Canadian officer.

Neither country assigns forces permanently to NORAD. But when forces are assigned, they are sent for specific, agreed purposes and remain under the command of the sending country, although they come under the operational control of NORAD for the agreed mission. The fact that
NORAD was established and that it has worked so well despite the asymmetrical power relationship between the two countries is a tribute to the strength, quality, and creativity of the defence relationship we now enjoy.

The 11 September 2001 attacks in New York and Washington led to a rethinking by the United States on how best to defend itself at home. The threat suddenly looked far more complicated and diverse. Now, for example, the United States has to be concerned about internal air defence—and that concern necessarily extends to air space in Canada. The United States also has to pay much more attention to coastal, Great Lakes, and St. Lawrence Seaway surveillance and control, and this concern extends to Canadian coastal and shared, internal waters. In addition, the post-September 11 threat analysis revealed a number of other issues not directly related to the military—principally the numerous vulnerabilities of our shared economy and its infrastructure. The bottom line was strong reinforcement of the idea that North America is a single military and economic space, that it can best be protected cooperatively, and that that cooperation now must include new military measures but also extend beyond military arrangements.

The initial United States response to this new situation was the creation of the Department of Homeland Security and the United States Northern Command or NORTHCOM. NORTHCOM’s area of responsibility is the continental United States and Alaska and their sea approaches out to 500 miles. It is also responsible for working with Canadian and Mexican military authorities (to the extent that their governments agree) to strengthen North American defence. NORTHCOM is a unified command—and its commander is responsible for directing assigned United States land, sea, and air resources in a coordinated manner for the defence (including aid to civil authorities) of the United States at home. A unified command at home was a new development.4

Clearly an early priority for the United States was to establish a strong relationship between NORTHCOM and NORAD, given NORAD’s responsibility for Canadian and United States air defence and space warning in North America. The president recognized this and appointed (with the

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4 Canada took somewhat similar actions by the creation of a new agency, Public Safety and Emergency Preparedness Canada; added new elements in the Privy Council Office; and, in April 2004, published its first national security policy. For a discussion of this subject, see André Beleliéu, "The recent evolution in Canadian security policy," Hemispheric Focus 12, no. 10, 2 September 2004, Washington, DC, Center for Strategic and International Studies.
agreement of the prime minister) the United States general officer who is the commander-in-chief of NORAD also to be the commander of NORTHCOM, thus providing the two organizations with the same head and creating an opportunity for a strong relationship between them.

As NORTHCOM took shape, the PJBD gave considerable thought to the question of how Canada and the United States ought to defend North America in the post-September 11 world. It was apparent that the problems of time compression for warning, characterization, and action that NORAD had been created to deal with in air and space now existed for continental land and coastal sea domains as well. Therefore, the United States section informally suggested that NORAD be expanded to include maritime and land domains so that both countries could build on the NORAD experience in continental air defence and apply it to the problems of coastal maritime surveillance, threat characterization, and control, and to consequence management on land (here also building on years of joint experience in disaster cooperation).

While Canada did not agree to the idea of expanding NORAD at that time, possibly because of misplaced concerns about sovereignty, it did agree in 2003 to the creation of the Binational Planning Group whose mission is to improve bilateral arrangements to defend North America against maritime threats, and to respond to land-based threats and to natural disasters. The planning group is not formally a part of NORAD, but it is commanded by the deputy commander-in-chief of NORAD (a Canadian general officer), operates under NORAD’s authority, and is collocated with NORAD and NORTHCOM.5

The group is a focus for thinking about how the two countries can best organize to defend North America in the future. Its suggestions will undoubtedly influence the NORAD negotiations. At the working level, the group appears to favour a comprehensive, seamless defence of North America across all domains.6 The group has turned out to be very successful; and in late November 2004 its mandate was extended to mid-2006 to coincide with the deadline for NORAD’s renewal, probably in the expectation that its functions would be merged into NORAD at that time.


Additionally, in 2004, Canada agreed to expand NORAD’s mission to include missile warning and characterization for the United States missile defence program. This was an important decision in that it preserved the tradition of binational cooperation in North American defence, and it built on a successful binational institution to do so. It also meant that the United States would not have to create a parallel organization for that purpose.

However, Canada decided not to participate in the missile defence program itself. This decision is not vital to the United States and it will have no effect on the overall program. However, Canada will now be excluded from discussions of such topics as how the system should operate in North America. The decision will also exclude Canada from most of the industrial benefits that flow from the program. Finally, it will exclude Canada from the United States' military space program and its benefits, both industrial and military. Indeed, these exclusions and their effects are already being felt.

This is the context in which the negotiations to renew the NORAD agreement will take place. The underlying question in the negotiations will be how the United States and Canada should manage the defence of North America in the future. Should the binational partnership approach continue? Should that approach be broadened to include land and coastal sea domains? Is Canada willing and able to commit the resources necessary to preserve the existing arrangement in the long term, not to mention an expanded one? If not, what then?

The NORAD negotiations may turn in part on the question of Canadian decisions about military resources and capabilities. This would be the first time that the long-term reduction in the resources allotted to the Canadian forces and the resulting cumulative decline in their capabilities might have real bilateral effects. Heretofore, the United States has made it clear that it would like to see Canada devote more resources to its military. But the fact that Canada has not done so has not directly affected the United States. But soon it may. For example, a lack of resources may ultimately limit Canada’s ability to continue to contribute to the defence of North American air space (the CF-18 fighters will have to be replaced around 2012, so planning, including provision for funding for that, must start soon if they are to be replaced). A lack of resources may also limit or decrease Canada’s ability to control its

Canada has bought some insurance on this point by participating in a small way in the joint strike fighter program.
sea approaches, something that is also newly important to the United States. Canada's airlift capacity limits its ability to respond to many kinds of natural and other disasters (the 1998 ice storm, for example), as does its small number of uniformed personnel. These are some of the deficits that can impose unlooked-for additional costs and responsibilities on the United States when it comes to North American defence. Canadian decisions on matters like these will affect its partnership with the United States. The less Canada brings to the fight, the less Canadian influence there will be on how that fight is conducted. The less Canadian participation there is in North American defence, the less United States-Canadian cooperation there can be to that end.

The dangerous resource situation of the Canadian forces is beyond dispute. Its implications have been set out in detail in a number of reports and studies, including those by the House of Commons Standing Committee on National Defence and Veterans' Affairs, the Centre for Military and Strategic Studies at the University of Calgary, the Council for Canadian Security in the 21st Century, the Senate Standing Committee on National Security and Defence, the Conference of Defense Associations, the Center for the Study of the Presidency in Washington, the Center for Strategic and International Studies in Washington, and, most recently and devastatingly, by Douglas Bland of Queen's University.

The conclusions of these studies are that the Canadian forces cannot meet all the mission requirements assigned to them: namely, to protect Canada, to cooperate with the United States in the defence of North America, and to contribute to international security. Bland sums it up like this: “The capability of the Canadian Armed Forces to meet government defence objectives has been eroding, is eroding, and will continue to erode; it cannot be sustained under present policies. In some core capabilities, all of the major components are failing together while others are hamstrung by particular deficiencies. Two essential components are specifically endangered today: there are simply not enough trained people, or the facilities and resources to train them, to ensure that the Canadian Forces will be

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operationally fit in the future. Second, major equipments are failing from age and use, and the plans to replace them are inadequate to the demand.”

Over the next 15 years, the Canadian forces need about C$50 billion to replace obsolete equipment and to acquire new equipment if it is to restore and to maintain its core capabilities. This is more than double what they are projected to receive.

There would appear to be little prospect for significant change in the resource situation. The Chrétien government dismissed the subject as unimportant, and what commitments were made were not sufficient to provide for existing needs, much less future ones. While the Martin government has made some important commitments to defence, they do not address the fundamental issue of insufficient resources to meet mission and capital requirements now and in the future. Furthermore, future Canadian demographics, combined with political demands for increased money for health care, pensions, and provincial equalization payments (which may themselves turn out to be unsustainable), are likely to crowd out significant new funding for the Canadian forces. As Joel Sokolsky puts it, “in Canada, defence spending never trumps domestic policies and politics.” Defence spending in Canada is a residual.

The lack of confidence and uncertainly that the resource situation creates has led to a policy (or, even imaginary policy) vacuum that prevents real planning for future forces and particularly for eventual replacement of key platforms including the CF-18s, the C-130s, and the frigates. It has stretched out the CF-18 upgrades and the modernization of the Aurora patrol aircraft. Limited naval shipyard capacity in Canada has also stretched out completion of the refitting of the Upholder class submarines. All these systems affect Canada’s ability to participate in the defence of North America. On occasion, these problems have been intensified (and costs raised) by sometimes-disastrous political interference in execution when something has actually been agreed upon and funded—the maritime helicopters, for example.

10 Ibid., 107-9.
The significance of this decline in military capabilities over many years is clearer to the United States than it used to be because its cumulative effect is becoming obvious at a time when Canada has been running impressive budget surpluses and has committed to funding major increases in various domestic programs. These developments must raise some doubts in Washington about Canada’s intentions when it comes to North American defence. This is true because the spending commitments in the national budget are government decisions to do some things and not others. The situation of the Canadian forces is the result of longstanding policy.

These doubts ought to give the United States pause in thinking about the future of NORAD and how to manage North American defence generally. If Canadian policy on funding the Canadian forces does not change, Canada will not be able to sustain its existing participation in the long run, much less take on new responsibilities now. Yet there are now new defence problems and responsibilities in North America. North American defence cannot be managed optimally without Canada. Canadian defence policy affects North American defence. Therefore it matters to the United States.

What the United States really wants from Canada is that it be a strong ally, both at home and abroad. The United States has consistently and actively sought the cooperation of Canada in the defence—especially air and maritime defence—of North America and in operations abroad that require combat-capable land, sea, and air forces. Both in North America and abroad, the United States has pushed for Canadian forces that can work with the United States on an interoperable basis for reasons of effectiveness. These United States priorities reveal the wish that the Canadian forces be adequately sized, trained, equipped, combat capable, and deployable on a sustained basis at home or abroad. Put another way, the United States would like to see Canada continue to be a partner in the defence of North America, as well as with US and other allies in operations abroad. Indeed the United States would like this ability to increase in the light of 11 September 2001.

Thus, the Canadian government’s decisions finally to replace the maritime helicopters, to allow NORAD to provide space warning and characterization data to the United States for missile defence, to acquire new supply vessels for the navy, and to expand the army by 5,000 troops and the reserves by a lesser number are welcome developments, provided that the vessels and army expansion are actually funded, and that the funding is an addition to the budgetary base of the Canadian forces rather than a
reprogramming of existing resources.\(^\text{13}\) In addition, a decision to enact legislation protecting the jobs of reservists if they are called up would go a long way to make the reserves more attractive and therefore more useful. Such action would have no direct cost to the government.

The United States’ hopes outlined above for a general increase in Canadian resources for the military leading to a general increase in its overall capabilities and readiness are not realistic—a point understood in Washington. If asked, the United States would probably want Canada to place a higher priority on North American defence than operations overseas because both countries have so much invested in the North American effort and because Canadian cooperation in North America is more important to the United States than its ability to operate abroad.\(^\text{14}\) It is doubtful that Canada can now contribute significantly to North American defence and intervene abroad at or near the operational tempo of the last several years. A choice in priorities appears to be necessary.

For that reason, the United States would probably hope to see a speed-up of the CF-18 upgrading (those fighters are a basic Canadian contribution to North American air defence) and of the Aurora patrol modernization program (these are surveillance patrol aircraft and are a key to Canada’s control of its portion of North America’s sea approaches). Acquisition of unmanned aerial vehicles (UAV) such as Global Hawk would relieve some pressure on the Auroras and add significantly to Canadian surveillance capacity and do so economically. Similarly, acquisition of new airlift capacity (such as C-17s) would do much to give Canada a real capability to deal with natural or other disasters in Canada (as well as in the United States if needed and requested in an emergency).

Most important, however, is the matter of replacing the CF-18s and the frigates. Decisions on those matters will determine the shape and capabilities of Canada’s air and maritime forces of the future. Bound into the maritime equation is the matter of the ageing Canadian coast guard ships.

\(^{13}\) Reprogramming would worsen the overall situation of the forces because the effect would be to fund the new activities at the expense of existing ones (planes and ships, for example) which themselves are inadequate. But this seems to be what the government has in mind with respect to the new troops.

Canada will have to look at the totality of the seagoing platforms now used by a number of departments, in addition to the navy, to determine what the best future mix is and what roles those departments and the navy should play in coastal surveillance and control in the future. Thought needs to be given to these issues soon because the time required to decide what will be needed and then to acquire it can be long—in the case of frigate replacements (especially if they are designed and built in Canada), for example, possibly 15 years. These decisions are important to the United States because they will signal Canada’s intentions about North American defence. Yet, as Peter Haydon of Dalhousie University points out, “the government does not seem to have grasped the long-term implications of the present situation...and there doesn’t seem to be any sense of urgency to address this problem.”

The NORAD negotiations may bring these matters into focus. Indeed, the US side should ensure that they do. As noted earlier, at base the negotiations will be about how best to work together to defend North America. The choices are to continue as is or to expand NORAD to include either or both land and sea domains. The reasons to expand are compelling. They derive from the compression of time available for managing the new, broader threat to North America, a compression that now applies to all domains, not just air. But NORAD expansion requires a commitment of appropriate American and Canadian resources and a number of hard resource and organizational decisions on both sides. Such decisions and commitments will pose difficult questions for both countries but especially for Canada because they will have an important impact on the nature and priorities of the Canadian forces of the future and because they will require trade-offs against other national priorities to a greater degree than they will in the United States. It is therefore encouraging that President Bush and Prime Minister Martin announced in Ottawa on 30 November 2004 that both countries were committed to “working towards renewing the NORAD


16 On the US side, one such issue is the prospective relationship between the departments of Defence and Homeland Security. This is important because the US coast guard has the primary responsibility for control of US coastal waters, and it is a part of the Department of Homeland Security. The question is how the coast guard, NORTHCOM, and NORAD should relate to each other.
agreement and investigating opportunities for greater cooperation in North American maritime surveillance and maritime defense.”

Continuation as is—that is to say a simple renewal of the NORAD agreement—would still leave open the question of how Canadian and United States land and coastal defence forces should cooperate in the post-September 11 North America. In this eventuality, the two countries would do well to agree to agree to go halfway toward the goal of NORAD expansion by deciding to develop and deploy at NORAD a unified coastal situational awareness system and to continue to use the binational planning group.

This outcome would be less than ideal. But it would be workable. The net effect would be an improvement over the present situation, but Canada and the United States would not have achieved seamless binational defence capabilities for North America across all domains. One effect of this result might be consideration in the United States of how to defend itself in North America with diminished Canadian participation.