

Canada's Transatlantic Interests and the Enlargement of NATO

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Abstract

The formal decision to invite new members into the North Atlantic Treaty Organisation at the Madrid Summit of 8-9 July 1997 will not be the end of the enlargement debate. In particular, NATO faces the challenges of successfully implementing all of the established "modalities" of the enlargement decision. Enlargement, along with the recent changes in the missions and roles of the Alliance, demonstrates that NATO remains the most important security organisation in Europe, and has proven to be adaptable to the changing security environment on the continent. In fact, NATO may have begun a transition to a new form of security organisation. A strong, relevant, and cohesive NATO is in Canadian interests, as the organisation is at the centre of Canadian transatlanticism. Canada should encourage and facilitate the implementation of enlargement, because of the promise it holds for the promotion of stability and security cooperation in Europe.

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Foreword

In May 1996, the Canadian centre for Foreign policy Development commissioned a policy options paper on NATO enlargement, funded through the John Holmes Fund. The project was undertaken by a collaborative research group led by Albert Legault (Université Laval) and Allen Sens (University of British Columbia). Contributors included Michel Fortmann, Paul Marantz, Rémi Hyppia, and Scott Lake. This working paper is adapted from that study. I would like to thank the John Holmes Fund for their financial support.

Allen G. Sens

I. Introduction

The issue of expanding the membership of the North Atlantic Treaty Organisation (NATO) has dominated transatlantic and European security affairs for over two years.¹ The summer of 1997 may be remembered as the culmination of the debates and political machinations associated with enlargement. On May 14, 1997, NATO and Russia agreed to the Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation, to be signed in Paris on May 27. This agreement -- which established a NATO-Russian Council for security consultation -- cleared the political path for NATO enlargement. At the Madrid Summit of 8-9 July 1997, NATO formally invited Poland, Hungary, and the Czech Republic to begin negotiations which will lead to their eventual membership in the Alliance by 1999. However, the Madrid Summit is unlikely to offer any closure on what has been a politically charged issue for some NATO governments. NATO enlargement is likely to continue to dominate the transatlantic and European security dialogue, for the following reasons:

- there will be a continuing debate on the future of NATO and the nature of the Alliance as it evolves in the post-Cold War era;
- considerable attention will be paid to the progress and conditions surrounding the integration of new members;
- there will be a debate about future rounds of enlargement;
- the pros and cons of enlargement will be the subject of ratification debates in member state legislatures;
- considerable discussion will be devoted to the development of the US-NATO-Russia relationship which has been a prominent component of the enlargement debate;
- there will be a continued debate about the political process and decision-making rationales that led to the enlargement decision;
- NATO, and its evolution, will remain central in the development of the European security order.

Nevertheless, there will be pressure to move on to "post-Madrid" European security issues, and to construct a "post-Madrid" European security agenda.

This paper argues the case for enlargement, and in so doing raises questions about the evolving nature of NATO. Will NATO, as a traditional collective defence alliance, break apart in the absence of the threat which led to its formation? Or will NATO survive because member states have learned the value of security co-operation and have adapted the Alliance to new roles and missions?² This paper argues that NATO's continued survival can be attributed to the belief of member states that NATO has proved adaptable to the changing security environment and remains relevant as an instrument of security in Europe. NATO enlargement -- along with the adoption of a peace and stability role and an altered force structure -- is a key component of NATO's adaptation to post-Cold War Europe. However, these changes raise questions about the future of the Alliance. While NATO remains at its core a collective defence arrangement, the Alliance has assumed a number of cooperative security roles which, along with

¹ Some would argue that this has been to the detriment of a larger debate on political stability and security in Europe. See Andrew J. Pierre and Dmitri Trenin, "NATO's New Tasks," *Survival*, 39 (Spring 1997), pp.5-18.

² This question has been the subject of an intense academic debate concerning the relevance of international institutions. See Robert O. Keohane, *After Hegemony. Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press, 1984); Robert O. Keohane, *International Institutions and State Power: Essays in International Relations Theory* (Boulder, CO: Westview Press, 1989); John Ruggie (ed.), *Multilateralism Matters: The Theory and Praxis of an International Form* (New York, NY: Columbia University Press, 1993); John J. Mearsheimer, "The False Promise of International Institutions," *International Security*, 19/3 (Winter 1994/95), pp.5-49; Joseph M. Grieco, "Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism," in Charles W. Kegley, Jr. (ed.), *Controversies in International Relations Theory: Realism and the Neoliberal Challenge* (New York, NY: St. Martin's Press, 1995), pp.151-171; and Gunther Hellman and Reinhard Wolf, "Neorealism, Neoliberal Institutionalism, and the Future of NATO," *Security Studies*, 3 (Autumn 1993), pp.3-43.

enlargement, suggest that NATO may have begun an evolutionary transition to a new form of organisation.

In Canada, NATO enlargement has not been a subject of public debate, with the 1997 election campaign focusing entirely on domestic issues. Despite this lack of a public profile, NATO enlargement is an important issue for Canada as it resides at the centre of many issues relevant to Canadian transatlanticism. This paper argues that enlargement is in Canadian interests, and that Canada's policy options with respect to NATO enlargement cannot be considered independent from the following issues:

- Canada's position in the evolving world economy;
- the significance of European developments for Canada;
- the changing nature of NATO and Canada's place in the Alliance;
- the merits and dangers of NATO enlargement and the debate over modalities.

II. Canada and the World Economy: The Bottom Line

The future shape and character of the global economy is highly uncertain. One possibility is an increasingly global free trade and financial environment, spurred by the World Trade Organisation. Another possibility is that regional free trade organisations might expand or conglomerate. Alternatively, the global economy could become more fractious, developing into a world of increasingly cohesive but potentially antagonistic regional trading blocks. Another possibility is a world of increasing geo-economic competition between states battling for industrial and technological position in the world economy.

This paper argues that the world economy is evolving in two directions. On the one hand, the post-Cold War economic environment is experiencing an increasing interdependence of trade and financial flows consistent with the principles of the GATT/WTO process. On the other hand, a trend to a tripolar economic regionalism can be identified, which is evolving around expanding regional economic communities and prominent countries which act as centres of gravity for economic activity. One of these poles is Europe, driven by the economic engine of Germany and institutionalised in the European Union (EU). Another pole is North America, dominated by the United States and formalized in the North American Free Trade Agreement (NAFTA). The third and least cohesive pole lies in Asia, centered on Japan and the countries of the Association of Southeast Asian Nations (ASEAN).

The bulwark against both the economic block and the geo-economic visions of the global economy is institutionalized international political and economic cooperation. The establishment, maintenance, and expansion of such "regimes" reinforces the practices and norms of cooperation in the international system, promotes confidence-building and communication, and provides a forum for joint discussion and decision making on a wide range of economic and political issues.

The performance of the Canadian economy is closely linked to the performance of the economy of the United States. However, economic upheaval in Europe or Asia would have economic repercussions for Canada, or at the very least certain regions of Canada. Taking into account Canada's structural position in the world economy and its interests, Canada has three options with respect to the general direction of its foreign economic policy, the second being a subset of the first:

- **Regional Trade Diversification.** Canada would embark on an effort to strengthen trade links with Europe and Asia, as well as emerging markets in other regions. The advantage of this option is that it would enable the Canadian economy to take advantage of economic growth overseas and establish a wider market for Canadian exports. The potential disadvantage of this option is the possibility that a block economy will form, and increasing trade disputes and protectionism between regions will disrupt diversification efforts.
- **Hemispheric Trade Orientation.** Canada would focus on strengthening trade links within North America and Central and South America. The advantage of this option is that Canada would be less dependent on the maintenance of a global open trading system, as it would seek trade

opportunities within the western hemispheric block. The disadvantage of this option is that it would damage Canada's ability to take advantage of economic opportunities elsewhere, as well as raising issues of political and economic dependence within the hemisphere.

- A Global Trade System. For Canada, the current international system is largely benevolent in nature, subject to slow evolutionary change or dramatic upheaval. Access to a global free trade environment offers access to a wider range of markets and products. Potential disadvantages include intense competition from abroad and concerns over national sovereignty and culture.

Canadian foreign and security policy can best be served by the maintenance of a global trading system. Canadian policy must also be oriented to the prevention of such change or upheaval that is detrimental to Canadian interests. These interests include:

- 1) an open global and regional trading order;
- 2) the prevention of the formation of exclusionary economic blocks; and
- 3) the prevention of the development of a geo-economic world.

To this end, it is in Canada's interests to contribute to the maintenance of international political and economic institutions and Canadian membership within them. This includes organisations and forums such as the United Nations, NATO, the G-7/8, the World Trade Organisation, and regional forums such as the Organisation of American States and the Asia-Pacific Economic Cooperation Forum.

III. Canada and Europe: The Institutional Setting

The institutional setting in Europe offers Canada several possible avenues of engagement in multilateral organisations. However, none of the central institutions in Europe -- NATO, the Organisation for Security and Cooperation in Europe (OSCE), or the EU -- is clearly superior to all others in political, military, and economic affairs. In addition, some of these institutions are functionally distinctive. While NATO may have the reputation as the leading military institution, and the OSCE possesses a wider mandate in terms of symbols and norms, and the EU is the leader in economic affairs, the fact is that all of them are involved to some extent in all three areas of activity. The relationship between these institutions remains poorly defined.

Canadian policy toward Europe should not focus on any one of these institutions to the exclusion of the others. These organisations represent different avenues of decision-making, policy initiation, and political/military activity in Europe, and input and access to all of them is necessary for a policy of engagement on the continent. To the extent that they are distinct avenues of action, engagement is required for access to all major activities and developments. To the extent that they cooperate and coordinate their actions, involvement provides access at all organisational levels. As a result, Canada should not rely on any one of them as the vehicle for Canadian participation in European affairs. The answer is to place Canada's limited eggs in all of the available institutional baskets.

The North Atlantic Treaty Organisation

Initially thought obsolete by some who favoured the EC/EU or the CSCE, NATO was rehabilitated when other security alternatives proved disappointing in the face of the Gulf War, the breakup of Yugoslavia, and the uncertainties surrounding the process of political integration in Europe. The Alliance remains the leading security forum in Europe, and in its search for a new role has settled on the task of maintaining stability in Europe, with many of the current areas of staff activity or political preoccupation -- peacekeeping, conflict management, cooperation with the East, and proliferation -- all prominent components in the redefinition of NATO's purpose. If Canada wants to remain engaged in European affairs, then Canada will have to remain an active and committed member of NATO.

Despite the continued importance of the Alliance, there are dangers inherent in any dependence on NATO as an access point for Canadian involvement in European affairs. With the traditional military

defence of Europe no longer a concern, and with the heightened importance of economic affairs in international diplomacy generally, the importance of NATO relative to other institutions may well decline. This is not to say that matters of an economic nature are not addressed in NATO; it is only that this is not NATO's primary function in Europe. That distinction falls to the EU.

The Organisation for Security and Cooperation in Europe

The shortcomings of the OSCE tend to dominate any discussion of its role in post-Cold War Europe. However, the OSCE is not valueless. The OSCE is the only other organisation in Europe that links Europe and North America by membership. By virtue of its large membership the OSCE possesses a moral credibility, a 'weight,' from which it can derive a legitimacy other organisations in Europe might lack. The OSCE is the standard bearer for the principles and norms which most would like to see entrenched throughout the OSCE area. The OSCE has been a key forum for arms control negotiations and confidence building measures, especially since the signing of the Concluding Document of the 1989 Vienna conference.³ The OSCE has expanded its activities in the areas of conflict prevention, crisis management, and fact-finding, activities which were strongly endorsed at the 1993 Rome meetings of the Council of Foreign Ministers. Missions of various mandates have been dispatched to Kosovo, Bosnia-Herzegovina, Croatia, Macedonia, Nagorno-Karabakh, Georgia, Sandjak and Vojvodina, Moldova, and Estonia. Recently, the OSCE has been deeply engaged in the election process in Bosnia under the terms of the Dayton accords. Although the OSCE has value, it should not form the cornerstone of Canadian policy toward Europe. The OSCE is not highly regarded as an instrument of action, and it is constrained by its divergent membership and its voting structure.

The European Union

The EC/EU developed and grew within the security context of the Cold War. Shielded by the military might of NATO, the EC/EU's 'mission' evolved from the economic imperative of the recovery of Europe to the engine of the economic integration of western Europe. After the Cold War, the EC -- now the EU -- is often regarded as the institution of the future in Europe. However, the future of the European Union is highly uncertain. There are four possible "futures" for the EU:

- a Europe "à la carte" in which countries selected the areas of cooperation they wished to be involved in;
- a Europe of "variable geometry" or "many speeds" in which countries could proceed with European policies according to a timetable of their own choosing;
- a Europe with a "hard core" of countries which would forge ahead of the others;
- a Europe of "concentric circles" with an inner circle and an outer circle of partner states.

These possible "futures" of the EU must be regarded in the context of the possible paradigms of the political direction of the European process. The three main directions are western European integration, Euro-atlanticism and pan-Europeanism. Contrary to the 1960s and 1970s, when the major dispute in Europe was between the Western European integration model and the Euro-atlanticist model, the main conflict over the political direction of Europe today is between the Euro-atlantic and the pan-European model. The uncertainty with respect to the future shape of the European Union, the visible differences among its membership on numerous economic, political, and security issues, the halting progress of the implementation of the Maastricht treaty, the process of incorporating new members, and the relatively swift adaptation of NATO has left the EU incapable of assuming a leading political and security role in Europe.

³ The Vienna conference initiated two sets of arms control talks, one on confidence and security building measures (CSBMs) and the other on the reduction of conventional forces in Europe (CFE).

IV. Canada and Europe: Interests and Options

Any redefinition of Canada's engagement in Europe must be consistent not only with the principles guiding Canada's foreign and security policy but also with Canada's interests in Europe. Canada maintains a wide spectrum of interests in Europe which demand continued Canadian engagement in the political, economic, and institutional life of the continent:

- 1) **Diplomatic Interests.** Key diplomatic actors of importance to Canada reside in Europe. These countries are key members in transatlantic institutions (NATO, OSCE) and in other institutional forums of prominence in Canadian foreign policy (G-7, UN Security Council). These institutions are also the ones most involved in efforts to address the pressing issues of regional conflict management, stability, and democratisation. Furthermore, events of tremendous long term international importance are occurring in Europe. These include the peace process in the Balkans, the European integration process, the uncertain future of the democratic transition in Russia, and the stability of the countries of the Former Soviet Union (FSU). Serious reversals of these processes would have world wide consequences, and would represent a blow to Canada's hopes for a peaceful and prosperous Europe. Europe is an "agenda setter"; issues of peace and stability in Europe demand attention because of the implications they hold for the wider international system.
- 2) **Stability and Democracy.** Canada has a direct and indirect interest in the stability of Europe. For Canada, a peaceful and stable Europe offers an environment which is beneficial in several respects: geopolitical threats are unlikely to emerge; it is conducive to trade; it holds the promise of good relations between Canada's key allies, and it promises the maintenance of effective multilateral institutions. Furthermore, this environment represents the foundation, or core, of efforts to extend stability to a wider area on the continent. In addition, it is in Canada's political and economic interest to reinforce multilateral transatlanticism, both to avoid the political divergence of Europe and the United States and to prevent Canadian exclusion from transatlantic arrangements.
- 3) **Economics and Trade.** Canada has a significant economic interest in Europe. Although much has been made of the fact that the value of trade to Asia is now greater than the value of trade to Europe (and that the value of trade to the United States dwarfs both), the fact remains that Europe is an important trading region for Canada (See Tables 1 and 2). Given the importance of Canadian-European trade, the Canadian government will continue to have an interest in maintaining and improving access to the European market. To accomplish this, Canada will need to remain engaged at the institutional level in Europe, and not solely through economic institutions. The value of trade to Europe remains significant, and key global economic actors and Canadian trading partners reside in Europe.
- 4) **Demographic and Historical Ties.** The element of historical, traditional, and cultural ties to Europe remains a powerful link between Canada and Europe. However, there has been a significant shift in recent immigration patterns. Immigration increased steadily from the 1986 level of 99,219 immigrants to the 1991 level of 230,834, before leveling off in 1994 to 217,344. For over a decade, the number of immigrants from Asia has far exceeded the number from Europe. In 1994, 37,462 of Canada's immigrants came from Europe while 137,680 came from Asia.⁴ In 1986, 41.9% of immigrants to Canada came from Asia, and 22.9% of immigrants came from Europe. In 1994, 63.3% of all immigrants to Canada came from Asia, and 17.2% of immigrants came from Europe (for 1995 immigration estimates, see Table 3). Nevertheless, while the demographics of Canadian immigration have decisively changed, and ethnic and cultural ties to South Asia and East Asia among others are becoming more pronounced, the majority of Canadians still have a special affinity for Europe.

⁴ Figures drawn from *Annual Demographic Statistics, 1995*, Statistics Canada, Cat. No. 91-213-xpb, 1995, p.239.

**Table 1. Value of Canadian Imports By Country/Region, 1994
(millions of dollars)⁵**

| Value of Total Imports | 202,559 | Percentage Total |
|-------------------------------|----------------|-----------------------------|
| United States | 137,199 | 67.7 |
| South America | 2,563 | 1.2 |
| Central America | 5,418 | 2.7 |
| Total Hemisphere | 145,180 | 71.7 |
| Western Europe | 22,097 | 10.9 |
| Other Europe | 885 | 00.4 |
| Total Europe | 22,982 | 11.3 |
| Asia and South Asia | 26,833 | 13.2 |
| Oceania/Australasia | 1,478 | 00.7 |
| Total Asia | 28,311 | 14.0 |
| Middle East | 1,015 | 00.5 |
| Africa | 1,538 | 00.7 |
| NATO countries | 159,780 | 78.9 |
| European NATO only | 22,581 | 11.1 |
| European Union | 17,689 | 8.7 |

**Table 2. Value of Canadian Exports By Country/Region, 1994
(millions of dollars)⁶**

| Value of Total Exports | 225,862 | Percentage Total |
|-------------------------------|----------------|-----------------------------|
| United States | 184,212 | 81.6 |
| South America | 2,812 | 1.2 |
| Central America | 1,735 | 0.8 |
| Total Hemisphere | 188,759 | 83.6 |
| Western Europe | 13,926 | 6.2 |
| Other Europe | 467 | 0.2 |
| Total Europe | 14,393 | 6.4 |
| Asia and South Asia | 18,758 | 8.3 |
| Oceania/Australasia | 1,102 | 0.5 |
| Total Asia | 19,860 | 8.8 |
| Middle East | 1,818 | 0.8 |
| Africa | 1,028 | 0.5 |
| NATO countries | 196,509 | 87.0 |
| European NATO only | 12,297 | 5.4 |
| European Union | 11,715 | 5.2 |

⁵ Figures drawn from Imports 1992, *Statistics Canada*, International Trade Division (May 1993) and Exports 1992, *Statistics Canada*, International Trade Division (June 1993).

⁶ Figures drawn from Imports, 1994, *Statistics Canada*, International Trade Division, Cat. No. 65-203, and Exports 1994, *Statistics Canada*, International Trade Division, Cat. No. 65-202.

- 5) Demographic and Historical Ties. The element of historical, traditional, and cultural ties to Europe remains a powerful link between Canada and Europe. However, there has been a significant shift in recent immigration patterns. Immigration increased steadily from the 1986 level of 99,219 immigrants to the 1991 level of 230,834, before leveling off in 1994 to 217,344. For over a decade, the number of immigrants from Asia has far exceeded the number from Europe. In 1994, 37,462 of Canada's immigrants came from Europe while 137,680 came from Asia.⁷ In 1986, 41.9% of immigrants to Canada came from Asia, and 22.9% of immigrants came from Europe. In 1994, 63.3% of all immigrants to Canada came from Asia, and 17.2% of immigrants came from Europe (for 1995 immigration estimates, see Table 3). Nevertheless, while the demographics of Canadian immigration have decisively changed, and ethnic and cultural ties to South Asia and East Asia among others are becoming more pronounced, the majority of Canadians still have a special affinity for Europe.

Table 3. Immigrants by Region of Last Permanent Residence, 1995 (est.)⁸

| Total Immigration | 209,398 | Percentage Total |
|--------------------------|----------------|-------------------------|
| Asia | 126,982 | 60.6 |
| Oceania/Australasia | 1,808 | 0.8 |
| Europe | 40,735 | 19.3 |
| North/Central America | 18,289 | 8.7 |
| South America | 7,574 | 3.7 |

Canada has a number of options with respect to its future engagement in Europe:

- 1) Political Disengagement. Canada could choose to disengage from European institutions, maintaining such links as were necessary for economic cooperation and consultation. Economics would be the primary basis for Canadian relations with Europe. However, this option would not be consistent with the broad spectrum of Canadian interests in Europe, not the least of which is the maintenance of peace and stability.
- 2) Selective Engagement. Canada could concentrate its contributions on one of the institutions in Europe, diverting resources and finances devoted to other organisations (though not necessarily withdrawing from them). To the extent that Europe's institutions are interrelated and interlocking, a concentration of effort would not compromise Canada's position in Europe. On the other hand, to the extent that institutions in Europe perform functional roles, Canada's diversion of resources from certain organisations would compromise Canadian influence in those organisations.
- 3) Functional Engagement. Canada could select a small number of specific roles to play within Europe, and establish such functional "niches" in all institutional venues. Such roles could include arms control verification, promotion of democracy, peacekeeping and preventive diplomacy, observer missions, and peacekeeping training and liaison. Such an engagement would be low cost, and directed toward the maintenance of peace and stability. The disadvantage is that Canada's capacity to contribute meaningfully to -- or to be consulted on -- other roles or issues may be damaged.
- 4) Enhanced Engagement. Canada could expand its engagement in Europe, by strengthening its material commitment to NATO and devoting more fiscal and personnel resources to European institutions and their activities. The advantage of this option would be the raising of Canada's

⁷ Figures drawn from *Annual Demographic Statistics, 1995*, Statistics Canada, Cat. No. 91-213-xpb, 1995, p.239.

⁸ Figures from *Annual Demographic Statistics 1995*, p.239.

profile in Europe and its capacity for diplomatic expression and political action. The disadvantage is the uncertain relationship between commitments and voice, and contributions and influence. It cannot be assumed that enhanced Canadian engagement would make a difference in Canadian influence or advance Canadian interests.

V. The Future of NATO

In the effort to adapt the Alliance to a new security environment, NATO's purpose, goals, and force structure have undergone extensive revision. New organisational arrangements have been appended to the Alliance, and new relationships have been established with other regional organisations. The enlargement issue is another step in this adaptive process. While the fundamental nature of NATO -- a collective defence alliance -- has not changed, NATO has undertaken new roles and new missions, to the point where it may be on the verge of becoming a different type of organisation. NATO's post-Cold War evolution is underscored by the following developments:

- 1) The New Strategic Concept. The London Declaration of July 6, 1990 established the foundations of NATO's post-Cold War strategy. At the Rome Summit of 7-8 November 1991, the Alliance adopted a New Strategic Concept and a new force structure. The Warsaw Pact countries were no longer recognized as the adversary, nuclear weapons were de-emphasized, and the Alliance no longer spoke of threats, but of "risks" stemming from regional instability, ethnic rivalries and territorial disputes, movement of peoples, terrorism, proliferation, and Islamic fundamentalism. NATO's conventional forces were restructured around multinational rapid reaction and reinforcement forces, designed to respond to crisis contingencies. These forces consisted of three elements: rapid reaction forces, main defence forces, and augmentation forces. Furthermore, there has been a considerable reduction in force levels as well as readiness levels across NATO. NATO's command structure has also been reorganised and trimmed in size.
- 2) The North Atlantic Cooperation Council (NACC). In the Copenhagen Declaration of June 6 1991, NATO announced that any coercion aimed at Central Europe would be of "direct and material concern" to NATO, one of the earliest formal expressions of NATO's interest in the east. An initiative at the Rome Summit in November 1991 created the NACC on 10 March 1992. The NACC was established as a forum for dialogue and consultation on a variety of issues, including: defence conversion to civilian production; training, modernization, and procurement; command and control and interoperability; arms control issues; democratic control over armed forces; liaison, conferences and seminars; scientific and environmental concerns (including base cleanup, defence-related pollution, and movement of toxic military substances); and air defence and civil airline traffic.
- 3) Peacekeeping. On 27 January 1992, the then NATO Secretary-General Manfred Wörner suggested that NATO could contribute its forces and related assets to peace missions under the auspices of the CSCE or the UN. On June 4 of 1992, NATO formally adopted a peacekeeping mission on a case by case basis as part of its security role.
- 4) Partnerships for Peace (PfP). The PfP was an American initiative, established within the framework of the NACC. Invitations to join PfP were extended to all CSCE states at the Brussels NATO summit meeting of 10-11 Jan 1994. Membership entailed the signing of the Framework agreement which stipulated the commitments of NATO and the participating partners, and the submission by each partner of a program for participation with NATO. The commitments of the partners included: commitment to democratic principles and international law; commitment to the UN; commitment to the Universal Declaration on Human Rights and the Helsinki Final Act; and, refraining from use of force against any state, respecting existing borders, and settling disputes by peaceful means. The aim of PfP is to: increase political and

military cooperation across Europe; develop the interoperability of partner countries with NATO; facilitate transparency; ensure democratic control of armed forces; and develop the capability of members to participate in UN or OSCE operations.

- 5) Combined Joint Task Forces. At the Brussels Summit of January 10-11 1994, Alliance members approved the implementation of the Combined Joint Task Force concept, a new method of developing multilateral military formations in response to crisis contingencies or peacekeeping requirements. CJTF would be composed of contingents from NATO, NACC, and PfP members (and possibly the Eurocorps as well). Significantly, CJTF would use NATO assets and resources, but would not necessarily involve all NATO members. CJTF opens the possibility of military action involving NATO-trained and integrated forces and assets, but without the participation of all NATO countries. What the CJTF concept introduces is the fact that while NATO members retain the privileges of membership, they are not necessarily (at least in the case of CJTF) required to share in all of the responsibilities. On CJTF, NATO action does not require a unanimous consensus; CJTF creates a mechanism whereby NATO can act even if some of its members choose not to commit to a given contingency.

These developments illustrate the important change in the orientation of the Alliance. NATO's collective defence function has receded into the background in favour of the development of the capability to project military force in support of conflict management efforts inside and outside of the NATO area. Whereas NATO once emphasized political and military preparation directed against the external threat of the Soviet Union, the Alliance now emphasizes the importance of NATO as an instrument for maintaining and reinforcing stability and political and military cooperation across Europe.

Redefining the Alliance?

The extent to which NATO has been adapted raises questions about the future of the organisation. NATO's core role remains that of a collective defence organisation. However, most of the current activity of the Alliance -- political and military -- has been devoted to the new missions it has assumed. NATO may have begun an evolutionary process of transition to a different form of organisation. Among the possibilities include:

- 1) a cooperative security organisation, designed to maintain political and military cooperation and act as an instrument for the projection of force within and outside of the NATO area. This is the most likely possibility should NATO reform itself from a collective defence organisation. NATO would come to reflect the existence of a security community, a group of countries in which war, or the use of military coercion or threats, is no longer regarded as a factor in relations between them. The core functions of NATO would be to maintain political and military cooperation amongst its membership and to act as an instrument for projecting collective power outside the NATO area. Because threats would not constitute the fundamental rationale for the organisation's existence, the political component of the organisation would be paramount and the military aspect de-emphasized. Article 5 would be diluted or struck from the Charter. Military cooperation would be deepened to include greater multinationality and a less nationalized approach to military preparedness, doctrine, and procurement.
- 2) a collective security organisation, committed to deterring aggression from within its membership. Alternatively, NATO might develop into a collective security organisation, characterized by a commitment of all members of the organisation to come to the assistance of each other should they be attacked by other members of the organisation. For this reason, collective security systems are called "all against one" systems; war between the members of the system is deterred by the prospect that any aggressor would face the combined forces of all other members of the system. Collective security organisations are thus directed inward toward member states, rather than outward against external threats. Political and military cooperation is far less comprehensive, and joint political institutions and military capabilities, if they exist at all, are maintained at minimal levels.

- 3) an integrative organisation, intended to serve as the core for a deepening of political and economic cooperation in the transatlantic area. NATO might become the basis for a process of political, military, and economic integration among its membership. NATO would be the basis for a deepening of the North Atlantic community to include joint political institutions, decision-making, administration and bureaucracy, and trade and product commonalities and standards. Defence and military cooperation would intensify, but this would be overshadowed by the process of political and economic cooperation among member states. NATO institutions would undergo a significant redesign, to become the basis for the closer integration of political and economic activity in the transatlantic area.
- 4) the preservation of the primacy of the collective defence function. In the near term, NATO reform is likely to be conducted on the basis of both a concern over external threats and a desire to maintain political and military cooperation for stability operations. The key variable here is the future of events in Russia. If Russia comes to be perceived as a threat to the interests of NATO members, then NATO's fundamental role will remain that of a collective defence organisation.

At present, NATO has the qualities of both a collective defence and a cooperative security organisation. If NATO is to maintain its relevance and effectiveness as an instrument of joint consultation and action on the issues pertinent to the contemporary European security agenda, the cooperative security functions will be as prominent -- if not more so -- as the collective defence function.

VI. Canada and NATO: Interests and Options

Notwithstanding the important roles played by other European institutions, NATO remains the leading political and security forum in Europe. If Canada wants to remain engaged in European affairs, then Canada will have to remain an active and committed member of NATO. Membership in NATO is consistent with a number of Canadian interests:

- 1) membership in NATO secures Canada's access to the most important security arrangement in the transatlantic area and the most prominent security arrangement in the world;
- 2) most of the key countries that are instrumental in shaping global security are members of the Alliance;
- 3) the Alliance is a forum where most of Canada's key political and economic partners remain closely engaged;
- 4) NATO's political mission has expanded to include the maintenance of stability, environmental issues, advisory responsibilities to Central Europe (particularly on civil-military relations), and is the core of efforts to establish wider stability and peace in Europe.

NATO remains an essential component of Canadian foreign and security policy, and serves as an important outlet for Canadian political and diplomatic activity. It is notable that the defence of Canada is not prominent among the current rationales for Canadian membership. In the absence of a threat, the value of NATO to Canada rests with the political and stability functions of the Alliance. At present, NATO is no longer directed against an enemy; it is an instrument for cooperation and stability. Today, this latter mission is as relevant to Canadian interests in Europe as the former mission was to Canadian interests during the Cold War. Canada's relationship with NATO can follow one of four general directions:

- 1) withdraw from the Alliance;
- 2) a further contraction of Canadian contributions to the Alliance;
- 3) maintenance of current levels of commitment to the Alliance; and
- 4) enhancement of Canada's commitment to the Alliance.

The withdrawal option is inconsistent with Canadian interests as identified in this paper. However, NATO's relevance to the European security environment should be closely monitored. If the

Alliance does not continue its process of adaptation and becomes incapable of acting as an instrument of cooperation, peace and stability in Europe, and if no new threat emerges to justify maintaining NATO on collective defence grounds, then Canada should question if NATO (and the devotion of Canadian resources to it) remains relevant to Canadian foreign policy aims and interests. In such a situation, withdrawal would not be inadvisable.

The contraction of Canada's commitment to NATO would presuppose that the importance of NATO was less than that envisioned in this report. In such circumstances, a contraction of Canadian commitments could include:

- 1) withdrawal of Canadian naval assets from NATO commands;
- 2) reduction or elimination of contributions to all or some common funded programs;
- 3) reduction of staff at NATO headquarters;
- 4) discontinuation of NATO training in Canada;
- 5) discontinuation of the commitment of Canadian forces in Canada to NATO.

The maintenance of Canadian commitments at current levels does not necessarily require a status quo posture. It is true that the personnel and equipment devoted to Europe represent Canada's last tangible contributions to the Alliance. Canada no longer stations forces in Europe, and can no longer make the case that North American air defence and the defence of North America's maritime approaches are contributions to European security. Nevertheless, the resources devoted to NATO could be re-allocated to particular roles, missions, or enterprises:

- 1) peacekeeping training, exercises, and interoperability;
- 2) civil-military relations;
- 3) confidence building measures such as arms control and verification;
- 4) enhancing cooperation with Eastern Europe (NACC, PfP, CJTF).

Canada has several options with respect to its contributions to the Alliance beyond the commitments to NATO's military structure, political and military staffs, and common-funded programs already in place. These include:

- 1) earmarking of ground force units to NATO/OSCE/CJTF peace operations in Europe;
- 2) earmarking of a civilian response team (similar to that designed for the UN) for disaster relief and conflict resolution and management duties in Europe;
- 3) assignment of more naval assets to NATO naval commands;
- 4) return of Canadian air assets to permanent bases in Europe;
- 5) stationing of a battalion-sized battlegroup in Europe.

In addition, Canada could advocate the following initiatives:

- 1) propose the establishment of an early warning and conflict prevention centre within NATO;
- 2) propose the establishment of a civilian police training centre within NATO.

VII. NATO Enlargement and Canadian Interests

The positions established on the pros and cons of enlargement will remain relevant after the Madrid Summit, for the debate over enlargement is not over. Opposition to the idea was significant, and future enlargement efforts will likely encounter similar objections. The outcome of the Madrid Summit will have to be ratified in member state legislatures. And there are likely to be disagreements over the implementation of enlargement. For these reasons, it is useful to keep in mind the points of contention between critics and advocates of enlargement.

The case against enlargement is built on the following arguments:

- 1) NATO enlargement places too much focus on institutional arrangements, and too little on the potential root causes of conflict or instability, and other issues of transatlantic importance;

- 2) NATO enlargement will upset relations with Russia which could compromise diplomatic agreements, provoke nationalist sentiment, exacerbate Russia's sense of isolation, and lead to an increase in Russian pressure on its neighbors or increased reliance on nuclear weapons;
- 3) enlargement will weaken the Alliance by importing new rivalries, complicating decision-making, diverting attention from other pressing issues, create tensions among Alliance members over implementation, and raise questions about the credibility of NATO's Article V security guarantee;
- 4) expansion will divide Europe, by creating a new dividing line on the continent;
- 5) the consistent application of objective criteria for new members will be impossible to sustain, resulting in an enlargement process that is inconsistent with avowed principles and resulting in resentment in excluded countries;
- 6) prospective new members are not adequately prepared for membership in terms of the civilianization of their militaries or their operational compatibility with NATO forces;
- 7) expansion will be expensive, and will cost substantially more than member governments are willing to pay.⁹

The case for enlargement is built on the following arguments:

- 1) The security challenges facing the Alliance are very different than those faced during the Cold War; collective defence is now largely irrelevant, replaced by efforts to promote stability in eastern and central Europe. NATO expansion will strengthen stability in Central and Eastern Europe through the maintenance and reinforcement of democratic principles and governance, and certain norms of internal and external behaviour, including the treatment of minorities and the peaceful resolution of territorial or economic disputes. Opposition to NATO enlargement is based on outdated conceptions of the purpose and roles of the Alliance.
- 2) Enlargement will prevent balance of power behaviour in Central and Eastern Europe, by pre-empting the re-emergence of traditional patterns of balance of power behaviour in that region. Without NATO enlargement, the countries of Central and Eastern Europe may seek allies and bilateral treaty arrangements against perceived security threats, which could serve to drag other European countries into local disputes and conflicts. By offering a security alternative, as well as the lure of increased economic engagement with Western Europe, NATO enlargement and the strengthening of associated partnerships will reduce the incentives for Central and Eastern European countries to pursue unilateral security efforts.
- 3) Western security policy must be decided in accordance with western security interests. Russia must not be given a de facto veto over NATO decision-making. While NATO must remain sensitive to Russian concerns, expansion will not determine the fate of Russia (which is largely beyond external influence), or undermine the future of Western/Russian relations.
- 4) Expansion will not weaken the Alliance as new members will have few ongoing disputes and will have little incentive to engage in the obstruction of the decision-making capability of the Alliance. New members will in any case share the values and commitment of current member states to the organisation. In addition, because the Alliance is evolving toward more flexible arrangements under CJTF and "coalitions of the willing," collective decision-making will be less subject to the requirements of unanimous consensus.
- 5) NATO expansion will minimize dividing lines in Europe by erasing the Yalta line in Europe. It is the old dividing line in Europe that makes the least sense, not any new, and less stark, dividing lines between members and non-members (which have the opportunity to work closely with NATO through the NACC and the PfP program). NATO enlargement, and NATO programs designed to increase cooperation with Central and Eastern European countries, are components of the wider NATO effort to promote stability on the continent.

⁹ For examples of the opposition to enlargement see Michael E. Brown, "The Flawed Logic of NATO Expansion," *Survival*, 37 (Spring 1995), p.37, and Michael Mandelbaum, "Preserving the New Peace: The Case Against NATO Expansion," *Foreign Affairs*, 74 (May/June 1995), pp.9-13

- 6) The cost of enlargement will not be prohibitive, for in the current low-threat environment NATO members would only have to bear the costs of a credible capacity to involve new members in coalition operations, rather than prepare against a large military threat.
- 7) NATO enlargement is an important reflection of the commitment of member states to the principles of the Alliance. NATO has a historic and moral obligation and duty to include countries with democratic values and norms which can contribute to the security of the North Atlantic area.

When enlargement became a virtual certainty, the debate shifted from the merits of enlargement to the modalities of enlargement. The debate over enlargement modalities reveals the many concerns that had to be accounted for in any plan to implement expansion:

- 1) enlargement must be implemented in a manner that minimizes Russian concerns;
- 2) enlargement must not compromise the cohesion or effectiveness of the Alliance and the equality of its membership;
- 3) enlargement must not entail high monetary costs;
- 4) enlargement must be conducted in parallel with other efforts to build or strengthen transatlantic ties; and
- 5) enlargement planning must include concrete initiatives for non-members in eastern Europe, particularly the Ukraine.

Minimizing Russian Concerns

Four approaches could have been taken toward Russia in the context of enlargement:

- 1) Unilateral and Rapid Enlargement. This option would regard enlargement as a geopolitical enterprise to establish a firm commitment to Central European security at a time of temporary Russian weakness. Western resolve would be demonstrated and the Western position in Europe enhanced. This would come at the price of Russian isolation and alienation, cooperation on international issues, and the weakening of moderate elements in Russia.
- 2) Conciliation and Persuasion. This option would make concessions to Russia's desire for great power recognition and consultation, and attempt to convince Russia that it is not the target of expansion. Russian concerns would be accommodated and enlargement would proceed. However, the diplomatic concessions extended to Russia may be insufficient, and appeals that NATO enlargement is not aimed at Russia may prove unsuccessful given the strength of Russian opposition to enlargement.
- 3) Voluntary Limitations on NATO's Military Deployments. This option would see Russia agree to enlargement in return for arrangements on the nature of enlargement, in particular the extension of NATO military capabilities to new members. This would enable NATO to continue to engage Russia in return for military concessions that are not politically or militarily necessary and which would in any case be expensive. However, this option would be seen by new members as creating a second tier of NATO, and create tensions within the alliance on the nature the status of new members.
- 4) Abandon Enlargement. This option would regard the political costs of enlargement as too great, and fall back on NATO's current position as a collective defence organisation and an anchor for other efforts to maintain security in Europe. This would remove an area of friction with Russia and tensions within the Alliance. However, this would create a security void in Central Europe and do great harm to the credibility of NATO and its relevance in the post-Cold War Europe.

The report on which this paper is based recommended that enlargement should take place gradually over several years and in a fully transparent manner. It recommended that NATO countries -- and the Canadian government -- should promote the following:

- 1) support for the emerging consensus that the Czech Republic, Hungary, and Poland be the first states admitted into NATO;

- 2) the development of a timetable which would see new members admitted as full political partners with Article V guarantees by the year 2000, with full partnership in NATO's integrated military structure to follow later;
- 3) the diplomatic engagement of Russia at a number of levels:
 - NATO should offer Russia the basis of a strategic partnership in the form of a NATO/Russia Charter of political and security cooperation, with the Charter spelling out principles, mechanisms, and issues of joint interest and cooperation
 - NATO should create a new Council within the Alliance to facilitate the engagement of Russia and other non-member states
 - Russia should be engaged through closer partnership in the G-7
 - Russia should be engaged within a strengthened OSCE and PfP
- 4) strengthen existing institutional and cooperative arrangements:
 - steps should be taken to strengthen the OSCE, particularly in the areas of conflict prevention and confidence building
 - steps should be taken to strengthen the PfP program, through the creation of an Enhanced PFP which would enable PFP countries to participate in day to day planning or non-Article V operations and for force planning
 - cooperation between the Russian military and NATO militaries should be expanded in the context of peace operations and CJTF
- 5) minimize forward extension of NATO military assets and infrastructure;:
 - It should be both formal NATO policy and the policy declaration of new members that no forward basing of nuclear weapons on the territories of new members will be permitted.
 - It should be formal NATO policy and the policy of new members that there be no forward basing or deployment of NATO military forces on the territory of new members. Military exercises to achieve interoperability should not be conducted on the territory of new members, and should be restricted to rapid reaction, peace operation, and CJTF missions, rather than on the "reinforcement" of new members in the event of aggression.
 - The extension of NATO infrastructure development to new members should be limited in scope to air defence.
 - The integration of new members into NATO's military structure should be phased in over time, such that new members would be admitted to NATO's political organs but would join the integrated military structure at a specified future date.
- 6) initiate new arms control efforts:
 - NATO members should initiate a new round of conventional arms limitations across Europe
 - NATO members should move toward the establishment of a nuclear weapons free zone in Central and Eastern Europe

Maintaining the Cohesion, Effectiveness, and Equality of the Alliance

The imperatives of Alliance equality are often seen as contradictory to the imperatives of minimizing Russian concerns. In other words, the concessions that will be required to secure tacit Russian acceptance of enlargement will result in the creation of a second tier status for new members. Given that much of the motivation of potential new members for joining NATO is explained by their desire for security against a potential Russian threat and a symbolic repudiation of Yalta and the Cold War division of Europe, prospective new members will be opposed to measures that suggest they are not full members of NATO. In this context, NATO has the following options:

- 1) Admit new members into an "associate membership" group with non-voting status and limited military coordination through NATO's integrated military structure. This would minimize the

impact of enlargement on Alliance decision-making, and on Russian concerns about the eastward expansion of the Alliance, but would challenge the credibility of NATO as well as its commitment to the security of new members.

- 2) Admit new members into NATO's political organs only, with no inclusion in NATO's integrated military structure. This would address Russian concerns and reduce the interoperability challenge, but would call into question the status of new members and eliminate one of the key purposes of enlargement, which is to expand military cooperation.
- 3) Admit new members into NATO's political and military structures with no Article V guarantees. This would address Russian concerns and shelve the debate over the costs and the credibility of extending security guarantees to new members, but would create a "guarantee-less" tier of NATO.
- 4) Admit new members into NATO's political and military structures with conditions on nuclear weapons, forward stationing of troops, infrastructure development, and exercises (see above). This would address some Russian concerns, but would create concerns about a second tier of members.
- 5) Admit new members with no conditions attached. This would threaten relations with Russia, but would remove any need to establish conditions on the status of new members.

This paper recommends that NATO members -- and the government of Canada -- promote the entry of new members into NATO with full political partnership in Alliance decision-making, full participation in NATO's integrated military structure, and with full Article V guarantees as they apply to other members of the Alliance. Article V remains the central pillar of the equality of Alliance members. If Article V is in any way regarded as divisible, Alliance cohesion will inevitably erode, as the joint commitment of all members to the security of all members is at once the benefit and the price of membership and the measure of the equality of members. To deny some members the benefit, or to tinker with when the benefit applies, challenges the very unity of NATO itself, and thus weakens the capacity of the organisation to act as a political instrument to promote peace and stability in Europe.

The report notes that prospective members do not have a strong bargaining position with respect to the establishment of conditions for enlargement. Nor do prospective members possess a viable set of alternatives in the context of possible membership in other security organisations or near term prospects for EU membership. In addition, prospective members also wish to join NATO for other reasons:

- 1) to encourage foreign investment;
- 2) to strengthen appeals for economic assistance;
- 3) to enhance their prospects for admission into the European Union;
- 4) to gain personal political dividends for political leaders;
- 5) to improve relations with neighbors.

The creation of conditions with respect to new members should not be explained in the context of the new members themselves, but rather in the overall context attending NATO enlargement. The limitations should be explained in the context of policies adopted by the entire Alliance given the end of the Cold War in Europe and the fundamentally altered security structure on the continent. This overall context would include the Alliance's de-emphasis on nuclear weapons and perhaps the creation of a nuclear weapons free zone in Central Europe, Europe-wide arms control and force level reductions, and a military structure designed for crisis response and peace operations, rather than reinforcement against aggression. In other words, every effort should be made to emphasize the following:

- 1) that the equality of membership in NATO is based on full political membership in decision making structures and Article V guarantees and not on how military deployments are made or designed;
- 2) that the conditions of new members are the result of a wider European security system which emphasizes arms control, security cooperation among NATO members and non-members, and confidence building and transparency measures; and,
- 3) that the conditions of new members reflect a changing NATO which emphasizes the political dimension rather than the military dimension of security.

However, there is no question that the absorption of new members will be a large task, requiring considerable effort at the political, staff, and operational levels to ensure that NATO is capable of fulfilling its responsibilities to new members and that new members are capable of fulfilling their obligations to NATO. In order to ensure that this process proceeds smoothly, NATO members should consider an implementation of a phased approach to integration, so that NATO and new members can proceed with integration along a planned, evolutionary procedure, beginning with the integration of air defence infrastructure and small peace operation and CJTF formations and proceeding through air, naval, and ground force interoperability to eventual full involvement in NATO's integrated military structure. In this particular instance, the Alliance should display a willingness to restructure its command and control military headquarters to reflect the new reality of security cooperation in Europe and the need to establish arrangements with non-NATO members for CJTF-style operations.

Controlling Costs

It was not within the scope of the report to provide an analysis of possible costs.¹⁰ However, the report did observe that given the current low threat environment, the costs of enlargement to both current and prospective members can be controlled. Costs should be manageable under the following provisions:

- 1) the forward deployment of troops and nuclear weapons is omitted;
- 2) the extension of NATO's infrastructure into new members is limited;
- 3) enlargement may proceed over a period of time, with the costs associated with conversion, infrastructure, and interoperability distributed over this period;
- 4) other costs associated with enlargement (such as economic aid and the strengthening of other organisations) are funded by the diversion of funds from other NATO/European earmarked programs.

Strengthening Transatlanticism

NATO enlargement should not be conducted in isolation from wider efforts to develop cooperation in the northern hemisphere. This includes efforts directed eastward toward Russia, the Ukraine, and other non-members, as well as efforts directed at the transatlantic relationship. If enlargement is conducted in isolation from other political efforts it could have the undesirable effects raised by opponents of expansion. Expansion must take place within a wider "web" of multilateral frameworks. NATO expansion should be a component of a wider effort to develop a wider and deeper transatlantic community, based on shared military, political, and economic interests and values after the Cold War. Accordingly, NATO members -- and the government of Canada -- should promote the following:

- 1) the initiation of discussions aimed at the development of a Transatlantic Free Trade Area;
- 2) the exchange of information and experiences on civil-military relations, national reconstruction, and peacekeeping between the Organisation of American States and the OSCE and NATO, and regularize contact between these organisations on matters of shared interest;
- 3) enhance the role of the OSCE with respect to conflict prevention, confidence building, military training and assistance, and transparency.

Initiatives for the Ukraine and Other Eastern European Non-Members

An independent Ukraine is one of the most important consequences of the end of the Cold War. Ukraine is important for the following reasons:

- 1) it establishes a buffer between Russia and Central Europe;

¹⁰ For a discussion of projected costs see Ronald Asmus et al, "What Will NATO Enlargement Cost?" *Survival* 38 (Autumn 1996), pp.5-26.

- 2) it reduces the population, resource, and industrial base of Russian power;
- 3) it is the largest and most populous state in the region between Germany and Russia.

If the Ukraine is stable politically and prosperous economically, this would have a beneficial impact throughout the region. However, if the Ukraine's economy collapses, ethnic tensions grow, or authoritarianism or anarchy emerges, this would destabilize the entire region. Furthermore, a weak Ukraine would be increasingly susceptible to Russian political and economic pressure, perhaps to the point of compelling the Ukraine to sign the Tashkent Treaty.

For these reasons, NATO enlargement must account for the importance of the Ukraine, by undertaking measures that will not threaten Ukrainian independence and will promote a stable and independent Ukraine. In order to achieve this, NATO members -- and the Canadian government -- should promote the following:

- 1) the retention of present declamatory policy that leaves the possibility of NATO membership open to all European states;
- 2) the avoidance of NATO measures that appear to establish the Ukraine as a buttress against Russia;
- 3) enhancing the activities of Europe-wide security cooperation such as NACC, PFP, and military cooperation through CJTF;
- 4) a program of economic and trade assistance to the Ukraine, to facilitate economic stability and reduce economic dependence on Russia;
- 5) regional arms control initiatives, including conventional force ceilings and a nuclear weapon free zone;
- 6) maintenance of economic and technological assistance to the Ukraine, as a major target of NATO and Canadian assistance.

VIII. Postscript and Conclusion: Post-Madrid Policies

The decision of the Madrid Summit to enlarge NATO, the signing of the Founding Act, and the strengthening of the NATO/Ukraine relationship reflect many of the concerns expressed in this paper. This paper has argued the case for NATO enlargement and the Canadian interest in a strong and effective Atlantic Alliance suited to the needs of the post-Cold War security environment in Europe. NATO is far from irrelevant; in fact, as it adapts it remains as central to the security environment in Europe today as it was during the Cold War. NATO is also far from irrelevant for Canada; membership in the Alliance remains one of the foundations of Canadian security policy.

The enlargement debate has so occupied European security issues leading up to the Madrid Summit that there has been little discussion of post-Madrid policies or priorities. Despite this fact, this paper cautioned at the outset that issues surrounding enlargement will continue to be a policy priority. NATO must be prepared to respond to the following challenges after Madrid:

- 1) managing the implementation of enlargement, including legislative ratification, the management of costs, adjusting to decision-making within the Alliance with more members, and interoperability issues;
- 2) establishing a follow-on enlargement policy, which can accommodate the political desire for future enlargement by some countries not included in the first round and yet overcome the opposition from Russia and the reluctance of some member governments to repeat the enlargement process in the near future;
- 3) engaging Russia, by giving substance to The NATO-Russia Founding Act without weakening the capacity of NATO to take action, and expanding military cooperation with the Russian Federation;
- 4) engaging the NIS through an Enhanced PFP, and advancing democratization, the settlement of border disputes, and the resolution of minorities issues;

- 5) advancing the arms control agenda, most notably in negotiating a follow-on to the CFE treaty and ensuring compliance (if not Russia ratification) of START II;
- 6) addressing transatlantic trade issues, possibly leading to the establishment of a Transatlantic Free Trade Area;
- 7) addressing “Southern tier” issues, including migration, terrorism, and drug interdiction;
- 8) managing the peace process in Bosnia;
- 9) addressing the persistent issue of French participation in the NATO integrated military structure and the restructuring of NATO commands;
- 10) developing the relationship between NATO and non-NATO security initiatives and organisations.

The agenda facing NATO is broad and varied. The key result of the enlargement decision is that NATO will face this agenda from a position of strength, a position derived from its status as the leading security organisation in Europe. This status is the result of the efforts that have been made to adapt NATO to the new security environment in Europe, efforts that include the decision to admit new members into a new NATO in a new era.