



# Canada-U.S. Defence Relations in a Turbulent Time

**Vincent Rigby**

**Expert Group on Canada-U.S. Relations**

Working Paper #4

August 2024

## About the Author



**Vincent Rigby** was National Security and Intelligence Advisor to the Prime Minister from 2020 to 2021 and served in Canada’s Public Service for 30 years in a variety of departments and agencies across government, including the Privy Council Office, Global Affairs Canada, Public Safety Canada, the Department of National Defence and the former Canadian International Development Agency. His career focused on security and

intelligence, foreign policy, defence, and development issues. He is currently the Slater Family Professor of Practice at McGill University’s Max Bell School of Public Policy. He is also a senior fellow with the Norman Patterson School of International Affairs at Carleton University, as well as a senior advisor with the Centre for Strategic and International Studies in Washington DC. He holds an MA in history from Carleton University.

## Expert Group on Canada-U.S. Relations

### Co-chairs

The Hon. Perrin Beatty

Fen Osler Hampson

### Members

Thomas d’Aquino

Meredith Lilly

Louise Blais

Hon. Gary G. Mar, KC

Carlo Dade

Marie-Lucie Morin

Laura Dawson

Vincent Rigby

Martha Hall Findlay

Colin Robertson

Jonathan Fried

Tim Sargent

Lawrence Herman

John Weekes

The Expert Group on Canada-U.S. Relations is focused on developing the key elements of a comprehensive Canadian strategy for Canada-US relations in an election year. Its work is supported by The Norman Paterson School of International Affairs, Carleton University, and the Canadian Global Affairs Institute. This Working Paper draws on discussions among Expert Group members. However, the views, thoughts and opinions expressed in this document belong solely to the authors and do not represent the Canadian Chamber of Commerce, The Norman Paterson School of International Affairs (Carleton University), or the Canadian Global Affairs Institute.

## Table of Contents

1. An Historic Low? Canada's Defence Reputation with the United States	4
2. The Next U.S. Administration	7
3. How to Restore Canada's Military Credibility with the U.S.: A Ten-Point Plan	8
4. Conclusion	11

## 1. An Historic Low? Canada's Defence Reputation with the United States

Canada and the United States have arguably the closest and most comprehensive defence relationship of any two countries in the world. They share in the defence of the North American continent, particularly through NORAD, and work together to support international peace and security through myriad alliances and partnerships, including NATO and the Five Eyes. The relationship is underpinned by a vast network of bilateral bodies and agreements covering everything from materiel cooperation and defence planning to information sharing and emergency response. Defence ties have grown over the decades since the Second World War, reaching their zenith during the Afghanistan conflict, when the two militaries fought side by side and suffered significant casualties against a determined Taliban insurgency.

While the direct relationship between the two militaries remains close, political strains have emerged lately between Ottawa and Washington over a perceived lack of political commitment on the Canadian side to sustain and improve defence capability in the face of seismic shifts in the geostrategic landscape. At the heart of this tension has been defence spending. While Canada has increased its defence budget significantly since the publication of *Strong, Secure, Engaged* (SSE) in 2017 (SSE committed to boosting spending by 70% from 2017 to 2026, though efforts to reach this goal have been undermined by persistent DND budget lapses in recent years), Canada remains one of only a handful of NATO countries that have failed to meet the Alliance benchmark of 2% defence spending as a proportion of Gross Domestic Product (GDP). Canada's current defence budget of approximately \$34 billion represents 1.34% of GDP.

Former U.S. President Donald Trump called out Prime Minister Trudeau in 2019 over defence spending, and leaks from the *Washington Post* in 2023 revealed a growing frustration among current U.S. officials over Canada's failure to follow up on defence commitments — from the 2% target to NORAD modernization to Arctic security. Other NATO countries, including Germany and Turkey, may have expressed similar reservations privately,

CANADA-U.S. DEFENCE RELATIONS IN A TURBULENT TIME  
WORKING PAPER #4

while some have gone public. France's ambassador to Canada stated publicly, "You are riding a first-class carriage with a third-class ticket. If you want to remain in the first-class seat, you need to train and expand (the military) and to go somewhere." The NATO Secretary-General has repeatedly stated that Canada needs to fulfill its 2% commitment.

The April publication of *Our North, Strong and Free*, combined with recent capital announcements such as the F-35 fighter, drones, surveillance aircraft and NORAD modernization, was expected to blunt some of this criticism. While the Defence Policy Update (DPU) deserves praise for its focus on Arctic security and its stated intention to purchase new equipment such as tactical helicopters and airborne early warning aircraft, it was vague on other equipment acquisitions (e.g., a promise to "explore options" for new submarines). It also did little to assuage concerns over serious personnel shortfalls and procurement problems. Most importantly, Canada's defence spending under the DPU will only reach 1.76% of GDP by 2029-30 — not 2%. The Parliamentary Budget Officer has since pronounced this goal as unachievable given the actual funding the government has provided (much of the funding under the DPU, it might be added, is back-end loaded), as well as ongoing procurement issues and a Canadian economy that could grow faster than anticipated.

The U.S. reaction was predictable. A large group of U.S. Senators from both political parties wrote to the Prime Minister, stating they were "profoundly disappointed" with recent Canadian defence spending projections. At the same time, senior Republicans such as Mike Johnson and Mitch McConnell took the opportunity at the July NATO summit in Washington to criticize Canada for riding U.S. "coattails".

Surprisingly, Canada went into the NATO Summit with no plan to address these concerns. But two days into the meeting, it hit the panic button. In his closing press conference, the PM stated that Canada expected to reach 2% defence spending by 2032, nearly a decade away, but provided no detailed plan of how it would get there. Moreover, the PM undercut his announcement by referring to 2% as a "crass mathematical calculation." It may well be, but this argument has long ceased to be relevant. Canada has

CANADA-U.S. DEFENCE RELATIONS IN A TURBULENT TIME  
WORKING PAPER #4

signed up for the commitment on multiple occasions, and as a responsible NATO member, it must honour it like all other allies. Moreover, at the Summit, Defence Minister Bill Blair announced the government's intention to purchase up to 12 submarines. However, he gave no deadline. Moreover, no funding is provided in either DND's existing capital plan or the fiscal framework for what could be the most expensive defence procurement in Canadian history, likely outstripping the cost of the Canadian Surface Combatant project and the F-35 acquisition.

In his Washington press conference, the PM also argued that Canada should not be judged exclusively on its defence spending, as "we continually step up and punch above our weight" on the world stage. This worn-out cliché may have been true in the immediate post-Cold War period or the Afghanistan conflict, but it is demonstrably false now. For example, Canada has provided Ukraine with considerable assistance since Russia's invasion, but it barely ranks in the top 20 donors as a percentage of GDP. In terms of major military equipment, including tanks and artillery, Canadian support to Kyiv has been, at best, modest. Canada has assisted in the recent strengthening of NATO's eastern flank through its Enhanced Forward Presence commitment to Latvia. Still, concerns remain about whether the Canadian Armed Forces (CAF) can find the personnel to increase the battle group to full brigade size. Canada's increased military presence in the Indo-Pacific region as part of the Indo-Pacific Strategy is marginal (from two to three frigates). Defence spending under the Strategy is pegged at a minuscule \$500 million over five years, and Canada is still not a member of the AUKUS military partnership comprising the U.S., U.K. and Australia (namely pillar 2 focused on advanced military capabilities) despite public pronouncements of interest. Canada's defence presence in the Middle East is virtually invisible. The same can be said in Latin America and the Caribbean (LAC). While the government's refusal to deploy troops to Haiti to quell gang violence may well have been the correct decision, it did the U.S. no favours. And in Africa, Canada is best remembered recently for a mission to Mali in 2017 that took forever to execute and was seen by many as little more than a box-ticking exercise.

## 2. The Next U.S. Administration

While it is difficult to predict whether recent steps by the Government to increase defence spending and enhance military capabilities will impress the U.S. and other allies, there is little doubt that Washington will expect Canada to follow through on these commitments and likely do even more. The focus in Canada is currently on the possible implications of a Trump administration, especially given recent comments by the former president that he would refuse to protect NATO allies which do not meet the 2% defence spending target. Vice-Presidential candidate J.D. Vance echoed these sentiments at the Republican convention in July, declaring that there would be “no more free rides for nations betraying the generosity of the American taxpayer.”

Whether Republican or Democrat, the next U.S. government will seek strong Allied support in a dangerous and unpredictable world, including from Canada. While Trump may pull back from NATO and pursue a negotiated settlement in Ukraine, there is consensus in Washington that China is a major global threat that must be confronted. The U.S. needs Allied support to do this. Beyond any direct threats from Russia or China, the U.S. will seek allies to protect its back in other regions, such as Latin America, the Caribbean, the Middle East, and Africa.

For the U.S., then, Allied defence spending and capability, as well as a willingness to deploy troops to trouble spots in support of Western interests, will be a major litmus test. And for those that fail to respond, there will be a price to pay, including in other policy areas such as trade. Canada knows this all too well. It was understood in 2017 that the publication of SSE and an associated increase in defence spending would be a useful chip in the CUSMA poker game. Then Treasury Secretary Steve Mnuchin raised the 2% issue with Canadian Finance Minister Bill Morneau on every occasion they met.

Canada’s defence record will be a target of any new administration, especially given our shared continental geography with the U.S. The recent statement by an unnamed senior Canadian official that the U.S. never raises

concerns privately with Canada about defence spending reflects either naïveté or wishful thinking. Even if true, it may be more a sign that U.S. officials have grown tired of lecturing the Canadians and have effectively given up hope that Ottawa will respond. However, this is unlikely to be the case with a new administration, especially if the international security environment continues to deteriorate and/or pressure grows within NATO to revise the defence spending target upwards to 2.5% or even 3%.

### **3. How to Restore Canada's Military Credibility with the U.S.: A Ten-Point Plan**

What can Canada do to restore its defence reputation with the U.S., keeping in mind that whatever it does should ultimately be in the national interest? (We should also recognize, of course, that having a healthy relationship with the U.S. is just as much in Canada's interest).

Here is a 10-point plan to help put Canada back in the good graces of its most important defence partner.

- 1. Live up to our commitments:** If Canada says it will do something on defence, it should do so expeditiously. The current government has earned a well-deserved reputation for making defence announcements and quickly moving on. Implementation is often an afterthought — a variation on the military expression “fire and forget.” Whether hitting the 2% target, pursuing NORAD modernization, deploying troops internationally or procuring equipment (including submarines), the focus must be quick and efficient implementation and results. As the *Washington Post* leaks demonstrated, Canada currently lacks credibility in the U.S. because it does not follow through, or at least takes its time to do so. The Arctic was cited as a specific example. Canada needs to demonstrate a sense of urgency and strategic vision on the defence file – ad hoc or piecemeal announcements in response to the latest crisis or NATO pressure will not suffice.



- 2. Develop a detailed plan to reach 2% defence spending:** The PM's announcement that Canada expects to reach the 2% target by 2032 was the easy part. The government now needs to show how it will get there while at the same time addressing Parliamentary Budget Office concerns that the deadline may not be achievable. The U.S. government and Congress will be watching closely. It would be even better to reach the target in less than eight years.
- 3. Meet other NATO targets:** NATO states have agreed to spend 20% of their defence budgets on research and capital equipment. Canada is one of only two member states that have failed to meet this objective. The DPU states that Canada is "on target" to achieve the goal but does not specify a timeframe. The government should set one. Two years would be appropriate.
- 4. Address P&P (Procurement and Personnel):** Implementation of the DPU will be challenging unless the CAF addresses its procurement and personnel issues. If the CAF cannot purchase equipment faster and more efficiently while at the same time increasing its personnel levels (there is a current shortfall of approximately 16,000 men and women in uniform, plus a shortage of civilians to support the procurement process), the policy will be an empty shell. Showing Washington that we are taking concrete steps to fix these fundamental and long-standing problems will enhance trust.
- 5. Maintain the focus on the Arctic:** Prioritizing the Arctic was a wise policy choice in the DPU — it supports both our national interest and that of the U.S. in a major strategic theatre where Russia and China pose an emerging threat. The U.S. is relying on Canada to do its part in this region. Maintaining the North as both a policy and operational priority is critical. Moving quickly on specific capabilities will show good faith (unlike the projects for the Arctic Offshore Patrol Ship and the Nanisivik refueling station, which were announced nearly 20 years ago and have still not been completed). In addition, now that Canada has committed \$40 billion over 20

years to modernize NORAD, it needs to make this upgrade happen. This is a primordial U.S. priority. If the U.S. seeks our support, Canada should remain open to further bilateral cooperation in related areas, including ballistic missile defence.

- 6. Continue to support Ukraine and European security:** While the U.S. commitment to Ukraine may change with a Trump administration, Washington will still appreciate every bit of military assistance Canada can provide to Europe. In addition to direct support to Ukraine, meeting the Latvia brigade group commitment will be key.
- 7. Do more in the Indo-Pacific:** Defending Ukraine is critical to Western interests, but China is the most significant long-term threat to the U.S. Canada's military presence in the Indo-Pacific remains small. Some have described the region's recent strategy and associated funding as a down payment on greater engagement in the future. If so, increased priority should be placed on defence and security, especially if Canada hopes to be considered a serious regional player by the U.S. and other Five Eyes allies. Naval and air capabilities must top the list.
- 8. Do the U.S. a favour elsewhere in the world:** Of course, any international deployment must be in Canada's national interest. However, Ottawa must take the request seriously if the U.S. calls for help in LAC, Africa, or the Middle East. As the French ambassador stated, a nation needs a strong military and must be prepared to use it. A possible peace settlement in the Middle East with a subsequent U.N. mission may be an opportunity. However, LAC is also in our backyard, and we have significant experience in Africa (one caveat: do not repeat the mistakes of Mali). Of course, the ability to deploy troops overseas will depend very much on fixing the CAF's personnel problems.
- 9. Be proactive:** Canada should not always wait for the U.S. to ask for help. The government should try to anticipate, i.e., seek opportunities

to assist Washington before it picks up the phone. Again, the Middle East may be a region where the U.S. will need a helping hand once a settlement is reached between Israel and Hamas. The government should be contemplating a role for Canada now.

**10. Put defence in a larger National Security context:** The U.S. rarely talks about defence in isolation. It fits defence into a broader national security paradigm that includes, among other things, intelligence and foreign policy tools. Canada needs to do the same. At home, Canada has recently lurched from crisis to crisis while dealing with threats such as foreign interference and espionage, responding with stop-gap measures. When will we see the recently promised National Security Strategy to address both domestic and international threats and strengthen cooperation with the U.S. against hostile state activities, including in such areas as critical minerals? And when will we see a foreign policy statement that identifies Canada's international security priorities and shows the U.S. and others where it can add value? What will Canada do more broadly in the world (for example, through arms control efforts or sanctions) to help the U.S. counter the likes of Russia, China, Iran and North Korea?

## 4. Conclusion

While trade and commerce are often placed at the epicentre of the Canada-US relationship, defence can play a no less important role. The U.S. ultimately defines almost every major bilateral relationship in terms of National Security. And with the world at an “inflection point” (one of President Biden's favourite catchphrases), Washington will look to allies more than ever for support. It will also increasingly examine other major bilateral policy issues, including trade, through a defence/security lens.

If Canada hopes to maintain a healthy relationship with the next U.S. administration, it must devote greater attention to defence. With the current state of the world, Canada should strengthen its military capabilities first and foremost for reasons of national interest (namely the protection of our

CANADA-U.S. DEFENCE RELATIONS IN A TURBULENT TIME  
WORKING PAPER #4

citizens, the promotion of our prosperity and the defence of our democratic values), as well as out of self-respect and Alliance responsibility. But there is no shame in acknowledging that addressing our southern neighbour's concerns over our commitment to defence is also a priority. It bears repeating – being a strong and reliable ally to the U.S. is in our national interest.

Bolstering Canada's defence capabilities in these desperate times will be no easy task. Public support remains soft, and the government faces many other domestic challenges. The government has recently taken some encouraging steps in the defence realm. However, they can only be viewed as preliminary given the current threat environment-- further initiatives and resources will be required. Some additional steps are suggested in this paper, but they are unlikely to be carried out in their entirety and certainly not overnight. But further Allied pressure will be applied to the government, whether Liberal or Conservative, to take serious, systematic and concrete steps to build a strong Canadian Armed Forces capable of operating in a complex and dangerous world. Such a military will serve Canadian interests and help solidify the relationship with our most important ally and partner.

