

Intelligence MEMOS



From: Lawrence Herman
To: Concerned Canadians
Date: February 22, 2024
Re: **DEFENCE LAGGARDS LOSE THEIR PLACE AT THE TABLE**

Canada is a trading nation. Trade keeps the economy working, vital to the well-being of every Canadian. Securing and maintaining the country's trade is thus one of the federal government's topmost responsibilities, requiring skill, determination and a strategic focus on the national interest.

That means ensuring, among other things, that Canada's weak performance in defence and security doesn't spill over and harm the country's key trading relationships, particularly when it comes to dealing with the United States, our biggest economic partner. The danger is that this spillover could well happen.

Donald Trump caused a stir recently with his [threat](#) to NATO allies for not spending enough on defence. But he's not wrong that Canada has been a laggard.

For years, successive governments – Conservative and Liberal – have refused to put serious, sustained money into the defence portfolio. Canada has continually failed to meet NATO expenditure commitments and has fallen behind as a contributor to North American defence in NORAD. And then there is the woeful history of procurement delays on land, sea and air.

This neglect of defence spending isn't just a security problem. It's an economic problem, too.

It weakens Canada's standing in foreign capitals and reduces the country's ability to resolve disagreements in trade and other critical areas. This is especially vis-à-vis the US, with whom goodwill and influence are essential – all the more important given that a review of the Canada-United States-Mexico Agreement, or CUSMA, will be starting late next year.

Public attitudes are one reason for this situation: Military matters are of concern of a mere 7 percent of Canadians, according to one recent [poll](#), while almost half said the cost of groceries should be the top government priority, followed by inflation and interest rates (45 percent), and access to affordable housing (39 percent).

It's very different in the superpower US, where 40 percent of respondents in a 2023 [survey](#) put strengthening the military on top. As Canada's position is of a much smaller dimension, there's far less concern over defence.

But Canadians should be concerned. For a nation that derives its prosperity from trade, the front-of-mind, bread-and-butter economic issues ultimately tie back to defence, especially in an era where wars are raging.

When the public does not see that, little attention is paid to defence spending, meaning Canada is continually, and accurately, criticized abroad as a laggard. Our reputation as a serious international player wanes, and trade suffers as a result.

Last spring and summer, there was a flurry of international opprobrium over Canada's poor performance, coming near the bottom of the list in meeting its NATO commitments to spend 2 percent of GDP on defence. There was a hugely damaging *Washington Post* report in April that Prime Minister Justin Trudeau said Canada would never meet those targets.

Former US ambassador to Canada, David Jacobson, said at the time that Mr. Trudeau's comments risk making it harder for the two countries to resolve bilateral irritants: "It's one of those things that causes governments to lose confidence," Mr. Jacobson said. "It's a perfect example of what not to do in order to help solve some of the bilateral issues in both directions."

Canadians, too, including former senior officials, have spoken out about the dangers in miserly defence budgets. As Mr. Jacobson indicated, it has effects on Canada's weight in Washington, where influence is a critical commodity. Canada's recent exclusion from US-led trade and economic initiatives in the Asia-Pacific region is a reflection of how Canada's store of that commodity has depreciated.

There is no easy solution. Meeting NATO commitments would require a major change in public expenditures. That would put the Liberal government up against its supply-and-confidence deal with the NDP, a party loath to do anything on defence matters. And then there's the public indifference.

Determined political leadership is necessary to change public attitudes. Respect and influence in foreign circles, especially in Washington, is required for Canada to secure and enhance its trade and economic interests – and ultimately the standard of living of Canadians. That means a serious increase in military spending to meet NATO and other commitments, embracing a long-term strategy that combines defence, security and trade.

It comes down to political will, something successive Canadian governments have failed to display. It's time for that to change.

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*A version of this Memo first [appeared](#) in *The Globe and Mail*.*