The Heritage Foundation Backgrounder

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BRIDGING THE DIFFERENCES IN THE UNIQUE U.S.-CANADA RELATIONSHIP

Canada has just expelled eight Soviet diplomats accused of trying to obtain classified information from a United States-owned defense contractor in Montreal. It has barred an additional nine Soviet officials from Canada. That Soviet agents go after Canadians highlights the fact that the U.S. and Canada share a strategic vulnerability. Indeed, the U.S. and Canada have a relationship unique among the world's nations. They share the longest peaceful border of any two countries in the world and maintain economic relations of enormous mutual importance. The U.S. buys more goods from Canada than it does from any other country and sells more goods to Canada than it does to any other country. Canada is a member of both the North Atlantic Treaty Organization (NATO) and the North American Aerospace Defense Command (NORAD), which monitors airborne threats to North American security, and also participates in U.S. security planning.

World's Largest Free Market. Significant recent achievements in U.S.-Canadian relations include the Free Trade Area treaty, signed this January 2 by Ronald Reagan and Canadian Prime Minister Brian Mulroney. This treaty holds the promise of establishing the world's largest virtually unrestricted free market. Last year, Canada's gross national product was some $430 billion or about $16,500 per capita. A January agreement on the Northwest Passage could remove a persistent source of tension between the two nations. Canada long has claimed that this crucial Arctic waterway connecting the Atlantic Ocean with the Pacific is Canadian territory; the U.S. has held the Northwest Passage to be international waters. The new agreement sidesteps the differences without prejudice to either side's legal position by stating that the U.S. will seek Canadian consent before sending icebreakers through waters claimed by Canada.

Perhaps the most important development in U.S.-Canadian relations are the regular quarterly meetings at the ministerial level that U.S. and Canadian officials have set up to discuss a broad range of foreign policy issues. Reagan and Mulroney, meanwhile, have established the custom of annual U.S.-Canadian summits.

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White Paper Differences. Despite these positive steps, important differences between the two governments remain. Many of them stem from the Mulroney Government's ambitious June 1987 White Paper on Defense, the first comprehensive Canadian review of its defense policies since the White Paper of 1971. The new White Paper is a major rethinking of Canadian defense policy goals and the steps necessary to achieve them. Among other points, it significantly alters — unilaterally — Canada's commitment to the North Atlantic Treaty Organization, commits Canada to a prolonged and expensive military modernization program, and calls for the acquisition of nuclear-powered submarines, primarily to enforce Canadian sovereignty claims.

Another significant foreign policy difference between Ottawa and Washington is Mulroney's refusal to participate formally in research for the U.S. Strategic Defense Initiative. Canadian government officials also have criticized U.S. arms control proposals, while Mulroney's government has undermined hemispheric security by aiding the Sandinista regime in Managua.

Domestic Politics. These differences must be analyzed against the backdrop of Canada's highly volatile domestic political situation. Although Mulroney's Progressive Conservatives (PCs) have 209 seats of the 282-seat Canadian Parliament and need not call a national election until September 1989, Mulroney is widely expected to do so this year. Opinion polls continue to show the Canadian electorate divided about evenly between the PCs, the Liberal Party, and the radical leftist New Democratic Party (NDP), although the most recent Gallup Poll shows the Liberal Party modestly ahead of the PCs and the NDP. Both the Liberal Party and the New Democratic Party oppose the Free Trade Area agreement, while the NDP has demanded Canadian withdrawal from NATO.

Although NDP leader Ed Broadbeat recently has bowed to overwhelming Canadian popular support for NATO, the party is still committed to removing Canadian forces from Europe, and has pledged not to withdraw from NATO only during a prospective NDP first term. Though the NDP has never won a plurality in a national election (it has been strongest at the local and provincial level), an NDP victory would inevitably damage U.S.-Canadian bilateral relations, as well as Canada's relations with other NATO nations.

A U.S. Policy. U.S. policy toward Canada must try carefully to bridge the important differences between Washington and Ottawa without inflaming predictable and understandable nationalist and anti-American tendencies ever present in the Canadian electorate. In crafting a policy toward Canada, the U.S. should:

1) **Act quickly on Reagan's April decision** to allow Britain to share with Canada the nuclear submarine technology that the U.S. has transferred to Britain under a 1958 naval nuclear technology agreement. Reagan overruled some Pentagon officials in making this decision, and opponents of the decision plan congressional hearings on it. The Congress has 90 days to disapprove the Presidential authorization, which will be forthcoming if and when the Canadian government decides to purchase the British submarines.

2) **Maintain pressure on Canada** to fulfill the NATO and NORAD-related aspects of its defense modernization program.

3) Urge the European NATO allies to explain to Canada that a more substantial Canadian commitment to the conventional defense of Western Europe is essential now that the U.S. is withdrawing its medium-range missiles from Europe in compliance with the U.S.-Soviet Intermediate-Range Nuclear Force (INF) Agreement.

4) Expand U.S. public diplomacy in Canada with particular reference to continental air defense cooperation and the Strategic Defense Initiative.

5) Press for more Canadian cooperation in inter-American affairs, particularly with regard to promoting democracy in Nicaragua and throughout Central America.

CANADIAN DEFENSE POLICY: LEADING UP TO THE WHITE PAPER

Canada's defense policy since 1945 has been shaped by a variety of factors: Canadian democratic values and traditions, the close historical association with Britain and France, and its crucially important geostrategic position. Though Canada is the world's second largest country in land area and has the world's longest coastline, Canada's population distribution is extremely uneven, with 80 percent of its modest population of 26 million living within 100 miles of the U.S.-Canadian border. Inevitably, therefore, Canadian security policy is shaped by the policies and concerns of its southern neighbor.

Given these geographical and political factors, Canada traditionally has sought to safeguard its security primarily in alliance with other democratic nations. Canada was a NATO founding member in 1949 and has stationed Canadian ground troops and aircraft on NATO's Central Front in Europe since that time. Canada's additional NATO responsibilities include helping protect North Atlantic sea lanes with two destroyer squadrons based on Canada's east coast, and patrolling North Atlantic airspace with Canadian CF-18 fighter squadrons to keep out Soviet incursions.

Early Warning. Canada long has worked with the U.S. to safeguard North America against a multifaceted and growing Soviet threat. In 1957, Canada and the U.S. established the North American Airspace Defense Command (NORAD). Designed originally as an early warning system against Soviet nuclear-armed bombers, NORAD today consists of early warning and radar tracking systems to alert the U.S. and Canada to Soviet violations of North American airspace. NORAD equipment and systems are currently undergoing substantial modernization, including the replacement of the Distant Early Warning (DEW) line by an advanced radar tracking North Warning System. The U.S.-Canadian agreement establishing NORAD was renewed in March 1985 for five years.

In addition to Canada's role in NATO and NORAD, Canadian forces of course also patrol Canada's airspace and waters to protect Canada's sovereignty against foreign incursions. What has been disturbing is that Canadian governments, including Mulroney's, have been ambiguous whether it is U.S. or Soviet incursions — or both — against which Canadian forces are directed. This ambiguity reveals the essentially political nature of what Canada calls "sovereignty enforcement." It reinforces Canada's national identity and emphasizes the nation's purportedly independent posture within the Western Alliance.

Playing the "Honest Broker." The desire to keep some degree of distance between Canada and the Western Alliance has been a factor in Canadian foreign policy since the early 1950s. Lester Pearson, the Canadian Foreign Minister at that time, was a strong supporter of the United Nations and played a major role in efforts to resolve the 1956 Suez crisis, efforts that led to the deployment of U.N. peacekeeping force in the region and earned Pearson the Nobel Peace Prize. Since that time, "internationalism," in particular Canadian efforts to serve as an "honest broker" between the two superpowers, has been a constant of Canadian foreign policy.

Former Liberal Prime Minister Pierre Elliott Trudeau, for instance, was openly sympathetic to the themes enunciated by radical Third World nations in the 1970s, especially their virulent anti-Americanism. Infuriating Washington, Trudeau relentlessly posed as a neutralist, as in his 1983 "peace initiative" aimed at speeding East-West disarmament. Trudeau likewise was the leading proponent of the claim that Canada, somehow, was threatened equally by "both superpowers," a concept offering the military rationale for "sovereignty enforcement" functions.

Obvious Pleasure. The Mulroney Government has changed the tone of the U.S.-Canadian dialogue. Still, it retains much of the Pearson-Trudeau foreign policy. It continues to overlook the strong anti-West bias of the United Nations and maintains strong support for that organization, where its Ambassador, Stephen Lewis, takes obvious pleasure in criticizing the U.S. to the delight of radical Third World states. Mulroney's government also continues to contribute to U.N. peacekeeping operations and recently offered Canadian forces to monitor implementation of the failed San Jose Central American peace plan, while leaving other Canadian military commitments unfulfilled.

The Canadian desire to be viewed as "independent" continues under Mulroney and is well expressed in a June 1986 Report of a Special Parliamentary Committee on Canada's international relations. States the report:

> Canada needs to make fully independent judgements on the major issues of international security....This approach is tailored to Canada's particular attributes as a member of the Western Alliance that nevertheless retains a degree of objectivity about the superpower conflict.[1]

Declining Defense Capabilities. Despite Canada's multiple military commitments, Canada's military capabilities have declined since the mid-1960s. In 1962, defense spending accounted for roughly 25 percent of all Canadian federal expenditures, and was about 3.5 percent of Canada's gross national product; last year it accounted for just under 10 percent of federal government expenditures and represented just over 2 percent of GNP. Of the sixteen NATO members, Canada ranks fourteenth in defense spending as a percentage of GNP – higher only than Luxembourg and Iceland (the latter has no armed forces).

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[1] "Independence and Internationalism", Report of the Special Joint Committee on Canada's International Relations (Ottawa: Queen's Printer's of Canada, June 1986), p.47.

Viewed in absolute terms, the decline in Canada's military capabilities is even more arresting. Notes Daniel Casse, managing editor of *The Public Interest:*

> In 1964, members of the Canadian Armed Forces numbered 124,000; today that number has shrunk to less than 85,000. Their amount of equipment, too, has dwindled, and what remains is in poor repair. The entire Canadian navy, for instance, consists of twenty frigates, four destroyers, and three 1950's submarines. As for the air force, it has undergone a rapid decline since the early 1970's, reducing the number of fighter-interceptor planes from 355 in 1971 to 210 in 1985.[2]

1971 White Paper. Much of this decline can be traced to the 1971 Defense White Paper produced by Trudeau's Liberal government, which significantly revised Canadian strategic thought. Explains military analyst R.B. Byers, writing for the International Institute of Strategic Studies:

> The 1971 Defence White Paper outlined a more benign view of the international system .... The White Paper contained no overall assessment of the Soviet threat nor did it pass judgment on ultimate Soviet objectives. Detente was the order of the day....[3]

Given this strategic assessment, accompanied by a vast expansion of government social services, it is not surprising that Canadian defense spending declined substantially during the 1970s. At the same time, successive Trudeau governments put increasing emphasis on sovereignty enforcement functions, such as patrolling Canadian territorial waters, at the expense of contributing Canada's fair share to the defense of NATO and to the U.S.-Canadian defense alliance.

Unable to Fulfill NATO Tasks. On entering office in September 1984, Brian Mulroney's Progressive Conservatives inherited an armed forces in woeful disarray, along with a severe gap between Canada's multiple defense commitments — to sovereignty, NATO, and NORAD — and its actual capabilities. The Canadian Forces in 1984 simply could not perform the functions assigned to them. This was confirmed by a 1986 Canadian Senate investigation of the Forces, which showed, for example, that the Canadian navy did not have the ships or men needed to fulfill its NATO-related tasks.

The Government faced similar problems with respect to Canada's strategic posture: it was unclear whether and how Canada's professed commitment to the defense of the West, and specifically to the defense of North America, could be reconciled with numerous statements from Canadian officials alleging that no militarily significant threat to Canada existed.

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[2] Daniel Casse, "Canada: The Empty Giant," *The National Interest*, Summer 1987, p. 95.

[3] R.B. Byers, "Canadian Security and Defence: the Legacy and the Challenges," (London: Adelphi Papers, International Institute of Strategic Studies, Winter 1986), p. 16.

THE 1987 WHITE PAPER

The Mulroney Government came to power in 1984 after an election campaign in which the Progressive Conservatives bitterly criticized Liberal neglect of the armed forces. Yet, the Mulroney Government's record on defense was mixed before the June 1987 issuance of the White Paper. The Prime Minister continued to pledge that Canada would take its alliance commitments more seriously, upgraded the bureaucratic status of the Ministry of National Defense, and committed Canada to modernization of NORAD; yet there were no inflation-adjusted increases in the Canadian defense budget, despite Mulroney's election pledge of annual real increases of 6 percent, and the share of Canadian gross domestic product devoted to defense held steady at 2.1 percent from 1984 to 1986. Moreover, it was unclear which of Canada's numerous defense commitments the new Government would choose to emphasize.

The June 1987 White Paper proposed major revisions in the Canadian defense policy. Some changes have been completed, others are in progress. In general, the White Paper is the Government's current operating policy and blueprint for years to come. The principal areas of change are:

1) **Naval policy and procurement.** With the intention of building a navy capable of patrolling the Pacific, Atlantic, and Arctic, the Government announced it would need ten to twelve nuclear-powered submarines, at a presumptive cost of US$6 billion over 27 years. Additionally, the White Paper called for modernization of Canada's four *Tribal* class destroyers, acquisition of a second batch of six patrol frigates and replacement of obsolete *Sea King* helicopters with 51 new sea-based helicopters, primarily to improve antisubmarine warfare capabilities. To conduct surveillance of Canadian waters, the Government will also deploy fixed underwater sonar systems in the Canadian Arctic, continue research on passive surveillance systems, and acquire an icebreaker to open up Arctic waters for necessary patrolling.

2) **NATO-Europe.** Since 1969 Canada has maintained two principal commitments to NATO-Europe: bases at Baden-Soellingen and Lahr in Southern Germany, which house three CF-18 air squadrons and a mechanized brigade of 77 *Leopard* tanks; and a commitment to reinforce northern Norway in time of crisis with a 4,000-man Canadian Air-Sea Transportable Brigade Group (CAST) and two fighter squadrons. In addition, Canadian Mobile Command (Army) would dispatch a 1,400-man battalion to Europe in time of crisis as part of Allied Command Europe Mobile Force.

The White Paper dispensed with the commitment to reinforce Northern Norway. To compensate for this, the White Paper commits Canada to upgrading the forces on the NATO Central Front by shifting units formerly committed to CAST to the Front, thus bringing Canada's ground forces in Europe up to the strength of a small division (8,000 men) in time of crisis. Other compensatory White Paper measures included deploying low-level air defenses around Canadian fighter squadrons on the Central Front.

3) **Continental Air Defense and Surveillance.** The White Paper reaffirmed Canada's commitment to the North American Air Defense Modernization Program, including the

replacement of the aging Distant Early Warning Line by the North Warning System, the upgrade of five northern Canadian airfields to serve as Forward Operating Locations for CF-18 fighter-interceptors, which would prevent Soviet violations of Canadian airspace and of other airfields to accommodate U.S. Airborne Warning and Control Systems (AWACS). The White Paper also called for six additional long-range patrol aircraft for airborne surveillance, modernization of Canada's *Tracker* medium-range aircraft, and Canadian participation in several U.S. research programs relating to space-based communications and surveillance systems, including the Space Station.

4) Reserve Forces. As part of Canada's Total Force concept, Canada's reserve force will be expanded gradually from its current 21,000 to 65,000 primary reserves by 2003.

IMPLICATIONS OF THE WHITE PAPER

On the surface, the White Paper reassures Canada's allies. For one thing, Canada, at least in declaratory policy, once again views itself as a full-fledged member of the Western camp and sees the Soviet threat with reasonable clarity. The White Paper states that in the East-West conflict "Canada is not neutral. Our values and our determination to defend freedom and democracy align us in the most fundamental way with other Western nations."[4]

However, the allies are rightly troubled by some specific elements of Mulroney's program. First, even assuming that all of the procurement decisions in the White Paper are desirable, it is very unlikely that the Government could finance the entire program. The projected cost of the build-up is $150 billion over fifteen years. Defense spending is expected to rise about 2 percentage points in real terms, but the source of financing for major capital purchases is unspecified.

Underestimating Costs. It is already clear, moreover, that the Government severely underestimated the costs, for example, of acquiring and maintaining a nuclear submarine fleet. The Government's reticence in identifying the source of funding for major capital acquisitions, as well as its previous record of giving priority to reducing the federal deficit rather than to modernizing defense -- Canada has a larger federal deficit as a percentage of its GNP than does the U.S. -- likewise does not point to strong fulfillment of White Paper planning.

A further source of concern is that many White Paper recommendations are dictated as much by political considerations as by military logic. Noted *Armed Forces Journal International*: "Politically, [the White Paper] is a masterpiece of sophistication and cunning....it wraps a revitalized Canadian defense structure around the pole of Canadian sovereignty. By doing so, it builds on the massive (and emotional) investment Canada has made in establishing a distinct Canadian identity...."[5]

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[4] "Challenge and Commitment: A Defense Policy for Canada," (Ottawa: Government of Canada, June 1987), p. 5.

[5] S.L. Canby and J. Smith, "Canadian Defense Paper Shows Political Savvy," *Armed Forces Journal International*, November 1987, p. 16.

Patrolling Arctic Waters. Typifying this is the White Paper's startling recommendation to acquire nuclear-powered submarines. The purpose of this, it seems, is to demonstrate Canada's will and ability to assert sovereignty over the Northwest Passage and Canadian Arctic waters. These waters have been transited by U.S. Navy ships and submarines, actions that upset the Canadian public since they dramatize U.S. refusal to recognize Canada's sovereignty over the Northwest Passage. The recent agreement on the Northwest Passage only demands U.S. notification of Canadian authorities when U.S. icebreakers transit the waters. As such, U.S. transit of the waters is sure to remain controversial.

Another politically motivated decision in the White Paper is the decision to increase the size of the military by expanding the Reserves, rather than beefing up Canada's regular Armed Forces. Although this may have the salutary effect of increasing public support for the Forces, Canada should have a larger standing Force, especially in light of its relatively high gross national product.

Creating More Problems than it Solves. The basically political motivation for many White Paper proposals has raised serious doubts about its strategic rationale. For example, the development of nuclear-powered submarines, the most costly element in the White Paper, may create more problems for Canada than it solves. By the time Canadian submarines are in service, they may not be able to counter effectively the Soviet Arctic threat. Notes Johns Hopkins University expert on Canadian affairs Charles Doran, "At present, the capacity of submarines to elude, exceeds their capacity to trace and monitor. The danger here is that Canadian purchases will be made at the lower-end of the technology scale because of cost. With new technology in the area of passive and active sensors, data handling sensors, and command and control systems evolving rapidly, there is the risk of early obsolescence." [6]

The new Canadian submarines, of course, could be assigned to NATO for such functions as patrolling North Atlantic sea lanes. It is questionable, however, whether the submarines' military and expected political value will justify the huge investment of military resources. This question seems particularly valid in light of the White Paper's recommendation that Canada drop its NATO commitment to reinforce northern Norway in time of crisis. Although it was clear that this commitment was as symbolic as it was real (the CAST reinforcement brigade would have taken up to a month to arrive in Norway) the Canadian withdrawal only further weakens what is an already vulnerable NATO northern front. Furthermore, even though Canada has indicated that it will strengthen it forces on NATO's Central Front, its total projected presence in time of crisis of two brigades and five fighter squadrons represents only a tiny contribution to NATO.

Thus, while there are many positive aspects to the White Paper — a relatively frank recognition of the Soviet threat and of previous Governments' neglect of defense and a commitment to military modernization — there are also serious questions about the Government's ability to adopt this blueprint and about the wisdom of some of its defense choices.

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[6] Charles Doran, "Sovereignty Does Not Equal Security," Canadian Institute for International Peace and Security, Autumn 1987, p. 9.

A U.S. POLICY TOWARD CANADA

A U.S. response to Canada's new defense policy must take several factors into account. First, having issued the White Paper and made a considerable political commitment to it, the Mulroney Government is unlikely to make major revisions in its program — at least in the short term. Second, the subject of national defense, particularly as it relates to Canadian sovereignty, is of extreme political sensitivity in Canada. Accordingly, the U.S. must be careful not to inflame Canadian anti-American sentiment or seem to infringe on Canada's freedom to make its own defense decisions.

With these caveats in mind, the U.S. should:

1) Immediately fulfill Reagan's decision to allow London to transfer naval nuclear technology to Canada. Under the terms of a 1958 U.S.-Britain naval agreement transferring U.S. nuclear submarine technology to Britain, the U.S. can veto transfers of that technology by Britain to a third country. Canada, which cannot afford U.S. class submarines, will choose between constructing British or French nuclear submarine prototypes. Ottawa clearly seems to prefer the British *Trafalgar* class submarines.

Washington, while expressing its concerns about the Canadian nuclear-powered submarine program, including its high cost and potential conflict with U.S. Navy operations, wisely has given preliminary permission to London to transfer U.S. submarine technology to Canada. Had the transfer been denied, Ottawa would have elected to construct the French-designed submarines, even though the French submarines are not as capable as the British. A U.S. veto of the technology transfer would have strained relations between the U.S. and Canada and also would have tended to undermine the Mulroney Government's policy of seeking closer relations with the U.S. and politically would have benefited Canada's opposition parties, which give defense a low priority. It would be unwise for Congress to block Reagan's decision.

To be sure, there are legitimate concerns about the security and safe operation of U.S. naval nuclear technology in Canadian hands and about the potential conflict in the Arctic waters between U.S. naval forces and Canadian submarines. Nonetheless, the U.S. cooperates closely with Canada on other security matters on which, a State Department official told The Heritage Foundation, "the Canadians have an excellent security record." This was demonstrated last month when Canada expelled eight Soviet diplomats who had tried to obtain high-technology secrets from a Montreal-based U.S. firm. If and when the submarines become operational, the U.S. and Canada will have to work out a naval cooperation agreement, but there is ample precedent for such agreements in NORAD and other defense areas. Moreover, the U.S., as a condition of the transfer, should require the Canadians to make a commitment to a safe and secure nuclear propulsion program, as well as to the infrastructure necessary for the program.

2) Urge NATO allies to press Canada to increase substantially its contributions to NATO's defenses in Europe. A nation of Canada's resources and wealth can make a militarily more significant contribution to the conventional defense of Europe and the West's collective security. It did so in the 1950s and 1960s, stationing at one point 10,000 men and twelve air squadrons in West Germany, before Prime Minister Trudeau's unilateral reduction of these commitments.

An upgraded Canadian contribution to NATO could reactivate Canada's former military base on the North German plain, move the Canadian bases at Lahr and Sohnenfeld closer to the front line, or recommit some Canadian forces to northern Norway, perhaps the Alliance's most vulnerable flank. These contributions would strengthen NATO by improving the military balance, albeit marginally, on the Central Front or the Northern flank. With the U.S. and the other major NATO allies maintaining at best no real growth in defense budgets, such a contribution would be particularly valuable.

3) Focus more U.S. public diplomacy resources on educating the Canadian public on SDI. Most public opinion polls show that Canadians are extremely skeptical about the Strategic Defense Initiative (SDI), the U.S. program to defend against a Soviet missile attack. In fact, when the development of the joint U.S.-Canadian North Warning System was announced in 1985, the Canadian press and opposition parties fanned the anti-SDI sentiment by hinting that the North Warning System was part of a "secret plan" to lure Canada into SDI.

As such, the Mulroney Government has been unable to commit Canada to full participation in SDI research, but has allowed individual Canadian firms to sign SDI research contracts. His government also has participated in numerous air defense and surveillance projects with the U.S. As a basis for future discussions in this area, the U.S. should devote more of its public diplomacy resources to educating the Canadian public about SDI, Soviet offensive missile capabilities, and Soviet strategic defense efforts. Currently, the United States Information Agency has only six professionals assigned to Canada; the U.S. should increase its USIA representation in Canada and should help to mobilize veterans and other Canadian groups supportive of a strong national defense on behalf of Canadian participation in the SDI program.

4) Stress the importance of fulfilling the modernization commitments relating to NATO and NORAD. While there is steady Canadian popular support for NATO and NORAD, the connection between Canada's security and that of the West as a whole nonetheless should be repeatedly emphasized by U.S. officials. This is particularly necessary, in light of the White Paper's emphasis on sovereignty enforcement functions.

5) Urge greater support for U.S. policy in Central America. Canada has been extremely skeptical of U.S. support for the Nicaraguan democratic resistance, has continued its economic aid to Nicaragua, and has allowed the Sandinistas to maintain a "trade mission" in Toronto. Such support for the Sandinistas should cease, since Canada has as much of an interest in preventing the emergence of a Soviet client state in Central America as the U.S. Canada has been supportive of the peace plan put forth by Costa Rican President Oscar Arias, but seems not to have made provisions should the plan fail. Accordingly, U.S. military officials, who have good working relations with their Canadian counterparts, should make clear that an increased hostile military presence in the South inevitably would have an impact on U.S. military commitments in the North Pacific and North Atlantic.

CONCLUSION

The Canadian government's 1987 White Paper on defense poses difficult questions for the U.S. and its other NATO allies. Though NATO should welcome Canada's belated clear recognition of the Soviet threat, as well as the state of its own armed forces, the modernization program does not fully address Canada's defense shortcomings and carefully hedges the Canadian position on basic strategic issues.

It is very unlikely that all of the Government's priorities will be fully carried out, given Canada's budget deficit and current political volatility. Moreover, any effort by the U.S. or other countries to press Ottawa to reshape the program would have serious consequences for future military cooperation between Canada and other NATO nations and for political affairs inside Canada.

Welcome a Greater Canadian Role. Therefore, while expressing U.S. problems with certain aspects of Canada's plans, Washington should cooperate fully with the Canadians, allowing, for example, Canadian nuclear submarine plans to go forward. But the U.S. also should stress the necessity of Canada's improving, quantitatively and qualitatively, its contribution to the defense of Central Europe. There is no question that the U.S. and the Western allies have a vital stake in Canada's defense modernization program. The U.S. in particular should welcome the prospect of Canada playing a greater role in North American security. Although this will entail some political appeasement of Canadian nationalist sentiment, as well as enhanced U.S.-Canadian cooperation, the military benefits of a strengthened Canada far outweigh other considerations. The U.S. should now do what it can to strengthen its longtime security partnership with one of its oldest and most important allies.

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