

# Contemporary Threats to Canada and the Canadian Forces

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Over and above the widely acknowledged threats of international terrorism and the Afghan insurgency, Canada and the Canadian Forces face a number of pressing threats from state and non-state actors, which range from the physical to the fiscal. This paper highlights threats posed by private security contractors in Afghanistan, pirates off the Horn of Africa, foreign states in disputed areas of the Arctic, and the current economic downturn within Canada. Each section of the paper highlights one or more specific threats posed to Canada and/or the Canadian Forces and discusses existing and proposed attempts to address these threats.

# Threats Posed by Private Security Contractors to the Canadian Forces

Private security contractors (PSCs) represent an emerging threat to Canadian Forces personnel in Afghanistan. This assessment may seem controversial because PSCs are not only a common sight in Afghanistan, but have also been afforded prominent security roles by Canada and its allies in that conflict. Indeed, several dozen firms, employing over 25,000 private security contractors, currently fulfill a variety of security roles.<sup>1</sup> These include providing static defence for Afghan government buildings, foreign embassies, and coalition military bases. For example, the Government of Canada has contracted with an assortment of Canadian, British, and Afghan firms, all of which primarily employ Afghan security personnel, to conduct tasks like guarding the

<sup>&</sup>lt;sup>1</sup> Ulrike Joras and Adrian Schuster, "Private Security Companies and Local Populations: An Exploratory

Canadian embassy in Kabul and Canadian Forces bases in southern Afghanistan from Taliban attacks.<sup>2</sup>

Private security contractors also provide static defence for private-, government-, and military-led development and reconstruction efforts.<sup>3</sup> This has involved guarding some of the Canadian Forces' Provincial Reconstruction Teams and the personnel of a Canadian company hired by the Government of Canada to refurbish the Dahla Dam in northern Kandahar province.<sup>4</sup> Finally, PSCs have also provided mobile defence of VIPs and convoys of people and goods throughout Afghanistan, but especially within Kandahar and Kabul and on the major roads connecting these cities to each other and the coalition's forward operating bases.<sup>5</sup> To be clear, the PSCs operating in these roles are not intended to merely deter attacks; they are expected to engage and eliminate genuine and perceived threats to themselves or their clients.

The primary benefit of using PSCs in these roles is that they free up military and other public security personnel for patrols, offensive combat operations, and a myriad of other tasks they may be called upon to perform in Afghanistan. Canadian Forces Major Steve Jourdain, who commanded a small patrol base in 2009 that used PSCs for static defence, concluded that using PSCs, "definitely gives us flexibility.... If it were not for the private security, it would not be possible for me to do the next operation."<sup>6</sup> Captain Sonia Connock, a spokesperson for the Canadian Forces in Kandahar, likewise argued that, "the use of security firms allows for the freeing up of Canadian Forces

<sup>&</sup>lt;sup>2</sup> Mike Blanchfield and Andrew Mayeda, "Forces enlist former Afghan Warlord for protection," *The Ottawa Citizen*, November 22, 2007, p. A5; Murray Brewster, "Human-rights groups alarmed Ottawa has no policy for hired guns," *The Toronto Star*, June 23, 2009; Andrew Mayeda, "Canadian military revised private-security firm contracts," *The Gazette*, May 27, 2008, p. A10; Colin Perkel, "Private Security Called A Boon To Canadian Bases in Afghanistan," *The Canadian Press*, June 18, 2009; Pugliese, "Number of private security personnel in Afghanistan soars."; Jake Sherman and Victoria DiDomenico, "The Public Cost of Private Security in Afghanistan," (Center on International Cooperation, New York University, September 2009), p. 1; The Canadian Press, "Army secretly armed security guards at Afghan base," *CTV.ca*, June 18, 2009; Thomas Walkom, "West's strategy failing in Afghanistan," *The Toronto Star*, August 16, 2008. <sup>3</sup> Brewster, "Human-rights groups alarmed Ottawa has no policy for hired guns."

<sup>&</sup>lt;sup>4</sup> Mike Blanchfield, "Canadian firm to hire Afghan guards as dam refurbished," *The Ottawa Citizen*, January 30, 2009, p. A8; Steven Chase and Graeme Smith, "Kandahar dam contract comes with security clause," *The Globe and Mail*, July 15, 2008, p. A9; Andrew Mayeda, "Afghan dam contractor must hire own security," *The Ottawa Citizen*, July 15, 2008, p. A3; Mitch Potter, "Another boss quits troubled dam," *The Toronto Star*, June 16, 2010, p. A14.

<sup>&</sup>lt;sup>5</sup> Walkom, "West's strategy failing in Afghanistan."

<sup>&</sup>lt;sup>6</sup> Perkel, "Private Security Called A Boon To Canadian Bases in Afghanistan."

personnel so these highly trained forces can be tasked with those duties that will best advance," Canada's ongoing mission in Afghanistan.<sup>7</sup> However, despite their widespread use and apparent utility, PSCs pose a number of threats to the Canadian Forces in Afghanistan.

Perhaps the most pressing threat posed by PSCs is to the Canadian Forces' reputation among the citizens of Afghanistan. Indeed, because Afghans consider these actors to be members of NATO's military forces in Afghanistan, the violence they perpetrate upon Afghans, both intentional and unintentional, undermines Afghan support for the coalition's presence in their country.8 A 2008 report produced by the Swiss Peace Foundation concluded that most Afghans have negative feelings toward PSCs and also conflate the behaviour of PSCs with that of the soldiers that make up the International Security Assistance Force (ISAF): "PSCs were not seen as independent entities but linked to these international security forces in general."9 Much of the anger directed at PSCs in Afghanistan is driven by their tendency to employ unrestrained deadly force against Afghan police and civilians.<sup>10</sup> For instance, many PSC teams rely on simplistic and highly dangerous hurricane barrages to address perceived security threats, even in heavily populated areas. These involve firing hundreds of rounds of ammunition in all directions in a wild attempt to disable or, at least, temporarily suppress a perceived threat. Summarizing these tactics, Canadian Forces Major Corey Frederickson observed that the "normal drill" of PSCs in Afghanistan is, "as soon as they get hit with something, (they) open up on everything that moves."11 Extensive collateral damage, including civilian casualties, is the inevitable result of such behaviour.

More harmful still are premeditated attacks committed by PSCs against Afghan citizens. For example, on June 29, 2009, several employees of a PSC assaulted a police station in Kandahar in an apparent attempt to free one of their colleagues who had been taken into custody on suspicion of forging documents.<sup>12</sup> The attack left ten people dead,

<sup>&</sup>lt;sup>7</sup> Jessica Leeder, "Military relying on Afghan contractors for security," *The Globe and Mail*, October 28, 2008.

<sup>8</sup> Pugliese, "Number of private security personnel in Afghanistan soars."

<sup>&</sup>lt;sup>9</sup> Joras and Schuster, "Private Security Companies and Local Populations," pp. 21-22.

<sup>&</sup>lt;sup>10</sup> Pugliese, "Number of private security personnel in Afghanistan soars."

<sup>&</sup>lt;sup>11</sup> David Pugliese, "When truth is a moving target," *The Ottawa Citizen*, December 13, 2008.

<sup>&</sup>lt;sup>12</sup> Sherman and DiDomenico, "The Public Cost of Private Security in Afghanistan," p. 8.

including Kandahar's provincial police chief.<sup>13</sup> Although Canadian Forces Brigadier-General Jon Vance was quick to distance ISAF from this criminal act, Afghan President Hamid Karzai publicly claimed that the firm involved was employed by the coalition.<sup>14</sup> Compounding the problems caused by this violent behaviour are frequent attempts by foreign employees of PSCs to leave the state in an effort to avoid prosecution for their alleged crimes. For example, four American employees of Xe (formerly Blackwater Worldwide), who were involved in a shooting in Kabul on May 5, 2009, which left one civilian dead and two others injured, fled Afghanistan after only a brief "detention" period and did not stand trial under the Afghan judicial system.<sup>15</sup> This behaviour has contributed to a common perception among Afghans that PSCs are, "yet another armed actor that can act above the law."<sup>16</sup>

From this it is clear that the behaviour of at least some PSCs in Afghanistan has fostered negative perceptions of these actors among local Afghans that have also carried over to the members of ISAF. This represents a pressing threat to the Canadian Forces and their coalition partners because the negative perceptions generated by PSCs may motivate Afghan civilians and government officials to curtail cooperation with the Canadian Forces and other coalition personnel, cooperation which is essential for collecting intelligence on the location and disposition of Taliban forces and, in particular, the location of possible improvised explosive devices (IEDs) along the patrol routes used by Canadian Forces personnel. Even worse, these negative perceptions may encourage Afghan civilians to provide more active support for the Taliban and other enemies of PSCs and ISAF personnel. Therefore, the behaviour of PSCs may indirectly contribute to the deaths of Canadian Forces personnel and may also help undermine local support for NATO's anti-Taliban state-building enterprise in Afghanistan.

A second threat posed by PSCs to the Canadian Forces is that these actors occasionally force deadly engagements with Canadian military personnel. The most commonly reported cause of these incidents are vehicle-born PSC teams who refuse to stop or identify themselves at coalition checkpoints or when asked to by coalition

<sup>&</sup>lt;sup>13</sup> CBC News, "Kandahar police chief dies in shootout," CBC.ca, June 29, 2009.

<sup>14</sup> Ibid.

<sup>&</sup>lt;sup>15</sup> Mike Mount and Adam Levine, "Afghan dies after incident with contractors, U.S. military says," *CNN.com*, May 19, 2009.

<sup>&</sup>lt;sup>16</sup> Joras and Schuster, "Private Security Companies and Local Populations," p. 24.

troops on patrol. Due to the possibility that the (usually unmarked) vehicles used by PSCs could contain IEDs, standard practice among coalition troops is to visually signal and then fire at their driver until he either stops voluntarily or is incapacitated. These engagements have produced casualties among PSC teams. For example, in April 2008, Canadian Forces personnel killed one member of a PSC team and wounded three others after they refused to heed repeated warnings to stop as they approached a Canadian provincial reconstruction team in Kandahar.<sup>17</sup> Canadian Forces troops shot and injured seven PSCs in a similar incident in October 2007.<sup>18</sup> Although PSCs have usually fared worst during these incidents, forcing unnecessary engagements with the Canadian Forces exposes Canadian troops and Afghan civilians to risk of death or injury from stray bullets or a counterattack by PSC personnel.

Finally, a third threat posed by PSCs to the Canadian Forces is that, despite being paid by Canada and other members of ISAF, these actors may lack loyalty to their employers and may, instead, be willing to transfer vital information about coalition units, such as operational and communications protocols, tactics, movement patterns, and deployed strength, to the Taliban, warlord armies, local bandits, and other enemies of the coalition. Given the Taliban's capacity to adapt its weapons and behaviour to those of the Canadian Forces, employing PSCs in close proximity to Canadian troops, such as guarding bases, may expose Canadians to increased risk of attack. For instance, if even a single PSC employee to provide the Taliban with information about the departure time or intended route of a Canadian Forces patrol, this would greatly increase the probability that insurgents could successfully attack the patrol with a prepositioned ambush or IED.

Although there is no publically available evidence to suggest that PSCs have intentionally transferred information about the Canadian Forces to the Taliban or other hostile groups, this threat should not be discounted out of hand. Indeed, many PSCs operating in Afghanistan are staffed by Afghan warlords and their tribal subordinates.<sup>19</sup> One study of PSC employees in Afghanistan by the Swiss Peace Foundation suggested that about 80 percent are members of warlord-led militias, which were hired largely

<sup>&</sup>lt;sup>17</sup> Matthew Fisher, "Canadian troops kill private security contractor," *The Ottawa Citizen*, April 4, 2008, p. A8; Walkom, "West's strategy failing in Afghanistan."

<sup>&</sup>lt;sup>18</sup> Walkom, "West's strategy failing in Afghanistan."

<sup>&</sup>lt;sup>19</sup> Blanchfield and Mayeda, "Forces enlist former Afghan Warlord for protection," p. A5; Pugliese,

<sup>&</sup>quot;Number of private security personnel in Afghanistan soars."

because of their combat experience, common language, and history of working together.<sup>20</sup> This study also noted that, "some PSC employees also seem to proudly display their military and/or mujahedeen background."<sup>21</sup> The PSCs hired by Canada are no exception. For example, in Kandahar, the Canadian Forces have contracted the services of at least three former warlords and their men to defend Canadian military bases and provincial reconstruction teams.<sup>22</sup> From this it is clear that most Afghan PSCs may maintain dual loyalties and there is little reason to believe that the short-term economic incentives provided by their Western clients should necessarily supersede contrary interests driven by longstanding ethnic and cultural ties.

The threats posed by PSCs to the Canadian Forces will likely increase over the next few years as the Afghan government and various members of ISAF come to rely on ever-more private soldiers for security tasks. For example, in July 2009, the United States Army informed several PSCs that it sought firms willing to conduct "theatre-wide" PSC operations in Afghanistan.<sup>23</sup> This will see an unprecedented number of PSCs providing static security for coalition bases and mobile security for convoys traveling to virtually every US forward operating base, including those located close to the Afghan-Pakistan border.<sup>24</sup> Moreover, as Canada draws down its combat forces in Afghanistan after 2011, PSCs will likely take up the challenge of filling the security vacuum this will leave in Kandahar province by providing ever-more personnel for static and mobile security roles. The few Canadian Forces personnel who will remain in Afghanistan after 2011, such as those assigned to provincial reconstruction teams, will, therefore, likely encounter PSCs more often but lack the capacity to defend themselves from the effects of PSCs' reckless behaviour through force of arms.

So long as Canada and its coalition partners in Afghanistan continue to employ PSCs, little can be done to reduce the threats they pose the Canadian Forces. Although undertaking joint training between the Canadian Forces and PSCs may help mitigate

<sup>&</sup>lt;sup>20</sup> Joras and Schuster, "Private Security Companies and Local Populations," p. 13; Sherman and

DiDomenico, "The Public Cost of Private Security in Afghanistan," p. 1.

<sup>&</sup>lt;sup>21</sup> Joras and Schuster, "Private Security Companies and Local Populations," p. 22.

<sup>&</sup>lt;sup>22</sup> Sherman and DiDomenico, "The Public Cost of Private Security in Afghanistan," p. 7.

<sup>&</sup>lt;sup>23</sup> Walter Pincus, "Military Weighs Private Security on Front Lines," *The Washington Post*, July 26, 2009;

The Associated Press, "US considers private security for Afghanistan," *The Associated Press*, July 25, 2009. <sup>24</sup> Pincus, "Military Weighs Private Security on Front Lines."; The Associated Press, "US considers private security for Afghanistan."

some of their threatening behaviour, such training would run counter to the PSCs' pervasive military culture of impunity, which will not easily be reconstituted into a culture of restraint. In addition, given the fluid nature of PSC employment, where individual private soldiers can choose to join or leave firms at will, any beneficial behavioural changes that can be achieved may be lost when PSC personnel change careers or even change positions within their current firm. Moreover, as business entities, PSCs are likely to shift the costs of joint training back onto the Canadian Forces, thus further increasing the cost of maintaining Canada's presence in Afghanistan. Finally, joint training could exacerbate the existing threat that PSCs may transfer vital information about coalition units to the Taliban or other opponents of the Canadian Forces.

# Threats Posed by Piracy to Canada and the Canadian Forces

Pirates operating in the waters off the Horn of Africa pose several threats to Canada and the Canadian Forces. These actors emanate from a number of ports in northeast and southern Somalia, a lawless state without an effective government.<sup>25</sup> Although individual pirates are largely motivated by lucrative payoffs, ranging up to \$20,000 for a single ship, the phenomenon of Somali piracy is thought to be driven by a combination of the collapse of the Somali fishing industry and the rise of several organized criminal organizations that have chosen to fund the bases, watercraft, weapons, and fuel necessary to sustain an unceasing campaign against civilian ships, where failed attacks occur more frequently than successful ones.<sup>26</sup>

Using a variety of small, fast assault skiffs and larger, slower logistical craft, pirates roam large areas of ocean off the coast of Somalia, including the Gulf of Aden,

<sup>26</sup> International Maritime Bureau Piracy Reporting Centre, Piracy figures for 2009 surpass those for previous year, International Maritime Bureau Piracy Reporting Centre; (Available from http://www.icc-

ccs.org/index.php?option=com\_content&view=article&id=374:piracy-figures-for-2009-surpass-those-for-previousyear&catid=60:news&Itemid=51); International Maritime Bureau Piracy Reporting Centre, Piracy Prone Areas and Warnings, International Maritime Bureau Piracy Reporting Centre; (Available from http://www.icc-

<sup>&</sup>lt;sup>25</sup> Doug Thomas, "Anti-Piracy Operations," Canadian Naval Review 3, no. 4 (Winter 2008): p. 25.

ccs.org/index.php?option=com\_content&view=article&id=70&Itemid=58); Craig Kielburger and Marc Kielburger, "There's more than one kind of pirate patrolling and plundering the coast of Somalia," The Vancouver Sun, June 22, 2009.

and are willing to attack vessels over a thousand kilometers from shore.<sup>27</sup> After closing to within a few hundred meters of a target ship, these contemporary buccaneers may unleash a hail of assault rifle and RPG fire to encourage their target to stop and submit to boarding.<sup>28</sup> Captured ships are then usually sailed to a Somali port, where they and their crew remain until a ransom is paid.<sup>29</sup>

Somali pirates pose a clear and growing threat to civilian craft operating near the Horn of Africa. Indeed, these actors launched 111 attacks on ships in 2008, and this figure was exceeded in only the first five months of 2009.<sup>30</sup> A total of 217 pirate attacks took place in 2009 off the coast of Somalia, which resulted in 47 hijacked ships and 867 crew members taken hostage.<sup>31</sup> Reflecting on these figures, the Director of the International Maritime Bureau, Pottengal Mukundan, argued that, "The fact that last year's figures have been surpassed three quarters of the way through 2009 shows that pirates, particularly off Somalia, still pose a significant threat to shipping." <sup>32</sup> Estimates suggest that these actors took in \$120-\$150 million between July 2008 and July 2009 from ransoms and sales of captured goods.<sup>33</sup> Hostage taking is thought to be the most lucrative area of the pirate trade, which is why over a dozen ships and hundreds of

<sup>27</sup> Department of National Defence, "Government of Canada extends Navy's counter-piracy mission," (Ottawa, ON: Department of National Defence, May 3, 2009); International Maritime Bureau Piracy Reporting Centre, *Piracy figures for 2009 surpass those for previous year*; International Maritime Bureau Piracy Reporting Centre, *Piracy Prone Areas and Warnings*; Michael McWhinnie, "International Operations: HMCS Winnipeg continues to disrupt piracy," (Ottawa, ON: Department of National Defence, May 25, 2009); The Standard Club, "Standard Club Piracy Update," (London, UK: The Standard Club, January 15, 2010).

<sup>28</sup> Dan Lett, "Canadian sailors uncover biggest weapons haul yet," *Canwest News Service*, May 25, 2009; Dan Lett, "Canadian warship 'on hot streak' off Somalia; HMCS Winnipeg seizes huge weapons cache from suspected pirates," *The Winnipeg Free Press*, May 25, 2009, p. B8; McWhinnie, "International Operations."; The Canadian Press, "Canadian warship helps U.S.-flagged vessel evade pirates off Somalian coast," *The Canadian Press*, May 22, 2009; US Fed News, "Combined Maritime Forces Works with International Navies to Counter Piracy," *US Fed News*, May 28, 2009.

<sup>&</sup>lt;sup>29</sup> International Maritime Bureau Piracy Reporting Centre, *Piracy Prone Areas and Warnings*.

 <sup>&</sup>lt;sup>30</sup> Scott Baldauf, "Pirates, Inc.: Inside the booming Somali business," *The Christian Science Monitor*, May 31, 2009; US Fed News, "Combined Maritime Forces Works with International Navies to Counter Piracy."
 <sup>31</sup> The Standard Club, "Standard Club Piracy Update," p. 2.

<sup>&</sup>lt;sup>32</sup> International Maritime Bureau Piracy Reporting Centre, *Piracy figures for 2009 surpass those for previous year*.

<sup>&</sup>lt;sup>33</sup> John Helmer, "Navies stumped over pirates off Somalia," *Business Day*, June 3, 2009; Alan Jamieson, "Another banner pirate season," *The Globe and Mail*, September 1, 2009.

crew members may be held hostage at any given time.<sup>34</sup> Moreover, as the frequency of pirate attacks has increased from 2008 to 2010, the average ransom has, likewise, increased from one to two million US dollars.<sup>35</sup>

Somali piracy poses at least three threats to Canada and the Canadian Forces. First, as a nation heavily reliant on the free-flow of international trade, any threat to the safety of cargo ships and their crews poses a threat to Canada's economy. For instance, the threat of pirate attacks may increase the operating costs of shipping firms, as their ships are forced to take circuitous routes in a bid to avoid pirate attacks and burn through greater quantities of fuel by cruising at higher speeds to reduce their exposure time and make it more difficult to fire at or board them. Moreover, the ships and crews unfortunate enough to be captured by pirates may suffer psychological and physical harm, ship owners may be forced to pay higher insurance costs and ransoms to recover their craft and crews, and manufactures and shipping firms may incur financial penalties for losing or failing to deliver their cargo on schedule.

Only a small proportion of ships transiting through the Gulf of Aden and/or near the Somali coast have, thus far, been attacked by pirates. One report concluded, for example, that only 0.37 percent of overall shipping traffic came under pirate attack in 2008.<sup>36</sup> Nevertheless, with the rapid increase in pirate attacks in 2009 and again in 2010, this proportion will almost certainly increase. It should be noted as well that, because Somali pirates are willing to strike ships from any state, ships owned by Canadian firms or operated by Canadian crews face the same risks as those owned or operated by citizen from states closer to the Horn of Africa. With this said, however, the pirates have vowed to increase attacks against ships affiliated with states that pose a threat to their activities. For example, pirates have threatened to increase the frequency of their attacks against American and French military personnel and civilians following successful counter-piracy strikes by the armed forces of these states.<sup>37</sup> Taking this into account, the Canadian Forces' participation in counter-piracy operations during may have increased the threat posed by pirates to Canadian shipping near the Horn of Africa.

<sup>&</sup>lt;sup>34</sup> US Fed News, "Combined Maritime Forces Works with International Navies to Counter Piracy."

<sup>&</sup>lt;sup>35</sup> Baldauf, "Pirates, Inc."; Department of National Defence, "Government of Canada extends Navy's counter-piracy mission."; The Standard Club, "Standard Club Piracy Update," p. 1.

<sup>&</sup>lt;sup>36</sup> US Fed News, "Combined Maritime Forces Works with International Navies to Counter Piracy."

<sup>&</sup>lt;sup>37</sup> Jorge Barrera, "Canadians join fight against brazen pirates," *The Ottawa Citizen*, April 15, 2009.

Somali pirates also pose a threat to Canadian civilians traveling on tour boats or recreational watercraft. Although the risk associated with this threat is certainly smaller, since Somali pirates have primarily targeted cargo ships, it is no less pressing. Indeed, a single incident involving the capture of a tour boat or recreational watercraft with a large number of Canadian passengers or crew members could place Canadian civilians at risk of physical and psychological harm and expose the craft's operator and insurer to financial harm, if they are forced to pay sizeable ransoms. Moreover, such an incident could also be politically disastrous for the Government of Canada, particularly if the Canadian press or general public deem its response to be anything less than optimal.

Finally, the active role adopted by the Government of Canada in counter-piracy operations around the Horn of Africa has exposed Canadian Forces personnel to considerable risk as they confront pirates on the high seas. The nature of the Canadian Navy's role in these operations exposes its personnel to direct risk of death and injury, for they must chase down, board, and search suspected pirate vessels, even in situations where they have visual confirmation that assault rifles and other weapons are on board.<sup>38</sup> These operations have not yet resulted in deaths or serious injury to Canadian Forces personnel. However, just as the deaths of Canadian police officers in the line of duty are relatively uncommon, they can occur whenever desperation, human error, or any one of a host of other factors transform a tense arrest or search scenario into a firefight. With this in mind, the threat to Canadian Forces personnel in counter-piracy operations is ever-present.

As mentioned above, the Canadian Forces have taken an active role in combating the threat of piracy around the Horn of Africa. Canadian naval personnel have been particularly active during the past two years, which saw the *HMCS Winnipeg* deploy to the Gulf of Aden for counter-piracy operations from April to August 2009, and saw the *HMCS Fredericton* undertake a similar deployment from November 2009 to April 2010.<sup>39</sup>

<sup>&</sup>lt;sup>38</sup> Jeff Bell, "HMCS Winnipeg set to return," *The Victoria Times Colonist*, August 14, 2009; Katie Derosa,
"Canada extends anti-pirate mission," *Canwest News Service*, May 4, 2009; Lett, "Canadian sailors uncover biggest weapons haul yet."; Lett, "Canadian warship 'on hot streak' off Somalia."; McWhinnie,
"International Operations."; The Canadian Press, "Canadian warship helps U.S.-flagged vessel evade pirates off Somalian coast."; Winnipeg Free Press Staff, "Winnipeg ends mission," *The Winnipeg Free Press*, August 15, 2009; Allan Woods, "Canada making waves in high seas," *The Toronto Star*, April 18, 2009.
<sup>39</sup> Department of National Defence, "HMCS Fredericton concludes counter-piracy and counter-terrorism operations," (Ottawa, ON: Department of National Defence, April 8, 2010).

Serving with a NATO maritime task force, under Operations SEXTANT, ALLIED PROTECTOR, and OCEAN SHIELD, the crews of these ships worked to deter and respond to pirate attacks by patrolling for suspicious vessels, maintaining a visible presence in the region, escorting civilian vessels, and pursuing and boarding suspected pirate vessels.<sup>40</sup> Carrying out these roles resulted in multiple direct engagements between Canadian Forces personnel and pirate crews, which varied from harassing suspicious craft from the air to boarding and searching suspected pirate vessels for weapons and other evidence of intent to commit piracy.<sup>41</sup> These activities, and those of Canada's coalition partners, helped reduce the proportion of successful pirate attacks in 2009, as compared to 2008.42 For example, in 2008, 34 percent of pirate attacks in the Gulf of Aden were considered successful. Between January and June 2009, in contrast, the success rate of pirate attacks on ships in the Gulf of Aden fell to 23 percent.<sup>43</sup> Commenting on NATO's success, British Vice-Admiral Philip Jones concluded that these operations have contributed to, "a substantial reduction of success rates in pirates' attacks."44 From this it is clear that Canada's participation in counter-piracy activities has had a tangible affect on the severity of this pressing threat.

Although the Canadian Forces and their NATO partners have made tangible progress against the threat of piracy by reducing the proportion of successful pirate attacks, the Government of Canada's current approach to this threat is flawed because it lacks a clear policy on detaining and/or prosecuting suspected pirates that have been captured by Canadian Forces personnel. Consequently, suspected pirates that were captured by the Canadian Forces on April 18 and May 22, 2009, had to be released

<sup>&</sup>lt;sup>40</sup> Department of National Defence, "Government of Canada extends Navy's counter-piracy mission."; Department of National Defence, "HMCS Fredericton concludes counter-piracy and counter-terrorism operations."; Jamieson, "Another banner pirate season."

<sup>&</sup>lt;sup>41</sup> Bell, "HMCS Winnipeg set to return."; Derosa, "Canada extends anti-pirate mission."; Lett, "Canadian sailors uncover biggest weapons haul yet."; Lett, "Canadian warship 'on hot streak' off Somalia."; McWhinnie, "International Operations."; The Canadian Press, "Canadian warship helps U.S.-flagged vessel evade pirates off Somalian coast."; Winnipeg Free Press Staff, "Winnipeg ends mission."; Woods, "Canada making waves in high seas."

<sup>&</sup>lt;sup>42</sup> Peter O'Neil, "Pirates have their reasons," *The Regina Leader Post*, April 27, 2009.

<sup>&</sup>lt;sup>43</sup> Roger Middleton, "Pirates and How to Deal with Them," in *Africa Programme/International Law Briefing Note* (London, UK: Chatham House, April 22, 2009), 2; US Fed News, "Combined Maritime Forces Works with International Navies to Counter Piracy."

<sup>&</sup>lt;sup>44</sup> Sun News Service, "Pirates being thwarted, officials say," *The Vancouver Sun*, May 14, 2009.

following risky pursuit, boarding, and search operations.<sup>45</sup> As knowledge of this flaw spreads throughout the pirate organizations in Somalia, Canada's ability to deter attacks on civilian vessels could be reduced because Canadian Forces personnel may come to be viewed as a mere inconvenience rather than a clear threat to local pirates.<sup>46</sup> Areas of ocean patrolled by Canadian vessels may, in turn, come to be viewed as relatively safe operating zones for pirates, at least compared to those patrolled by states, like the Netherlands and the United States, that are willing to prosecute suspected pirates.<sup>47</sup> Taking this into account, the Government of Canada must work to enhance the legal options available to the Canadian Forces for transferring suspected pirates to foreign governments that are willing to prosecute them for their alleged crimes.

# Threats Posed by Foreign States to Canadian Arctic Sovereignty

In contrast to the other threats discussed in this paper, the threat to Canadian sovereignty in the Arctic is a long-standing concern. This threat has, however, grown more pressing in recent years, due not only to climate change, which has reduced sea ice and opened vast areas of the Arctic to exploration, transit, and exploitation for the first time in centuries, but also to the actions of Canada's Arctic neighbours, particularly Russia and the United States. The years 2009 and 2010 have been especially dynamic years in this respect, witnessing a great deal of nationalistic bluster and provocative behaviour on all sides. Taking this into account, the threat to Canadian sovereignty in the Arctic, and the need for a concerted response by the Government of Canada to mitigate this threat, have never before been so critical.

The most pressing threat to Canadian Arctic sovereignty is that posed by foreign states, including Russia, the United States, and multiple European states, to Canada's sovereignty over its Arctic islands, the waterways that run between them, and the

<sup>&</sup>lt;sup>45</sup> CTV.ca News Staff, "Canadian warship making an 'impact' on piracy," *CTV.ca*, May 26, 2009; Derosa,
"Canada extends anti-pirate mission."; Dan Lett, "Canada helps capture unlucky pirates, but too often it's 'catch and release'," *The Edmonton Journal*, May 23, 2009; Dan Lett, "Fighting piracy a touchy task," *The Victoria Times Colonist*, May 23, 2009; Jonathan Manthorpe, "Piracy flourishes in absence of functioning government in Somalia," *The Vancouver Sun*, April 22, 2009; O'Neil, "Pirates have their reasons."
<sup>46</sup> Antonio Maria Costa, "Fight Somali piracy on land, not at sea," *The Globe and Mail*, April 22, 2009.

<sup>&</sup>lt;sup>47</sup> Helmer, "Navies stumped over pirates off Somalia."

seabed surrounding them.<sup>48</sup> These include disputes with Denmark regarding Canada's sovereignty over Hans Island in the Nares Straight, which runs between Ellesmere Island and Greenland, a longstanding dispute with the United States over the maritime boundary of the Beaufort Sea, disputes with Russia and the United States over the precise location of national borders on the continental shelf, and a dispute with multiple other states over whether the Northwest Passage should be considered part of Canada's territorial waters or an international waterway.<sup>49</sup>

Many of these disputes are driven by competing desires, on the part of the Arctic states, to establish access to natural resource deposits on Arctic territory and on the seabed under the Arctic Ocean. These deposits are likely enormous. Indeed, estimates suggest that the Arctic may contain up to one-quarter of the world's remaining petrochemical reserves, including 1,670 trillion cubic feet of natural gas and 90 billion barrels of oil.<sup>50</sup> As humanity depletes the Earth's reserves of easily-accessible oil and natural gas, Arctic deposits of these vital resources will yield enormous financial windfalls to whoever controls access to them. For Canada, the Arctic could eventually surpass Alberta as the nation's primary exporter of fossil fuel-based energy.

Surveys conducted for the Government of Canada in 2009 claimed areas of territory and resource deposits in the Arctic that have also been claimed by Russia, the United States, and/or Denmark.<sup>51</sup> Consequently, conflicts over sovereignty between Canada and its Arctic neighbours are not only economically important, but also likely.<sup>52</sup> As Rob Huebert summarized, "You mix uncertain boundaries with major powers and

Canadian and Australian Challenges and Strategies," 6; Parliamentary Information and Research Service, "The Arctic: Canadian Security and Defence," (Ottawa, ON: Library of Parliament, October 24, 2008), p. 3. <sup>50</sup> Bill Graveland, "Possibility of armed conflict in the North 'really distant'," *The Canadian Press*, September 26, 2008; Huebert, "Canadian Arctic Sovereignty and Security in a Transforming Circumpolar World," pp. 12-13; Christopher Mason, "US and Canada bury hatchet to curb Russia's Arctic bid," *The Financial Times*, August 18, 2008.

<sup>&</sup>lt;sup>48</sup> Rob Huebert, "Here Comes the Age of the Arctic - Ready or Not!," *Canadian Naval Review* 3, no. 4 (Winter 2008): 24; Aaron Jackson, "Defending the 'Empty North': Comparing Canadian and Australian Challenges and Strategies," *Canadian Naval Review* 3, no. 4 (Winter 2008): p. 4.

<sup>&</sup>lt;sup>49</sup> Rob Huebert, "Canadian Arctic Sovereignty and Security in a Transforming Circumpolar World," (Canadian International Council, July 2009), 6; Jackson, "Defending the 'Empty North': Comparing

 <sup>&</sup>lt;sup>51</sup> Steven Chase, "Canada pushes past North Pole in Arctic survey," *The Globe and Mail*, May 25, 2009; Bob Weber, "Canada builds claim on Arctic areas," *The Waterloo Region Record*, May 25, 2009.
 <sup>52</sup> Ed Struzik, "Dawn of a new Arctic," *The Edmonton Journal*, May 3, 2009.

massive amounts of oil and gas, and you always get difficult international circumstances."<sup>53</sup>

Developments during the last two years have underscored the current threat posed to Canadian sovereignty in the Arctic. Probably the most widely reported incident occurred on February 18, 2009, when two Russian Tu-95 "Bear" bomber/surveillance aircraft approached Canadian Arctic airspace during a training mission. This action not only prompted Canada to scramble fighters to intercept the foreign aircraft, but also provoked Canada's senior foreign and defence policy decision makers to issue a number of combative public statements. For example, Minister of Defence Peter MacKay argued at a news conference in February that Canada's fighter aircraft had sent, "a strong signal," to the Russians to, "back off and stay out of our airspace."54 Prime Minister Steven Harper, similarly, condemned the Russian flights as, "intrusions," and declared that Canada would, "respond every time the Russians make any kind of intrusion on the sovereignty of Canada's Arctic."55 Demonstrating suspicion regarding Russia's possible designs on the Arctic, Minister of Foreign Affairs Lawrence Cannon also raised questions at a news conference about, "why the Russians would want to spend so much fuel to fly up to our borders," for supposed "training" purposes.56

In addition, Russia announced in March 2009 that it intended to create a special operations unit exclusively for military operations in the Arctic, a capacity Canada currently lacks.<sup>57</sup> This announcement prompted Cannon to declare that Canada, "will not be bullied," by Russia into relinquishing its sovereign claims in the Arctic.<sup>58</sup> Moreover, the Russian military conducted a parachute drop near the North Pole in April 2010.<sup>59</sup> Michael Byers, a specialist in international law, rightly points out that, "Under international law, the Russians have every right to do this."<sup>60</sup> However, as

<sup>60</sup> Boswell, "Russia plans polar parachute drop."

 <sup>&</sup>lt;sup>53</sup> Randy Boswell, "Russia foresees military conflict over Arctic," *The Edmonton Journal*, May 14, 2009.
 <sup>54</sup> Ibid.

<sup>&</sup>lt;sup>55</sup> Chase, "Canada pushes past North Pole in Arctic survey."

<sup>&</sup>lt;sup>56</sup> Steven Chase, "Canada asks Russia for training-mission notice," *The Globe and Mail*, April 10, 2009.

<sup>&</sup>lt;sup>57</sup> Weber, "Canada builds claim on Arctic areas."

<sup>&</sup>lt;sup>58</sup> Chase, "Canada asks Russia for training-mission notice."; Chase, "Canada pushes past North Pole in Arctic survey."

<sup>&</sup>lt;sup>59</sup> Mike Blanchfield, "Russian parachute drop over Arctic 'propoganda stunt'," *The Toronto Star*, April 6, 2010; Randy Boswell, "Russia plans polar parachute drop," *The National Post*, July 30, 2009.

Huebert argued in July 2009, when Russia first announced this mission, this operation represents another Russian attempt to demonstrate its ability to exercise sovereign control over Arctic lands and waterways.<sup>61</sup> Statements by Russian General Vladimir Shamanov, offered support for the latter perspective, when he argued that, while, "we only intend to make a peaceful visit to the North Pole," the parachute drop represented his government's desire to protect its, "national interest in the northern direction."<sup>62</sup> In response to Russia's announcement, MacKay declared that Canada would, "protect our sovereign territory," and pledged that the Harper government would, "meet any challenge to that territorial sovereignty," adding, "I can assure you that any country that is approaching Canadian airspace, approaching Canadian territory, will be met by Canadians."<sup>63</sup> Furthermore, in March 2010, Russian President Dmitry Medvedev announced his intention to ensure his state's access to mineral resources in the Arctic, and acknowledged that competition over these resources could spark conflicts between Arctic states in the near future.<sup>64</sup>

Beyond this, in one of his final acts as president, George W. Bush established a new "United States Arctic Policy" on January 9, 2009, the first major update to American Arctic policy since 1994.<sup>65</sup> Although it is unclear whether the Obama administration will adhere to this policy, it is worth noting that it outlined a strong position in favour of internationalizing the Northwest Passage. Indeed, the document stated that, "Freedom of the seas is a top national priority. The Northwest Passage is a strait used for international navigation."<sup>66</sup> The document went on to pledge that the United States would, "Preserve the global mobility of United States military and civilian vessels and aircraft throughout the Arctic region," and, "Project a sovereign United States maritime presence in the Arctic in support of essential United States interests."<sup>67</sup> Should the Obama administration choose to implement this or a similar policy,

<sup>61</sup> Ibid.

<sup>&</sup>lt;sup>62</sup> Randy Boswell, "Russian mission raising red flags," The Regina Leader Post, July 31, 2009.

<sup>&</sup>lt;sup>63</sup> Canwest News Service, "Canada will protect territory: MacKay," *The Saskatoon Star Phoenix*, August 1, 2009.

<sup>&</sup>lt;sup>64</sup> The Associated Press, "Canada-Russia Arctic tensions rise," CBC News.ca, March 17, 2010.

<sup>65</sup> Bob Weber, "U.S. wants central role in Arctic," The Waterloo Region Record, January 13, 2009.

<sup>66</sup> George W. Bush, "United States Arctic Policy (National Security Presidential Directive 66 and

Homeland Security Presidential Directive 25)," (Washington, DC: The White House, January 9, 2009). <sup>67</sup> Ibid.

Canada's right to control and possibly restrict access to the Northwest Passage could come under threat from American naval and Coast Guard units.

Losing control of the Northwest Passage could pose a number of threats to Canadian sovereignty. For instance, although the probability is low that that the waterway could be used by foreign states to transfer weapons of mass destruction, illegal drugs, toxins, or other harmful cargo, the possibility remains.<sup>68</sup> And, given the extreme difficulty involved in rapidly deploying specialized equipment and personnel to the far north to deal with the release of contaminants from a ship into Canada's fragile Arctic ecosystem, the threat posed to Canada's northern territory and residents by an uncontrolled increase in foreign shipping traffic through the Northwest Passage is very real. Ultimately, if Canada cannot control who enters the Northwest Passage, it cannot enforce the safety and environmental standards that are essential to minimizing the risk of a major contaminant spill in the region.<sup>69</sup>

Perhaps of even greater importance, internationalizing the water of the Northwest Passage also internationalizes the airspace above it, which would allow foreign military aircraft, such as Russian Tu-95 bomber/reconnaissance aircraft, to travel between Canada's Arctic islands.<sup>70</sup> Canada's current capacity to intercept foreign military aircraft flying over or near Canadian territory, which relies on an aging fleet of short-range CF-18 fighters based in Alberta and Quebec, is not designed to shadow a long-range aircraft across the country's entire Arctic expanse. Internationalizing the Northwest Passage could, therefore, allow foreign military aircraft to operate with near impunity almost directly above Canadian territory.

The threat posed by foreign states to Canada's sovereignty in the Arctic may be addressed in several ways. First, the Government of Canada should continue to enhance the coherence of its Arctic policies and administrative institutions in order to maintain a staunch commitment to defend its sovereign claims against all challengers.

<sup>&</sup>lt;sup>68</sup> Franklyn Griffiths, "Canadian Arctic Sovereignty: Time to Take Yes for an Answer on the Northwest Passage," (Montreal, QC: The Institute for Research on Public Policy, September 2008), p. 11; Barbara Yaffe, "Settling Arctic feud," *The Windsor Star*, January 24, 2009.

<sup>&</sup>lt;sup>69</sup> Rob Huebert, "Canada and the Changing International Arctic: At the Crossroads of Cooperation and Conflict," (Montreal, QC: The Institute for Research on Public Policy, September 2008), p. 16.

<sup>&</sup>lt;sup>70</sup> Randy Boswell, "Military tension heats up Arctic," *The Regina Leader Post*, March 2, 2009; Yaffe, "Settling Arctic feud."

The Government of Canada's current approach to Arctic sovereignty is confused and incoherent. Indeed, it has ranged from blustery statements about, "not being bullied," by other states and promising to, "meet any challenge," to Canada's sovereignty in the north, to far more conciliatory language that greatly downplays the threat to Canada posed by its Arctic neighbours.<sup>71</sup> The Government of Canada has, however, recently made concerted attempts to improve in this respect by developing "Canada's Northern Strategy: Our North, Our Heritage, Our Future" to serve as a definitive statement of its policies toward the Arctic.<sup>72</sup> Nevertheless, Canada still lacks the institutional capacity to ensure that its actions toward the Arctic reflect the directions outlined in this document. To address this problem, Huebert has proposed the creation of an Arctic committee in the federal Cabinet that would be chaired by the prime minister.<sup>73</sup> This is a reasonable approach but, as Huebert acknowledges, it is contingent on the prime minister remaining sufficiently engaged in Arctic affairs to meet with the committee on a regular basis and ensure that its decisions are carried out by the federal bureaucracy and the Canadian Forces.

Pressing policy and political crises will, however, inevitably drive other issues, including Arctic sovereignty, off the prime minister's agenda for long periods of time; therefore, a cabinet committee on the Arctic may find itself sitting idle, or at least lacking its chair, much of the time. If this were to occur, the coherence of Canadian Arctic policy will not appreciably improve. Taking this into account, a superior approach would be to empower the personnel in the Prime Minister's Office and the Privy Council Office assigned to address Arctic policy issues full time with the decision-making authority to ensure that the Government of Canada's actions toward the Arctic reflect the directions established in "Canada's Northern Strategy." The federal cabinet, whether in full assembly, or represented by an Arctic committee, could also meet at critical decision-making junctures to review and, if necessary, request changes to decisions made by these central agency personnel.

In addition, the Government of Canada should continue its ever-more detailed and extensive mapping efforts in the Arctic. This will provide Canada with the scientific

<sup>&</sup>lt;sup>71</sup> Canwest News Service, "Canada will protect territory."; Chase, "Canada asks Russia for trainingmission notice."; Chase, "Canada pushes past North Pole in Arctic survey."

<sup>&</sup>lt;sup>72</sup> Government of Canada, "Canada's Northern Strategy: Our North, Our Heritage, Our Future," (Ottawa, ON: Department of Indian Affairs and Northern Development, 2009).

<sup>&</sup>lt;sup>73</sup> Rob Huebert, "Time to implement Arctic strategy," *The Windsor Star*, July 31, 2009.

information required to defend its claims to territory and waterways in the Arctic. Although the threats to Canada's sovereignty in the Arctic have manifested most prominently in foreign military activities, specific disputes over borders and access rights are likely to be resolved diplomatically and legally through multilateral talks and international legal tribunals. Taking this into account, Canada must arm itself with accurate and persuasive data to support its claims. These, in turn, can only be acquired by continuing to support meticulous survey work in the far north.

But no amount of treaties or legal judgments will ensure Canada's Arctic sovereignty in the future. For this, the Government of Canada must also enhance its capacity to maintain a physical presence in the Arctic year-round. This, in turn, will require the Government of Canada to live up to its oft-announced commitments to develop a deep water port at Nanisivik, to purchase ships and aircraft capable of operating in and above icy seas, and to bolster the frequency of land, air, and maritime patrols through areas of the Arctic claimed by Canada.<sup>74</sup> These assets are essential if the Government of Canada hopes to be able to monitor the integrity of its sovereignty in the Arctic, let alone, "respond every time," a foreign state makes, "any kind of intrusion," upon Canadian sovereignty in this region.<sup>75</sup>

# Threats Posed by the Economic Downturn to the Canadian Forces

Finally, the economic downturn that has gripped the world economy since 2008 and contributed to lower tax revenue and higher government spending in many states, including Canada, poses a financial threat to the Canadian Forces. Faced with record deficits, the Government of Canada must take dramatic steps over the next decade to regain fiscal control. With significant tax increases being politically unpalatable, significant cuts to government spending is the most viable option for rebalancing the

<sup>74</sup> Bruce Campion-Smith, "Diplomatic thaw at hand over Arctic," The Toronto Star; Steven Chase,

<sup>&</sup>quot;Military's 'Polar Breeze' cloaked in secrecy," *The Globe and Mail*, April 27, 2009; Bill Curry, "As PM asserts control in Arctic, power structure fails in Iqaluit," *The Globe and Mail*, August 20, 2009; Rob Huebert, "As the ice melts, control ebbs in the Arctic," *The Globe and Mail*, August 16, 2008; Christopher Mason, "Harper asserts Canada's stake in the Arctic," *The Financial Times*, August 17, 2009; Bob Weber, "Danish northern military plans raise fears of Arctic conflict," *The Canadian Press*, July 26, 2009; Bob Weber, "Northwest Passage is ours, Harper tells world," *The Hamilton Spectator*, August 28, 2008; Yaffe, "Settling Arctic feud." <sup>75</sup> Chase, "Canada pushes past North Pole in Arctic survey."

federal budget, at least in the absence of rapid economic growth. Spending on national defence is currently one of the largest items on the federal balance sheets; moreover, defence spending has more than doubled during the last decade, from less than \$10 billion in fiscal year 1998-1999 to almost \$21 billion in fiscal year 2010-2011.<sup>76</sup> As a result, spending cuts in this policy field are a virtual certainty.

Despite this seemingly unavoidable reality, Minister of National Defence Peter MacKay has, thus far, been reluctant to publicly acknowledge the financial threat posed to his portfolio. When addressing an audience of military and defence industry representatives in May 2009, MacKay stated that his government does not intend to make any significant cuts to the defence budget in the foreseeable future: "The funding will be there, I assure you. It's locked in."<sup>77</sup> He went on to state that Jim Flaherty, the Minister of Finance, "is behind us all the way."<sup>78</sup> However, this rosy outlook is detached from the reality of the current economic and fiscal climate. Indeed, the recession and the resulting need to slash government spending to rebalance the budget pose at least two specific threats to the Canadian Forces.

First, should the probable cuts to the defence budget actually occur, this will likely contribute to the Government of Canada's longstanding record of failing to fulfill ambitious promises to enhance the capabilities of the Canadian Forces. The Mulroney government's decision, in 1990, to cancel its intended purchase of multiple nuclear submarines and the Polar 8 icebreaker are among the best-known casualties of spending cuts in response to economic downturns and attempts to slash budget deficits.<sup>79</sup> The Chrétien government's decision to cancel a contract to purchase dozens of EH-101 helicopters, which had been ordered by the Mulroney government to replace Canada's fleet of aging Sea Kings, is another well-known example of this phenomenon. An array of unfulfilled spending initiatives may be particularly vulnerable to budget cuts. For instance, significant spending cuts would likely further jeopardize the already sluggish

<sup>&</sup>lt;sup>76</sup> Department of National Defence, "Report on Plans and Priorities 1998-1999," (Ottawa, Ontario: Department of National Defence, 1998), p. 12; Department of National Defence, "Report on Plans and Priorities 2009-2010," (Ottawa, Ontario: Department of National Defence, 2009), p. 9; Department of National Defence, "Report on Plans and Priorities 2010-2011," (Ottawa, Ontario: Department of National Defence, 2009), p. 9; Department of National Defence, 2010), p. 9.

 <sup>&</sup>lt;sup>77</sup> Mike Blanchfield, "MacKay touts \$60B for new military equipment," *The Ottawa Citizen*, May 28, 2009.
 <sup>78</sup> Ibid.

<sup>&</sup>lt;sup>79</sup> Adam Lajeunesse, "Sovereignty, Security and the Canadian Nuclear Submarine Program," *Canadian Military Journal* 8, no. 4 (Winter 2007-2008): p. 80.

efforts to increase the size of the Canadian Forces. The Harper government has pledged to increase the Canadian Forces from approximately 65,000 to 70,000 full-time military personnel, and yet has also repeatedly failed to meet this commitment.<sup>80</sup> The Department of National Defence's 2010-2011 Report on Plans and Priorities projects growth of only 558 regular force personnel between fiscal years 2010-2011 and 2012-2013, but even this conservative projection may not be attainable due to attrition from injuries, retirements, and resignations.<sup>81</sup>

Reflecting on this problem, Senator Colin Kenny, a frequent proponent of increasing defence spending, argued in November 2008 that the Harper government's, "Early commitments to recruit and grow (the Canadian Forces) appear to have been abandoned."<sup>82</sup> Lieutenant-General Andrew Leslie, a former Chief of the Land Staff, argued, similarly, on March 9, 2009, that, "the number of trained soldiers has remained relatively unchanged," since 2005, and that the army is understaffed by approximately 700 officers and 700 senior non-commissioned officers.<sup>83</sup> He also noted that a critical shortage of maintenance personnel has contributed to a very high out-of-service rate for army equipment.<sup>84</sup> Leslie concluded that, if this personnel shortage persists during the next few years, the Canadian Forces may need to, "explore the possibility of a well-organized and synchronized operational pause," meaning halting overseas operations to recuperate as an institution.<sup>85</sup>

A number of long-delayed procurement initiatives are also at heightened risk from budget cuts because they have not yet been formalized in contracts with arms suppliers. The federal government can, therefore, terminate these initiatives without

<sup>&</sup>lt;sup>80</sup> Department of National Defence, "Report on Plans and Priorities 2009-2010," p. 23.

<sup>&</sup>lt;sup>81</sup> Department of National Defence, "Report on Plans and Priorities 2010-2011," p. 11; Jack L. Granatstein, "The Canadian Forces: Stuck in neutral," *The National Post*.

<sup>&</sup>lt;sup>82</sup> Colin Kenny, "Don't touch defence spending," The Ottawa Citizen, November 8, 2008.

<sup>&</sup>lt;sup>83</sup> Martin Shadwick, "State of the Forces," *Canadian Military Journal 9*, no. 4 (2009): p. 109; The Standing Senate Committee on National Security and Defence, "The Standing Senate Committee on National Security and Defence - Evidence," (Ottawa, ON: Senate of Canada).

<sup>&</sup>lt;sup>84</sup> Shadwick, "State of the Forces," pp. 109-110; The Standing Senate Committee on National Security and Defence, "The Standing Senate Committee on National Security and Defence - Evidence."

<sup>&</sup>lt;sup>85</sup> The Standing Senate Committee on National Security and Defence, "The Standing Senate Committee on National Security and Defence - Evidence."

suffering severe financial penalties or the threat of lawsuits.<sup>86</sup> These include, for example, the oft-announced Arctic patrol vessels and joint support ships for the navy and search-and-rescue aircraft for the air force. Most troublesome, due both to their probable expense and their utility to front-line combat operations, significant cuts to the defence budget increases the risk to plans to replace the navy's aging frigates and airdefence destroyers and the air force's CF-18 fighters.<sup>87</sup> Failing to meet the latter commitment could be particularly harmful because, as Canada's closest military ally, the United States, transitions toward a stealthier air force based around F-22s and F-35s (the same aircraft the Canadian Forces would prefer to purchase to replace its CF-18s), Canada may no longer be able to participate in allied air campaigns in the near future because the mere presence of its non-stealthy CF-18s would increase the probability that a joint Canada-US airstrike would be detected by enemy radar.88 This, in turn, would increase the risk of harm to American aircraft. Taking this and the above-discussed personnel issue into account, efforts to slash the current budget deficit may threaten Canada's ability to participate in overseas combat operations. Reflecting similar sentiments, though with tempered language, Lieutenant-General W. Angus Watt, a former Chief of the Air Staff, testified to the Standing Senate Committee on National Security and Defence on March 9, 2009, that, "if we do not take the right decisions now about key programs - not only equipment, but also infrastructure and people - there will be significant challenges," for the Canadian Forces during the next decade and beyond.89

Significant cuts to Canada's defence budget would also threaten the Canadian Forces' existing capabilities. For instance, after more than half a decade of major equipment purchases, including Cyclone and Chinook helicopters, Hercules tactical transport aircraft, and Globemaster strategic transport aircraft, a proposal to slash the Canadian air force's budget by five percent was floated in early 2009. In its initial response, the Canadian Forces proposed to cease operating the Snowbirds acrobatics squadron and greatly reduce operations of its Challenger transport aircraft units, which are used, in part, to ferry the prime minister and other senior government officials

<sup>&</sup>lt;sup>86</sup> Granatstein, "The Canadian Forces."; David Pugliese, "Military favours stealthy jet to replace CF-18s," *The Ottawa Citizen*, August 22, 2009.

<sup>&</sup>lt;sup>87</sup> Pugliese, "Military favours stealthy jet to replace CF-18s."

<sup>&</sup>lt;sup>88</sup> Ibid.

<sup>&</sup>lt;sup>89</sup> The Standing Senate Committee on National Security and Defence, "The Standing Senate Committee on National Security and Defence - Evidence."

across Canada and around the world.<sup>90</sup> Neither are combat units; consequently, Canadian security would not be directly affected if they were to be grounded. They are, however, popular units, at least among the Canadian public and senior government officials who derive enjoyment or use from them, which means they are not likely to be the first casualties of future budget cuts. Other, less popular programs, such as ongoing constructions projects at Canadian air bases, could be cut instead. More troubling fiscal options include cutting the personnel and related spending necessary to allow Canada's CF-18s to deploy overseas for combat operations and reducing the operational tempo of the country's Globemaster and Hercules transport aircraft.<sup>91</sup> The recent history of Canadian defence spending suggests these options are not beyond serious consideration; indeed, the Chrétien government sold the country's last Chinooks in 1993 and resisted repeated calls to purchase new helicopters despite their obvious utility to the peacekeeping operations in war-ravaged states that this government agreed to participate in.<sup>92</sup>

Little can likely be done to completely mitigate this threat because the reality of Canada's current economic and fiscal situation is such that significant cuts to all major policy fields will likely be necessary to rebalance the federal budget. With this said, however, the federal government expects to overspend on the order of tens of billions of dollars during the next few years, which means that the optimum medium-term financial strategy for the Canadian Forces may be for Minister MacKay to attempt to front-load as much defence spending as possible in order to purchase equipment, pay for defence-related infrastructure and other construction projects, and increase the size of the Canadian Forces while the government is willing to run large deficits. Through these efforts, the Minister should attempt to add sufficient bulk to the Canadian Forces in the medium-term that, when significant spending cuts do eventually occur, several newly acquired capabilities can be stripped away before the Canadian Forces' existing capabilities come under threat.

Minister MacKay has, at least in public, attempted to convince his cabinet colleagues, particularly the Minister of Finance, and also the Canadian public of the

<sup>&</sup>lt;sup>90</sup> David Pugliese, "Air force threatens to ground Snowbirds," *The Ottawa Citizen*, May 2, 2009.

<sup>&</sup>lt;sup>91</sup> Murray Brewster, "Parliament to debate post-2011 role in Afghanistan," *The Globe and Mail*, October 13, 2009; Pugliese, "Air force threatens to ground Snowbirds."

<sup>&</sup>lt;sup>92</sup> Gloria Galloway, "Getting a life into heart of Taliban territory," *The Globe and Mail*, March 9, 2009.

value of maintaining the current level of defence spending. For instance, when discussing defence spending in May 2009, MacKay stated that, "So far, Mr. Flaherty is behind us all the way, which is why I took him to Afghanistan. I wanted for him to see firsthand where much of this investment was going.... All of that equipment is what is literally saving lives in Afghanistan today."<sup>93</sup> MacKay went on to argue that the Canadian public will see economic benefits from maintaining the current level of defence spending, noting that, "Canadians and their communities will benefit from the high-value employment opportunities," that military procurement projects generate, and that, "The Canadian economy as a whole will be buoyed by the sustainable economic benefits that accrue through domestic and global opportunities in and beyond defence and security."<sup>94</sup> He also called on the defence industry to improve its ability and willingness to communicate the positive relationships between military procurement, jobs, and industrial benefits within Canada.<sup>95</sup> Whether these lobbying efforts will delay or reduce the severity of probable cuts to Canada's defence budget remains to be seen.

# Conclusion

Canada and the Canadian Forces currently face a myriad of pressing threats to their security and prosperity. As illustrated above, these threats emanate from both state and non-state actors and range from the physical to the fiscal. Of perhaps greatest importance, most of these threats are relatively recent developments and currently lack clear, workable solutions. Should these threats persist, let alone intensify, in the coming years, as current data suggest they will, Canadian defence planners must expand the scope of their threat analysis to focus greater attention on non-traditional actors and factors.

<sup>93</sup> Blanchfield, "MacKay touts \$60B for new military equipment."

<sup>94</sup> Ibid.

<sup>95</sup> David Pugliese, "Conservatives set to fund military construction," The National Post, June 8, 2009.

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