

The Biden Administration Should Move Quickly to Help Canada Become a Stronger Ally

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KEY TAKEAWAYS

The U.S. and Canada share an important relationship, ideology, and many of the same security and foreign policy challenges.

The Biden Administration has an opportunity to influence Canada on long-standing mutual security concerns and should do so in the early days of its tenure.

The U.S. should encourage Canada to increase defense spending, promote cooperation on North Warning, and ban Huawei from its 5G networks, among other items.

The government of Canadian Prime Minister Justin Trudeau had an uneasy relationship with the Administration of U.S. President Donald Trump, with the two often operating from differing ideological planes. That has changed with the election of President Joseph Biden, as his progressive Administration and Mr. Trudeau's have similar left-of-center views on a variety of issues, perhaps most significantly on climate change. There even are early signs that President Biden is already having an impact on Canadian thinking.¹

The five most important things that President Biden can do on critical mutual national security matters are to:

- **Encourage** Canada to maintain and increase defense spending,

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- **Quickly choose** a replacement for its CF-18 fighter,
- **Move** more quickly on the Canadian Surface Combatant program,
- **Promote** cooperation on North Warning, and
- **Ban** Huawei from its 5G networks.

Defense Spending

First and foremost, the Biden Administration needs to urge Canada not to cut defense spending in the middle and aftermath of the Covid-19 epidemic. Canadian defense spending, according to the main estimates for 2019–2020, was set at 21.9 billion Canadian dollars (CAD\$29 billion).² Even though Canada has marginally increased defense spending for the sixth consecutive year, it has a long way to go to reach the NATO goal of 2 percent of GDP.³ Canada currently spends about 1.3 percent of GDP on defense and ranks sixth in NATO in overall defense spending. The truth is that Canada could spend much more on defense than it is currently spending.⁴

Canada's defense policy as set out by the Trudeau government is projected to spend CAD\$32 billion on its military by 2027.⁵ Typically, one in five federal dollars spent has been on national defense, but this is almost always viewed as discretionary by Canadian governments of all political stripes. Both President Barack Obama and President Donald Trump pushed Canada to spend more on defense and national security. In fact, when challenged on the topic of defense spending by President Trump, Prime Minister Trudeau misspoke and told the President that Canada was now spending 1.4 percent of GDP on defense, not 1.3, most likely to avoid raising hackles in Washington.⁶

President Biden should take a similar approach, perhaps even with more urgency, because the fate of Canada's long-delayed fighter fleet and surface combatant replacement programs will be in great jeopardy if there is a sudden cut in Canadian defense spending.

Sadly (and like the U.S. government), the Trudeau government has spent money like the proverbial drunken sailor during the pandemic, jeopardizing the Canadian economic recovery. Falling revenues and huge deficits could leave future Canadian governments in a deep fiscal hole.

According to the Conference Board of Canada, the Canadian deficit for 2021 is projected to be CAD\$385 billion and provincial deficits are estimated to be another CAD\$92 billion, bringing the deficit to 22 percent of

GDP.⁷ Canada's combined federal and provincial deficits could balloon to 95 percent of GDP by the end of the pandemic unless both levels of government react.⁸ To reverse these trends, some are already advising drastic cuts in defense spending, which would cause the replacement of obsolescent equipment to be curtailed. This must be avoided at all costs if Canada is to remain a viable player in NATO and reliable partner in continental defense and the Indo-Pacific region.

At a minimum, the Biden Administration must avoid another strike on the Canadian economy like the Keystone Pipeline decision, which was like a gut punch to the Canadian energy market. The G-7 summit venue represents another place where a message on debt-to-GDP ratios could be raised in way that causes the Trudeau government and others to take notice.

Modernization of Canada's Jet Fighters

The key to Canada's ability to project power and defend North America and meet its NATO commitment is the replacement of its aging, almost 40-year-old CF-18 fighter fleet. The previous government of Prime Minister Stephen Harper committed to the purchase of the F-35 and then backtracked because of the costs involved. The Trudeau government came to power saying that it would buy a different fighter plane and put the savings into the rebuilding of the navy surface fleet. Canada has been a partner in the F-35 program from its start, with many Canadian companies being integral to the supply chain and with the accompanying direct industrial benefits.⁹ The Future Fighter Capability Project has a budget of CAD\$19 billion for the acquisition of 88 aircraft.

Before the decision was placed on hold, Canada had already purchased runway support systems geared to the F-35 and had started to train pilots to fly the aircraft. The F-35, with its stealth signature and modern sensor package, is key to an effective expeditionary capability and cooperative engagement. It is also the Canadian Armed Forces' preferred aircraft. Nearly as important is the fact that all of Canada's Northern Arctic neighboring allies will soon be flying the F-35, with all of them sharing the game-changing data fusion capabilities of that system.

In an effort to buy time, the Canadian government agreed to buy used F-18s from Australia that were only slightly younger than Canada's to cover what the Trudeau government called a "fighter gap" (a gap that in fact does not exist).¹⁰ The F-35's principal competitors are Sweden's Gripen E and the U.S.'s F-18 Super Hornet.¹¹ The ambiguity in Washington's approach

of trying simultaneously to promote both the F-35 and the F-18 Super Hornet, along with the United Kingdom's being forced to promote sales of both the Eurofighter (before its withdrawal) and the F-35, has enabled the Trudeau government to avoid having to backtrack on an election promise and buy the F-35.

The Biden Administration needs to be crystal clear on its preference that Canada purchase the F-35, both to safeguard its industrial interests in the program's supply chain and to ensure the sovereignty of Canada's Arctic. This is the sort of message that needs to come from the highest level: the President, the Secretary of State, or the Secretary of Defense. When they call, people in Ottawa take notice.

A New Surface Combatant

The third opportunity is represented by Canada's surface combat fleet of 12 40-year-old multi-purpose *Halifax*-class frigates that desperately need timely replacement to meet the country's maritime commitments. The Canadian Surface Combatant replacement program, designed to produce 15 frigates, has suffered a series of delays and has doubled in cost from CAD\$30 billion to CAD\$60 billion.¹² The Trudeau government continues to drag its feet on cutting steel, and it seems that the shipbuilding program is being treated more as an employment project than as a key military requirement vital to Canada's security and the safeguarding of Canadian maritime interests.

Canadians who tend to bristle at what they see as American intrusions into the Northwest Passage need to be reminded that either Canada can guard the approaches to North America or someone else will do it for them—and in Canadian waters. Given events in Europe, the Persian Gulf, and the South China Sea, the Trudeau government needs to be reminded by its allies that when called upon for assistance, Canadian warships need to turn up and in sustainable numbers. The Biden Administration, perhaps through its ambassador to Canada, could convey this message to Ottawa in a positive manner by thanking Canadians for recent freedom of navigation operations in the South China Sea and then reinforcing the need for comprehensive naval modernization.

Missile Defense and Warning

The Biden Administration has an opportunity to invite Canada to participate in missile defense and to modernize the aging NORAD North Warning

system of 47 short-range and long-range radar stations. The United States picks up 60 percent of the North Warning system's costs, and Canada picks up approximately 40 percent. The estimated program cost to modernize the stations is CAD\$11 billion.

The past several years have been a wake-up call that a rogue power like North Korea can strike North America with intercontinental ballistic missiles, and those missile tracks bring the warheads down over Canadian airspace.¹³ The United States has never had a better opportunity to get Canada to stop dragging its feet and proceed with practical moves to modernize our joint North Warning systems and bring Canada into the tent on missile defense.¹⁴ This opportunity did not exist under President Trump, but it exists now with President Biden and a similarly inclined Canadian government under Trudeau. Although discussions have occurred on missile defense with past Administrations, the costs or terms of a proposed framework remain obscure.

The sweetener for Canada could be that the old air base at Goose Bay, Labrador, may be the perfect site for an Atlantic early warning site or even an interceptor base. Given the growing threat from Iran, such a site would be in both countries' strategic interests and in the Canadian government's economic interest in Newfoundland and Labrador, where federal governments have attempted to find a useful alternative to the largely decommissioned base.¹⁵ Renewed joint operation of Goose Bay could be the inducement that Prime Minister Trudeau and his cabinet need to expand our NORAD partnership into the missile defense realm.

Keeping Huawei out of Canada's 5G Networks

The Biden Administration must strongly caution Canada, as the Trump Administration did, that China's Huawei should be kept out of Canada's 5G telecommunications networks because of serious espionage concerns.¹⁶ Because Canada is the lone holdout in making a decision as to whether or not to ban the Chinese company, it risks being the weak link in the "Five Eyes" intelligence community that includes Australia, New Zealand, the United Kingdom, and the United States. Everyone else, including New Zealand, has banned Huawei, and Britain made the decision during the Covid-19 pandemic.¹⁷

In Canada, the Huawei decision is further complicated by the facts that the Trudeau government has been very pro-Beijing, even when it ran counter to Canada's national interest, and that China is currently holding two Canadian citizens, Michael Spavor and Michael Kovrig, hostage on

trumped-up espionage charges based on the Canadian arrest and expected extradition of Huawei executive Meng Wanzhou to the United States on violations of international sanctions.¹⁸ The Trump Administration showed little interest in helping Canada secure the release of the “two Michaels,” but the Biden Administration has made it clear that it stands with Canada on their fate and has demanded their release.¹⁹

The Biden Administration needs to strengthen Canada’s resolve on banning Huawei in the future 5G network while working with Canada and other nations to push for the two Michaels’ release and persuade the Trudeau government to take a stronger line in dealing with Beijing.

What the Administration Should Do

The Biden Administration should:

- **Urge** Canada not to cut defense spending and, further, to produce a plan to achieve the NATO defense spending goal of 2 percent of GDP.
- **Encourage** Canada to decide on the replacement for its CF-18 jet fighter and promote the F-35 as the most capable platform for that purpose that also provides interoperability with the U.S. and NATO forces.
- **Emphasize** the need for Canada to modernize its Navy by promptly replacing the *Halifax*-class frigate.
- **Advance** proposals for Canada to participate in the U.S. missile defense system and to modernize the aging land-based missile warning network.
- **Press** China to release the two Michaels and end hostage diplomacy.
- **Encourage** Canada to prohibit Huawei from participating in its 5G infrastructure.

Conclusion

The Biden Administration has an opportunity and a common ideological kinship to influence Canada’s Trudeau government on long-standing mutual security concerns. It should take advantage of that opportunity

before inevitable challenges cause U.S.–Canada relations to bog down over other issues and the United States is forced to concentrate on other areas of concern.

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