

# Systemic transformation: Are Canadians up to it?

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In the aftermath of the Cold War, the world has changed structurally and in terms of statecraft to a degree that few governments yet seem to realize. Experts call this "systems transformation." Indeed structural change was responsible for the collapse of the Soviet Union and for the ongoing change in power relationships elsewhere in the international system. In the face of such change, Canada, the country that could claim one-half century ago to have possessed the fourth largest navy in the world, finds itself somewhat at odds with two of the allies that have always held it in deepest esteem—Britain and the United States.

## CHALLENGES AHEAD

In the next several decades, Canada, in terms of trade volume with the United States, is likely to be overtaken by Mexico. It is likely to be pressed very hard by Brazil and some other countries who believe they should, on the basis of their size, replace it in the G8. If the UN Security Council is expanded, Canada, despite its exemplary record in the United Nations, is not likely to be among the candidates picked for those slots (in the absence, at least, of a huge lobbying effort by its friends). If NATO recedes in importance to titular status, as "coalitions of the willing" emerge worldwide, a crucial forum that Canada helped found will be lost to its multilateralism. If Canada decides to opt out of future research and development on defensive missile systems, on whatever grounds, moral or material, its extraordinary defence partnership with the United States in NORAD is at risk. None of these events will occur tomorrow. But in an interval of the next two decades or so, any or perhaps all of them could happen.

This is why reinforcing bridges to the two governments that share its values and understand Canada best, have defended it militarily and politically—despite occasional tiffs—and have a large

financial stake in its growth and prosperity, is so relevant. Canadian business has discovered how hard the European Union (with the exception of Britain) is to crack, and how diffident the European Commission can be to Canadian trade overtures. Canada, like other countries, can see how Asia is being transformed, and what a difference this metamorphosis will make to the Pacific balance of power. The government of Canada knows that, in the age of international terrorism, at least one of its own communities has been targeted, just like some in the United States. This is a time for sober interdependence and careful future planning. In reflecting upon the Chrétien years, these longer-term limits upon the possible are worth contemplating.

## VALUE-ORIENTED FOREIGN POLICY

Prime Minister Jean Chrétien, in shaping his foreign policy, has selected foreign ministers who, for the most part, reflect his own philosophy of foreign policy conduct. For a prime minister with considerable political experience, this is not surprising. Illustrative are Lloyd Axworthy and Bill Graham, two former academics, who epitomize this preference for a strongly value-oriented kind of foreign policy. Two additional features mark the foreign affairs of the Chrétien years.

First, this kind of ideological foreign policy works well with governments that either tend to share the same partisan values, or tend to be sufficiently eclectic and pragmatic that they minimize issue differences in external relations, such as was largely true for Bill Clinton. Where the ideological foreign policy fails is in dealing with a government such as that of George W. Bush, which is equally ideological but of an opposite bent, or in some cases is completely power-based and refuses to accept any form of value-driven foreign policy whatsoever. Chrétien got along well with ideological friends (Clinton) but tended to alienate ideological rivals (George W. Bush). Hence Chrétien's first term in office, as far as Canada-US relations is concerned, with regard to content and coordination, is in huge contrast to his second term. That the Clinton and Bush foreign policies were at considerable odds (despite much continuity such as in the determination to use force in Kosovo and in Afghanistan) admittedly contributed to the divergence of response from Ottawa.

## THE FOREIGN DOMESTIC FIT

Second, Jean Chrétien, not alone among the leaders of western democracies, used foreign policy for domestic purpose. Chancellor Schroeder used anti-

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challenge. Instead, the Chrétien Liberals organized a campaign on two fronts: publicly against the terrorists, and less visibly against the negative repercussions on the Canadian economy of American border security measures.

There were very powerful and influential forces, both within and without, urging Canada in the wake of 9/11 to adopt a sweeping new North American security perimeter scheme, that would have severely undermined national sovereignty under the pressures of “harmonization” of policies with the United States. Despite the insistent voices of US ambassador Paul Cellucci and Tom d’Aquino’s Canadian Council of Chief Executives, Ottawa wisely chose to ignore this and other “big ideas” for further continental integration proffered by conservative think tanks, and instead opted for “thinking small.”

By engaging the Americans in a series of incremental negotiations under the “smart border” rubric, the Liberals adroitly moved the United States away from the dangerous big picture of continental integration, and onto the safer specifics of concrete arrangements to make the border secure enough in American eyes to ensure the uninter-

rupted flow of commerce, which was always Canada’s primary concern. In doing so, Canadian sovereignty has by and large been protected, as well as could be expected under the difficult circumstances. Critics in the Alliance who thought Ottawa was giving too little, and in the NDP who thought they were giving away too much, both missed the point. The smart border agreements, still ongoing, are in many ways a model of maintaining the always delicate North American balance.

### THE FOLKS BACK HOME

The proof of the pudding came with the Iraq decision. Chrétien was able to safely ignore the threats of economic retaliation for this act of political apostasy, threats that came both from the Americans and from the right-wing opposition and right-wing media, secure in the knowledge that, blustering aside, the Americans would not bite off their nose to spite their face. Canada was doing what could be reasonably expected in the fight against terrorism and in making the northern border both safe and profitable for both sides. Retaliation never came, and the “ready, aye, ready” cries of Canada’s American loyalists,

have subsequently died down to a whisper, particularly after the failure to find weapons of mass destruction, and the quagmire of the Iraqi occupation strengthened Canadian satisfaction in having made the right decision.

Even some who have reluctantly acknowledged Chrétien’s nationalist credentials are expressing concern that Paul Martin will abandon this course to seek American cooperation at any cost. This is unlikely, given that a moderately independent Canadian course has proved both viable and popular.

Martin may benefit from distancing himself from some of the silly and overblown irritants from the Chrétien era (the oft-repeated “moron” and “bastard” comments from the fringes of the government), but he will be as faithful in pursuit of multilateralism and liberal internationalism as his Liberal predecessors back to St. Laurent and Pearson. His own experience in global economic governance pushes him firmly in the multilateralist direction. So long as the Bush administration remains in office, no Canadian prime minister can easily contemplate publicly enlisting in its America First crusade: the folks back home won’t stand for it. 

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Americanism to get re-elected. President Chirac used anti-Americanism to try to hold the EU together under French tutelage. Chrétien exploited foreign policy for domestic purpose more deftly. Implicitly building on the idea of Trudeau’s *Foreign Policy for Canadians*, which jettisoned Pearsonian “internationalism,” Chrétien made foreign policy serve Canadian domestic ends in two ways. Foreign policy-for-domestic-purpose was useful in knitting together Anglophone and Francophone, especially in Quebec, where the response to a common rejection of British and US intervention in Iraq (however heartfelt the criticism was for Chrétien) was a huge success. It came at just about the time that assistance was needed in giving “sovereignty” notions a firm shove off centre stage.

Foreign policy for domestic purpose also assisted the federal Liberal Party through Canadian opposition to American initiatives in the UN Security Council. The policy did not help Prime Minister Chrétien personally, but it certainly strengthened the party’s chances of re-election. In the United States, the photograph of Liberal Party MPs standing and wildly applauding the prime minister, after a speech that denounced British and US intervention in Iraq and affirmed Canadian virtual non-participation, was perhaps the most visible reminder of this use of foreign policy for electoral ends.

Jean Chrétien’s ideological preferences, his conception of the Canadian interest in foreign policy, his view of what was good for Canadian unity, and his

view regarding what benefited the Liberal Party in terms of popularity, all happily for him were correlated. Whoever was right or wrong about foreign policy direction, this Canadian role in foreign policy was in stark contrast to the role of Tony Blair and of George W. Bush, who mortgaged their re-election chances on behalf of a policy in which they believed, against Saddam Hussein and against international terrorism.

### THE SECURITY PRIORITY

If Canada does not do things very differently, according to Thomas Axworthy, in terms of military preparedness, it will put its citizens “at risk” and/or condemn itself “to foreign policy irrelevance.” That is quite an indictment

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by a Liberal Party spokesman possessing a foreign vantage point upon which to base his remarks. Through a sometimes highly vocal foreign policy, and very proud of its capacity to balance its financial budgets, Canada has been covering up its unwillingness to spend money, especially on equipment where it counts, for defence purpose. Although Canada increased its defence spending in 2003 by about 800 million dollars, in the past only about 10 percent of the budget has gone for equipment acquisition, the bulk of the expenditure going for salaries. Averaged annually since 1993, Canada is at the bottom of NATO

both in terms of gross military expenditures as a percent of GDP, and in terms of the percent of military expenditures for equipment. Since 1993, the budget has declined to the point that some Department of National Defence officials were reportedly about ready to close up shop.

An announced increase in expenditure for armoured vehicles, carved in part out of the now moribund tank budget and a small administrative saving, will strengthen the army over the navy and air force. The intention to replace aging Sea King helicopters and a possible increase in the size of the army

could be of assistance to Canadian peacekeeping, but only if the overall defence budget continues to increase at the current rate. Otherwise, salaries will continue to eat up the equipment budget.

In the larger context, Canada must make some important decisions soon about the degree to which it wants to coordinate its defence policy with others. At stake, in time, may well be its status in NORAD, NATO, and the G8. At stake is continuity with a brilliant recent half century, and prospects for future statecraft that could be equally productive but are a bit more uncertain. 🍁

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eral opposition to it. Indeed, on his watch, the agreement was expanded to include Mexico. The quantitative economic effects of these Free Trade Agreements are still being debated by economic historians (I write ruefully as one who opposed it), but there is no doubt that they significantly shifted attitudes within Canadian business. No longer was the Canadian market enough; being able to compete continentally and internationally became the goal of Canada's companies. This shift in benchmarks combined with technological prowess is creating a much more dynamic, globally competitive economy that can likely withstand a rising dollar.

## STAYING OUT OF HARM'S WAY: FOREIGN AFFAIRS

After 9/11, what Chrétien didn't do demonstrated that Canada retained the ability to maintain an independent foreign policy even in the face of open threats from the United States. As the United States descended into its fiercely retributive mood after the terrorist attacks on New York and Washington, Canada did what was necessary under the circumstances as a neighbour and friend without being drawn into a subservient position or an open-ended commitment.

JFORS units operating in secret did much of our dirty work, but quietly in Afghanistan. The Canadian Navy remained well out of harms way cruising the Indian Ocean. Regular Canadian Forces, a bare minimum, were sent to Afghanistan where they experienced the tragedy of "friendly fire," which effectively put an end to Canadian fighting as part of the coalition. Instead Canada reverted to the role it initially rejected, acting as part of a UN security force in the region.

When the time came for the coalition of the willing to be formed to invade Iraq in alleged pursuit of weapons of mass destruction, Canada shuffled inconspicuously into the ranks of the unwilling. Unheroic to be sure, and certainly not the most direct means of confronting new forms of evil in the world, but until we figure out what our interests are and how best we might pursue them in this new era with the United States in such a dangerous and self-destructive mood, this policy bought precious time and restored our international credibility. It is difficult to know what all of this will cost us in the long run, but, in the short run, the answer has been fewer lives and a renewed reputation at the UN as an independent actor and a possible mediator.

As Tony Blair twists in the wind over the decision to go to war in Iraq, Canadians may honestly declare, "there we go but for the grace of Jean Chrétien." Would Paul Martin or Brian Mulroney have been able to resist the incredible pressure from Washington to be with them rather than against them?

## CONSTRUCTIVE INACTION AS LEGACY

The legacy of Chrétien's constructive inaction in these three key files is quite impressive. Chrétien did nothing in the face of electoral pressure in Quebec and the advice of all of the constitutional experts. He disentangled his party from an implied promise to repeal a hated tax, and thus could leave office basking in the warm glow of reduced deficits and balanced budgets that must have old Tories grinding their dentures. And it is Britain not Canada that must suffer through the anguish of being "had" by the Americans over Iraq. By not doing things, Jean Chrétien leaves office with the Liberals the most popular party in Quebec, an economy leading the G8, and a demonstrably independent foreign policy. Mackenzie King would have been proud of him. We might at the very least be moderately appreciative. 🍁