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MERCHANTS OF DEATH OR DEFENDERS OF THE LIBERAL INTERNATIONAL ORDER : INTERNATIONAL RELATIONS WITH SAUDI ARABIA IN THE POST-KHASHOGGI AFFAIR ERA

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JCSP 44

Exercice Solo Flight

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By Major Thomas Hammond

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There are moments when you have a stark decision. And the stark decision before us is whether we stand up for the rule of law or succumb to the law of the jungle and we need to make that decision.

- Roland Paris, former foreign policy advisor to Prime Minister Trudeau

The post-1945 liberal international order guaranteed by *Pax Americana* is in decline. President Donald Trump, the great disruptor, is quickly collapsing the global governance model in favour of striking deals with bilateral partners that are narrow and short-term in focus.¹ Logically, this ‘America First’ foreign policy diminishes U.S. influence in the world and it also negatively impacts Canada.² As a middle-power, Canada substantially benefits from a global international system that promotes cooperation, rule of law and basic human rights. In essence, this liberal order amplifies Canada’s global position, as it can leverage its soft power and moral high ground on international issues.

The shocking torture and murder of the *Washington Post*’s distinguished journalist, Jamal Khashoggi, by Saudi state officials with possible links to Crown Prince Mohammed bin Salman (MBS) is a contemporary test to the liberal international order. Near-universal condemnation of Saudi Arabia and cries for justice immediately following the Khashoggi Affair have subsided somewhat since the Saudi dissident’s death in October 2018. For America, “the Art of the Deal”³ trumps defence of liberal values and

¹ Lucas, Russell E. “Arms and influence in the Khashoggi Affair,” In *The Conversation*, 16 October 2018.

² Ahmad, Aisha, “A twenty-first century foreign policy for Canada in the Middle East and North Africa,” In *International Journal*. 2017, Vol. 72(3) 423.

³ A nod to Donald Trump’s memoir/business advice book: Trump Donald J. with Tony Schwartz, *Trump: The Art of the Deal*. Random House: Washington, 1987.

business relationships remain unchanged. Europe's association with the Kingdom has cooled, but no significant sanctions were imposed.

For Canada, the Khashoggi Affair is a political conundrum that is largely unsettled. How does the prime minister take affirmative action against the Kingdom without sacrificing Canadian values, Canadian interests or both?⁴ Notwithstanding global expectations that Canada defends its words with actions, the Trudeau government must also be mindful of the lucrative contract for weaponized light armoured vehicles (LAVs) valued at \$15B that support stable jobs and economic growth.⁵ This essay will argue that it is both possible and necessary to take a principled and pragmatic response to Saudi Arabia's involvement in Jamal Khashoggi's murder that safeguards the defence industry without sacrificing liberal values. Utilizing the United States, the European Union (EU) and Canada as case studies, this paper will examine international relations with Saudi Arabia before and after the Khashoggi Affair with a specific focus on the defence industry. Next, a novel Canadian response to the Khashoggi Affair will be offered that balances both Canada's interests and values. In part, this retort will involve the cancellation of the Saudi contract, continued vehicle manufacturing at General Dynamics Land Systems (GDLS) and wholesale replacement of the Canadian Armed Forces (CAF)'s family of armoured combat support vehicles (ACSV).

President Trump's Oval Office press conference with Crown Prince MBS in March of 2018 embodies the historic and modern relationship between the two countries.

⁴ Holloway, Steven Kendall. "Defining the National Interest." In *Canadian Foreign Policy: Defining the National Interest*. Peterborough, ON: Broadview Press, 2006. 17; Bulles, Anni-Claudine, and Shannon Kindornay. *Beyond Aid: A Plan for Canada's International Cooperation*. Ottawa: The North-South Institute, May 2013. 20;

⁵ Chase, Steven, "Trudeau says arms deal freeze would press Riyadh on Khashoggi," In *The Globe and Mail*, 25 October 2018.

The president holds up a bulletin board, analogous to a grade school project, with the caption “12.5 Billion in Finalized Sales to Saudi Arabia” and boasts about U.S. arms sales to Saudi Arabia. Not expecting to be a PR prop and concerned about counter-images to the ‘Saudi Arabia is open for business’ campaign, MBS awkwardly and quietly endures the media spotlight.⁶ After all, America is Saudi Arabia’s most important strategic ally and the Kingdom is America’s key security partner in the Middle East.⁷ The pragmatic partnership was first forged in 1938 with ARAMCO, a Saudi and American conglomerate, being awarded the “steal of the century” with a 60-year lease to 360,000 square miles of the Kingdom’s oil fields.⁸ Maintaining relations with Saudi Arabia is in America’s self-interest, as the Kingdom possesses 25% of the world’s known oil resources and a disproportionate influence over global oil prices and the world economy. In effect, privileged access to Saudi Arabia’s spare oil capacity enables America’s foreign policy, as hostile oil producing states, such as Iran, can be isolated through sanctions.⁹

Oil may be the original lubricant for the U.S.-Saudi relationship, but religion, ideology and location also shape America’s interests in Saudi Arabia, according to Rachel Bronson, an esteemed author.¹⁰ As the de facto leader of the Muslim world, with claims to both Mecca and Medina, Saudi Arabia was a reliable partner against Communism and Soviet expansion during the Cold War. Today, the two countries share common interests

⁶ “Saudi Crown Prince ‘Humiliated’ by Trump’s Oval Office Boast of Arms Sales,” In *Haaretz*. 26 March 2018.

⁷ Cordesman, Anthony, “Saudi Arabia is a critical American security partner in the Middle East,” *The Hill*, 21 March 2018.

⁸ Feinstein, Andrew. *The Shadow World: Inside the Global Arms Trade*. Hamish Hamilton Penguin Books: New York, 2011. 13.

⁹ Bronson, Rachel, *Thicker than Oil: America’s Uneasy Partnership with Saudi Arabia*. Oxford University Press: New York, 2006. 21-25; “Donald Trump restores Iran sanctions, hitting oil exports over its support for militant groups,” *Associated Press*, 2 November 2018.

¹⁰ *Thicker than Oil ...*, 22-25.

in containing Iran, stabilizing Iraq, Turkey and Syria and countering non-state actors. With strategic access to Africa, Asia and Europe through the Red Sea and the Arabian Gulf, Saudi Arabia's geography is also a launch pad for U.S. power projection and regional stability.

The U.S.-Saudi relationship is further wedded through the defence industry. The unwritten social contract that the Kingdom will market seemingly limitless amounts of oil at low prices in exchange for American protection and lucrative arms deals has persisted for decades.¹¹ The First Gulf War is an obvious historical example of this contract. Despite significant investment in modernizing Saudi Arabia's military and having nearly 40,000 foreign advisors, as well as 10,000 Pakistanis serving in the 10th Armoured Brigade, the Kingdom was defenceless against Saddam Hussein and the Iraqi Republican Guard.¹² Saudi Arabia was forced to appeal to the United States for protection, accept the political implications for having foreign troops on the Kingdom's soil and paying over \$16B in remittances.¹³

This decade, Saudi Arabia's defence budget reached a high of 8% of GDP (four times the NATO pledge) and is projected to exceed \$58B in real terms by 2020.¹⁴ Still, the calculus for the unwritten contract has not fundamentally changed. Stephanie Cronin, a lecturer at the University of Oxford, argues that Saudi Arabia has permanently surrendered responsibility of national defence to the Americans, content with its role as the peninsula policeman: "The massive expenditure on defence show[s] no signs of

¹¹ Feinstein, Andrew. *The Shadow World: Inside the Global Arms Trade ...*, 13.

¹² Cronin, Stephanie. *Armies and State-Building in the Modern Middle East: Politics, Nationalism and Military Reform*. I.B. Tauris: London, 2014. 237-239.

¹³ Jacobson, Louis. "Donald Trump says Kuwait never paid U.S. back for ousting Saddam Hussein," In *Politifact: At the Poyntner Institute*. 27 April 2011.

¹⁴ "Saudi Arabia Defence Budget," In *Jane's Defence Budgets*. Posted 18 February 2019. 7.

slowing ... operating as a mechanism for recycling petrodollars to the advantage of the Saudi elite and the Western arms industry.”¹⁵ This assertion runs counter to the U.S. Department of State’s position on foreign military sales as an important tool to strengthen self-defence of its allies.¹⁶ Given that arms transfers support America’s leadership in the defence and aerospace sectors, which employs nearly 2.5 million people in the U.S. and reduces military procurement costs,¹⁷ America is content with the contract terms.

The Khashoggi Affair is the latest source of friction for the U.S.-Saudi alliance. The relationship was previously tested in part over the 1973 OPEC Crisis, the Israel-Palestinian conflict, the September 11, 2001 terrorist attacks, the 2003 U.S. invasion of Iraq, President Obama’s diplomatic rapprochement with Iran and the Kingdom’s human rights record.¹⁸ Values were subordinate to interests in each of these conflicts and the Khashoggi Affair is no different. The journalist’s murder has triggered political rhetoric from both sides, but there are no credible signs the U.S.-Saudi relationship is in great decline. President Trump’s initial warning of “severe punishment”¹⁹ was whitewashed in his official statement released a month later, which revealed complete disregard for America’s values:

America First! The world is a very dangerous place! ... If we foolishly cancel [arms contracts], Russia and China would be the enormous beneficiaries – and very happy to acquire all of this newfound business ... The crime against Jamal Khashoggi was a terrible one, and one that our country does not condone ... [Saudi Arabia] ha[s] been very responsive to my requests to keeping oil prices at reasonable levels – so important for the world. As President of the United States I intend to ensure that, in a very dangerous world, America is

¹⁵ Cronin, Stephanie. *Armies and State-Building in the Modern Middle East: Politics, Nationalism and Military Reform ...*, 239.

¹⁶ U.S. Department of State. “U.S. Arms Sales and Defense Trade: Fact Sheet,” Bureau of Political-Military Affairs, 4 February 2019. <https://www.state.gov/t/pm/rls/fs/2019/288737.htm>

¹⁷ *Ibid.*

¹⁸ “U.S.-Saudi Arabia Relations,” In *Council on Foreign Relations*, 7 December 2018.

¹⁹ President Trump interview with Christine Blasey Ford in “60 Minutes” *CBS News*. 1:48.

pursuing its national interests and vigorously contesting countries that wish to do us harm. Very simply it is called *America First!*²⁰

Dismayed by the lack of accountability surrounding Khashoggi's murder and keen to impose human rights sanctions on responsible individuals, a bipartisan request to invoke the Magnitsky Act²¹ was sent from Congress to the President in October and again in March of this year.²² President Trump's failure to act on these two requests reflect his administration's transactional foreign policy that exchanges liberal values for secure jobs and populist support. This narrow focus resonates with his working-class political base, but over time it will diminish America's influence and leadership of the liberal international order.

Europe's troubled response to Jamal Khashoggi's murder is evident in two contrasting videos from November's G20 summit in Argentina. The first, MBS is warmly greeted by Russian President Putin with a smile, laughter and an enthusiastic high-five.²³ The second, G20 leaders anxiously pose for the group shot with MBS, who is included but avoided, at the far right of the delegation.²⁴ The two videos reveal how difficult it can be for the EU to develop a coherent and effective regional strategy that balances values with interests. As with the United States, the European Parliament promptly condemned the Kingdom following Khashoggi's gruesome murder and advocated for an EU-wide

²⁰ United States, Office of the Press Secretary, "Statement from President Donald J. Trump on Standing with Saudi Arabia," *The White House*, 20 November 2018.

²¹ The Magnitsky Act, a bipartisan bill passed by U.S. Congress and signed into law in December 2012, authorizes the U.S. government to impose sanctions on human rights offenders, as well as freezing their assets and banning them from entering the United States.

²² Stroul, Dana. "The Khashoggi Showdown: Executive-Congressional Dynamics and the U.S.-Saudi Relationship," In *The Washington Institute for Near East Policy*. 19 February 2019. The Magnitsky Act, a bipartisan bill passed by U.S. Congress and signed into law in December 2012, authorizes the U.S. government to impose sanctions on human rights offenders, as well as freezing their assets and banning them from entering the United States.

²³ Zelizer, Julian, "The astounding Putin-MBS high five," In *CNN*, 3 December 2018.

²⁴ "G20 leaders pose for 'class photo' group shot as summit gets underway," *Global News* on YouTube. 30 November 2018.

arms embargo on Saudi Arabia.²⁵ Nevertheless, the Bloc has taken no significant measures against the Arab state. Realpolitik, EU disunity, BREXIT uncertainty, Saudi pressure and bilateral interests between member states and the Kingdom have all contributed to a softening of rhetoric and action by the EU.²⁶ Even Europe, the more principled alternative to the pragmatic United States, has privileged interests over values in the post-Khashoggi era, reflecting a broad decline of the liberal international order.

Europe's share of military imports to Saudi Arabia pale in comparison to the United States, at \$250M versus \$3B respectively in 2018,²⁷ but the Kingdom is a growing market for the European defence industry. The Eurofighter Typhoon contract is an illuminating example of the lucrative arms trade between Europe and Saudi Arabia, as well as its complexities. The Kingdom acquired 72 of the jets with sizeable in-service support contracts in 2007²⁸ with plans in early 2018 to procure another 48.²⁹ The Typhoon is truly a pan-European enterprise with an integrated supply chain, manufacturing in Britain, Germany, Italy and Spain and nearly 15,000 jobs directly tied to this venture in the United Kingdom alone.³⁰ As the F35 program has revealed, joint defence projects support coalition building, greater economies of scale and reduced procurement costs, but also expose member nations to political risk. For instance, a unified European response to Saudi Arabia's involvement in Khashoggi's murder would

²⁵ European Parliament (2018) *Joint Motion for a Resolution (2018/2885(RSP))*. Luxembourg: Office for Official Publications of the European Union

²⁶ Salacanian, Stasa, "EU-Saudi relations after Khashoggi," In *The New Arab*. 7 March 2019.

²⁷ Crooks, Ed. "Five charts that explain Saudi Arabia's importance to the global arms trade," In *Financial Times*. 23 October 2018.

²⁸ Pfeifer, Sylvia. "BAE warns of impact from Germany's Saud arms ban," In *Financial Times*. 21 February 2019.

²⁹ Chuter, Andrew. "Saudi Arabia and BAE one step closer to finalizing Typhoon deal," In *Defense News*. 9 March 2018.

³⁰ *Ibid.*

effectively shield each nation from Saudi retribution,³¹ but the EU lacks a binding regional strategy.³²

Europe's response to Saudi Arabia's involvement in Khashoggi's murder is distinctly divided. Germany is situated at the far left of the 'values-interests' spectrum having suspended all arms exports to Saudi Arabia pending a satisfactory investigation into Khashoggi's death. Chancellor Merkel's arms sales ban is accepted in Germany,³³ but is criticized within the EU for its impact on joint defence projects, such as the Eurofighter consortium, which rely on the Federation for key spare parts.³⁴ Spain was "dismayed" by Riyadh's initial reports on Khashoggi and then recalibrated its rhetoric to "consternation," possibly amid pressure from Saudi Arabia. After all, Spain is keen to maintain its contracts with the Kingdom for warships and a high-speed train link to Mecca.³⁵ The EU's two largest exporters of weapons to Saudi Arabia, Britain and France, are naturally situated further right along the 'values-interests' spectrum. In March, Britain's Foreign Secretary stressed "Our strategic partnership w/Saudi Arabia helps us to keep the UK safe" in a tweet following a visit to Riyadh.³⁶ One diplomat attending February's EU-Arab Summit summarized Europe's challenge in zero-sum terms: "Realpolitik means that you have to talk in a world of craziness with the crazy people and totalitarian people."³⁷ Thus, amid pressure from Saudi Arabia to keep arms markets open,

³¹ Barnes-Dacey, Julien, "The end of the post-Khashoggi era? Europe's collapsing unity on Saudi Arabia," In *European Council on Foreign Relations*. 6 March 2019.

³² Osiewicz, Przemyslaw, "The EU and the Middle East: In search of a strategy," In *Middle East Institute*. 24 January 2019.

³³ "Germany extends ban on arms exports to Saudi Arabia" In *Deutsche Welle*, 6 March 2019.

³⁴ "Sticking to its Guns: Germany's moral qualms about arms sales infuriate its allies," In *The Economist*. 2 March 2019.

³⁵ Abellán, Lucía. "Spain not stopping arms sales to Saudi Arabia over Khashoggi killing," In *El Pais*. 22 October 2018.

³⁶ Barnes-Dacey, Julien, "The end of the post-Khashoggi era? Europe's collapsing unity on Saudi Arabia."

³⁷ Peel, Michael. "EU foreign policy: Why the EU is embracing Middle East strongmen," In *Financial Times*. 24 February 2019.

lest these trade opportunities find another supplier, Europe's common voice is increasingly out of tune with its values. From a realist lens, the Khashoggi Affair has exposed Europe as a loose collection of self-interested states bent on their own survival with little regard to the liberal international order.

Ironically, the enduring image that characterizes the difficult Saudi-Canadian relationship is a "Trump-style tweet,"³⁸ rather than a photo or video, and occurred two months before Khashoggi's murder. Canadian Foreign Minister Freeland's 'diplomacy by tweet' in early-August that called for the release of two women's rights activists in the Kingdom³⁹ triggered two important moves that Canada must acknowledge. First, Saudi Arabia's sharp rebuttal, no doubt directed by the Kingdom's executive office, demonstrated the regime's unpredictability and lack of restraint. Second, neither the United States nor Britain, Canada's two preeminent allies,⁴⁰ defended Canada's bold statement that Saudi Arabia must curb its human rights and women's rights abuses at home and in Yemen.⁴¹ Great power politics cannot be driven by a middle power, such as Canada. Nevertheless, Canada can be mindful of these two lessons and impose principled and pragmatic punitive measures against Saudi Arabia for its involvement in Khashoggi's murder. Redirecting Saudi LAVs to replace the CAF's family of ACSVs is one unique solution to the Khashoggi Affair that balances defence of the liberal international order with its commercial interests in the defence industry.

³⁸ Former foreign affairs minister, John Baird, quoted in: McNeil, Shane. "Freeland's "Trump-style tweet' to Saudis damaging to Canada: Baird," In *BNN Bloomberg*. 8 August 2018.

³⁹ Chrystia Freeland on Twitter, 2 August 2018.

⁴⁰ Canada. Global Affairs Canada. "Address by Minister Freeland on Canada's foreign policy priorities." 6 June 2017.

⁴¹ Kassam, Ashifa. "'We don't have a single friend': Canada's Saudi spat reveals country is alone," In *The Guardian*. 11 August 2018.

Canada's relations with Saudi Arabia, its chief Arab ally, were mostly positive and symbiotic before last August's twitter spat and Khashoggi's murder. Like America, oil is the nucleus of the Saudi-Canadian partnership with the commodity accounting for 95% of Canada's imports from Saudi Arabia, or roughly 10% of all petroleum products consumed in Canada.⁴² These imports are partially offset by arms sales, cereal grains, pilot training and Saudi students attending Canadian colleges and universities.⁴³ Canada is drawn to Saudi Arabia for its emerging market status and for being a stable and lucrative trade alternative to America, but is weary of its human rights record. Despite Amnesty International's concerns in 1988 that Saudi Arabia was detaining, torturing and executing political prisoners without trial, Canada still sold LAVs to the Kingdom in the early 1990s.⁴⁴ Foreshadowing today's 'values-interests' dilemma over the Saudi LAV deal, the opportunity-cost of Canada not supplying these vehicles was just too great to pass.

Canada committed significant human and political treasure to broker the \$15B LAV contract with Saudi Arabia. After all, the 2015 deal is the largest arms export in Canadian history and will directly support a supply chain of 270 companies and 13,000 jobs.⁴⁵ Reflecting the unprecedented scale of the contract and the overlap of government and commercial interest, CAF members deployed to the Middle East in an unfamiliar role as GDLS support staff for at least three mobility trials and several Gulf Defence &

⁴² Hopper, Tristin, "Why has Canada spent billions of dollars buying Saudi Arabian oil?" In *National Post*, 8 August 2018.

⁴³ Afesorgbor, Sylvanus, "The major trade implications of the Canada-Saudi spat," In *The Conversation*. 13 August 2018; Juneau, Thomas. "Canada and Saudi Arabia: A deeply flawed but necessary partnership," In *Canadian Global Affairs Institute*. July 2016. 2.

⁴⁴ Siekierski, B.J. "Selling armoured vehicles to Saudi Arabia: a Canadian tradition," In *iPolitics*, 11 February 2016.

⁴⁵ Juha, Jonathan and Norman De Bono, "London leaders brace for worst as PM talks Saudi LAV deal exit," In *London Free Press*, 17 December 2018.

Aerospace Exhibitions.⁴⁶ Despite not producing a human rights assessment for Saudi Arabia, a mandatory report for all Canadian arms exports, the Conservative government messaged the LAV deal as an unequivocal win for Canada.⁴⁷ For Gutterman and Lane, two vocal critics of the Canadian defence industry, the LAV contract was another example of foreign policy and international norms being subordinate to short-term electoral interests and commercial aspirations.⁴⁸ Evidently, Canada is not immune to privileging interests over values, no matter the cost to its moral high ground on international issues.

Justin Trudeau's election victory in 2015 was an opportunity for the Liberal government to distance itself from its pragmatic predecessors and to promote its liberal and feminist values by cancelling the Saudi LAV contract.⁴⁹ Instead, the prime minister dismissed the LAVs as simply "jeeps"⁵⁰ with his Foreign Affairs Minister, Stéphane Dion, conceding that "what is done is done."⁵¹ Reliable reports from *The Globe and Mail* in 2016 that the Kingdom was misusing Canadian-made LAVs against civilians in Yemen,⁵² which contravene Canada's military export controls,⁵³ provided Trudeau with a second break to cancel the Saudi deal. Will the torture and murder of a journalist by state

⁴⁶ Brewster, Murray. "DND helped market weapons bids by Kuwait, UAE," In *CTV News*, 15 January 2016. This author deployed to Kuwait from 2013 to 2014 and provided logistics support to the LAV trials and personally attended the Gulf Defence & Aerospace Exhibition.

⁴⁷ Hillmer Norman and Philippe Lagasse (editors), *Justin Trudeau and Canadian Foreign Policy: Canada Among Nations 2017*. Palgrave Macmillan: Ottawa 2018. 208-209.

⁴⁸ Gutterman, Ellen and Andrea Lane, "Beyond LAVs: corruption, commercialization and the Canadian defence industry," In *Canadian Foreign Policy Journal*, 2017 Vol. 23, No. 1, 85.

⁴⁹ Hillmer Norman and Philippe Lagasse (editors), *Justin Trudeau and Canadian Foreign Policy: Canada Among Nations 2017*. Palgrave Macmillan: Ottawa 2018. 191.

⁵⁰ Juneau, Thomas. "Canada and Saudi Arabia: A deeply flawed but necessary partnership," In *Canadian Global Affairs Institute*. July 2016. 5.

⁵¹ Jaramillo, Cesar, "From the Director's Desk: Canada and Saudi Arabia: An arms deal no matter what," In *The Ploughshares Monitor*. Spring 2018.

⁵² Esau, Paul. "Disarming Security: Project Ploughshares, arms sales to Saudi Arabia, and the shaping of Canadian military export policy," In *The Ploughshares Monitor*. Winter 2017. 9.

⁵³ Canada. Global Affairs Canada. "Exports of Military Goods: 2017."

officials be the ‘third time’s a charm’ opportunity for Trudeau to suspend the Saudi LAV contract?

With domestic scandals and inactivity tarnishing his image, Trudeau can take a principled stance that both he and Canada are not “symbolism over action, and style over substance.”⁵⁴ Suspending the deal as a punitive measure against Saudi Arabia might be perceived as a political slight against America, Canada’s most important bilateral relationship. However, President Trump likely would spin this decision in zero-sum terms as Canada’s loss and America’s gain. Longer term, subsequent U.S. administrations may commend Canada for its principled stance. Canadian relations with Saudi Arabia will certainly sour, but they cannot get much worse and in any case Canada should diversify its interests to other Arab states in the Gulf. The reportedly \$1B cancellation fee owed to the Saudis only represents 4% of Canada’s defence budget and could surely be centrally absorbed by the federal government.⁵⁵ Finally, municipal leaders’ concerns and GDLS executives’ threats would be mitigated by continued manufacturing of LAVs at the GDLS factory in London to replace the CAF’s family of ACSVs.

Initiative 36 of *Strong, Secure, Engaged: Canada’s Defence Policy* directs the Canadian Army (CA) to “replace the family of armoured combat support vehicles, which includes command vehicles, ambulances and mobile repair teams.”⁵⁶ To fulfill this obligation, the CA will replace both Bison Wheeled Light Armoured Vehicle (WLAV) and Tracked Light Armoured Vehicle (TLAV) combat support fleets. The WLAV fleet

⁵⁴ McParland, Kelly, “No wonder Trudeau loves the UN – it’s all style, no substance,” In *National Post*, 28 September 2018.

⁵⁵ Krayden, David. “Once again, the federal budget turns a blind eye to Canada’s military needs,” In *National Post*, 27 March 2019.

⁵⁶ Canada. Department of National Defence. *Strong, Secure, Engaged: Canada’s Defence Policy*. Ottawa, 2017. 37.

entered service in 1990 and will reach its end of service life in 2024 whereas the TLAV fleet entered service in 1964 and must be replaced before 2030. These versatile fleets have been life-extended, re-purposed and re-configured to fill a wide range of combat support tasks, including operations in Afghanistan, but their ability to provide effective forward combat support is severely limited.⁵⁷ Investment in a new fleet of highly mobile and protected vehicle systems will enable the CAF to leverage new and rapidly evolving technologies, improved interoperability with allies and maintenance of an operational edge over potential adversaries.

While specific details on the Saudi LAV deal are scarce, the quantity of vehicles was reduced last September from 928 to 742⁵⁸ and shipments are underway despite the diplomatic uproar.⁵⁹ Nevertheless, replacing the ACSV capability is notably less than Saudi Arabia's revised order. Replacement of the WLAV and TLAV fleets with the Saudi LAVs is logical from a political and economic perspective, but also a military one. The CA's primary infantry fighting vehicle platform is the LAV III, an older variant of the LAV 6.0 being manufactured for the Kingdom.⁶⁰ Under the LAV III upgrade program, the entire fleet will receive turret and chassis upgrades that are common in the LAV 6.0 fleet.⁶¹ Several operational advantages materialize with the CA's LAV III fleet being supported in combat by a LAV 6.0 fleet. Among others, fleet commonality supports soldier familiarity, less training, a reduced sustainment burden, greater access to spare

⁵⁷ Canada. Department of National Defence. *Strategic Context Document: Armoured Combat Support Vehicle: C.000869 – Canadian Army*. Ottawa, 2019. Executive Summary.

⁵⁸ Brewster, Murray, "Canada's arm deal with Saudi Arabia is shrinking," In *CBC News*, 10 September 2018.

⁵⁹ Tunney, Joseph, "Light armoured vehicles shipped to Saudi Arabia despite Saint John Protests," In *The Globe and Mail*. 23 December 2018.

⁶⁰ "Canada's Defence Budget," In *Jane's Defence Budget*. Posted 22 January 2019. 18.

⁶¹ Canada. Department of National Defence. *Light armoured vehicle III upgrade (LAVUP)*. Project summary.

parts and reduced operating costs. One other significant advantage is that these former-Saudi vehicles will be brought into service before 2030, the expected delivery of the ACSV project. Repurposing the Saudi LAV contract to serve the needs of today's CAF is the best course of action for a pragmatic and principled Canada in the wake of the Khashoggi Affair.

Canada cannot single-handedly reverse the tide that is eroding the liberal international order. But Canada has enjoyed its privileged status in the time-honoured international system and defending the values that underpin it are in Canada's self-interest. The nationalist, illiberal and populist political rhetoric, championed by President Trump and embraced by others, is a global force. Opposing this international trend, led by its two most important allies, may put Canada in a precarious, isolated and unprecedented position. Conversely, conceding to the collapse of liberal international values directly threatens Canadian values enshrined in the Charter of Rights and Freedoms.⁶²

Canada's 'values-interests' dilemma is clear in the Khashoggi Affair. Since the journalist's murder by Saudi state operatives, no punitive measures have been taken against the Kingdom, aside from a few symbolic moves. Realpolitik, Saudi pressure and national self-interest have all contributed to a softening of rhetoric and action. Canada has imposed sanctions against 17 Saudi nationals for Khashoggi's murder, but the \$15B LAV contract with the Arab state remains unchanged. Timing is an essential element of politics and, given the 2019 Canadian federal election, the international community is waiting for the other shoe to drop.

⁶² Ahmad, Aisha, "Canadian values and the Muslim world," In *International Journal*. 2017, Vol. 72(2). 256.

This essay argued that it is possible and necessary to take a principled and pragmatic response to Saudi Arabia's involvement in Jamal Khashoggi's murder that safeguards the defence industry without sacrificing liberal values. Utilizing the United States, the EU and Canada as case studies, this paper examined international relations with Saudi Arabia before and after the Khashoggi Affair with a particular focus on the defence industry. In general, Khashoggi's murder has not fundamentally altered the Kingdom's bilateral relationship with the U.S. and the EU. Both case studies revealed the bond is a pragmatic one that privileges interests over values. Canada's relationship with Saudi Arabia has so far mirrored America's, but suspending the Saudi LAV contract and repurposing these vehicles for the CAF is a principled and pragmatic solution. Canadian citizens will be well-represented by their prime minister if his actions in the post-Khashoggi era reflect this difficult, but achievable, balance.

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