

surveillance and territorial defence, *Challenge and Commitment* still manages to stay in the good graces of Finance Minister Michael Wilson and his department. Reportedly, Mr. Beatty had pressed his cabinet colleagues for a 15-year commitment for capital acquisitions. What he got is a most unusual formula which deserves setting out almost in full:

A rolling 5-year funding plan will be introduced within a 15-year planning framework. An annual Cabinet review, each autumn, will establish firm budgets for the following 5-year period, and planning guidance for the remaining ten years.

The Government is committed to a base rate of annual real growth in the defence budget of 2 percent a year (sic) after inflation, for the 15-year planning period. Increased resources over those provided by the planned funding floor will be necessary in some years as major projects forecast in this White Paper are introduced. The first annual review of the defence program will be conducted in September 1987.

As David Leyton-Brown has written ("US Reaction to the Defence White Paper," *International Perspectives*, July/August 1987) this formula generated considerable skepticism among US officials. Skepticism has also quietly been expressed by other allied officials. Well it should. The Mulroney government came to power in a burst of rhetoric promising substantial increases in the defence budget. It is now clear that measured by GNP shares and on a number of other indexes, Canada's defence spending will remain behind almost all the other NATO allies. Washington and other allied governments certainly are not unhappy with *Challenge and Commitment* and the promises to strengthen the commitments to Germany. But the Mulroney government has failed to increase Canada's defence budgets beyond 2.1 percent of GNP. Under these circumstances, the White Paper's formula of "annual defence increases beyond 2 percent if necessary, but not necessarily such increases" has inevitably led to a "wait and see" approach by Canada's allies. Indeed, the allies have come to the conclusion that the Mulroney government is prone to substituting words for dollars.

Still no clear strategy

For at least one group, *Challenge and Commitment* is a clear disappointment. This group of academic and other commentators has long called for a defence white paper to address, from a Canadian perspective, Canada's long-term strategic situation and interests. The prime areas of Canadian military involvement have been first, North America; second, the waters of the North Atlantic, the Arctic and the Northeast Pacific; and third, NATO Europe. The Mulroney government has now formally recommitted or committed the Canadian Armed Forces to all of these areas, although they today

constitute uncertain, changing strategic environments. About these changes and their implications for Canada, *Challenge and Commitment* is quite cautious, despite the document's emphasis on setting out a 15-year framework for re-equipping the armed forces. Changes in the European, North American or possibly the maritime environment could, a few years down the road, require an abandonment of either the government's still-parsimonious spending plans, or of the extent of Canada's still fairly widespread commitments. At the same time, allied strategies in these areas are, or may be, changing. Canadian forces will inevitably be caught up in these emerging strategies.

The White Paper did mention the impending greater importance of space for North American surveillance. But beyond brief acknowledgements, it avoided a detailed discussion of what is inevitably "Topic A" of North American defence: the possibility that the United States might sooner or later favor the deployment of new ballistic missile defences (BMD), or new air defences, or both. No doubt the bruising experience the Mulroney government underwent during its first year in office over its SDI policy, and over the relationship between SDI and the modernization of the North American air defence system, provided a strong incentive for it to avoid the topic.

The debate is underway in the United States over the wisdom of the "forward maritime strategy" which might have substantial implications for MARCOM, especially as it acquires new submarines. Those Canadians who find the US "forward maritime strategy" destabilizing in its emphasis on destroying Soviet maritime forces early in a conflict will be pressing the government to spell out both the extent of Canadian involvement and a Canadian position on the strategy itself. The Liberal defence spokesman immediately opened the issue upon the release of the White Paper.

In Europe, new tactical approaches such as "assault breaker" and "deep strike" are emerging. A successful US-USSR agreement on the elimination of medium-range missiles could very well result in a new emphasis on building up NATO's conventional forces, in which these new approaches would play a role. This would inevitably affect the capital needs of Canadian Forces Europe, especially the equipment to be located there for the two army Brigade Groups. The government eventually will have to fill a gap in *Challenge and Commitment* by explaining how it expects to equip these Brigade Groups, especially the new equipment for 5GBC which is to be pre-positioned in Germany.

No doubt all these matters will be at the heart of commentaries on *Challenge and Commitment* over the next year or so. For its part, the Mulroney government apparently has calculated, like most other governments before it, that there was little for it to gain from an immediate, extensive discussion of these long-term strategic issues. □