



**Remarks By Lieutenant-General Richard J. Evraire (Ret'd),
Chairman, The Conference Of Defence Associations**
to
The House Of Commons Standing Committee On Finance

October 24, 2005 - Ottawa

Madame Chair, Members of the Standing Committee on Finance of the House of Commons, thank you for the invitation to testify before you.

The Conference Of Defence Associations has, on a previous occasion, informed this committee of its concerns and potential consequences resulting from inadequate defence allocations

This year, I wish to respond to, and apply to the Department of National Defence, your own committee's consultation themes of fiscal transparency, accountability and the allocation of tax dollars.

It is becoming increasingly apparent that more than financial resources are necessary to transform Canada's military.

Budget 2004 allocated sufficient money for the acquisition of a new fixed wing search and rescue aircraft. *Budget 2005* allocated an

additional \$12.8 billion over five years.

However in spite of the government's intent, through financial stimulus, to transform the Canadian forces, we witness a tardiness in acquisition and an inability to spend the annual allocation.

In order to ascertain what is causing this stagnation, the School Of Policy Studies, Queen's University, Kingston, in cooperation with the Conference Of Defence Associations Institute, initiated a study and have published their findings in the *Claxton Paper* series on research in defence policy

This publication entitled, *The National Transformation Of Defence Administration*, concludes that for the new defence policy to succeed, the government must revamp major aspects of defence administrative organizations, processes, and methods as the essential first step to transforming the Canadian Forces.

The aim should be nothing less than to build, from the ground up if necessary, a modern, proficient, government-wide system of defence administration

This testimony has been edited to include only the testimony of the speaker and the questions directed to him. It has also been lightly edited to correct syntax errors. For the original text, the Proceedings of the Committee can be consulted on the Parliamentary website at:
<http://www.parl.gc.ca/infocomdoc/38/1/FINA/Meetings/Evidence/FINAEV113-E.HTM#Int-1427391>



appropriate to the demands facing the Canadian Forces and responsive to the needs of the government and parliament.

These findings support former Minister of National Defence John McCallum's report of August 2003 (*Achieving Administrative Efficiency*) which concluded that the Canadian Forces, the Department Of National Defence, and, by implication, other government departments and the central agencies:

“...are not well positioned, from a management perspective, to meet the strategic-level challenges [they are] facing. The committee believes that without fundamental transformation of the national-level management framework and practices of the Department of National Defence and the Canadian Forces, the CF will not be able to transform itself rapidly enough to adapt to Canada's changing security environment.”

The evidence of the need to transform the administration of defence is plentiful. *Claxton Paper # 6* to which I referred a moment ago, *The National Transformation of Defence Administration*, presents seventy pages of Byzantine practices and outcomes that need transformation. Here are but a few examples:

- The 1970s-designed personnel system of the Department Of National Defence has created an organization that employs approximately 100,000 of which only 26,000 are available for military operations.
- The current government and defence administration systems employ thousands, yet equipment acquisition delays of up to 16 years are occurring.
- Existing central government financial guidelines will ensure that the Department Of National Defence will spend \$1,000 million over the next ten years to maintain and prolong the life of a 25 year old truck that could be replaced by a new vehicle at less cost.
- The same limitations keep the Department Of National Defence in a holding pattern - spending \$385 million a year on the C-130 Hercules fleet, whereas the same annual allocation would outfit the Canadian Forces with sufficient numbers of new transport aircraft.

Canada's national defence is



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the principal responsibility not only of the Canadian Forces and the Department of National Defence, but of the government as a whole, including this committee.

The Conference Of Defence Associations strongly believes that A complete review of the public administration of defence is necessary in order to identify the full extent of defence administration responsibility across government and to recommend ways to realign and reform authority, responsibilities, and procedures for defence administration and the rebuilding of defence capabilities.

Two years have passed since the release of Mr. McCallum's report, *Achieving Administrative Efficiencies*. Nevertheless, innumerable inefficiencies in defence administration continue.

The government has allocated a substantial level of defence funding, over the next five years, in the expectation that the Canadian Forces will be transformed, trained and equipped to perform their assigned tasks in a much transformed post 9/11 world.

The Conference of Defence Associations applauds this decision but warns that unless the existing system of public administration of defence is itself transformed, the sought after transformation of the Canadian Forces will be greatly delayed, thereby putting the government's foreign and defence policies and the lives of the men and

women of our Canadian Forces at risk.

Madame Chair, ladies and gentlemen, unless the existing system of public administration of defence issues is transformed, the Conference Of Defence Associations believes a real danger exists that the new *International Policy Statement*, released last year, and its defence and foreign policy components, will merely be paid lip service.

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