# The Price of Alliance

The Politics and Procurement of Leopard Tanks for Canada's NATO Brigade

Frank Maas

## STUDIES IN CANADIAN MILITARY HISTORY

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# Introduction

In 1990, when I was a little boy, my parents started a six-person company to paint parts for armoured vehicles produced in London, Ontario. I played in the office during summer vacations and worked for the company from elementary school through university. This first-hand knowledge served me well when I was doing my master's degree and studying the production of the Light Armoured Vehicle in London, Ontario. For my next project, Roger Sarty, at Wilfrid Laurier University, suggested that I study Canada's purchase of the Leopard 1 tank in the 1970s, given my prior knowledge and experience. I was dubious, but as I began preliminary research, I realized that the Leopard was about much more than a forty-odd-tonne piece of metal. It was about the conclusion of a defence policy debate that lasted nearly twelve years, cutting across a number of important issues – Canada's defence posture and relationships with its allies, foreign policy objectives, civil-military relations, the defence budget, and of course, procurement.

The story begins in 1951, when Canada deployed a brigade of troops, with sixty Centurion tanks, to bolster Western Europe, both physically and psychologically, against the Soviet Union. In the 1950s, this unit, garrisoned a short distance from the Iron Curtain, made Canada an important player in the North Atlantic Treaty Organization (NATO), an alliance that was the centrepiece of Canadian foreign and defence policy. This honeymoon, however, would be short. Postwar European recovery, the cost of modern weaponry, a changed strategic context, and divisive debates in Canada and other alliance nations over tactical nuclear weapons caused many policy-makers to question the value of the brigade and to push for a reduction or repurposing. They made little headway, though, until Pierre Trudeau became prime minister in 1968. After a review of defence policy that went on for nearly eighteen months, he announced plans to reduce the brigade by half immediately and, in the longer term, to replace its aging Centurion tanks with lighter vehicles. The re-equipment with light vehicles was confirmed in the 1971 Defence White Paper, *Defence in the 70s*, and in 1973, Trudeau resisted pressure by the army to keep the tanks.

But two years later, Cabinet confirmed that Canada would indeed continue to operate tanks in Europe, and in 1976, the government signed a contract to

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buy 128 West German Leopard 1 tanks, which began arriving in 1978. This was accompanied by the purchase of light armoured vehicles for army units at home and by the promise of billions of dollars for new fighters, patrol aircraft, and ships. This about-turn was remarkable, given the prime minister's earlier reduction of defence spending and skepticism of NATO.

The explanation for this reversal can be found in the answers to several interrelated questions: What were the most important elements determining the character and composition of Canada's ground forces in Europe in the 1960s and 1970s? Why did Trudeau reverse his decision to field light vehicles in Central Europe? Why did Canada purchase the Leopard tank, and was it a successful procurement? The central question that ran through this era concerned the equipment of Canada's troops in Europe: Would they be supplied with tanks or with light direct fire support vehicles (DFSVs)?

Tanks were formidable machines weighing roughly forty to sixty tonnes and carrying the thickest armour and most lethal guns of any vehicle on the battlefield.1 They were often accompanied by infantry and artillery in tracked armoured vehicles to produce powerful mechanized formations. Tanks, however, required a great deal of maintenance, supplies, and spare parts, and they were difficult to transport long distances. They were a requirement for most NATO ground forces in Central Europe, given the Soviet Union's enormous tank armies, but were less relevant for the defence of Canadian territory. The army could not deploy its tanks to any areas where an unlikely Soviet incursion into Canadian territory, like the Arctic, could occur, and they were considered ill-suited for use in domestic operations.

DFSVs, by contrast, had much thinner armour than tanks and were consequently only a fraction of the weight, about eight to sixteen tonnes, and much easier to transport. This small size limited the effectiveness of the main gun, which could only destroy soft-skinned or light armoured vehicles, but some had wire-guided anti-tank missiles that allowed them to destroy tanks at long range. DFSVs were fast and mobile and, because of their ease of transport, could accompany light infantry units to support them. Canada also had transport aircraft that could move them rapidly.

To analyze the research questions, particularly the tank versus DFSV debate, it was necessary to examine two intertwined issues: the ways in which the army structured and equipped itself and the broader defence policy debate over Canada's garrison in Europe. I relied on the literature on the Canadian army's combat-development process and defence procurement to study the first issue, including how the equipping of the army affected defence policy at a higher level.<sup>2</sup> To examine the defence policy debate, I relied on a sociological methodology from the history of technology, the

social construction of technology approach, to explore the roles of five distinct groups involved in the defence policy process - NATO allies, the army, External Affairs, and supporters and skeptics of NATO in Cabinet and their struggles to assert their views of the Canadian army and whether it would have tanks, DFSVs, or both.3 Although the groups could be further subdivided, such an approach would multiply detail without correspondingly strengthening the analysis. The first four groups supported the maintenance in Europe of the mechanized brigade equipped with tanks: Canada's NATO allies; the Department of National Defence (DND), particularly the army; External Affairs; and supporters of NATO in Cabinet, referred to here as civilian traditionalists. Those in the final group, the civilian revisionists, were skeptical of both the alliance and the terms of Canada's participation in it and argued for either a reduced and restructured contribution or full withdrawal of forces from Europe.4

The first group, NATO allies, was large and diverse and included heads of government, ambassadors, foreign and defence ministers, and senior military commanders. These figures put pressure on Canadian officials, subtly or overtly, to keep tanks in Europe in order to maintain alliance solidarity. Some of the best-known efforts came from the West German chancellor from 1974 to 1982, Helmut Schmidt, but there were many other instances of pressure. The commander of NATO's military units, the Supreme Allied Commander Europe (SACEUR), is an important military and political figure responsible for identifying the forces required for missions and for requesting them from member nations; during the period examined here, SACEUR was at the forefront of NATO's response to possible changes in Canadian military contributions.5

The second group was DND, especially the army and the Royal Canadian Armoured Corps.<sup>6</sup> The army saw service with its brigade in Central Europe as a critical step in the professional development of its soldiers and generally supported maintaining tanks in Europe, with some notable exceptions. The army's role in defence policy debates was largely led by the top army officer. In the 1960s, General Jean Victor Allard pushed the army to adopt a lighter structure without tanks, but in the mid-1970s, General Jacques Dextraze made it a top priority to keep tanks.

The third group, External Affairs, largely worked in the background but was never far from high-level reassessments of Canada's forces in NATO. Membership in NATO directly involved Canadian diplomats along the central fault line of the Cold War, and they cooperated closely with major allies on the most important and sensitive issues. Ross Campbell, who held key posts in External Affairs and was Canada's ambassador to NATO from 1967 to 1972, was an ardent

supporter of maintaining Canada's military contributions to the alliance. H.B. Robinson also held key posts in External Affairs during the period under study and was an observer and participant in many key meetings. The department held sway in the 1960s, but after Pierre Trudeau became prime minister, its influence diminished.

The fourth group comprised the civilian traditionalists – Cabinet ministers who supported NATO and, by extension, the maintaining of Canadian tanks in Europe. The key members of this group were Prime Minister Lester Pearson and his external affairs minister, Paul Martin, who together dominated foreign policy from 1963 to 1968. They were supported by Mitchell Sharp and Léo Cadieux, who were the external affairs and defence ministers, respectively, during Trudeau's review of policy in 1968. Pearson had serious doubts about NATO starting in the mid-1960s arising from the continued European dependence on American conventional and nuclear forces, but he and Martin appreciated the political significance of the mechanized brigade and prevented any dramatic changes to it. However, after Pearson resigned in 1968 and Martin went to the Senate, the traditionalists lost their two most important figures, and after the review in 1969, they no longer had a voice in defence policy.

The civilian traditionalists thus gave way to the fifth group, the civilian revisionists. This group started to develop in the mid-1960s and included Trudeau, Donald Macdonald, Eric Kierans, Jean Marchand, and Walter Gordon. Although these men had varying goals, all were united by their questioning of NATO and the Canadian contributions to it. The most important revisionist was Trudeau, assisted by his foreign policy adviser, Ivan Head, who fully shared Trudeau's critical view of existing policy. The revisionists pushed for either withdrawal of Canadian forces or their restructuring with lighter vehicles. They had little influence until Pearson's retirement, but after he left office, the revisionists came to dominate questions on Canada and NATO from 1970 to 1975.

There was no room for compromise between the first four groups and the revisionists. The tactical view, held primarily by the army but also by NATO allies, was that tanks were required to provide a credible Canadian contribution in Europe. This fed into the political perspective shared by allies, External Affairs, and the traditionalists that a credible Canadian force with tanks was necessary to affirm NATO's cohesion and solidarity. This was entirely at odds with the revisionists, who argued that Canadian defence policy should be based on domestic needs and that if Canada provided troops to NATO, it should be on its own terms.

In the end, NATO allies triumphed over the revisionists: they became the most important group determining the character and composition of Canada's ground forces in Europe. They did not need to assert their influence from 1963 to 1968 because External Affairs and the traditionalists ensured that the commitment of the mechanized brigade was maintained. Regardless, their presence was felt during those years. From 1969 to 1975, they exerted significant pressure on Canada to keep tanks in Central Europe but showed little interest in the rest of the army at home. Wanting the "cash" of forward deployed troops, they cared little for the "credit" of additional troops in Canada. During a major review of defence policy and the beginning of trade talks with the European Economic Community (EEC) in 1975, NATO allies, particularly Schmidt, applied major pressure on the Canadians to keep tanks near the Iron Curtain. After the army made the decision to do so, it chose the Leopard, the best tank on the market at the time, and by all accounts, it was a successful purchase.

This book contributes to four major bodies of work: the analysis of Trudeau's foreign and defence policies; Canada's relationship with its allies; Canadian defence procurement; and the history of the army, particularly the Royal Canadian Armoured Corps, during the Cold War. There is a significant body of work on nuclear weapons, and the material on Canada and the Arctic during the Cold War is increasing, but to date, exploration of Canada's forces in Europe has been limited.

The central work on Trudeau's foreign and defence policies remains J.L. Granatstein and R. Bothwell's Pirouette (1990). They argue, correctly, that from 1968 to 1973, Trudeau did damage to the Armed Forces and to Canada's relationship with its allies. Trudeau, however, was right to be skeptical of the status quo and to challenge it, and although he certainly made mistakes, his record on defence policy after 1975 was much stronger. John English, in his 2009 biography of Trudeau, Just Watch Me, includes a short rejoinder to the anti-Trudeau authors, but no recent academic studies have challenged the historiographical consensus with an in-depth examination of defence policy.8

The second body of work to which this study contributes is that on Canada's relationship with NATO and key allies. In Roy Rempel's Counterweights (1996), the central work on Canadian-West German relations, Rempel concludes that multiple attempts by Canadians to forge a link with Europe's most dynamic economy from 1955 to 1995 faltered because of Canada's poor and frequently changing defence policy. The West Germans wanted a strong and vital NATO, and Canada squandered any leverage it had with cuts, especially in 1969.9

Although Rempel's thesis is valid, his analysis of the defence policy debate needs revision, and he overestimates the political value of Canadian forces in Europe.

Isabel Campbell takes a more nuanced approach in Unlikely Diplomats (2013). She examines the Canadian brigade in Europe during the 1950s and early 1960s and concludes that it quickly became more important as a political symbol than as a military asset. There was tension between the brigade's political and military imperatives, and she argues that although Canada's contributions to NATO bought it a place at the table, it had little real influence.10 My work begins where Campbell's concluded, taking the analysis to 1975.

This book also builds on the small but growing body of work on Canadian defence procurement. Much of the literature, such as Aaron Plamondon's The Politics of Procurement (2010), has been negative, focusing on the inadequacies of the procurement system and the overpoliticization of various projects. Plamondon effectively examines why the navy's Sea King helicopters have been in service for nearly fifty years and why a successor has been delayed for nearly thirty. His negative interpretation is reinforced by many failed or delayed projects in the post-Cold War era and by the unveiling of a new secretariat to oversee procurement in 2014.11 There have been some analyses of successes, such as Randall Wakelam's Cold War Fighters (2012), a study of Canada's fighter aircraft industries after the Second World War. My examination of the effective Leopard acquisition broadens the literature with another success story - specifically, with an example of the procurement of an armoured vehicle.

The final body of work to which this study contributes is the history of the Canadian army, especially the Royal Canadian Armoured Corps, during the Cold War. Sean Maloney is the most prominent author on this topic, having written several articles and books on it. Although his work is a strong examination of the tactical aspects of the Cold War, his analysis of defence policy at the highest levels requires some revision.12 Andrew Godefroy has also published some key works on the army during the Cold War.<sup>13</sup> In addition, Peter Kasurak's A National Force (2013) provides a strong challenge to the "Golden Age" narrative that presents the Canadian army as having been ruined during the Cold War by reduced budgets and civilian incompetence, a challenge that he supports with an examination of the army's resistance to defence policy. Kasurak, however, largely ignores the foreign policy context of the brigade in Europe, which fundamentally affected defence planning. He also misses some key episodes and personalities in the crisis of civil-military relations in the 1960s and 1970s.

Chapters 1 and 2 of this book address the Lester B. Pearson era and the review of defence policy in 1963, which led to the Defence White Paper of 1964. The plan was to develop heavy and light wings of the army, but by 1966, it was clear that there was not enough money to implement it. By 1967, serious criticism of the alliance, even from Pearson, had grown, and the government reduced its NATO commitments. The next two chapters examine Trudeau's defence policy review in 1968 and 1969. Against opposition from External Affairs, NATO allies, and traditionalists in Cabinet, Trudeau and the revisionists cut the strength of the brigade in NATO and made plans to re-equip it with light vehicles in a few years' time.

This episode laid the seeds for a civil-military crisis, the subject of Chapters 5 and 6. The army pushed for tanks to equip the force in Europe, and NATO allies made some forays, but the revisionists held firm. Chapter 7 covers the pivotal year of 1975, when Trudeau made three visits to Europe and met with other NATO leaders, particularly Helmut Schmidt, multiple times. By the end of 1975, Trudeau had been convinced to keep tanks, and the army began the process of purchasing the Leopard, the subject of Chapter 8.

The central sources for this book are records of how policy-makers addressed the force in Europe in light of changing strategy in the 1960s and 1970s and reductions in defence spending. Interviews were used to explore gaps or inconsistencies in the archival record and to provide context. Although memory sometimes conflicted with the documents, I thought it worthwhile to work within these limitations because many of the surviving figures from the era are in their seventies, eighties, and, in some cases, nineties. Corporate memory of the era will have faded long before the full range of documents becomes available. The second group of sources comprises records of the army's attempts to implement changes in defence policy by restructuring and buying new vehicles. The development of force structure - how many soldiers and vehicles of what kind - produced a number of documents and studies that provide valuable insight into the army's attempts to implement policy.<sup>14</sup> The records generated during the army's procurement process for new armoured vehicles were also critical to my research. The third group of sources focuses on Canada's relations with NATO allies and was drawn from the official records of External Affairs and from personal papers, memoirs, or interviews. The records of the United States and Germany, especially during the Trudeau years, are also a central part of this third group of sources.15

The overarching theme of this book – that NATO allies exerted an enormous influence on Canadian defence planning - is not surprising and was readily apparent to observers at the time. A detailed examination of this defence policy debate, however, reveals some important insights into Canada's Cold War history, its relationship with NATO, and the development of Trudeau's defence policy. Trudeau came into office in 1968 skeptical of NATO and the relevance of Canada's military and left in 1984 as a stalwart supporter of the alliance and with a wholesale re-equipment of the Armed Forces underway. This examination of the Leopard 1 purchase also sheds light on some of the perils and opportunities for Canadian defence procurement.