



**THE 2007
ROSS ELLIS MEMORIAL LECTURES
IN MILITARY AND STRATEGIC STUDIES**

***“IS THERE A GRAND STRATEGY IN
CANADIAN FOREIGN POLICY?”***

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LECTURE THREE

“Canadian Grand Strategy – Is there One?”

June 14, 2007

Thank you for joining me again this evening. Tonight, I propose to address some of the larger strategic issues we face and to answer the question of whether Canada currently has a grand strategy. In doing so, I have the rather interesting task of trying to pull together the various threads which I attempted to develop in the last two nights together in some sort of cogent conclusion. I've only got about 40 minutes to do this, so I better get started.

So let me go back briefly to the first night's lecture and our discussion of grand strategy and my very cursory analysis of the Roman and British empires. As you recall the events that led to their demise, it is important to reflect on the words of that great British historian Arnold Toynbee, who observed that "civilizations die from suicide not murder." We saw that in the Roman Empire with the neglect of the army and Roman values, the withering away of their frontier defences and the increasing dependence on barbarian mercenaries. It was a slow suicide, but a suicide nonetheless.

The British Empire was dispatched more quickly with the First and Second World Wars decisively ending Pax Britannica. In fact, so precipitous was the British decline that I think you can clearly identify with some historical justification the date which was the point of no return. Ironically, it was Canada Day (or Dominion Day as it was then known) July 1, 1916 that I believe marked the beginning of the end of the British Empire. It was the first day of the Somme offensive where the British – on one day alone – sustained 57,470 casualties – 19,240 of whom were killed. It was the bloodiest day in the history of the British Army. Once again, if we consider Liddell Hart definition of victory, it is hard to find any winners in a conflict that rather systematically destroyed five empires: the Russian, the Ottoman, the German, the Austro-Hungarian and the British.

The broad sweep of history over the last two millennia – from Pax Romana to Pax Britannica – provides ample evidence to support the view that Pax Americana will inevitably pass into history. Today, that is a rather hard concept to wrap our heads around when the United States seems to be close to the pinnacle of its economic and military power. It would have been equally hard for a Roman citizen living under the Emperor Trajan to contemplate anything but the continuous expansion of the Roman Empire and its civilizing influences. The same might be said of a British citizen living in the 1860's in the long and happy reign of Queen Victoria. And, as difficult as it is for us to contemplate today, there will come a time when the United States will no longer be the dominant world power. I think the weight of history supports that rather elementary observation. However, it is also tremendously important to keep in mind that power is relative. The United States can continue to grow and indeed prosper. But, the lessons of history are such that military and economic powers are very closely linked. Consequently, any country that surpasses the United States in economic power will sooner or later also surpass it in military power.

In Wednesday's lecture, I tried to provide you with some thoughts on the historical and theoretical basis for Canadian grand strategy. It is important of course to understand that the rise of Canadian foreign policy strategy and grand strategy coincided with the decline of the British Empire and the rise of the American. Indeed, I would argue that geography and our linguistic, political and racial heritage within the North Atlantic Triangle has allowed us to ride the crest of two imperial waves and enjoy the best of both worlds in terms of security and prosperity during the last two centuries. That is a long time for any country to be sheltered in the bosom of not one, but two

superpowers. And, indeed that fact alone has been inculcated within our strategic culture where Canadians have enjoyed and even expect almost unlimited security on the basis of a very small investment in defence.

As I tried to show as well, events at the end of the Second World War (which presented us with a group of almost terminally weakened European allies) essentially thrust a pro-active grand strategy upon us. It forced us to focus on what our role in the world would be. In this respect, St. Laurent's Gray Lecture was absolutely pivotal in taking themes that had been present in Canadian policy for years and molding them into coherent foreign policy principles. Canadian unity, liberty, the rule of law, human values and accepting our international responsibilities were identified accurately as the "Foundations of Canadian Policy in World Affairs" as the title of St. Laurent's speech indicated. And once again, I would draw your attention to the important declaration by David Haglund that "grand strategy depends upon the maintenance over time of fundamental foreign policy principles adapted to evolving realities." If one accepts that proposition, and I must say that I do, then I believe one can find the rudimentary foundation of a Canadian grand strategy in St. Laurent's principles.

David Haglund's identification of the North Atlantic Triangle and Atlanticism as the focal point for Canadian grand strategy was also critical. In effect, NATO became one of the primary vehicles for the expression of Canadian interests and values. I also agree very strongly with Lester Pearson's observation in his Memoirs that the inclusion of Article 2 (the Canadian article) in the Washington Treaty of 1949 was a very significant diplomatic achievement for Canada. It was absolutely vital at the time for expanding NATO beyond simply a military organization and giving it expression as a

“community of shared values.” In as much as Article 2 promoted these shared values, it was the security umbrella provided principally by the US which allowed Europe to move beyond the power politics of the past and move forward with integration. This can be traced back to the Brussels Pact, was continued with the formation of the European Economic Community in 1957, and was further bolstered by the Maastricht Treaty which came into force in 1993 creating the European Union. It continues to be a work in progress.

You will recall that yesterday I described the period at the end of the Second World War and the lead in into the Cold War as the Golden Age of Canadian Grand Strategy. So, what happened to the vigorous Canadian grand strategy between the start of the Cold War and its conclusion? It certainly appeared to wither on the vine. I would suggest that there are perhaps three reasons for that. First, the European allies rebuild and recovered from the Second World War in the late 40's, the 50's and 60's making Canada's diplomatic and military commitment to NATO less important to the overall effectiveness and cohesion of the alliance. Second, I think Canadian politicians, notwithstanding our commitment to the principle of collective security, found it increasingly hard to justify spending large amounts of money on the defence of Western Europe. As the Cold War dragged on, we contributed less and less to the point where by the end of the Cold War and even today Canada's military expenditures and Alliance contributions are at a bare minimum. The third reason was the nature of the confrontation between the United States and the Soviet Union. As a country that had forsworn nuclear weapons, the strategic dynamics of the situation were such that the

nuclear balance of terror meant that a large Canadian military contribution would have had at best a very marginal bearing on the strategic situation.

Looking back, we can see that a proactive Canadian grand strategy was there when our European and American friends needed us most. Our early contributions were disproportional. We were present at the creation, helped shape the structure of the Alliance and saw it through its early years with fairly substantial contributions to North American and European defence. However, in the period of the late 50's, 60's, 70's and 80's, Canadian governments of all stripes made a conscious decision not to play at the same level as we had in earlier decades. We maintained a smallish NATO contribution and took up UN peacekeeping efforts with great enthusiasm. These contributions were not without substance and, in many quarters, helped add luster to Canada's reputation in the world. Unfortunately, some of the mythology around decades of peacekeeping has convinced many Canadians (mistakenly in my view) that peacekeeping is all we can or should do. This view misses the fundamental point that Canada, like all other nations, has interests to be protected and responsibilities to discharge which require the application of hard military power.

Having said that, the lack of investment in military and diplomatic resources also meant that for a good portion of the last part of the Cold War and into post Cold War period, it would be safe to say that Canada was not necessarily at the heart of NATO decision making. We were not quite a rogue ally, and it wasn't quite isolationism, but I do think we were largely playing in the margins. While government rhetoric – both Conservative and Liberal – spoke of engagement and Canada's role in the world, the facts on the ground were such that the tools of statecraft – doing our fair share on a

proportional basis - simply weren't there. On the face of it, Canada was certainly not, as St. Laurent might have said, "living up to its international responsibilities." Opponents of the smallish defence budgets argued that Canada had not learned the lessons of World War II, that we had a moral responsibility to better protect ourselves and safeguard Canadian sovereignty and that we should have contributed more to NATO if only to show solidarity and unity within the Alliance.

However, from a national interest standpoint, it is also important to consider the flip side of the question. It is not unreasonable to ask why we would spend large amounts of money on defence and sacrifice other public policy priorities when the results of Canada spending a lot of money versus a little were largely the same. On a political level in terms of the consumption of resources and the need for the public to support those expenditures, it became a fairly easy question to answer for politicians – both Liberals and Conservatives - in the 1960's, 1970's and 1980's. If at least part of grand strategy lies in a policy to preserve a country's long term economic and financial interests, it is, if nothing else understandable why some would argue that, based upon outcomes, Canada was right not to spend huge amounts of money on defence during this period. Today, Pierre Trudeau is not seen as a hard boiled foreign policy realist, but when he took power in 1968, one of the things he didn't like about Pearsonianism was its ad hockery and its lack of focus on Canada's interests. So was Canada was simply looking out for number one? I'll let you be the judge. But my view is that, taking into account all of the above arguments, we should have and could have devoted more resources to defence and diplomacy.

But setting aside for the moment the issue of whether or not Canada's past defence contributions were sufficient, I believe we must also view investments in Canada's military on the basis of means and ends. Defence spending, is not and should never be, an end in itself. Weapons systems are not art – we don't buy them on the basis of their own intrinsic beauty – we buy them for a purpose. All of that to say, we have to make very clear and well informed decisions about what our ends are, and make similarly clear and well informed decisions about what means we are going to acquire and employ to achieve them.

While we had these internal debates in Canada around foreign and defence policy, of course, the Allied Cold War grand strategy of containment was working its way toward a successful conclusion. If, as Sun Tzu said, "To subdue the enemy without fighting is the acme of skill," then George Kennan's strategy of "containment" must be seen as one of the most successful grand strategies in history. When I read and re-read Kennan's Long Telegram, I am struck by the extent to which its underlying philosophy owes much to Sun Tzu. You may remember Sun Tzu advised that in the pursuit of national objectives, armed conflict was a very grave matter to be avoided if possible. It was, he said: "the province of life or death; the road to survival or ruin" to be undertaken only as a last resort. You will recall Samuel Griffiths analysis of the great Chinese strategist: "Sun Tzu believed that the moral strength and intellectual faculty of man were decisive in war, and that if these were properly applied war could be waged with certain success."

Let's briefly revisit Kennan's approach to the Soviets. Of course, Kennan believed that military strength was absolutely imperative. Nevertheless, his suggested

approach to the Soviet threat leaned heavily on diplomacy and “soft power.” As you will recall from the Second Lecture, Kennan recommended the US understand Soviet Communism, explain it to the public, maintain the health and vigour of US society, offer other nations a “positive and constructive” view of the world, and finally, hold firm to “our own methods and conceptions of human society.” Those words, by the way, could have equally been taken from the human values section of St. Laurent’s Gray Lecture. I hope you will also recall Kennan’s concluding words where he said: “The greatest danger that can befall us in coping with this problem of Soviet Communism is that we shall allow ourselves to become like those with whom we are coping.” Again, as I suggested yesterday, those words should have resonance today. Nevertheless, in the relatively short space of 40 or so years, the third largest empire in human history collapsed or as Edward Gibbon might have said “the stupendous fabric yielded to the pressure of its own weight.”

I wouldn’t suggest for a moment that the Allied Grand Strategy of “containment” was without its problems or errors. It was certainly far from perfect and some of the mistakes cost thousands of lives. One could cite the folly of the Vietnam War, not to mention the human cost of the array of surrogate East versus West wars that took place largely in Africa, Asia, South and Central America. Also noteworthy was the collateral damage inflicted domestically in the United States through the “anti-communist” crusades of the 1950’s. Nevertheless, on the big balance scale of history, in my view, it is undeniable that the basic objective of Allied grand strategy was not only achieved, but surpassed. Keep in mind that the strategy was the long term “containment” of the Soviet Union. It was never so bold, or even so aggressive, as to contemplate the elimination of

the opponent. The fact that a serious existential threat in the form of the Soviet Union was removed without the recourse to war was a crowning achievement that spoke to the intrinsic wisdom of Allied grand strategy. I believe it owed much to what Sun Tzu might have referred to as the moral influences in war. Almost twenty years after the Cold War, it is also important to remind ourselves that a hot war between NATO and the Warsaw Pact would have been beyond catastrophic.

The fall of the Wall had other implications for grand strategy beyond the demise of the Soviet empire. In his short but important book, ***Of Paradise and Power: American and Europe in the New World Order***, Robert Kagan analysed the relationship between the US and Europe in the post Cold War period. Kagan said the Soviet enemy was not the only thing that disappeared after 1989. As he noted:

“So, too, did the grand strategy pursued on both sides of the Atlantic to preserve and strengthen the cohesion and unity of what was called “the West.” It was not just that the United States and Europe had had to work together to meet the Soviet challenge. More than that, the continued unity and success of the liberal Western order was for many years the very definition of victory in the Cold War.”

Following the Cold War, however, American grand strategy seemed to enter what might be described as the first period of strategic ambiguity. And one of the large questions that faced policymakers on both sides of the Atlantic was the future of NATO - what to do with one of the key security institutions formed to confront the now non-existent threat of Soviet expansionism. There were, of course, other issues on the US radar; not the least of which was the first Gulf War, Somalia, Haiti, the Middle East and various other flash points. The stabilization issues in the former Yugoslavia certainly kept NATO

and the US occupied, but there continued to be nagging questions about the future of the Alliance.

Still, the involvement of the US in various theatres of operation world-wide did not seem assist its strategic thinking or move it any closer to a definitive post Cold War grand strategy. The predicament of US foreign policy was well captured by David Haglund when he wrote that:

“A curious irony emerges in that the world’s only superpower, the United States, may actually have a tougher time than lesser countries in developing a grand strategy precisely because, for it, the international system has become “ultra-permissive,” meaning that the absence of a great-power threat deprives American leaders of the kind of conceptual guidance that a sense of danger contributes to grand strategizing. To be sure, the absence of a great-power threat has not meant that Americans will refrain from searching for a grand strategy; it does mean, however, that they will have a great difficulty agreeing on whether they have found one.”

By the end of the 1990s, the United States was not the only country struggling with strategic ambiguity. Canada was in a similar boat. For Canadian strategic interests, as Dickens said, “It was the best of times and it was the worst of times.” When the Berlin Wall came down, Canadians like others on the planet heaved a collective sigh of relief. The demise of the Soviet Union offered up unprecedented and seemingly endless possibilities for peace as well as an opportunity to pull our troops out of Europe and take a sizeable peace dividend. As Hagland has remarked, there were many who were feeling that the trans-Atlantic link was passé and that there were other bigger fish to fry in the globalized markets of Asia and Latin America. The demographics of Canada also seemed to support putting more emphasis on Asia as more and more immigrants

arrived from Pacific Rim countries. All of this seemed to militate in favour of a steady decline in the relevance of Europe, NATO and Atlanticism generally.

But neglecting the transatlantic relationship also meant potentially abandoning the presence of a European “counterweight” which had been a fundamental consideration in Canadian strategy for almost a century. Although there were strategic re-evaluations of NATO and some speculation about the end of NATO, it was never really threatened in the 1990’s. However, even speculating about the end of the Alliance was enough to make some Canadian policy makers jittery. Such a development would have meant that Canada’s only security relationship would have been with the United States. We would have been frozen out of Europe and relegated to the junior, junior partner in North American security – a prospect which was definitely not greeted with universal enthusiasm.

In addition to the overall strategic ambiguity that existed, there were also real issues brewing within NATO and the US -Europe relationship generally. If there was one episode that laid bare these underlying problems, it was the military campaign against Slobodan Milosevic and the bombing of Kosovo. Robert Kagan has pointed to this as a harbinger of problems in the transatlantic relationship that would continue to grow. For instance, the Americans had concerns about the reluctance of many European countries to send Milosevic a clear warning without some form of UN Security Council resolution. When the bombing campaign began, the Europeans were shocked at the extent to which the operations showcased the impotence of their armed forces. US military and intelligence capabilities were such that 99 per cent of the targets were identified by US sources and US pilots flew the overwhelming majority of the missions.

Because the Americans were for all intents and purposes conducting the war largely by themselves, they naturally claimed the right to call the shots on how the war was prosecuted, both militarily and diplomatically. While the Europeans, and especially the French, seemed to want to ramp up the bombing campaign slowly and intersperse it with diplomatic efforts, the Americans took a different view. Sounding much like a follower of Clausewitz, US NATO Commander Wesley Clark said: "In US military thinking, we seek to be as decisive as possible once we begin to use force." Throughout the campaign, the Americans were frustrated by what they regarded as "targeting by committee" as well as what they saw as a cumbersome and unworkable European approach. As Wesley Clark recalled:

"It was always the Americans who pushed for the escalation to new, more sensitive targets and always some of the Allies who expressed doubts and reservations. We paid a price in operational effectiveness by having to constrain the nature of the operation to fit within the political and legal concerns of NATO nations."

As Kagan noted, a few months after the war when a NATO minister was asked what the biggest lesson learned from Kosovo was, he replied that "we never want to do this again." Still at the end of the day, both the Americans and the Europeans saw it through if for no other reason than to preserve Allied unity. Once again, to quote Wesley Clark "No single target or set of targets was more important than NATO cohesion." Kosovo definitely brought a range of problems in the transatlantic relationship to the fore. But there had been a steady stream of irritants in the Euro-American relationship which started with the Clinton Administration. Whether it was the future of UN sanctions on Iraq or the bombing campaign of 1998, the Kyoto Protocol or the International Criminal

Court, one by one issues were accumulating and doing real damage to what had seemed to be the cherished “community of shared values.” If relations were deteriorating before George W. Bush came to office, they hit a nadir in the months following the September 11 attacks and in the lead up to the invasion of Iraq.

The juxtaposition of the differences between American and European strategic culture was driven home by Kagan in the opening paragraphs of his book ***Of Paradise and Power***. I apologize for this lengthy quote which many of you have no doubt read yourselves. If you have read it, allow me to refresh your memories. Kagan said:

“It is time to stop pretending that Europeans and Americans share a common view of the world, or even that they occupy the same world. On the all-important question of power – the efficacy of power, the morality of power, the desirability of power – American and European perspectives are diverging. Europe is turning away from power, or to put it a little differently, it is moving beyond power into a self-contained world of laws and rules and transnational negotiation and cooperation. It is entering a post-historical paradise of peace and relative prosperity, the realization of Immanuel Kant’s “perpetual peace.” Meanwhile, the United States remains mired in history, exercising power in an anarchic Hobbesian world where international laws and rules are unreliable, and where true security and the defence and promotion of a liberal order still depend on the possession and use of military might. That is why on major strategic and international questions today, Americans are from Mars and Europeans are from Venus.”

Kagan was writing at a particularly bad point in the Euro-American relationship. In fact, it is hard to recount a period when the transatlantic relationship was as strained as it was then. You will recall the characterization by Mr. Rumsfeld of the “old Europe” and the “new Europe”. Relations between the Americans and the French and Germans were particularly difficult. You may remember at the time, Americans were refusing to buy French fries and US talk shows were ridiculing the French in particular as “cheese

eating surrender monkeys.” I don’t believe that the picture now is as bleak as the one Kagan painted. I’m not sure it was even as bad as the way he characterized it when *Of Paradise and Power* was published in 2003. But Kagan did, I think, put his finger on some of the basic differences between US and European strategic culture and their approaches to soft and hard power. This was not exactly a high point in Canada-US relations either in terms of the manner in which the Chretien government announced it would not be supporting the war in Iraq.

Since Kagan chronicled the low point in US European relations, the prosecution of the Iraq War has done much to force a re-thinking of US strategy. On the face of it, the concerns expressed by many European leaders in the lead up to the Iraq War appear in hindsight to have been solidly justified. So much of American credibility in terms of the casus belli for the conflict was undermined by the absolutely critical failure to find weapons of mass destruction. Had such weapons been found, the United States might be in a very different situation in the eyes of the rest of the world. Considered from the perspective of Sun Tzu, who was a strong believer in the importance of spying and knowing one’s enemy, the disastrously inaccurate US intelligence around WMD meant that America forfeited much of the high ground in terms of the moral influences of war. Of course, the US sustained further blows to its “moral authority” with the issues surrounding the detainees at Guantanamo, the abuses which were exposed at Abu Ghraib and other apparent violations of the laws of armed conflict.

American problems multiplied further when, after a nearly flawless invasion that was strategically brilliant, the US failed to apply some of its own lessons from the de-Nazification of Germany after the Second World War. Dismantling the army and the

police meant that the country sank into a level of chaos and civil war that shows no signs of abating. There is a view that seems to have gained considerable currency over the last couple of years that the war in Afghanistan is the right war and Iraq is the wrong one. Supporters of this view point to the fact that the Afghan war is being waged by the United States and its NATO allies fighting Islamist radicalism under the authority of a UN Security Council Resolution. While one could argue whether or not a UN Security Council resolution is necessary for all interventions, (I personally believe it is not in all situations, Kosovo being an example), there is little doubt that the Iraq War lacks legitimacy in the eyes of most Americans and indeed the rest of the world.

Overall there seems to a growing consensus that the US does not possess a coherent grand strategy with which to respond in a comprehensive way to terrorism. When examining the post 9-11 US strategy, writers such as Stephen Biddle of the Strategic Studies Institute of the US Army War College have argued that, in the “War on Terror”, the US has not carefully defined the threat, its interests and what “end state” it desires. He takes issue with what he refers to as a lack of threat specificity which makes strategic thought difficult. The so-called War on Terror does nothing but confuse the situation says Biddle. As he wrote in an article entitled ***American Grand Strategy After 9/11: An Assessment.***

“Terrorism, after all, is a tactic, not an enemy. Taken literally, a “war on terrorism” is closer to a “war on strategic bombing” or a “war on amphibious assault” than it is to orthodox war aims or wartime grand strategies; one normally makes war on an enemy, not a method. Nor can one simply assume that anyone who uses terrorist tactics is to be the target of American war making.”

He goes on to say that “terrorism per se thus cannot be the enemy.” Now this is pretty basic stuff, but Biddle makes a convincing argument supported by statements from the US Administration that specifically reject a clearer threat definition or a narrower focus. After the 9-11 attacks, President Bush stated: “Our war on terror begins with Al Qaeda, but it does not end there. It will not stop until every terrorist group of global reach has been found, stopped, and defeated.” As well, the September 2002 National Security Strategy states: “The enemy is not a single political regime, or person, or religion or ideology. The enemy is terrorism.”

Biddle concedes that there are some advantages to casting the net broadly, one of which is to ensure that no terrorist threat is overlooked. A war “ostensibly against terrorism at large affords moral clarity and normative power that helps marshal public support.” It could also help attract the support of allies who face terrorist threats of their own. But the drawbacks of such a strategy in Biddle’s view far outweigh the advantages. As he notes, the US Administration’s response on the so-called “War on Terror:”

“...have combined ambitious public statements with vague particulars as to the scope of the threat and the end state to be sought. This combination of ambition and ambiguity creates important but unresolved tensions in American strategy...Eventually something has to give – the ambiguity in today’s grand strategy is fast becoming intolerable.”

Echoing the early Cold War language of George Kennan, Biddle has suggested two broad alternatives for the US if it wishes to create a coherent strategy – “rollback or containment.” Rollback trades a higher short term risk and higher costs for the possibility of a lower cumulative risk in the long term. It involves continued significant

troop commitments and aggressive nation-building in Iraq. Containment would settle for more modest goals and entails lower costs in exchange for lower near term risks with an acceptance that the underlying causes of Islamist terrorism would go unaddressed. With President Bush's announcement in January of 2007 of more troops and financial resources for Iraq, it would appear as though the Administration is opting for a partial "rollback" strategy. In general, Biddle takes no position on which would be the most effective approach - "rollback or containment" - but if there is one thing that is clear at this point, it is likely that significant long range and broader strategic decisions still lie ahead.

There have been other recent major studies on grand strategy one of which carried out by the Princeton Project on National Security in 2006 and co-directed by John Ikenberry and Anne-Marie Slaughter. The aim of the study was indeed ambitious - to write a collective "X" article similar to one George Kennan had penned for the US journal *Foreign Policy* 60 years before. The opening words of their study laid out the challenges facing US national security strategy. The report states:

"In the first decade of the 21st century the United States must assess the world not through the eyes of World War II or the Cold War, or even 9/11. Instead, Americans need to recognize that ours is a world lacking a single organizing principle for foreign policy like anti-fascism or anti-communism. We face many present dangers, several long-term challenges, and countless opportunities. This report outlines a new national security strategy tailored both to the world we inhabit and the world we want to create."

The report identified three basic objectives for US strategy: a secure homeland, a healthy global economy and a benign international economy. But the fundamental thrust of the entire report is that the world will be a safer, more secure, more prosperous and

more environmentally sustainable, if and only if, the US throws its strategic weight behind, and creates the conditions for, the emergence of more liberal democracies. It also contains a mix of realism and idealism which is certainly consistent with Liberal Internationalist approaches. As you can appreciate, there is a good deal of literature these days on future American grand strategy much of which seriously questions the unilateral approaches that have found favour with the United States in recent times. But, most importantly, if there is an emerging consensus, it is that the US currently does not have a coherent grand strategy.

So where does all of this leave future American and Canadian grand strategy? I don't believe we will see the signs of anything that resembles a new US approach in what remains of the Bush presidency. And I don't think I need to go into detail about why this is the case. But what will a new US grand strategy look like? Based upon recent US experience, it is not unreasonable to believe that in the future the US may be somewhat more inclined to work closely with allies. Certainly, in light of the current Iraq situation, the US Administration has received large quantities of advice that point in the direction of a whole lot more multilateralism and a whole lot less unilateralism. One would certainly hope for a more collaborative and cooperative approach that is firmly grounded in American principles. These are, of course, the same principles which are held within "the community of shared values" that is NATO and the North Atlantic community. Frankly, I don't believe the US can ever achieve its global objectives without its friends and allies.

I believe the Princeton Project contains the seeds of some critically important ideas for the future. Perhaps the most important conclusion they came to was the fact

that future US grand strategy cannot be organized around a single threat like fascism or communism. Because the threats and challenges are multi-dimensional in terms of terrorism, nuclear proliferation (which may also have a terrorist component), pandemic disease, environmental threats and resource shortages, it seems evident that a grand strategy must also be multi-dimensional. There are also some very constructive ideas on the reform of international institutions especially the UN. For instance, among other things, the report suggests expanding the Security Council, recognizing the “responsibility to protect” and ending the veto for all Security Council resolutions authorizing direct action in response to a crisis.

Like the rest of our NATO allies, Canada looks to the United States for leadership on strategic issues. When that leadership is absent, Canada’s strategic objectives suffer. Whether we like it or not, on a geo-strategic level, we are joined at the hip with the Americans. We succeed when the Americans succeed and attempting to de-couple ourselves from this equation is an absolute and utter waste of time. It was tried before in terms of the Third Option in the 1970’s and failed miserably. That is not to say that we should cease trying to diversify our trade and economic relationships - quite the contrary. We should always be attempting to expand our trade and diplomatic engagement globally. However, it is to emphasize that we must understand where our fundamental interests currently lie and where they are likely to lie well into the future.

You will recall I made the argument that during the St. Laurent/Pearson era of the “Golden Age of Canadian Grand Strategy” Canada had a grand strategy within the larger grand strategy of containment. The absence of an American grand strategy presents a challenge for Canada because, as the early Cold War demonstrated, we are

at our best when we are working synergistically as part of a larger scheme with allies toward a common objective. Containment was spectacularly successful because it was based on the fundamental principles I just referred to a few moments ago which were of course entirely consistent with St. Laurent's principles of liberty, the rule of law and human values.

Is it possible to have a Canadian grand strategy in the absence of an American grand strategy? I would have to say yes it is, if only to drive home the point that we should be focused completely upon working with our allies to have the Americans construct, in conjunction with their allies, a grand strategy that we can rally behind and support. This, in many respects, goes back to my fundamental agreement with Haglund's view that the North Atlantic Triangle is absolutely critical to Canadian grand strategy. It remains the focal point of where "we find our friends" based upon the concept of that "community of shared values" and first principles.

In terms of who are friends are, I don't dispute some of Kagan's observations about the differences between the US and Europe, but I do believe what we have in common is still very, very substantial and, in effect, dwarfs the disagreements which arise from time to time. The fact that the Euro-American relationship went through a very rough patch in the last few years and survived – despite the American view that the US faced a dire existential threat - is a testament to the resilience of the transatlantic partnership. Forty years of Allied effort together facing the Soviets down on the Central Front in defence of common values and principles is a hard memory to shake for both the Europeans and the Americans.

Let me now answer the question which is the subject of these lectures and that is whether or not Canada currently has a grand strategy. Based upon the direction I have been heading with my comments, it probably won't come as too much of a surprise when I say I don't believe we possess a fully formed grand strategy at this moment. American strategic ambiguity is clearly part of our problem, but it goes beyond that large and important factor.

If we go back to our criteria in regard to grand strategy, of course, the first involves having a substantial amount of political support for what you are attempting to achieve both diplomatically and militarily. In terms of current foreign policy, I don't think we have that political support today in Canada. And that can be traced back to a lack of public understanding of why we are doing what we are doing in Afghanistan and how it fits into the larger picture of Canada's strategic interests and international peace and security. Like it or not, for many Canadians Afghanistan is linked to Iraq and what has become one of the most unpopular wars in US history. This, and the general ambiguity and lack of clarity surrounding American strategic objectives, have had a spill over effect for all of the allies including those operating in Afghanistan under ISAF.

Notwithstanding that, there has also been a general failure to communicate Canada's strategic objectives in Afghanistan. And regrettably I think the responsibility for that is shared by both Liberal and Conservative governments. And of course, the political problem has become more acute for the Conservatives because of the increase in casualties.

The second criterion involves having a clear understanding of threats, interests and values. Again, I am not at all confident that we have in Canada a clear grasp of

these concepts. As St. Laurent said, there will always be differences of opinion in public debate about what constitutes fundamental interests. However, I think the public debate to this point – especially as it relates to the Afghan mission and its wider strategic implications - has been largely superficial. The entire discussion requires a deeper and more rigorous analysis by all concerned - the Government, the Opposition and the national media - to lay the groundwork for a more informed discussion. One can only hope that a better understanding of threats, interests and values will lead to the establishment of a broader consensus.

The third criterion is that a grand strategy must convey a unity of purpose that provides clarity and predictability for allies and rivals. Despite backsliding on defence investments, by and large, during the Cold War Canada did display a unity of purpose within what could be described as the traditional tenets of Canadian foreign policy and support for the NATO alliance. Caught up as we are in a complicated post-911 world, however, there does not appear to be nearly the same political support for the general thrust of current foreign policy. A broad consensus around threats, interests and values simply does not exist. The clarity and predictability of the Cold War is no more. Even in the post Cold War period, however, our allies came to expect Canadian support for NATO when the chips were down as was the case in Kosovo and in the former Yugoslavia. The current prospect of a unilateral Canadian withdrawal from Afghanistan, however, would seriously undermine the unity of purpose Canada has displayed in the past and would do serious damage to the Canada-NATO relationship which, as we have seen in the past, has been the cornerstone of Canadian grand strategy since World War II.

The fourth criterion is being willing and able to apply elements of both hard and soft power. Once again, I think we can say Canada has been willing to apply elements of hard power consistent with its ability. The problem we have is that our ability is not what it should be based on the size of our economy. Canada still ranks at the bottom of NATO in terms of defence expenditures as a proportion of GDP. And that is not likely to change soon. Still, if we see NATO in the years ahead as the primary instrument for international peace and security, future Canadian governments are going to have to be seen to be contributing more than just rhetorical support to the Alliance. The fifth criterion, involving flexibility and re-assessment, presumes the existence of an operative strategy which I believe does not currently exist.

All of that sounds pretty negative, but I think we have to realize that there are some positives as well. We have made some decisions in recent times which are both consistent with our strategic interests and which have moved us closer to being able to implement a grand strategy that has as its basis Haglund's North Atlantic Triangle. We still have a way to go, but let's briefly review some of these decision points.

First, despite the declining state of our forces, Canadian involvement in the former Yugoslavia and Kosovo kept us current with NATO and demonstrated our continuing commitment to the organization. At a time when the Alliance faced some stresses and strains, that was important. Second, Canada's Afghanistan commitment has, over the last number of years, demonstrated our willingness to take our commitment to the next level and accept some of the heavy lifting especially in regard to the current deployment in Kandahar. Again, although costly in casualties, this has been very positive. Third, Canada's decision not to lend diplomatic support to the war in Iraq,

has helped us in terms of our credibility with certain European allies. This places us in a good position if we think back to the metaphor of the “linchpin” and the potential for Canada to play a role in Alliance unity. Fourth, the commitment of recent governments – Liberal and Conservative - to invest more in Canada’s military, diplomatic and development efforts is a very positive development, but obviously it is one that has to be sustained and increased. And finally, fifth, for all its shortcomings, I would have to say that the most recent International Policy Statement of 2005 entitled “A Role of Pride and Influence in the World” was also important because of the unprecedented manner in which it attempted to integrate foreign, defence, aid and trade policies. Indeed, it could probably be said that the document made substantial progress towards assembling some of the basic building blocks of grand strategy.

So what lies ahead? Earlier in this lecture, I said that there would come a time when Pax Americana would pass into history. For some very good reasons, we, as Canadians, have a vested interest in seeing that happen later rather than sooner. This process will take some time and it’s really anybody’s guess as to whether or not it will occur in this century or the next. And notwithstanding American exceptionalism, history tells us it most certainly will happen. There are, I think, three issues which should be on the radar from standpoint of immediate American grand strategy.

The first of these is America’s moral leadership. I think this has taken a severe pounding in the last few years and I believe the US must make significant efforts to re-take the high ground. From a strategic standpoint, this goes back to Sun Tzu’s moral and intellectual considerations within conflict. It is also consistent with Kennan’s admonition about not allowing “ourselves to become like those with whom we are

coping.” The invasion of Iraq, Abu Ghraib and Guantanamo are not fatal blows to American moral leadership, but there is no doubt they have done damage in the short term. In my view, the United States absolutely must adhere to and become an advocate of international law and, more particularly, international humanitarian law. This was the case in the early 19th century when the US was an advocate for the Law of the High Seas and when it was subject to the unilateralism of the Royal Navy. The day will come when the United States will benefit from having solidly established norms in international law which will protect its interests. Grand strategy must always be about playing the long game.

The second issue relates to the current US financial position. As of the end of 2006, the total U.S. public debt including intra-government debt obligations was about \$9 trillion. In 2005, the public debt represented 64.7% of GDP. If unfunded future obligations are included such as Medicare and Social Security, this amount rises dramatically to a total of \$59.1 trillion. By contrast, Canada’s total government debt-to-GDP ratio is estimated at 27.6 per cent for 2006. The current forecast is that Canada is on track to eliminate its net debt by 2021. There is a temptation to be smug about our good management, but as I’m sure all of you know, if the US has significant economic and financial problems, Canadian problems won’t be far behind.

The third issue is the rise of China. We all know about China’s incredible economic performance and its 10 percent growth rates. But contrast the US financial position with that of China. At the end of last year, it was estimated that China's foreign-exchange reserves would exceed \$1 trillion. That is twice their level of two years ago and more than one-fifth of global reserves. This is the result of its large current-account

surplus, significant foreign direct investment, and big injections of speculative capital in recent years. This influx of money would normally push up the Yuan, but the government has forced the central bank to buy up the surplus foreign currency. The growth in reserves has slowed but is still averaging a hefty \$16 billion a month. China holds over one trillion in dollar assets (of which \$330 billion are U.S. Treasury notes). As you can imagine, if China ever decided to dump its US dollars, it would wreak havoc on the value of the greenback.

It is also worth noting that, according to the International Institute of Strategic Studies, China's defence expenditures have risen nearly 300 percent in the past decade going from 1.08 % of GDP in 1995 to 1.55 % in 2005. In just the last year, Chinese defence expenditures increased by 15%. In the years ahead, there is no doubt that China is going to require substantial amounts of foreign natural resources to feed its economy and, in some places, it will need troops to protect its interests as is currently the case in Sudan where 4,000 Chinese troops are deployed. China is of course not without very serious domestic problems - from the standpoint of demographics, its environmental degradation and the potential for political upheaval. In fact, these problems at least in the near term may prevent China from doing anything adventurous or risky in foreign affairs. Having said that, China presents a challenge not just for the Chinese, but for the rest of world which has an interest in seeing it develop in an orderly, stable and progressive fashion.

As we consider the growing prominence of China as a strategic player, it is important to ensure that the "community of shared values" as represented in the North Atlantic Triangle remains strong from an economic, political and military standpoint.

Certainly an undesirable scenario would be to have China assume the mantle of world economic and military leadership as an authoritarian capitalist state. The only way to prevent that from happening is to ensure that China is encouraged with soft power to become part of a broader “community of shared values” that entails human rights, democracy and the rule of law. But all of this must be done by the Western allies from a position of strength and will require significant investment, political resolve and a carefully crafted and truly grand strategy for the decades that lie ahead. I am reminded of a quote from the writer Giuseppe Tomas di Lampedusa who wrote in his novel *The Leopard* that “if we want things to stay the same, things are going to have to change.”

As the focal point for Canadian grand strategy and hopefully within a larger grand strategy, this country should strive, in the first instance, to be a unifying force between Europe and North America. But Canada, like other countries, also has a role to play in engaging China and helping them make the transition from they are now to where we would like to see them in 40 or 50 years – stable, prosperous and democratic. In addressing both our short term and long term security challenges and strategic interests, we must, as St. Laurent would say, “accept our international responsibilities” with all that that entails. As I end this lecture, allow me to quote from the conclusion of St. Laurent’s Gray Lecture speech about Canada’s role in the world. He said:

“However great or small that role may be, we must play it creditably. We must act with maturity and consistency, and with a sense of responsibility...We must act as a united people. By that I mean a people who, through reflection and discussion, have arrived at a common understanding of our interests and purposes.”