

## **Abstract**

This paper is a white paper for the Canadian Forces and Department of National Defence as it enters the 21<sup>st</sup> Century. The thesis stems from the fact that defence policy is borne out of ideas and is a function of authority, organization and process. The ultimate outcome of defence policy can be best characterized as – what did the Canadian Forces and Department of National Defence achieve with the resources allocated within the current policy context. White Papers in general lie at the heart of defence objectives and form the foundation upon which policy implementation grows.

Closing the Gap represents my ideas on what defence objectives should be and how the Canadian Forces and Department of National Defence should be organized and resourced in Canada to satisfy Government of Canada defence and security objectives. The foundation of the paper focuses on addressing the longstanding commitment-capability gap in implementing Canada's defence policy. There are no easy solutions to addressing this gap. What is proposed in the paper is one method at eliminating the gap through refocusing defence objectives, re-organizing the Canadian Forces and Department of National Defence to align to objectives, and committing resources to implement the policy. Once authority, organization and processes are aligned to defence objectives, policy implementation will produce results.

A few key highlights of the paper include:

- Establishing an ADM for Inter-governmental affairs within DND;
- Eliminating the Chief of the Air Staff and moving air assets under two newly formed Commands - Commander Maritime Effects and Commander Land Effects;
- Increasing the defence budget over time to match resources to capabilities to commitments reaching \$20 billion by 2013; and
- Re-focusing the Department of National Defence to provide support to the Canadian Forces in the areas of realty assets, infrastructure and review services.
- A newly created ADM Intergovernmental Affairs would be established to work under the DM but represent the Canadian Forces and Department of National Defence in dealings with Other Government Departments, and provincial and local governments in Canada.

This paper in no way represents the views of the Government of Canada or the Department of National Defence, the Canadian Forces or any other organization within the DND/CF. The views are my own.

## Closing the Gap: Canada's Defence in the New Millennium

This White paper is written at a critical time in the history of Canada's defence. Decades of under-funding and a systematic failure to address the commitments-capabilities gap have left the Canadian Forces in a "death spiral". The term commitment – capability gap first emerged in the Canadian policy lexicon in the 1987 White Paper, which stated, "after decades of neglect, there is indeed a significant commitment-capability gap."<sup>i</sup> This paper aims to bridge the gaps, by first building up the capacity of the Department of National Defence and the Canadian Forces to correct course and focus efforts towards the future. This is an immediate need and one that will be addressed in earnest.

In the medium term, once capacity is rebuilt it will be time to address the capability deficiencies of the Canadian Forces. Correcting decades of neglect will take time. As Doug Bland stated in 2004, "even if the government were to increase expenditure allocations to national defence immediately and substantially, the pending crisis could not be avoided. The time to replace major equipments, develop coherent military capabilities and the trained effective strength of the armed forces simply exceeds the mandate of the next government."<sup>ii</sup> In the longer term we, the Government of Canada, whichever party is in power, must ensure that our Forces are funded to meet commitment levels.

The capabilities we have today were born out of decisions that were made in some cases over four decades ago. Even as far back as 1964 this was recognized by the Minister of Defence as he stated in the White Paper, "major equipment programs initiated in the near future will have to meet the requirements throughout the 70s and into the 80s"<sup>iii</sup> We must ensure twenty years from now that Canadians in general, and the Canadian Forces in particular, have the right tools and capabilities to ensure success in our national security and defence objectives and commitments. It is my goal that all future soldiers, sailors and air personnel look back on these times with pride and honour.

This policy is for the men and women of our Canadian Forces of the past, present and future. I am very proud of the men and women of the Canadian Forces and the civilian personnel of the Department of National Defence. Our Forces commit their life to the defence of this great nation. We must ensure that we commit our resources to supporting them.

There is one government budget and a myriad of competing expenditures. It is true, as Donald MacDonald said in 1971 that, "a decision on the appropriate size of the defence budget can be made only in the context of the Government's national priorities and in light of its consequent programs."<sup>iv</sup> That said, it is of the utmost importance that, "the results of decades of neglect can be overcome, but it will require a long-term solution: steady, predictable and honest funding program based on coherent and consistent political leadership."<sup>v</sup> Honesty in commitment, honesty in funding and honesty to our military provides the foundation of strong defence of this great nation.

## Background

Over 40 years ago the Minister of National Defence in his White Paper declared unification of the Canadian Armed Forces to be of vital importance as the nation sought to achieve its defence objectives. As Paul Hellyer declared, “if a single command structure is not established, coordination by the committee system will remain with all its inevitable delays and frustrations.”<sup>vi</sup> Over the ensuing forty years the Canadian Forces have moved from a tri-service model to a more integrated force; however, the ultimate goal of unification has not yet been achieved.

Integration was the first step in transforming the way in which the services were managed, commanded and controlled. The shift in thinking has been gradual and the effects on the organization evolutionary. While unification was intended to be revolutionary it takes time to affect such a dramatic shift in culture and thinking within an institution. Defence is no exception. There is an inherent resistance to change amongst all people. As Elting Morison stated in 1966, “the opposition, where it occurs, of the soldier and the sailor to change springs from the normal human instinct to protect oneself, and more especially, one’s way of life. Military organizations are societies built around and upon the prevailing weapon systems.”<sup>vii</sup> Overcoming resistance and building the institution to accommodate change has been an ongoing struggle. While our institution is rich in traditions, the time has come to complete the transition to a unified force.

Defence in Canada can’t be viewed in isolation from other government departments, from industry and from foreign and trade relations. In Canada, as in most nations, defence and security is an assembly of many state actors including the Department of Public Safety, Office of Critical Infrastructure and Emergency Preparedness, the Royal Canadian Mounted Police, Department of Fisheries and Oceans, local police forces – the list is endless. Defence of a great nation such as Canada takes a great many players. And the Canadian Forces will be a leader in protecting the safety and security of Canadians.

In terms of foreign relations, RL Sutherland said it best in 1962, “Military is the gold coin of diplomacy.”<sup>viii</sup> When a nation speaks on the international stage it must be backed up by a strong military. A truly co-coordinated effort in the defence of Canada and in enhancing its security is at the core of this paper.

Finally, we find ourselves today facing a death spiral in the area of national defence. Decreasing capabilities, increasing commitments, new projects put on hold as we invest in upgrades and increased maintenance of older platforms form the basis of this death spiral. The term death spiral has been used by the former Undersecretary of Defence for Acquisition, Logistics and Technology in the United States to describe what happens to a military force when it can no longer meet its commitments by the means it currently has at its disposal. As Dr. Jacques Gansler said, “with current short term needs consuming an ever-increasing share of the pie at the expense of longer term military capability reversing the trend will be extremely difficult. I have called this situation a death spiral.”<sup>ix</sup> Rebuilding our capability must first focus on rebuilding our capacity – the capacity to recruit new members, train them efficiently and effectively and provide them with the doctrine and capabilities required to put them into a position to be able to defend our interests at home and overseas.

## Factors Effecting Future Security

Change is a constant. From the Cuban Missile crisis in 1962 during the Cold War to recent missions in Africa and Afghanistan defence policy implementation has had to adjust course and use existing capabilities – while perhaps developed in previous times to fight different wars – to meet current tasks. As change may be the norm, factors influencing defence too remain constant.

In 1962 R.L. Sutherland stated:

One may hope that the world of the year 2000 will be so thoroughly peaceful that there will be no problem of Canadian security. This alas seems rather unlikely. The sources of major political conflict are unsatisfied aspirations, emotional nationalism and political instability. There is no evidence these are diminishing. There are scattered about the world several dozen disputed areas and boundaries ranging from the division of Germany to Tierra del Fuego...the game of power politics has been going on since the dawn of history, it was not invented by the Russians – or by the Americans.<sup>x</sup>

In terms of defence policy in Canada this fact has been recognized since 1964. In the 1964 White Paper on Defence it is stated that, “Defence Policy must adapt itself to changes, while principles remain constant.”<sup>xi</sup> The Canadian Forces have been forced to adapt to the changing global environment within tight budgetary confines creating the commitment-capabilities gap. This white paper seeks to address this longstanding issue.

Geography, economy and national interests are national imperatives that in essence drive Canada’s defence policy. Sutherland declares that there are certain invariants of Canadian defence that provide historical continuity. He outlines these as, “geography, economic potential and broad national interests which lead to certain natural alignments and alliances.”<sup>xii</sup> The 1987 White Paper sums this point up best. It declares that, “social benefits are the fruits of a secure and free society. This government accepts the preservation of such a society as its fundamental responsibility and will therefore provide the resources necessary to make the Canadian Forces operationally effective and responsive to the challenges of the 90s and beyond.”<sup>xiii</sup> Providing resources to the defence of Canada is a national enabler that permits the broader economic and social goals of the country to move forward.

The policy that is presented in this document must be aligned to the budget process. Too often defence policy has been developed in isolation of the budgetary and fiscal environment and implemented in a policy budgetary vacuum. This paper sets realistic targets, funded to the appropriate levels. We must, as Canadians be honest to those that serve in the name of Canada. The Responsibility to Protect starts at home with our soldiers. We must protect them as they defend our interests and values on the world stage.

Within the government it must be recognized that defence and security is not the sole responsibility of the Department of National Defence and the Canadian Forces. It is an effort comprised of many components across the federal, provincial and local levels of government. This fact was recognized in the 1971 White Paper which stated, “the forces will be called upon in

conjunction with other government departments to assist development in the civil sector, especially in the remote regions where disciplined task forces with wide experience in adapting to unusual or challenging circumstances are required.”<sup>xiv</sup> It is in our interest to ensure that defence and security policies are coordinated and controlled at a higher level than that of the minister of national defence. That is why the Prime Minister is committed to establishing a National Defence and Security Agency by January 2006 that sits above the ministers responsible for defence and security in Canada. Its function is to control, coordinate and communicate to Canadians the actions taken on their behalf to defend our great nation, its interests and our values.

It must be restated at this time that unification lies at the heart of this policy. The Canadian Forces will now make the final step towards the full transition to unification as espoused in the 1964 White Paper. This has been a long experiment that has been implemented in an evolutionary manner, studied and refined over time and the time to act is now. The gradual shift from tri-service to integrated forces must now fully embrace unification.

### Working with Allies

The United States of America. There is no greater ally to Canada than the United States. While it is difficult to compare our defence establishment to that of the United States, it is important to note that we share a border, common interests and values. As Sutherland said, “in Canada’s case, her strongest natural alignment is with the United States. This is based on close economic ties and the fact that Canada relies on the US for her security”<sup>xv</sup> It is true that approximately 75 percent of Canada’s trade and 82 percent of our exports is with the United States. It is also true that we share the largest undefended border in the world. Canadian defence has always had as one of its imperatives the responsibility to defend North America in cooperation with the United States. Moreover, as Prime Minister MacKenzie-King once said in 1938, “we, have our responsibilities. One of them is to see to it that our country is made as immune from possible invasion as we can reasonably be expected to make it, and, that should occasion ever arise, enemy forces should not be able to make their way, either by land, sea or air, to the United States across Canadian territory.”<sup>xvi</sup> Canada has a long tradition of defending North America since the establishment of the Ogdensburg Treaty and NORAD.

In defending North America in cooperation with the United States we must ensure that our Forces are interoperable with the United States military. As Granatstein wrote, “to maximize Canada’s military resources, the Canadian Forces must be made as interoperable as possible with the forces of the United States and other friendly nations”<sup>xvii</sup> Interoperability, the ability to effectively and seamlessly work with the United States, transmit information and data and employ combat capabilities will benefit the ultimate goal of defending Canada and North America.

The North Atlantic Treaty Organization (NATO). Canada has a long tradition of being part of the collective defence establishment formed in 1949 known as NATO. Our commitment to NATO must endure as it seeks to maintain relevance in an unstable world. NATO has achieved a great many things over the years and continues to this day to be a first line of defence for Canada and her allies. As the 1994 White Paper declared of our membership in NATO, “ the

commitment to participate in the defence of an Alliance country is virtually automatic for all member states.”<sup>xviii</sup> Participation in NATO will remain to be a strategic asset in the defence of Canada.

The United Nations. Canada was one of the founding members of this great international institution and we remain committed to the fundamental values that underpin the UNs work around the world. While the UN has achieved success it has also known its setbacks. We are committed to making the UN a powerful force in protecting human rights and security around the world. As the 1994 White Paper outlined, “Canada is strongly in favour of a vigorous and effective UN, capable of upholding the political values and procedural means set out in its Charter, and believes that situations requiring international military action should be dealt with in accordance with the terms of the Charter.”<sup>xix</sup> Contributing to United Nations missions and operations will remain a tenant of Canada’s defence policy.

In short, allies and alliances strengthen Canada, provide us with value added protection from attackers and provide us with vehicles to promote our interests and values in the world. We must continue to be part of these great institutions and play a critical role in peace and security on the world stage.

#### The aims and goals of National Defence

The primary aim of Canada’s defence policy is the defence and security of Canadians. As Ignatieff stated in 2004, “Our independence cannot be defended by anyone else: so we have to pay for it with a national defence capability that can secure our borders and protect our people, in alliance with others, but in fundamental independence of their capabilities and capacities.”<sup>xx</sup> He goes on to say, “Independence has to guide our defence decisions. We do not want to arrive at a situation where Canadian lives are in danger at home or abroad and we have to be dependent on someone else’s capabilities, whether diplomatic, intelligence or military to get us out of trouble.”<sup>xxi</sup> Therefore, the following constitutes Canada’s defence priorities in the new millennium”

- Defend Canada
- Assist in the security of Canada by working with Other Government Departments to implement Canada’s National Security Policy
- Defend North America in cooperation with the United States
- Participate in international missions in the following order of priority: With the United States, with NATO allies and with the UN.<sup>xxii</sup>

The policy focuses on Canada first. This does not mean that we are neglecting our international obligations as a leading industrial nation. However, the policy reflects what Pope said in 1962, “Canadian defence policy must ensure the defence of Canada. In the pre-thermonuclear era this truism meant that Canadian defence had to ensure that Canada and its allies won the war. Today, the truism means that Canada must prevent an all out war occurring else there would very shortly be no Canada to defend.”<sup>xxiii</sup>

## Defence Organization (Canadian Forces and Department of National Defence)

Defence organization is the way and means for Canadian defence policy, once found, to be implemented strategically, operationally and tactically. At the highest level, “organization of national defence is a term often used to describe a state’s central structure for defence decision making that brings together political leaders, senior military officers, and civil servants.”<sup>xxiv</sup> It is the interaction amongst the state, military and civilian defence officials and the manner in which policy goals are translated into operational capacity and policy implementation.

What is required is an alignment of what we want our forces to do (policy) and how we organize them to do their job and implement the nation’s defence policy. In the past the focus has been on defence objectives and strategy with little regard for aligning the organization to objectives. At the heart of this paper is unification – not integration. The old tri-service organization of national defence in Canada will not allow for the department to move forward on this ambitious agenda.

What is proposed is a total re-organization to align organization to objectives. Greater emphasis will be placed on the Canadian Forces to ensure success in commitments. We are now in the final stages of a plan that was developed over 40 years ago - the time to act is now. Every effort will be made by this government to ensure that the rust out and death spiral that has occurred in defence over the course of the past few decades will not occur again.

Why change the organization? At its core, the Canadian Forces are the prime instrument used by government to defend its territory, sovereignty and protect its interests on the world stage. What it needed is an organizational structure aligned to this vision. The old organizational models of the Department and Canadian Forces are no longer relevant in this age of terrorism and snakes – where your enemy is not a nation state but rather consists of nation states and non-nation actors. Defence must be planned, managed, commanded and controlled from a central Chief of the Defence Staff with Deputy Chiefs responsible for homeland and overseas operations. The current integrated, tri-service model does not permit a seamless defence strategy for Canada.

Force employment, when required by the Government of Canada will be the sole responsibility of the Chief of the Defence Staff with advice from his Deputy Chiefs. Force employment refers to the use of force and operational capability to defend the state and its interests. Force generation, how the Canadian Forces will train for their missions, will be split between the Commander Maritime Effects and Commander Land Effect. Integrated planning, strategic collective training and individual training lie at the heart of this policy.

The Department of National Defence will provide support to the Chief of the Defence Staff and the Canadian Forces. Taking all things into consideration the Deputy Minister will head the Department of National Defence and focus on infrastructure, environment and operational support to the Canadian Forces. A new ADM responsible for Intergovernmental affairs will be formed to ensure that the Canadian Forces and Department of National Defence is interoperable with Other Government Departments in the defence and security of Canada.

The proposed organizational structure of the Canadian Forces and Department of National Defence:

Minister of Defence  
Chief of the Defence Staff – (Public Affairs will be placed under the CDS)

### Policy and Operations

Policy, Strategy and Support  
Deputy Chief of the Defence Staff – Policy and Strategy Development  
Chief Financial Officer (CFO)  
Deputy Chief of the Defence Staff - Military Personnel  
Deputy Chief of the Defence Staff – Procurement, Technology and Logistics  
JAG

### Operations

Force Employment  
Deputy Chief of the Defence Staff – Homeland defence and security  
Deputy Chief of the Defence Staff – International Operations

### Force Generation

Commander Maritime Effects, including Maritime Patrol Aircraft and HELAIRDET's  
Commander Land Effects, including Tactical Helicopters, Transport and CF-18s

### Support

Deputy Minister  
ADM Intergovernmental Relations – work with Other Government Departments to ensure interoperability of Government of Canada defence and security issues.  
ADM (Realty and Environment)  
ADM (Review Services)  
ADM Civilian Personnel

### Defence Management Organization NDHQ structure and committee structure

Years of studies, reports and recommendations have not led us yet to the optimal defence management structure within the Department of National Defence and Canadian Forces. As Thomas Kuhn said in 1962, “the decision to reject one paradigm is always simultaneously the decision to accept another, and the judgment leading to that decision involves the comparison of both paradigms with nature and with each other.”<sup>xxv</sup> In this light, the decision to unify the forces made in 1964 was done more in concept and theory than in practice. As the 1964 White paper declares, “no attempt will be made to set up a theoretical establishment to replace the existing one, nor will the details be described in advance.”<sup>xxvi</sup> Perhaps the decision to unify follows the path outlined by Kuhn in so far as while it was appreciated the old paradigm was not effective, a new one was not yet mature enough to replace it. Now that the issues have been studied it is time to put our best foot forward and lead the complete transformation of the defence organizational structure.

The proposed organizational structure is based on two lines – operations and support. While the two are interlinked, there is a difference between decisions required to employ force and decisions required to sustain and support the Canadian Forces. Therefore, the following committee structure is proposed.

#### Defence Operations Committee

The Defence Operations Committee (DOC) will be the main decision body for force generation and employment issues related to the operational capacity and employment of Canadian Forces. The Committee will be headed by the Chief of the Defence Staff, and consist of the CFO, DCDS Homeland Security, DCDS International Operations, Commander Maritime Effects and Commander Mobile Effects. The DM and ADM Intergovernmental Affairs will be associate members.

#### Defence Management Board

The Defence Management Board will be established to decide on all in-year fiscal resource issues. The CFO will head the committee. The members of the Committee will include all members of the Executive (Level One organizations) of the Canadian Forces and Department of National Defence.

#### Future Capabilities and Capital Project Board

This Board will be the decision-making body for the development and implementation of the future force structure. The Chief of the Defence Staff will be the head of this committee. The committee will oversee the capital acquisition program and related future force issues. The Committee will be made up of the DCDS – Strategy, DCDS – Military Personnel, DCDS – Procurement, CFO, Deputy Minister and ADM Intergovernmental Relations.

#### Defence Support Committee

This committee will be headed by the Deputy Minister and have as representatives each of the Department of National Defence executives as well as the CFO.

These important changes in committee structure represent a fundamental shift in the decision-making authorities as compared to the current construct of management of the Canadian Forces and Department of National Defence. In the current paradigm, too often executives sit on decision-making bodies where they have little or no impact or control of the decisions. The idea is to streamline the management of the Canadian Forces to ensure those responsible for the decisions are those that make them and that decisions get made.

## Defence Budget

In theory, the budget possibilities for defence are endless. As Brooke Claxton, Minister of National Defence stated in 1947, “No government department would be worth its salt if it was ever satisfied with the functions it was exercising. No defence force will ever be completely satisfied.”<sup>xxvii</sup> Over the course of the ensuing five decades the issue of funding and defence objectives has played a major part in the development of Canada’s defence policy. For the most part, the Government of Canada since the 1971 White Paper have identified budgetary constraints as a major impediment to closing the commitment-capabilities gap. The 1971 policy stated, “At a time when national social and economic needs are considerable there is substantial pressure to cut defence expenditures.”<sup>xxviii</sup> This theme remained one of the constants of defence policy.

The 1994 White Paper stated this about the Special Joint Committee report on defence requirements, “the committee’s recommendation concerning the size of the Regular Forces was judged to be inconsistent with the financial parameters within which the Department of National Defence must operate. Cuts to the defence budget will be deeper than those envisioned by the committee.”<sup>xxix</sup> This constant in defence policy development and implementation has to end to ensure honesty in funding the commitments that the Government of Canada asks its armed forces to undertake.

In funding this policy we must constantly be aware that “any nation must be concerned that its obligations do not outrun its capabilities”<sup>xxx</sup> At present, Canada faces a situation where, “the fundamentals of Canada’s defence policy are not sound. Military capabilities are eroding quickly from age, use and obsolescence, among other factors. The effect of this decay now obvious in the Canadian Forces and will soon become obvious in foreign policy and may have a serious negative influence on Canada’s ability to protect its national sovereignty.”<sup>xxxi</sup> Rectifying this problem will not be easy. But it must be done. This policy paper “establishes a blueprint and sets the direction of defence policy to the end of the decade. Implementing this new defence policy will be expensive and will pose a significant challenge for this and future governments.”<sup>xxxii</sup> We must commit the funds required to protect and defend Canada.

The defence budget in Canada is one of many government expenditures. Government expenditures range from funding all other government departments, crown corporations, fiscal transfer payments to the provinces and personal payments to Canadians including old age security and employment insurance. In Canada, defence expenditures are the largest in relation to other government departments – accounting for approximately 20 percent of overall government departmental spending.

The defence budget is comprised of three core-funding requirements. As Bland stated, “the defence budget is most easily understood when it is seen as three baskets of goods or costs: People, Operations and Maintenance, or services and housekeeping; and capital expenditures.”<sup>xxxiii</sup> Generally speaking, given the paucity of resources over the years, funding personnel and operations and maintenance costs has left little room for defence planners to develop and shape the future structure of the Canadian Forces and make the necessary

investments in the capital program. This unsustainable funding of the Canadian Forces must end and a new period of sustainable funding brought to bear to progress the future force.

The funding provided in the defence budget, expended through the three main baskets of goods is to be used to provide operational capability. At the core of operational capability is readiness. Readiness in general, can be measured once a unit or groups of units have a mission, have a platform or platforms, trained personnel, logistics support, command and control and supporting infrastructure among other items.

## Personnel

The current personnel establishment for the Canadian Forces and Department of National Defence was set out in the 1994 White Paper. The 1994 White Paper stated, “By 1999 the strength of the regular force will be reduced to approximately 60,000 and the Primary Reserve to approximately 23,000.”<sup>xxxiv</sup> The paper also indicates that the civilian employees of DND will be no more than 20,000. The total sum of all personnel will therefore be no more than 103,000 civilian and military members to progress national defence policies in Canada in the future.

Given the personnel level is set in policy documents funding of all personnel should be considered non-discretionary and accounted for each year in the defence budget. Assuming average military salaries of \$80,000 for regular force, \$50,000 for reserve force and civilian salaries of \$70,000 the total bill for personnel alone is \$7.7 billion - \$5.2 billion for military personnel, \$1.4 billion for civilian personnel and \$1.1 billion for reserve force personnel. This number must be adjusted annually to meet Government of Canada pay raises and pay increases for military personnel. In essence, given the current personnel structure as outlined in the 1994 White Paper, \$7.7 billion is the salary floor for personnel expenditures annually. This number will only increase in the future within the current personnel construct of the Canadian Forces and Department of National Defence.

## Capital Equipment

The 1964 white paper outlined a goal of “25 percent of the budget to be devoted to capital equipment being realized in the years ahead.”<sup>xxxv</sup> This target has been elusive and not achieved over the course of the past two decades. In 2001 the Auditor General in her annual report to Parliament stated, “National Defence spent about 19 percent of its 2000-01 budget on new capital assets, including equipment. The Department continues to increase capital spending toward an interim goal of 21 percent in 2004-05 and an ultimate goal of 23 percent.”<sup>xxxvi</sup> Fixing the capital account balance is not an option. It must be done.

The current state of the Canadian Forces equipment is outlined below in diagram 1. This represents the total available platforms that the Canadian Forces has at its disposal to undertake operations in defence of Canada. It is evident that the equipment used by the Canadian Forces is for the most part obsolete or fast approaching obsolescence. New equipment projects have not been started for a majority of the obsolete platforms and modernization programs have not yet started on those approaching obsolescence. As the 1987 White Paper pointed out, “The truth is that much of the equipment of most elements of the Canadian Forces is in an advanced state of

obsolescence or is already obsolete. Modernization programs have not kept pace with obsolescence.<sup>xxxvii</sup> The platforms have been arranged in order of obsolescence. This provides some insight into the crisis that has emerged in one of the main pillars of readiness – equipment.

As can be seen in the diagram, much of the Canadian Forces equipment is past its useful life. In terms of Maritime Effects, one half of the Navy’s Task Group – the AOR and Destroyers are well past their useful life. Given the fact that the Naval Task Group is essential to ensuring that Canada’s maritime defence and security objectives are met it is of the utmost importance to ensure that new platforms are purchased as soon as possible to ensure continued defence of Canada’s coastal waters. Moreover, the maritime aircraft fleet – Aurora Maritime Patrol and Sea King helicopters – are too past their service life. This adds to the diminished capability to patrol Canada’s maritime coastal interests.

Diagram 1. National Defence – Major Platform Service Life and Age Analysis<sup>xxxviii</sup>

Platform	Effects	Number	Service Life	Age 2005	Age 2010	Age 2015	Age 2020
<b>OBSOLETE</b>							
Sea Kings CH124	Air	29	20	42	47	52	57
CC130E Hercules	Air	19	20	42	47	52	57
AOR	Maritime	2	25	36	41	46	51
M109	Land	76	20	34	39	44	49
Destroyer	Maritime	3	25	33	38	43	48
CC130H Hercules	Air	13	20	30	35	40	45
Main Battle Tanks	Land	114	20	27	32	37	42
CP140 Aurora	Air	16	20	26	31	36	41
CF-18 Hornet	Air	80	20	24	29	34	39
MLVW	Land	2769	20	23	28	33	38
A310	Air	5	20	19	24	29	34
<b>AT RISK</b>							
Submarines	Maritime	4	25	16	21	26	31
HLVW	Land	1212	20	13	18	23	28
LSVW	Land	2879	20	12	17	22	27
Griffon CH146	Air	78	20	12	17	22	27
<b>ACCEPTABLE</b>							
Frigates	Maritime	12	25	13	18	23	28
MCDV	Maritime	12	25	10	15	20	25
Coyote	Land	203	20	9	14	19	24
ADATS	Land	Unknown	20	9	14	19	24
LAV III	Land	651	20	6	11	16	21
M113 A3	Land	289	15	3	8	13	18
AVGP	Land	401/301	15	2	7	12	17
BISON	Land	199	15	2	7	12	17
<b>WORLD CLASS</b>							
Cormorant	Air	15	20	3	8	13	18
H92	Air	29	20	0	0	5	10

The challenge that we as a nation currently face is how we quickly correct a situation that has emerged over a period of decades. It is not an easy task and there is no silver bullet. Especially considering that decreased funding to the Canadian Forces and Department of National Defence has led to decreases in personnel, essential to progressing new capital and modernization projects. That is why we must first re-build the personnel capacity of the Canadian Forces and Department of National Defence in order to put the necessary people power in the project offices to ensure that equipment purchases and modernization projects are in line with Government of Canada contracting rules and regulations, Canadian Forces capability requirements and Government of Canada defence commitments.

A detailed study of the current Strategic Capabilities Investment Plan will be co-led by the DCDS Strategy and CFO. The aim of the study is to develop a list of projects – new capabilities, replacement capabilities and modernization requirements – that will be required to meet the commitments outlined in this White Paper. The study will be tabled in Parliament 20 January 2006 to inform Canadians what is required of them to ensure that their defence is looked after. What is assured is this - resources will be made available to fund the required list of projects.

### National Procurement

Having equipment is one thing, having money to keep it operational and to use it is another. We must ensure that not only are equipment needs taken care of but also that the Canadian Forces has the necessary funds to maintain it over its useful life. National Procurement will be a fundamental aspect of the study mentioned above. The current National Procurement budget is approximately \$1.5 billion with a shortfall of about \$1 billion based on the capabilities currently in stock. This budget sets as a price floor \$2.5 billion for National Procurement to ensure that the capabilities that Canada currently has can be employed to their fullest capacity in order to ensure the security and defence of Canadians.

### Operations and Maintenance

Operations and Maintenance funding is the funding that essentially is used to employ our forces to meet Government of Canada defence commitments at home and overseas. Taking into account what capabilities will be required to meet the commitments outlined in this White Paper will affect the operations and maintenance budget.

### Overall Budget

Putting it all together. When you add up the personnel, capital, national procurement and operations and maintenance resource requirements the total baseline funding required by the Canadian Forces and Department of National Defence to meet the defence requirements of the Government of Canada is \$20 billion. Given the current budget allocated to defence in Canada is \$13 billion it will take time to increase the capacity of the Canadian Forces and Department of National Defence to expend the resources efficiently and effectively to provide value for money in defence. A one-time increase to \$20 billion will not work. Fixing the problems of the past will take time. With these assumptions in mind, defence spending will increase by \$1 billion per year until the baseline of \$20 billion is achieved in 2013. This will ensure that resource allocated to

defence achieve their desired effects. Also included in this proposal is that if funds are required sooner to progress capital equipment programs or to increase personnel levels the money will be made available. This will ensure honesty in funding that is so critical to re-building Canada's Armed Forces.

Diagram 2. Defence Funding Baseline post-2013

Basket of Goods	Baseline Funding (\$B)
Personnel	\$7.70
National Procurement	\$2.50
Operations and Maintenance	\$5.00
Capital	\$5.00
TOTAL	\$20.20

### Defence Industrial Base and Regional Development

The nature of defence in Canada and its strong links to community building and national development means that Canadian industry has a vested interest in the success of defence through a strong defence industrial base. Too often in the past the link has not been made explicitly, rather governments seek to use the defence budget as a means for regional development and business development in Canada without communicating this clearly to Canadians. Simply put, "Canadian industry is an important element of the North American Defence Industrial Base."<sup>xxxix</sup> Our companies have a strong tradition in contributing to United States defense projects such as Joint Strike Fighter, and other major capital projects.

In terms of the Canadian Defence Industrial Base we commit to working with industry where possible to ensure that Canadian troops are equipped in Canada. As the 1987 White Paper stated, "In acquiring equipment, the government will pay greater attention to the long term industrial implications. For example the need for indigenous support and repair and overhaul capability for new equipment will be addressed from the beginning."<sup>xl</sup> This will create jobs and contribute to a stronger economy. Currently Canadian businesses perform third level maintenance and repair and overhaul on our ships, our aircraft and our army vehicles. They are integral component of defence in Canada.

Bases in Canada contribute to regional development and economic prosperity. In many communities across Canada bases are the economic engines of the region. Where bases have been closed the impacts in some cases have been devastating. In other cases, federal government programs have had to contribute to regional economic development. Some success stories can be found in Cornwallis where the Pearson Peacekeeping Centre contributes to international peace and security through training of NGO and other military organizations.

## Conclusion

This White Paper has been developed to ensure that the capability-commitment gap, which has developed over the course of the past few decades, will be overcome. This is an ambitious plan. There are no easy solutions. The aims of the paper are simple. The first aim is to build up the capacity of the Canadian Forces and Department of National Defence. The second aim, once capacity has been established, is to focus energy on the obtaining the capabilities required to meet national defence goals and objectives. Finally, once the capacity is established and capabilities in place it will require a constant focus to ensure that a commitment-capabilities gap does not re-emerge in the future.

## ENDNOTES

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- <sup>i</sup> Challenge and Commitment: A Defence Policy for Canada (1987) in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 233.
- <sup>ii</sup> Bland, Douglas, Canada Without Armed Forces, School of Policy Studies, Queens University, 2004, p. xii.
- <sup>iii</sup> White Paper on Defence (1964), in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 79.
- <sup>iv</sup> Defence in the 70s: White Paper on Defence (1971), in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 171.
- <sup>v</sup> Challenge and Commitment: A Defence Policy for Canada (1987) in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 239.
- <sup>vi</sup> White Paper on Defence (1964), in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 91.
- <sup>vii</sup> Morison, Elting, Men, Machines and Modern Times, MIT Press, 1966, p 36.
- <sup>viii</sup> Sutherland R.J. Canada's Long Term Strategic Situation in International Journal, Summer 1962, p.203.
- <sup>ix</sup> Gansler, Jacques, Statement October 8, 1998 from [www.dau.mil/pubs/pm/pmpdf98/ganslend.pdf](http://www.dau.mil/pubs/pm/pmpdf98/ganslend.pdf), p.3.
- <sup>x</sup> Sutherland R.J. Canada's Long Term Strategic Situation in International Journal, Summer 1962, p.200-1.
- <sup>xi</sup> White Paper on Defence (1964), in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 71.
- <sup>xii</sup> Sutherland R.J. Canada's Long Term Strategic Situation in International Journal, Summer 1962, p.201.
- <sup>xiii</sup> Challenge and Commitment: A Defence Policy for Canada in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 259.
- <sup>xiv</sup> Defence in the 70s: White Paper on Defence (1971), in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 140.
- <sup>xv</sup> Sutherland R.J. Canada's Long Term Strategic Situation in International Journal, Summer 1962, p.205.
- <sup>xvi</sup> This text is taken from Sutherland, 1962 p. 202.
- <sup>xvii</sup> Granatstein, J.L. The Importance of Being Less Earnest: Promoting Canada's national interests through tighter ties with the U.S., Toronto, 2003, p.20.
- <sup>xviii</sup> 1994 Defence White Paper (1994) in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 332.
- <sup>xix</sup> 1994 Defence White Paper (1994) in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 332.
- <sup>xx</sup> Ignatieff, Michael, Peace Order and Good Government: A Foreign Policy Agenda for Canada, 2004, p. 2.
- <sup>xxi</sup> Ignatieff, Michael, Peace Order and Good Government: A Foreign Policy Agenda for Canada, 2004, p. 2.

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<sup>xxii</sup> This list of priorities is based largely on the 1947 White Paper on Defence Issues by the Minister of National Defence, Brooke Claxton. See Bland Volume 1, p. 20.

<sup>xxiii</sup> WH Pope, Strategy and Aid, in International Journal, Fall 1962, p.82.

<sup>xxiv</sup> Bland, Douglas, Introduction: The Higher Organization of National Defence, in Canada's National Defence: Volume 2 Defence Organization edited by Douglas L. Bland, School of Policy Studies, Queens University, 1998, p.xiii.

<sup>xxv</sup> Kuhn, Thomas, The Structure of Scientific Revolutions, The University of Chicago Press, 1962, p.77.

<sup>xxvi</sup> White Paper on Defence (1964), in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 93.

<sup>xxvii</sup> Canada's Defence (1947), in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 20.

<sup>xxviii</sup> Defence in the 70s: White Paper on Defence (1971), in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 123.

<sup>xxix</sup> 1994 Defence White Paper (1994) in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 294.

<sup>xxx</sup> White Paper on Defence (1964), in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 74.

<sup>xxxi</sup> Bland, Douglas L. Canada Without Armed Forces, 2004, p.118.

<sup>xxxii</sup> Challenge and Commitment: A Defence Policy for Canada in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 259.

<sup>xxxiii</sup> Bland, Douglas L. Canada Without Armed Forces, 2004, p.21.

<sup>xxxiv</sup> 1994 Defence White Paper (1994) in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 353.

<sup>xxxv</sup> White Paper on Defence (1964), in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 92.

<sup>xxxvi</sup> Auditor General, National Defence – In-Service Equipment in the 2001 Report to Parliament, 2001.

<sup>xxxvii</sup> Challenge and Commitment: A Defence Policy for Canada in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p.233.

<sup>xxxviii</sup> This is based on the work by Brian MacDonald pages 35-36 in Chapter Two of Canada Without Armed Forces edited by Doug Bland, Queens School of Policy Studies, 2004.

<sup>xxxix</sup> Challenge and Commitment: A Defence Policy for Canada in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 266.

<sup>xl</sup> Challenge and Commitment: A Defence Policy for Canada in Canada's National Defence Volume 1 Defence Policy edited by Douglas L. Bland, School of Policy Studies, Queens University 1997, p 266.

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