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Mr. Pat O'Brien

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• (0905)

[English]

The Vice-Chair (Mr. Rick Casson (Lethbridge, CPC)): I call the meeting to order. We have a new chairman today and there will be some rule changes.

We have two segments today: one from 9 to 10:30 and another from 10:30 to noon.

We will be starting with the Atlantic Council of Canada. We have the president, Julie Lindhout, and John McKenna, vice-president.

Welcome. If you have a presentation to make, please do. After that, there will be a round or two of questions from the members.

This is the start of our review of the defence policy. We do not have the document yet, but I understand it is going to happen any day now. We have been hearing that for quite a few months.

We appreciate your coming in to contribute to that study. I will turn it over to you and you can take whatever time you need to make your presentation.

Ms. Julie Lindhout (President, Atlantic Council of Canada): Thank you very much, Mr. Casson and committee members. Thank you for inviting us here.

I would like to tell you a little bit about the Atlantic Council of Canada and then Mr. McKenna will do the other part of our presentation.

The Atlantic Council of Canada developed from the Canadian Atlantic Co-ordinating Committee, which was formed in 1954. The ACC was incorporated in 1966 and will celebrate its 40th anniversary next year in 2006.

We have directors and members from coast to coast, and we have a small national office in Toronto. We are largely dependent on volunteer workers, and our activities are funded from membership subscriptions, donations, corporate support, small grants from the NATO public diplomacy division, and grants from the Department of National Defence.

Since 1997, the ACC has partnered with Foreign Affairs Canada in administering an internship program as part of the Government of Canada's youth employment strategy.

Our programs include conferences, round tables and seminars, hosting visiting speakers, and producing a quarterly magazine, the *Transatlantic Quarterly*. We have left copies of that magazine with the clerk.

We have a model NATO program for secondary schools and an international internship program. We are trying to develop a corporate network. There is an annual fall briefing tour to NATO locations in Europe as well as a planned briefing tour to Washington, D.C. and NATO Transformation Command in Norfolk, Virginia.

We are an active member of the Atlantic Treaty Association, which was created in The Hague in 1954. The objectives of the ATA, and those of the ACC, are to inform the alliance's public about the aims and values of the North Atlantic Treaty Organization, to conduct research related to NATO, to promote the solidarity of the peoples of the North Atlantic area, to encourage and inform the public of the new and emerging democracies in central and eastern Europe, and to develop permanent relations and cooperation between the various associations in order to create a strong platform for peace and security building.

I think you will recognize a lot of the content of article 2 of the NATO Treaty, which is so often called "the Canada article".

The council cooperates actively with NATO's public diplomacy division and with Canada's departments of foreign affairs and national defence. The directors and officers are invited to comment on matters of current international interest and to represent Canadian views at conferences in other NATO or PFP countries.

In recent years, the ACC has strengthened cooperative ties with like-minded organizations such as the Munk Centre for International Studies at the University of Toronto, the Royal Canadian Military Institute, the Canadian Institute of Strategic Studies, and the Canadian Institute of International Affairs in order to multiply the outreach of all these organizations in a cost-effective way. We discovered that we were usually speaking to the same public, and with limited funding available we decided to be more cooperative.

That will tell you a little bit about our organization. I will now turn it over to Mr. McKenna to talk about the content of our presentation to you as a committee.

Thank you very much.

Colonel John McKenna (Retired) (Vice-President, Atlantic Council of Canada): Thank you, Mrs. Lindhout.

Chairman and members of the committee, I also thank you on behalf of our organization for the invitation to speak today.

I started the presentation to establish the ground rules in my mind about what National Defence should be, and I just wrote out a few points here that I thought would help me at least.

Obviously, the first thing National Defence must provide is a secure environment for all citizens of Canada. This should mean having the resources to detect and respond to all emergencies, whether natural, accidental, or deliberate, on any part of Canada's land mass and coastal waters; to join the United States in the collective defence of continental North America from threats originating outside that boundary or from overseas; to honour our commitment to support our allies in the North Atlantic Treaty Organization; and to support United Nations and NATO missions, as determined to be in the greater cause of humanitarian good. That's all basic boilerplate.

Now, on the reality of the current state of the Canadian Forces' diminished capabilities, since the 1960s successive governments have systematically reduced the funding allocated to the Canadian Forces. They have also engaged in a mandated force restructuring to the point where it is widely recognized that the Canadian Forces are no longer capable of providing more than a minimal response to emergency situations and, as was recently shown during the tsunami crisis, only with the help of outside resources.

A variety of independent sources have been pointing out for some time that the reduced funding has caused the Department of National Defence to reduce manpower to the extent that existing forces are seriously overstretched and Canada can only make token commitments to such important initiatives as monitoring the ceasefire in Darfur. In addition, it has forced DND to postpone and delay procurement of replacement equipment, weapons, and vehicles, all for land, air, and sea, to the point where rust-out is creating dangerous conditions for the users and has led to the inability to provide urgently needed support.

Before we come to address the post-9/11 world, consider for a moment the increasing use of polar flights crossing our vast northlands. Should one of those flights with over 400 people on board crash inside our territory, we have no adequate resources ready to dispatch immediately to aid the survivors. Without any heavy-lift capability, we could not dispatch the DART, the Disaster Assistance Response Team, to the tsunami disaster area until we could rent one of those Ukrainian-built Antonov aircraft from a foreign country, which caused us to arrive so late as to be an embarrassment to all Canadians.

Furthermore, our coastal waters are becoming increasingly threatened by oil spills, illegal toxic waste dumping, foreign fishing incursions, as well as being the gateway for illegal immigrants and drug smuggling. Now we add to that mix the concern over terrorists using our ports and coasts as a point of entry for a variety of weapons that could cause widespread death and destruction.

We are virtually defenceless when it comes to addressing these situations. The men and women who serve in our forces are among the best in the world. Time and again they have performed outstanding service both at home and abroad, despite inadequate equipment and gruelling conditions. But the demographic profile of our forces shows a looming implosion when the overworked and aging members reach retirement age and leave without either the replacements or the training capability being available.

I'm sure none of this is new to this committee. Plenty of studies and reports have been trying to sound the alarm for quite a long time

now. Until this recent announcement of a significant increase in the defence budget, they'd met with no to minimal response. The unfortunate delay in heeding the warnings will result in a period in which Canada will be unable to honour its obligations to both its citizens and our allies for quite some time to come. We are, and will be, vulnerable to a wide variety of threats to which we have limited resources to respond.

The diminished capabilities of our armed forces are also having a marked effect on our standing on the world stage. We are no longer among the leading nations supporting humanitarian actions. Smaller countries like Norway and the Netherlands have surpassed us in being able to take the lead in providing remedial aid. We are reduced to sending penny packets, or none at all, for disaster assistance, with the consequence that our voice is not being heard in the leading decision-making institutions.

• (0910)

The one area where we still have an important role to play is NATO. This is of critical importance for it is here that we bring a North American opinion that is independent from Washington. There's a bit of a paradox in how NATO is viewed. The importance of NATO's world role is not recognized in Canada, nor perhaps in the United States. While NATO's visibility is low on this side of the Atlantic, the newly independent eastern European states are rushing to join the one organization that stands for freedom from outside aggression and the stability and security that lead to economic well-being. The Atlantic Council of Canada is part of the Atlantic Treaty Association, as you've heard. It's headquartered in Brussels, with associations in almost all of the NATO countries, and also in former Soviet states.

It is interesting to note that the former president of the Albanian Atlantic treaty association is now the president of Albania, and the former president of the Bulgarian Atlantic treaty association is now their foreign minister. I believe there's one more in Hungary. I wasn't able to get his name before we left.

To become a member of NATO, each aspirant country must first undertake the membership action plan, which includes such requirements as establishing a stable monetary system, having no lingering conflicts with their neighbouring countries, having a certain level of military capability, and of course having a democratically elected government.

Now that's the gloomy picture. Where do we go from here? I'm so bold as to make a few recommendations and leave it to your committee to decide how to handle them. First of all, I do believe General Hillier is on the right track when he just announced a streamlining of the forces into a unified command structure—in the normal parlance is that a CANCOM?—thereby reducing the overhead of duplicate headquarters and freeing up staff for front-line duties. The process needs to go further and combine what remains of our forces into one force, maybe not unlike the Royal Marines in the U.K., or the United States Marine Corps. Only when there is one force will the otherwise unavoidable turf war between the three components grasping for inadequate funds end and there can be a coherent, rationalized integration of equipment selection suitable for force application.

However, there is a severe problem in the recruiting system, preventing the Canadian Forces from attaining the announced force increase of 5,000 regular and 3,000 reserve personnel. Under ideal conditions it takes around two months to enrol a reserve force individual and up to twelve months to enrol someone in the regular force. Those are under ideal conditions.

In the case of the reserves, if the applicant is a landed immigrant, it's almost impossible to engage them at all. A recent ruling was introduced requiring a ten-year check into their background. In large urban centres like Toronto, Montreal, and Vancouver, there are large numbers of recently arrived new Canadians. These can make up as much as 25% of some of the urban units in the reserve forces. Now they're virtually excluded from joining. In many cases these young applicants came to Canada with their families, attended school, and have now reached enrolment age and are anxious to find part-time work for the summer or after hours. They are not only an important resource for the reserve forces, but they also learn very important life skills. They are taught a lot about Canadian standards, our history, our civics, and our unique values, and they become model citizens.

So if we are to achieve the mandated increase in the reserve forces, the new ruling must be quickly reviewed. A 17-year-old can't have all that much in their 10-year history. In addition, it would be quite defensible to allow HRDC, Human Resources Development Canada, training funds to transfer to both reserve and regular force training initiatives in order to enable these forces to be brought up to strength more quickly and remain that way. The skills learned from reserve and regular force training are as valuable as the skills learned from many other job training initiatives and are readily transferable and valuable to Canadian civilian life should the recruit choose not to stay or not to be selected to stay beyond the initial contract period.

I was looking down at each of our three services, and I do use the terms that I understand. The navy's present frigates are still good for the foreseeable future. They are in the second half of their life, but they're still good for a while yet. However, the AORs, auxiliary oil replenishment ships, do need replacement right now. They are past their expected life.

● (0915)

The answer is not the proposed joint support ship. It is a bit of a conglomerate design that satisfies none of the requirements and would only lead to conflict of assignments, were they ever built and put into service. The answer is one or two proper AOR ships, or

similar types. The CADRS—the command and air defence replacement ships or destroyers—have also reached their past-due dates. Of the four ships that are still out there, one is being cannibalized to keep the others going, and we now in effect have only one on each coast that is seaworthy.

The MCDVs, or maritime coastal defence vessels, are okay as training ships. They have a maximum speed of 15 knots, but are useless for coastal protection. There's great need for a high-speed vessel, perhaps something like the Australian-built Sea-Cat. You may note that the U.S. government's Stryker brigades, mostly on the west coast, have brought them into service for fast delivery of incursion forces.

In addition, Canada should have a vessel something along the lines of the LPD-17 class of amphibious transport dock ships being produced for the U.S. navy. They have 12 on order at the moment. This would greatly enhance Canada's ability to engage in expeditionary roles. These vessels are designed for multi-mission activities and are capable of carrying helicopters, landing craft, and up to company-size units. One would have carried the DART team, complete with ancillary generators, water purification plants, vehicles, helicopters, and an on-board medical facility to provide advanced casualty treatment functions.

The U.S. version coming out has a 24-person hospital and a 100-bed casualty overflow capacity, all for about \$1 billion Canadian. I put a little website in my brief, if anybody wants to have a look at it. The cost of \$1 billion Canadian is very little for one of these ships. I think they're a very good bargain.

In addition, there's an urgent need for a low-cost coastal surveillance aircraft. While all aircraft are presently in the domain of the air force, the navy needs to have a better and cheaper way of knowing what's going on around our shores. Apparently the Department of Fisheries and Oceans charters Provincial Airways to fly Sea King aircraft—which is sort of an enlarged Beechcraft, for those who are familiar with it—and that only requires a crew of three, versus 11 or 12 for the Aurora, which incidentally has also passed its mid-life point and costs a lot more to operate.

Moving on to our air force, they must have a medium- to heavy-lift capability. While it would be good to have some C-17 jet transport aircraft, the extra expense would dictate a more modest-cost C-130J model, which has a 40% greater range, is 24% faster, and is much more efficient than the current fleet of C-130Es and C-130Hs. The C-130Es have already passed their end-of-life dates, and the 13 remaining C-130H models are entering their high-maintenance phase. These maintenance costs have reduced their availability to the point of delaying troop and equipment movements on mission requirements.

We still need to have a fighter aircraft capability. The present fleet of CF-18s has been updated or is still in the process of being updated, and it should keep us going for the next 10 years. However, in military procurement time that's an awfully short timeframe, so now is the time to start the replacement program.

The unfortunate 12-year delay in procuring a replacement for the Sea King helicopter has jeopardized the operational capabilities of the navy and is endangering the lives of the crews, not to mention the enormous waste of money in high maintenance costs. It requires 30 hours of maintenance for every one hour of flight time. Can you imagine that with your own car at home? I don't think so. Scarce dollars are being frittered away needlessly.

The most urgent need in the army is more communications equipment—radios. While we did purchase the advanced TICC system, not enough were acquired. Units are now being forced to go out and buy Motorola hand-held radios locally so they can keep in touch while they're out on exercises in the field. This is not a good situation.

In the same vein, not enough of the new G-Wagons were purchased to replace those ill-fated Iltis jeeps. For every three Iltis, we bought two G-Wagons. That means the armoured units—which I'm sure General O'Connor will appreciate—are no longer able to train at the squadron level. They only have enough in each of the armoured regiments to train at the troop level.

● (0920)

With the demise of our medium artillery, resulting from the withdrawal of the out-of-date M109s self-propelled 155 mm gun howitzers, we have lost the ability to engage any targets further away than 15 kilometres with an all-weather dependable firepower. We need to consider acquiring a gun howitzer more functional than the remaining LGs, which is the light gun we bought from France, or the C-3s, which is a very old gun—some models date back to World War II—that fires a 105 mm round.

There is a South African gun, the Denel gun, which can fire in excess of 30 kilometres. It's the same 105 mm calibre and it can be mounted on a General Dynamics LAV III chassis, which is built in London, as you probably know, and is air transportable in a C-130. So if we need firepower in a distant land, or even locally, for that matter, we can air transport these things.

The improved artillery rounds of these guns can be fitted with terminal guidance GPS, or global positioning system, as an add-on to give very high accuracy. It's economical in many more ways and it's also a protection for us so that we don't have any more collateral damage than necessary when engaging targets at a distance. It's important to recognize that especially in focusing on peacekeeping roles, experience in Bosnia, Kosovo, and Afghanistan has shown that there is still a need to project power in mountainous countries and in urban settings in order to protect our troops, deter would-be aggressors, and support and protect election and reconstruction initiatives.

The overall shortage of trucks, or “vehicles wheeled”, as the army likes to call them, has forced the planners to introduce the wholefleet management program. This involves pooling all army transport vehicles and dividing them into three categories: an operational

suite, a training suite, and the leftovers go into a just-in-time pool. While it's recognized that this is considered a necessity, when a similar pooling took place back in the 1970s when there was a shortage, the standard of maintenance fell to so low a level that many vehicles could no longer be driven. Without continuing ownership, no one took responsibility for the upkeep, resulting in even more vehicles being unavailable for use.

In the last budget the government announced a \$12.8 billion increase for the defence department. It would be more cost-effective if a significant portion of that money were made available for immediate spending on more vehicles. The cost savings will exceed the cost of shortened life of the present fleet.

The army also needs to have medium-lift helicopters for operational use. It's not unusual to see U.S. army reserve or U.S. army national guard helicopters come up to Canada to support our field exercises. In that respect, gentlemen, Americans are very generous. One of the unfortunate occurrences was to have our own fleet of 12 CH-47s sold off when we amalgamated the forces back in the early 1970s.

I thought we might just take a look at the Department of National Defence. It could be argued that the Department of National Defence is its own worst enemy. In the early 1960s, when the first of the big cuts to the budgets were made, among the programs cancelled were the COTC, or Canadian Officer Training Corps, UNTD, and air reserve equivalents. These were based on the university campuses across Canada and attracted university students seeking summer employment to help pay for their tuition. The argument for the cancellation was that very few continued military service following graduation. This resulted in generations of Canadians who went onto become the industry and community leaders in all walks of life who had no exposure to the Canadian military and therefore no understanding of what Canada's defence force needs were. You can translate that into the lack of support for defence spending at budget time.

Furthermore, the regular force, under pressure from insufficient funds, engaged in a deliberate and sustained attempt to abolish the reserve forces. Many of the smaller armouries spread across the country towns were closed, cutting off the department from its roots. One of the most useful programs was the SYEP, or summer youth employment plan, in the late 1960s. Reserve units would enrol 17- and 18-year-olds for five-week summer training at the local armouries. These young people came out at the end of August with a new-found sense of worth.

● (0925)

Parents who came to final parade often commented that they found it hard to believe the transformation that had taken place. Where they, the parents, were having trouble getting their teenagers to keep themselves tidy and motivated and get out of bed in the morning, they were now responsible young adults. It was felt that the funding of the program should have been coming out of the Department of Justice, since these young people were now model citizens and not joining the ranks of troublemakers at local malls; however, that program didn't last through the cuts.

By alienating the reserve force units and withdrawing them from public view, the department lost contact with their constituents and experienced great difficulty in finding support for their funding needs. The current increase of 3,000 reservists should receive prompt attention. Removal of the recruiting restrictions and better outreach through the university COTC-type of program will start the process of reconnecting with the Canadian public and create a safer environment for all.

Thank you, Mr. Chairman.

The Vice-Chair (Mr. Rick Casson): Thank you very much.

We'll start our questioning with Mr. O'Connor.

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Thank you very much to both of you for coming today and making your presentation.

I want to go back to NATO. NATO was formed in 1948 as a defensive alliance against the burgeoning Soviet power. As an outsider, you could look at NATO and say it's lost its purpose. It's certainly not a defensive alliance any more, because there's nobody on the planet that's more powerful than NATO.

Why does NATO continue to exist?

● (0930)

Ms. Julie Lindhout: I'll make a start on that.

NATO is in fact the most effective defensive alliance in the world today. It's the one organization that has the infrastructure, the communication capabilities. The effective UN interventions in recent years, the most effective ones, have all been headed up by a NATO contingent or have been organized by a NATO contingent, because NATO has the command and control structure.

As our fellow ATAs often point out to us when we go to the assemblies, in Canada we may feel quite safe, we may think there's nothing much there on our borders, but think about Turkey, which has borders with at least five states that are unstable, that are in difficult situations. Turkey is very interested in keeping NATO alive. The newer eastern European countries are in fact joining NATO because they see a risk on their borders. Countries like Ukraine are trying to prepare themselves for accession to NATO.

The Baltic countries have not lost their fear of any kind of resurgence in Russia. To us that may not seem to be much of a problem, but to them it is still a problem. They're also looking to NATO to provide the stability, the security, that will then allow them to develop economically. Many of them see NATO as a stepping stone to joining the EU, which will then lead to greater development.

So from our trans-Atlantic perspective—and I think this is where some of the disconnect with the public has come in, because that is also very much the point of view that has been presented in our media—NATO may not be such an important alliance, but from the eastern and central European perspective it's extremely important. Some of the Mediterranean countries, since NATO has begun the Mediterranean dialogue initiative, are seeing it as a very important alliance.

Interestingly enough, almost every spring I go to an ATA council meeting and the Supreme Allied Commander and Secretary General

come to address us. They still are appreciative of Canada's role. They very often make a little remark about, "Well, you know, some of our traditional countries, like Canada, are cutting back..."; however, they almost always follow up by saying, "...but the quality of the commitment is so good, we wish they would keep up the commitment or increase it, because then we would have even more reliable, high-quality, professional support that we need".

Would you care to add anything?

Col John McKenna: Yes.

Just look at Afghanistan, for instance, General O'Connor, where the NATO-led forces were the ones that started to bring the peace and stability after the initial shock wave had gone through to remove the Taliban.

NATO is the only organization that has an integrated military command structure. That's where the chiefs of the heads of military come together; they agree by consensus. It's not a voting situation; they have to agree by consensus on a course of action. Of course, the political decisions are made at the ministerial level in Brussels. Once the political decision has been made to take a course of action, whether it's Afghanistan, or Kosovo, or wherever, that then is transmitted to the Supreme Headquarters Allied Powers Europe, which is located in Mons, near France, and they then get down to the execution and planning portion of the exercise.

So there is no other organization. The United Nations does not have an integrated military command structure, and we all know that unfortunately the United Nations has not been able to respond to many urgent cases, not the least of which, of course, is the Rwanda situation. NATO is still a very vital organization, and it is no longer the NATO we had for the 40-plus years of the Cold War. This is a very different NATO we have today.

We had a little conference here a couple of years ago, and the question was, out of area or out of business? Believe me, when you look at when NATO was originally formed as a protection for northwest Europe...we are certainly not protecting northwest Europe when we're in Afghanistan and in other foreign lands. So the NATO mandate, shall we say, has changed, by consensus, by agreement of the ministers, and of course their governments behind them; this is the way they want to go.

There can be no question that NATO is an extremely vital and important organization for today and for the foreseeable future. As long as there are conflicts out there, the concerted effort by multiple nations agreeing on a common purpose is only mandated, shall we say, only available, through NATO. There is no other organization.

● (0935)

Mr. Gordon O'Connor: I listened to your presentation on the military structure. Have you looked at these costs? Can the defence department afford your proposals?

Col John McKenna: First of all, General O'Connor, we were asked last Wednesday to prepare this presentation, so we had a very limited amount of research time to bring our collective thoughts and translate them into something.

None of the items on this is all that costly. I believe they're all attainable within the increased budget that has been announced, which is an extra \$12.8 billion over the next five years. It's a question of how to implement the step-up changes. As we know, the 5,000 regular force and 3,000 reserve force troop additions that were announced last fall haven't even begun to start. The planning for those increases has not even been completed.

Part of the problem now is that the internal force structure is so weak that even if we got, say, another thousand by the end of next month, we wouldn't know where to put them or how to handle them. We don't have the instructors available. You would have to remove almost every available junior and senior NCO from their regiments to turn them into trainers. It's a monumental task, and it would have to be introduced on a graduated basis, with a filled-up process after that.

In fact, I was quite surprised to hear last week, when I was making some inquiries, that reserve force junior NCOs are training regular force recruits. To me this is quite a turnaround. I'm a lifelong reservist, so to find that the shoe is on the other foot...

The Vice-Chair (Mr. Rick Casson): That's fine. Thanks for that, Gordon.

Now we'll have Mr. Perron.

[Translation]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Good morning. I have no comments with regard to your presentation. I think it was terrific and well done. However, it dealt mostly with conventional wars or conflicts. But everyone knows—myself included—that since September 11, 2001, the cold war being over, there will be no more or very few conventional wars or conflicts.

My friend Anthony, who is sitting at the other end of the table, could be a soldier or an enemy, but I would not recognize him as such. There is no more conventional war being waged with aircrafts and armies, but in your presentation you did not mention what type of equipment and training our soldiers will need to fight what is called terrorism. I would like to know what you think, generally, about this subject. I would ask you to be brief, because I would like to raise other issues.

• (0940)

[English]

Col John McKenna: That's a very big question.

To combat terrorism, I think the first thing you have to have is intelligence; you must have a very high intelligence capability, which I know we have. I haven't addressed a number of areas in the forces and our defence structure, but to begin to combat terrorism, if you do not have a good intelligence service that is keeping us informed of where potential threats are coming from and where they may occur... Having got that, then you have to have a combination of both civil and military forces that are able to set up protection zones and rings around expected threats.

Believe me, ladies and gentlemen, we have quite a number of potential vulnerable points across Canada. It's not only our ports that are vulnerable, but also our airports, and think of the oil pipelines that are bringing vital gas and oil from our northern oil and gas

fields, or even our high voltage lines coming out of northern Quebec. It doesn't take too much of a mindset to look at the potential for terrorist actions to disrupt power supplies.

So first of all, we simply have to have more manpower; we do not have enough boots on the ground, to use army terms, to go and address these potential threats, so the weakened manpower structure is of vital importance. I referred in here to the lack of communications equipment. All the way down the line, there's been a slow erosion over the last four decades, when we've just reduced, and reduced, and reduced.

When it comes to monetary allocation, defence was always the last man in the door and essentially got what was left over, because we were more concerned about public needs. Certainly, they're very vital, but as I mentioned one time many years ago, there's not much point in having the best social service system in the world if you can't protect it. So our first need, really, should be the protection of our country, and then we can protect the institutions that are inside.

Does that address your point, sir?

Mr. Gilles-A. Perron: Fairly, but in a good way.

[Translation]

Something else intrigues me. In your part on the navy, you do not mention our submarines at all. Is that because you are ashamed? Why did you not talk about our submarines? Is it because we do not need them or because they are not useful? I would like to know what you think about the "strength" of our submarines.

[English]

Col John McKenna: Let's deal with the submarine question, first of all. That's an interesting one, and—

[Translation]

Mr. Gilles-A. Perron: Since our report is completed, it will not change what we think about the issue.

[English]

Col John McKenna: My overall opinion is that of the three services, the navy is probably the better off. They do have a reasonably good fleet. There's a lot of aging, of course, when you look at the lifespan of these vessels. Many of them are past their midpoint and approaching their... The AORs, the replenishment ships, are in their final days and should be replaced as early as possible.

I understand from reading the press that there was what I call a "conglomerate" design of the joint support ship; it was a combination of troop lifter, destroyer, fuel carrier, and supply vessel. But you can't really put all of those three things together and serve three masters with one vessel. I'm advocating that we not go down that road. Buy proper oil replenishment ships.

If we want to send our vessels any distance away...and we quite often do, with NATO exercises into the Mediterranean and even in the Gulf. In the first Gulf War, as you probably know, it was Canadian ships that protected the American fleet, and one of our navy commodores was the guard commander. The Canadians in fact performed a very vital role.

The navy actually has a reasonably high level of competency, but as with everything else, they need to have a continuing update. It's foolish and extreme to go to the end of life for a whole range of equipment and not have a periodic, continuing update. If you go to any of the municipal transportation systems, you see every year they're buying more buses, streetcars, or whatever their transportation system has. Every year there's a continuing process of fleet update, so they're not hit with sudden end-of-life situations, which we have in the military.

• (0945)

The Vice-Chair (Mr. Rick Casson): Thank you.

Mr. Bagnell.

Hon. Larry Bagnell (Yukon, Lib.): Thank you.

Mr. McKenna, you just said the first need is for the protection of our country, and I agree with that.

I'd like to hear your comments, therefore, on the improvements we need in the military during this review for the protection of our country, specifically the north. There is more desire there today because of global warming, and there are more incursions on our northern sovereignty in two jurisdictions of our country, where other nations are claiming Canadian sovereign territory. The closest ones are Nunavut and Yukon, yet of our 60,000 troops, we have only six in Yukon and one in Nunavut. We don't have a boat that can go through the ice in the north.

You didn't make mention of that in your remarks, and I would just like you to comment on what we should do during this review in relation to increasing our presence in the north.

Col John McKenna: Again, it comes back to manpower and resources. At the moment we only have the Canadian Rangers up there, who are few and far between. They do a good job, but they're equipped with snowmobiles and shotguns. They're really like an early warning tripwire. They can let us know down here in Ottawa there's a problem.

We do know there are other nations that would like to take over some of our islands and Baffin Strait, etc., but we have really very limited resources to project our sovereignty in our territory and off our coasts. To do something we would have to increase our forces that are stationed there. We do have a small unit in Yellowknife headed up by a colonel, I believe, but his resources are very limited.

It is time Canadians started to take their north seriously, and as I mentioned, not just from a military threat point of view. We really are strapped. If we had any kind of large-scale disaster in the Arctic area, we would have enormous difficulty trying to get rescue resources in there to deal with whatever is on the ground. So yes, we would need to have new forces. The closest base force we have is in Edmonton, and that would probably serve as one of the jumping-off points. But even they have limited resources because their brigades are often used for overseas commitments; they go on rotation.

So we are in trouble.

Hon. Larry Bagnell: I'm not talking about a necessary increase in total resources, but I hope when you are talking about the future... some of the things you talked about, such as guns that can go 30

kilometres...or overseas and so on.... I'd just like to make sure we first take care of our own.

You also talked about northern disasters and search and rescue. Right now, all our search and rescue capabilities are along the American border, which means in emergency response. Part of their deployment to the south, of course, is not needed; we don't need to go into the States. Therefore, without increasing the resources, it would be quite easy, just by placing them more strategically, to cover more of Canada. Would you agree with that?

• (0950)

Col John McKenna: Not really, because we're stretched so thinly as it is right now, and what you're proposing there, Mr. Bagnell, is to stretch them even further.

We have so little to spread around. We are, in effect, withdrawing ourselves from the world stage. The previous Chief of the Defence Staff said no more overseas commitments for at least 18 months while we rebuild the forces from their low state. The members of our forces who have been going on rotation after rotation after rotation overseas are simply worn out, and their families, of course, who are a very important part of our forces structure and support, are getting pretty darned fed up with this. They don't want to see their mothers and fathers being sent overseas on repeat rotations.

The only way we can avoid that—there are two methods—is not to have any more, or to increase the number of people we have. The process of increasing the number of people we have is slow and difficult because of the reduced state that we have to train new people.

Hon. Larry Bagnell: I wasn't really talking about our other forces. I was just talking about our search and rescue, which I think we do a great job at, but we could just be more efficient in the deployment of it.

I have a question for the Atlantic Council, and you can respond to the other one too if you want. Specifically, in this defence review, what are maybe two or three very specific, detailed actions that you suggest we might take—not just that we need more money, because everyone wants more money—to improve our military, or priorities within the existing resources, even that were announced.

Ms. Julie Lindhout: The support aircraft and transportation methods that are spoken about in our paper would be equally useful to support our own protection and security needs in the north. It isn't only sending them out to Afghanistan; they would be equally useful for our own northern bases.

It is impossible to staff the north well enough to be able to respond to the problems right there. We need an advance warning system. We need a good communication system up there. But any kind of activity would have to come from the main bases and would have to be supported by the transportation. So these can all serve two purposes.

There are two things that need to be considered. One is an organized systematic way of reviewing every year what the needs are, updating the review, and having a plan for every year—not at the end of 10 or 12 years when the equipment has reached its rust-out point. The procurement cycle is long and everything needs to be reviewed systematically so that the changes and the updating are attended to on a regular basis. This way, need and availability can be made to coincide.

Also important is the human resources aspect. That's also an immediate step. That's why it would not be indefensible to transfer money from some other programs into the defence budget for recruitment purposes. My background is in education. I have reviewed a number of the human resources initiatives for improvement of employment capability and work training for young people, and I have also reviewed some of the military practices. The skills learned on the reserve side and the military recruitment side are every bit as valuable and transferable. In fact, they are often more effective than the skills I have seen taught in some of the other job training programs.

So whether you take a 17-year-old or an 18-year-old and train them in a separate little job training program for a particular industry or a particular company, or whether you take that same money and invest it in reserve and military training, the results for the young person are exactly the same. One of the important things that comes out of it is political or international awareness. Our training programs are actually very good. They're among the best in the world in making the trainees aware of international values, of how to deal with ethnic, multicultural, and racial issues. Our training is some of the best. The people who come through that training become very good citizens.

These are good first steps.

• (0955)

The Vice-Chair (Mr. Rick Casson): Starting the second round, we'll go to Mr. O'Connor, and then Mr. Rota, and then Mr. Perron.

Mr. Gordon O'Connor: I anticipate that everybody who comes here will make a list of what they want. But I would like a list of what should be eliminated. Is there any structure in the armed forces that should be eliminated or changed, or whatever term you want to use? People always ask for more, but what should be gone?

Col John McKenna: How much time do we have, General O'Connor?

There's really no short answer to that question. You could start with our procurement system, which is probably one of the greatest diverters of money, shall we say. We go through an enormous, horrendous process every time we decide to buy a new vehicle or a new aircraft or a new ship or any other piece of equipment. It has to be measured under all sorts of non-military yardsticks—whether it suits local area development and/or other things.

We could be much more efficient in how we acquire our materiel, especially general purpose vehicles, for instance. The process seems—to me, anyway, at least in the past—that you take a perfectly good off-the-shelf commercial pick-up truck, or something like that, but because it's coming into the Canadian Forces, it has to be almost redesigned. This, of course, adds an enormous amount of cost. Then

it has to be strategically procured so that the distribution, shall we say, of largesse is probably taken care of.

We could save an immense amount of money there. I don't think that structurally or certainly equipment-wise there's anything we could get rid of within the department that is surplus. We are so short of so much that there's really nothing left in the cupboard to economize on. We have closed so many bases across the country, which is all part of the basic problem of how the department contacts the general public. As I mentioned in my presentation, we used to have little armouries right across the country, in places like Picton and all sorts of spots, and they were the local contact for the forces and the general public that supports them.

When you compare the amount of support for the forces that we have with that in the United States, there's virtually no.... You are somebody in the United States if you're in the forces. You can travel anywhere and they will give you a forces discount. Even as a Canadian soldier, I could go into any American base and say, "I'm so-and-so from Canada. Is there a bed for the night?" "Oh yes, sir. Go to such-and-such a room and it'll cost you \$10", or something like that. They have such a high regard for their forces nationally. We do not have that. We lost it because we simply withdrew from the public view.

Now, if I might put it in this sense, the forces hide in Gagetown, in Petawawa, in Shilo. They're tucked away in little centres. Certainly when you go to a place like Halifax or Esquimalt, the navy is very visible, because they are it in town. But you don't see army people around, not even in this city, where the headquarters of National Defence are. It's very difficult to find soldiers in uniform—I mean soldiers generically, of all three services.

So I can't see any internal savings at the moment. I'm sure Sheila Fraser or some Auditor General staff might be able to come up with something, but that would require resources much beyond my capabilities.

• (1000)

The Vice-Chair (Mr. Rick Casson): Thank you.

Mr. Rota.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Thank you.

Thank you for that report. That was very good. It clarified a few things.

Here's a quick question on the 5,000 personnel and the 3,000 reserve. Did I hear correctly that you had mentioned it's going to be difficult to fill those positions?

Col John McKenna: Not fill them, but train them.

Mr. Anthony Rota: Train them, okay.

Col John McKenna: The problem, really, is absorbing it. If the door opened suddenly and in walked 35 people who said, “We want to start work”, you'd have to pick among us—“You look after these three, and you look after those four”, and that sort of thing. It's finding enough people. As I said, all elements of the forces, both regular and reserve, are being stretched considerably.

The reserves have come up in strength somewhat from where they were. They were down at just below 13,000, and now we're at close to 15,500. But the target was 18,500. In fact, this announcement of 3,000 additional troops may not be a real 3,000 troops. They may be taking us from the 15,500 to the 18,500 that was announced by Minister Eggleton on October 6, I believe, in the year 2000.

That's what happens. There are no apologies here, gentlemen, but we hear the promises being repeated, you see, and we get the same offer served up to us again from time to time.

Mr. Anthony Rota: Given the resources that we have, how long would the intake period be to accomplish the 3,000 reservists and the 5,000 troops? What would we be looking at? Is it going to take us 20 years to get them?

Col John McKenna: Oh, no, no, no.

Mr. Anthony Rota: I'm just looking for a reasonable pace. I realize we can't get them all tomorrow and have all of them trained in two months, but I think you mentioned the average for regular forces personnel was two months.

Col John McKenna: Oh, that's just to get them in the door and give them a uniform and put them on the pay system—

Mr. Anthony Rota: What kind of a period are we looking at?

Col John McKenna: And that's under ideal conditions, for a blemish-free, true-blue Canadian, but if you're anything other than that, then you have an extended problem. Even that system is shaky, because the procedures for handling the paperwork are lengthy, and their medicals have to go off for central vetting. I'm so old that I can remember days when potential recruits would walk into the armouries and after a first interview you would hand them a document and tell them to go and sit at that desk and fill it out, and when they were finished, to go and see so and so. Then, by the end of the evening, you'd send them down the hall to visit the MO, who would take their temperature, or whatever else, and say, “Okay, sign here”. Within a week and a half, you were paying them and parading them on the floor. That's totally impossible nowadays.

Mr. Anthony Rota: What kind of time period would we be looking at to achieve these goals?

Col John McKenna: Well, at a reasonable absorption rate—and, of course, it would be an exponential curve, because it would be slow initially, until you had enough people trained to be trainers.... Once you had sufficient trainers, then of course the rate of intake could be accelerated.

While it's only a guess on my part, I would see no reason why you would not be well on your way to meeting the 3,000 target within three years.

Mr. Anthony Rota: Very good, 3,000 and 5,000 personnel, the whole...?

Col John McKenna: Yes.

Now, depending on what standard of training you want them to achieve, basic training for the regular forces takes at least....

What would you say, General O'Connor, at least a year?

Mr. Gordon O'Connor: I don't want to answer any questions.

Some hon. members: Oh, oh!

Mr. Anthony Rota: You've probably got more experience than all of us put together here.

Col John McKenna: Touché.

It would take a year, anyway, for them to reach a usable level in whatever trade.... Of course, mind you, if you're talking about motor mechanics or technicians for computers and that sort of thing, the rate will be different, but for general purpose soldiering, I'd say one year and then they're at a usable level where you could then take them out into the field and put them to work, as it were.

I wanted to suggest that one of the possible ways around that is the many, many, former serving regular force and reserve force, highly trained personnel who have recently left the forces, because they have this contract that you sign for what they call 20/40; once you have passed the age of 40 and have served for 20 years in the forces, you can retire with your pension intact. Many do so, because it's very attractive. With 20 years of work from the age of 20, you're now 40 or maybe 45 years old and have lots of tread on you, so you can go out and get a good job and your forces pension is secure.

• (1005)

Mr. Anthony Rota: You can run as an MP as well.

Col John McKenna: I see General O'Connor laughing there.

Mr. Anthony Rota: I have just one quick question, if I could.

The Vice-Chair (Mr. Rick Casson): We'll come back to you.

Mr. Perron.

[Translation]

Mr. Gilles-A. Perron: In the last paragraph of your presentation, you say: “In addition, there is an urgent need for a “low cost” coastal surveillance aircraft.”

Are you alluding to UAVs?

[English]

Col John McKenna: No, I actually haven't addressed the employment of UAVs. Mind you, when you think of the all-Canadair CL-84 and the Peanut that was flying many, many years ago, the UAVs are really a technology whose day has come. We are learning more about them, but I would say that having a manned aircraft with people physically observing what is happening might be better than an instrument sending back signals, which may or may not be interpreted correctly. There's also a degree of vulnerability there, but obviously something like that, in the long run, is less costly. I don't know about the first costs, though.

[Translation]

Mr. Gilles-A. Perron: It partially answers my question, but I am huge fan of UAVs. That is the difference.

As far as recruitment is concerned, you told my colleague Anthony that the first problem would be to absorb 8,000 people within the Canadian Forces. However, if I look at what is happening in Quebec, there are no huge line-ups before Canadian armed forces recruitment centres and very few people are interested in enrolling in any one of the armed forces branches, be it the navy, the air force or the army.

Do you not think this is a problem? Do you not think that you are being too optimistic by saying that young people are ready to enroll in the Canadian Forces? What can we do to encourage them to do so?

[English]

Col John McKenna: I would never dissuade anybody from wishing to join the Canadian Forces. It has a tremendous number of advantages to offer our citizens.

As for Quebec—of course, I can't speak to it, and this is your area of expertise—the Quebec regiments have a very proud history with the Vandoos and les Voltigeurs de Québec and all that sort of thing. We've never really seen this so-called reticence when it comes to serving our country.

I can be proven wrong, of course, but I don't believe the press very much because sometimes they serve themselves. I have no reason to think that the people in *la belle province* would be any less patriotic than any other part of the country, but I do think, of course, that it all has to do with perception of benefit.

The Canadian Forces' benefits really need to be brought more in line with civilian counterpart jobs and pay compensations. Living and working conditions could be improved considerably. Family matters, as I mentioned earlier, are of critical importance, but they really have not received sufficient attention within the general forces. It's a lot better now, of course, than it used to be, but there's still quite a way to go.

I think if the pay structure was attractive and the lifestyle was attractive, as the old ads used to say, there's no life like it.

• (1010)

The Vice-Chair (Mr. Rick Casson): Mr. Khan.

Mr. Wajid Khan (Mississauga—Streetsville): Thank you very much, Mr. Chair.

Thank you for being here today.

I feel a little disappointed, Mr. Chair, that we don't have any cost analysis. Obviously the ACC didn't have enough time for that.

When you discuss heavy-lift, medium-lift capability, C-130 J models, which are roughly about \$70 million, and the H models, which are maybe 20% of that cost, and life expectancies, if we had those figures—I don't know if you're going to have them down the road perhaps—then we could discuss it in great detail.

I agree with you the armed forces do offer a nice lifestyle, provided you like it. I liked it. I served in the air force and flew some fighter jets.

My understanding always has been that the mission of the armed forces is defined, and according to that mission, it gets the funding and the equipment and so on and so forth. I'd like to also ask you a question. How do the armed forces impact our foreign policy and the vision of the Canadian government as far as around the globe is concerned?

Lastly, this is really something from left field. I agree with you that we are having a bit of difficulty training our people. I had JCC, junior cadet corps, when I was going to school, for two years of training, which is tremendous. Is there a possibility, as a lot of the other countries do, to have some of the trainees trained or trainers trained abroad and then bring them back in? Is there a cost analysis for that? Can it be useful? Can we look at it?

Col John McKenna: You have a multiple-point question there.

I would first like to address the question about the impact on foreign policy of defence. Yes, by the fact that we do not have the resources that we would like, we cannot respond sometimes to foreign policy desires. The political people, the diplomatic people, say we should send troops there, and we're talking out of country, again, Mr. Bagnell. I know that defence of country is important, first of all, but our focus in the past has been very much in overseas deployments.

So foreign policy has been affected by our inability to do what we would really like to be able to do, or, let me put it another way, what we used to be able to do. People had certain expectations of Canada because of our past record, and unfortunately that has now fallen by the wayside, and increasingly so.

Yes, we definitely affect foreign policy. I have always held the belief that defence policy should be an extension of foreign policy. Foreign policy should be formulated first, and then that should be translated into defence capabilities. Out of those defence capabilities, our policy would of course reflect that, although in fact our capability should reflect the policy, to be more properly in sequence.

On training, yes, it is not unusual to have certain levels of our troops trained out of country. We have foreign exchange going on all the time. We send people to the United States. We send people to the United Kingdom. We send people to Australia, and they likewise send people here on exchange trainings, but that's generally at the higher command levels, officer level and so forth.

To be able to bring back some of those retirees that I mentioned on contract would be a very quick way of solving some of the bottlenecks in the training structure. If we could make an attractive offer....

There was an interesting point brought up in one of my discussions about when a serviceman reaches their end-of-contract career. They can go on IPS, or indefinite period of service. This is where they now enter a new phase where there is no definitive end date to their service. Whereas we are prepared to offer a signing bonus for new people to come into the forces, there is no extension bonus of similar magnitude offered to people who are going out the door. It does seem a bit of a paradox, or an anomaly, that this situation exists.

•(1015)

Mr. Wajid Khan: Thank you.

I have another question, if I may have the time.

The Vice-Chair (Mr. Rick Casson): Just a short one.

Mr. Wajid Khan: Why is it necessary for somebody who wants to be an officer in the Canadian armed forces to have a university degree? A lot of people who are high school graduates or who do not have a graduate degree per se can be fine officers. You have education within the armed forces. I think that is also very restrictive, and I would like your comment on that.

You can have a sanitary engineering degree. How does that make you a more qualified person to be an officer in the army?

Col John McKenna: The short answer is no, it is absolutely not necessary to have a university degree to be an officer in the Canadian armed forces, unless of course you're a doctor or an engineer, or it's some other profession that has a professional standard—otherwise, no.

The Vice-Chair (Mr. Rick Casson): Thank you.

We're back to Mr. Bagnell.

Hon. Larry Bagnell: Thank you.

I'm a big supporter of NATO, of course, and I think one of the strengths of our Prime Minister is his ability to choose whatever international organization that happens to work in a particular situation. They don't all work in all situations. And NATO has been very useful.

My question is whether either of you have any comments on our role in Darfur. As you know, we were one of the first countries there with our aid—most countries aren't even there at all—supporting the African Union, which does have the authority to help out, although its troops aren't nearly big enough yet in volume to solve the problem.

Would either of you have any comments on what Canada's role might be?

Ms. Julie Lindhout: I'll make a start on that.

That is one of the best examples yet of where we are reaching our stretched-out point, because the statement was that probably 31 troops would be sent to support some initiatives. But that number is so small they can only do a very superficial level of monitoring. They can't really support anything. They can just monitor and report back. But what will we do if they report back that more is needed, or that difficulties are going to arise? Will that put them again in the same kind of situation that General Dallaire found himself in?

So it's a very good example of where we really need to be able to deploy sufficient numbers to really make a difference, and I think that's what this is all about, our recommendation that there be more people to be effective, because Canadian skills are highly regarded. Within NATO, Canadian soldiers are known to have some very good skills in connecting with people on the ground. That's one of their strong points, which is a very effective way of helping to monitor and make a difference in a situation.

Hon. Larry Bagnell: I'll ask my other question. Could either of you, or both of you, comment on submarines and tanks and the need in the military from here on? Our committee couldn't agree that we needed submarines. But do you have comments on the military from here on about whether we need subs and tanks, or just tanks?

Col John McKenna: All my background is army, but I grew up by the sea. The submarines are a unique vessel in their own right. At the moment—we talked earlier about the protection of our Arctic—they are the only vessel that we can send into the Arctic. They do have under-ice capabilities. They are not nuclear. They are very silent running. They in fact are a very advanced vessel, and my understanding is that our southern neighbours were keen that we get them because then they could enhance their training by having a silent, friendly enemy to practise against.

And I would agree that the submarine is still a very useful tool to have in the arsenal of protection and for protecting Canada's coastal waters and our Arctic waters.

The tank—and I look across the table here with care—is perhaps somewhat an instrument of the past, although certainly there are territories where tracked vehicles are much more mobile than all-wheeled vehicles. But the advances in technology of all-wheeled vehicles, especially our own lab-designed vehicles, which are produced in London, are proving themselves to be very worthwhile and very much liked within the forces. They have increased mobility. They have increased their road use. They have higher speeds.

If the right armoured protection on the outside of the vehicle is there, then outside of high-intensity warfare as we have known it in the past, I see no reason for having a huge inventory of tanks. They're difficult and costly to transport. I can't really see them being needed within continental North America—certainly not within Canada at the moment—and if we can't get them to where the conflict is, then there's not much point in having them, sir.

Hon. Larry Bagnell: Thank you.

•(1020)

The Vice-Chair (Mr. Rick Casson): Does anybody else have a question?

I just have one question, if you don't mind. You mentioned our heavy-lift capacity, particularly air lift. I asked a question of the minister about our capability there and the fact that we don't see a lot of concentration on that issue, and you mentioned it.

He indicated that the situation we presently exist under, where we have to lease on an as needed basis, was the most cost effective way to go.

Do you have a comment on that, the rationale of cost-effectiveness against having them when you need them?

Col John McKenna: I think your last statement was the most important one, about having them when you need them. Certainly the Sri Lankan tsunami response illustrated that rather well. We needed them, but they were already booked. So if you're out there competing in the commercial market for heavy-lift transportation capability, you sort of take a number and get in the queue.

There aren't that many Antonov-124s out there, which is the Ukrainian-built heavy-lift aircraft. We were in effect too late getting there. It was an embarrassment. They got to the ground and all the other agencies were already there. The principal need had largely dissipated.

Then again there's the other part of it, which is the loss of skills. If we don't have trained personnel dealing with less than ideal conditions, adverse conditions...and let's face it, when we're in a conflict situation, we're going into places where people are actually going to shoot at you and do things like that. Civilian pilots are a little less desirous of finding themselves in those situations, so you really need to have your own forces personnel trained to deal with high-risk situations, less than perfect landing strips, and so forth.

While the C-130 is a wonderful aircraft built by Lockheed, it's a minimal-conditioned aircraft designed to fly into jungle strips and low-level airfield conditions. That's the sort of thing we really need, and there are not that many out there.

If we have surplus capacity for periods of time, why couldn't we lease them out for other would-be things? Mind you, I understand the forces would not want to get into a conflict with civilian carriers, but there are other forces we might lift—Danish troops or whatever. It's possible.

•(1025)

Ms. Julie Lindhout: I would just like to add that any transport capability we acquire, thinking about moving troops into conflict or disaster situations elsewhere, is equally needed or useful for our own high Arctic and our own rescue capability. I think we often lose sight of that, and that's why I like the question that was posed to us, "What about our own security?" If we have the airlift capacity for overseas situations, we will also have it for our own protection and security. As Colonel McKenna said, why can't we be the lessors instead of the lessees if we have the capacity?

The Vice-Chair (Mr. Rick Casson): Thank you.

That's it for our time. I think we'll break for a couple of minutes to bring the other witnesses forward.

I want to thank you very much for taking the time. I appreciated your comments.

Col John McKenna: Thank you very much, Mr. Chairman.

•(1025)

_____ (Pause) _____

•(1035)

The Vice-Chair (Mr. Rick Casson): I call the meeting to order.

Thank you, and welcome.

Retired General Evraire and retired Colonel Howard Marsh, we're glad to have you here. We're just starting our hearings on defence policy, which we understand is supposed to happen any time now or be tabled. We might be getting a little bit ahead of ourselves, but certainly everything we've heard so far has been very useful, and we look forward to continuing that.

If you have presentations, we'll leave it up to you to take as much time as you need to relay them to us. Then we'll have a round or two of questions. We're here until noon. We should have adequate time for everybody to get their questions in. So I'll just turn it over to you and thank you for being here.

Lieutenant General Richard Evraire (Retired) (Chairman, Conference of Defence Associations): Thank you very much, monsieur le président, ladies and gentlemen. It is a pleasure to be invited again this morning to address the topic of defence policy. Whereas on previous occasions I have commented to this committee on what the Conference of Defence Associations believed Canada's defence policy should be, this morning I would like to comment on the subject of defence policy management.

[Translation]

Let me begin by pointing out that the defence community views the current situation as rather unique. Allow me to explain.

At this point in the defence policy development process, the Prime Minister has, to a very large extent, already made his foreign and defence policy views known; the ministers of Foreign Affairs and Defence have outlined the government's overall intent regarding foreign and defence policies; the Chief of Defence Staff, on March 3, at the CDA Institute annual seminar, painted a clear defence plan for the way ahead; and the government has made public a long-term defence funding profile. Yet, we still have no coherent, all inclusive defence policy statements. Vision, leadership and money are there for all to contemplate. Planning and implementation teams have been formed by the Chief of Defence Staff and will report to him on their recommendations sometime in June.

Is anything wrong with this picture?

[English]

Policy development process purists would argue that some of the steps I've just outlined are out of sequence. Others, the CDA included, believe that one of the most refreshing developments in defence policy terms to have come about in a long time is the unequivocal support voiced by the Prime Minister and his cabinet for a viable armed forces and a credible defence policy tied to an international security policy intended to make Canada a significant player in the world. The CDA awaits, as we all do, with much anticipation and guarded optimism, the outcome of deliberations designed to achieve that goal.

It is therefore not my intention in my comments this morning to strike a pessimistic note on the defence policy development process or the outcome of that process. I do, however, believe it is necessary to alert you to the deliberations of a recent conference co-sponsored by Queen's University, the Institute for Research on Public Policy, and the CDA institute on the Department of National Defence's ability to manage the transformation that will be required for it to implement any new defence policy.

[Translation]

During the conference, held a week ago in Ottawa, defence analysts explained that there exist, across government departments and central agencies, several public administration impediments to achieving the current Canadian forces organizational objectives of stabilization, transformation and modernization. All of these are mandated government policies, as you know. These impediments exist in the policies, procedures and authorities for defence administration.

• (1040)

[English]

To quote from Dr. Douglas Bland, chair of defence management at Queen's University, last week's conference organizer, the objective of defence administration is to organize, equip, and sustain the Canadian Forces so that they are able to produce the maximum possible coercive force from the resources provided by the government. He goes on to say that while strategic analysis, goal-setting, resource allocation, and public oversight ought to be essential components of defence policy, the key to building defence capability is effective and efficient public administration. We need to ask ourselves whether the existing system for defence administration is the one we would select were Canada to be fighting a war. His answer? We are at war, and the existing system does not adequately meet the nation's needs.

Dr. Bland went on to quote from Minister of National Defence John McCallum's 2003 report, entitled "Achieving Administrative Efficiency". In part, the report stated that DND and the Canadian Forces—and, by implication, other government departments and central agencies—were not well positioned from a management perspective to meet the strategic-level challenges they are facing.

The report stated, and I quote:

...without fundamental transformation of the national-level management framework and practices of DND and the CF, the CF will not be able to transform itself rapidly enough to adapt to Canada's changing security environment.

Mr. Chairman, ladies and gentlemen, without the cooperation of other government departments and central agencies, this transformation of the Canadian Forces, which is essential if the vision of the Prime Minister and the government is to be met, will not be possible.

[Translation]

The primary purpose of defence administration, stated earlier, has become lost in clashes over the policies, interests and procedures of various departments and central agencies of government that have resulted in delays in defence planning, and in additional costs to the production of combat capabilities.

The Conference of Defence Associations strongly recommends that the Standing committee on National Defence and Veterans Affairs look into this public administration issue, laid out in Minister McCallum's 2003 report, and recommend ways to streamline policies and procedures in order to expedite the production of combat capability.

In conclusion, I will now highlight two existing impediments to achieving this goal.

[English]

In conclusion, allow me to highlight two existing impediments: the first, internal to DND and the Canadian Forces, and the second, contributed to mainly, but not exclusively, by other government departments and central agencies; and policy and procedure impediments that need to be eliminated or streamlined in order to expedite the production of combat capability in the Canadian Forces.

The first of these concerns is force generation. A thorough examination of existing recruiting, training, and personnel practices within DND leads to the troubling conclusion that the Canadian Forces may not be able to increase the trained effective strength to the announced 5,000 regulars and 3,000 reservists above current levels before 2012.

During the question period, Colonel Marsh and I would be pleased to provide some of the reasons for this delay. Let me simply state here that the Conference of Defence Associations believes it is imperative that, as a matter of public administration of defence policy, policy implementation take this fact into consideration in assigning missions and tasks, especially offshore deployments, to the Canadian Forces.

Finally, let us consider the issue of capital equipment acquisition. At present, the department has inadequate numbers and expertise, both military and civilian, to execute the existing capital acquisition plan, the so-called strategic capital investment plan, the SCIP.

In the last six months, those responsible for advancing capital acquisition projects have missed 90% of their milestones. When that particular staff was twice its current size, it took an average of 15 years to process major acquisitions. Today, existing approaches to military acquisitions, and the dearth of project expertise, lead to the troubling conclusion that transformation of the Canadian Forces, based on the implementation of the existing plan, would not be possible before the year 2020.

Capital equipment procurement procedures, we believe, must therefore be changed. Should the government and the Department of Defence follow existing public administration practices, a long period of dormancy awaits many military capabilities. As a consequence, some of these capabilities will be lost. I will cite only one of many examples, one with which you are already familiar, I am sure.

• (1045)

[Translation]

For all intents and purposes, the Department of National Defence has grounded two thirds of the Hercules tactical airlift fleets. The remaining aircraft are not allowed to transport reservists, given that the dangers and liability costs are unacceptably high.

Given the recent decision by Air Canada to sell its passenger and freight configured 747B combi aircraft, the government has virtually no credible air transport capability at its disposal. This committee can appreciate the pressures a politician would endure during a national disaster, as the armed forces tender a contract for airlift or wait for allied assistance.

[English]

Mr. Chairman, ladies and gentlemen, the execution of government policy is a daily business based on the nature of the problem and the tools at hand. Canada is currently suffering an indeterminate period of shortage of military tools. The length of that period is governed not by a lack of vision, leadership, defence policy, or even money—the department is currently unable to spend the capital account—but by the inefficiencies of the public administration of defence.

It is therefore recommended that SCNDVA focus attention on the external and internal impediments to the public administration of defence policy by examining government policies and organization and management practices that together are meant to produce and sustain military capabilities, but in fact in many cases impede and even degrade them. The Conference of Defence Associations would be honoured to contribute more to this very important debate. I have made available to you this morning a copy of a document designed for that very purpose, and we are, of course, more than pleased to contribute anything else we may be called upon to contribute.

The government currently finds itself in a period in which its foreign policy options are fewer in number than they could be, in part because of the limitations of its military—this at a time when options, we think, would need to be greater in number. The loyal, disciplined force of last resort, the Canadian armed forces, should not find itself ill-equipped and under strength at this juncture. The CDA believes that impediments to the public administration of defence are in Canada's foreign policy decision-making critical path and need to be reduced or eliminated. If they aren't, the required transformation of the Canadian Forces will suffer time delays that will put the men and women of the Canadian Forces at risk and continue to provide Canada with a limited number of security, defence, and foreign policy options.

[Translation]

Mr. Chairman, ladies and gentlemen, we would now be pleased to answer any questions you may have.

Thank you.

[English]

Thank you very much.

The Vice-Chair (Mr. Rick Casson): Thank you very much.

We'll go right to the questions.

Mr. MacKenzie starts with a seven-minute round.

Mr. Dave MacKenzie (Oxford, CPC): Thank you very much.

Thank you for being here today. Obviously, you bring expertise to this table for this review.

I was quite interested in your comments with respect to procurement. If I understood you correctly, you're indicating that we've cut the staff in half. Are you anticipating that will cut the length of procurement in half, or double it?

LGen Richard Evraire: By our mathematics, it will double it, simply because of the fact that there is not only a lack in numbers of personnel required to undertake the project management process within DND, but also there has been an important loss of expertise in that area.

Colonel Marsh might be able to expand on that very point.

• (1050)

Colonel Howard Marsh (Retired) (Senior Defence Analyst, Conference of Defence Associations): Sir, I was a little concerned that you used the word “cut”. The Department of National Defence rid itself of 500,000 person years of experience from 1995 to 1999, and now it has the capacity to generate only 490 project management experts, where it used to have 1,200 six years ago. So we're into a long season of not having the expertise at hand.

Mr. Dave MacKenzie: Is part of our problem that we have too many filters in the system, too many fingers in the pie?

Col Howard Marsh: Yes. At the present time, the central bureaucracy and the Department of National Defence bureaucracy combined require the average project to go through just under 100 stages of the cross within the department and just under 50 external to the department. And that takes around about 30 to 36 months to get through those.

Mr. Dave MacKenzie: And there are ways that we as a government could be finding solutions to—

Col Howard Marsh: Yes, most of those impediments were imposed by the government from 1964 to the present time.

Mr. Dave MacKenzie: You also indicated that management changes were required both within and outside the organization. Can you elaborate on what your vision would be?

LGen Richard Evraire: In respect of the procurement process, there is the possibility of reducing the overall time required for procurement by eliminating a number of the—as Colonel Marsh puts it—stations of the cross one has to go through. You have to provide reports and go through a large number of hoops in order to achieve eventual fielding of capital equipments.

Within the department, Colonel Marsh was involved in this much more closely than I. He might be able to give you specific examples of areas where we might be able to make some changes.

Col Howard Marsh: Looking at the total process in a 15-year period, roughly one-third of that time is absorbed internally by the government, also by the Department of National Defence, and two-thirds of it is absorbed externally by Department of National Defence. I'll speak to the two-thirds first.

This two-thirds, or ten years, is spent in a consensus-building within about 40 different other government departments. To do a project, one might have to balance aboriginal textile production with Quebec availability of textiles, or whatever other demands happen to be in effect at the time. Within the department, a lot of time is spent on developing generic options. For instance, when I was working on the tank project, we must have spent about three years over the issue of who should deliver direct fire. When you were fighting a tank, the aim was to put 10 megajoules of energy on a piece of steel. So the department would start this long process of who could do 10 megajoules of energy on a piece of steel at 2,000 metres.

The air force would launch into how they could do it with CF-18s or A-10s, or attack helicopters, and would bring three or four options. The navy would come with harpoon missiles, and so on and so forth. The army would come with direct fire, indirect fire. We would go through this song and dance on option development of who could do it best. Then when you had finally convinced yourself that the old way of doing it was actually the best way, you moved on to asking the army how they would do it in a land battle scenario. Did they want land-to-land missiles, hybrid missiles, kinetic energy? So the whole argument would start again in this development process. I won't bore you with all the details.

So you would go through all this—options, requirement analysis, engineering. Then you would finally get down to a statement of requirement. The statement of requirement would then generate some engineering specifications. Here the engineering staff—which is quite large—would have a field day. They would write maybe a 700-page document, taking about nine months to specify everything in great detail—tire pressures within a strict limit, steel of a certain type. Your mind just goes on here. Every electrical junction, door hinge, and rubber seal was subjected to the most minute analysis.

Then the engineering specification would be turned into a request for proposal. At this time, the government would come in with its acquisition strategy. The project staff would be stuck with this thing. Here I've got 700 pages of engineering specifications. I have to contract 38% in Ontario, 37% in the Maritimes, 23% in Manitoba, and so on. Then we would take about two years going across the country trying to identify who in northern New Brunswick could make a 27 psi cold wet plastic tire, who in Vancouver could come up with a heating coil. This would take a long time. Then we have to study the bids, evaluate them, list all the options, and present everything to cabinet.

So we do make things very difficult for ourselves. It's the details.

•(1055)

Mr. Dave MacKenzie: Thank you.

The Vice-Chair (Mr. Rick Casson): Thank you.

Monsieur Bachand.

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): In this debate, there was no mention of the presence of Public Works Canada. They also have their specifications. There are also long term negotiations and so on. You are right, it's a total mess.

The Bloc Québécois has a certain approach. In fact, you know that we have always said in our reports, for many years now, that we needed a defence policy. We believe we will get one next week at the latest; it will be interesting. In our opinion it will have an impact on the branches of the Canadian Forces. I am referring to the land forces, the air force and the navy.

The army has an expression which you hear a lot: "we need more boots on the ground." But this is often said in a context of financial restraint. It means that if you decide to increase expenses for the armed forces, we will have to cut elsewhere. I hope that this will be made clear in the documents which will be tabled next week. People have to know what their priorities are, since Canada wants to be able to make this type of interventions under its foreign policy.

It also has an impact on the equipment aspect of things. Equipment is also important, because if we decide to intervene in land operations theatres, be it peacekeeping or stabilization missions, we will have to make sure our soldiers are well equipped in order to avoid loss of life.

This has always been our approach. And that is why we don't understand the government when it announces it will spend \$5 billion to buy helicopters or something else.

Furthermore, our defence policy will have to be based on a philosophy. You seem to want to maintain combat capability in every branch. This means much more than simply enrolling more troops. But does that mean having to maintain the navy in its current capacity or the air force in its current capacity?

So I would like to know what you think about this, because this philosophy is evolving. Even within NATO—I often attend its meetings—there are countries which are beginning to want to become more specialized. They are wondering what the point is of training soldiers to become defence generalists. In answer to that, I was told that this type of troops are ready for anything.

I would like to know what you think should be the philosophy of the new defence policy. Do you think we should maintain a generalist approach and that our forces should be ready for anything and in a position to intervene in every type of situation? In other words, do you think that we have to maintain the navy, air force and the land forces as they are now? Do you think that we should make changes and focus more on some areas and less on others? The generals are trying to convince me that their branch is the most important, and admirals are doing the same, which means they are just doing their job. For the admirals, the navy is the most important thing. For the air force people, it's the air force. It's the same for the commanders of the land forces. However, in the end, it is the poor members of Parliament like us, who know almost nothing about defence, who will have to make the decisions.

So I would like to know your opinion on that subject.

•(1100)

LGen Richard Evraire: If I may, I would begin by saying that it does not matter what seems to be happening within the department, because at the end of the day it is the minister who must convince his cabinet colleagues of the direction defence policy should take.

One thing is clear. Everyone here this morning would be very happy to see each head of the three branches of the armed forces—air, land and sea—try to “sell his product.” In the end, the Chief of the Defence staff is the one who will make recommendations to the minister. He will have to make a selection and determine what the priorities will be.

You recently heard from General Hillier. He has his personal vision which he presented to the minister. I do not know what the defence policy will look like, but I am convinced that it will contain a vision and a direction. Consequently, the focus will probably be very different. It will depend on which branch will be chosen and on the missions which will be given to our armed forces in the future. As a result, the department's budget will be spent according to materiel and personnel needs in order to eventually fulfil the missions.

I have to say that the Conference of Defence Associations has always maintained that it is important to have a defence policy before spending a great amount of money. We agree on that point, except that we have always added that you need a good base to move forward from. That is why we have always believed in investing in maintaining the military capacity of our armed forces. You cannot build a solid structure on sand. You need a good foundation to reinforce the structure.

Since it now seems that we are on the point of getting a defence policy, we are optimistic. We want to know what direction it will take and where the money will be spent. We do not think that the military will become extremely specialized. The reason for this is simple. If something happens and the armed forces must intervene, we need a certain degree of military capacity. If we expect our neighbour or ally to provide us with this military capacity, but the neighbour or ally needs it himself at that very moment, we will be stuck.

We will therefore have to carefully choose the type of military capacity we will need to protect our territorial and continental security, and to also undertake the international missions which the government will confer on our armed forces. We therefore cannot act in a vacuum and give something to one side and nothing to the other.

We certainly want our armed forces to be able to work together, rather than have armed forces which operate separately in different places. We hope that, under the defence policy, money will be given to the various branches of the armed forces to enable them to work together and to intervene as the government sees fit.

[English]

The Vice-Chair (Mr. Rick Casson): Colonel Marsh, go ahead.

Col Howard Marsh: Sir, you put your finger on a very key thing, and that's the change in philosophy. For the last hundred years the Department of National Defence and most people in the western world have looked upon war and peace as an on-off cycle, and we have this business where once the war starts, we'll start making

bullets and tanks. This mentality of on-off, on-off has crossed into the acquisition cycle, and one of the major changes General Hillier is trying to bring about is recognition of the reality that the Canadian Forces are on continuous operations.

Carrying on to the second part of your question, I contend there are common tools in land-sea support communications that will be there for fifty or a hundred years, and we need to identify what those continuous, common tools are and then align the Canadian industrial base to respond to those. We will always buy trucks. We will always buy boots. We will always buy, for as long as I can think, engines. There are some things that are continuously common, and we need to identify what are continuously common and then move to have an industrial strategy around those things.

•(1105)

The Vice-Chair (Mr. Rick Casson): Mr. Bagnell.

Hon. Larry Bagnell: Thank you.

I'm not sure if you heard my first question to the last group. Now we're reviewing the military and we have to keep up with modern conditions, with the Arctic ice opening up through global warming. We have boats landing on our coasts dropping off immigrants on the shore, and we have the potential of oil spills in our Arctic. There have been sightings of foreign submarines, yet we don't have a ship that can go in the ice. Do you have any comments on the next stage of our military, with respect not to changing our resources in total but to changing the deployment of our resources?

In fact, we have more sovereignty in the north now with our mapping of the continental shelf, so Canada is actually getting bigger as far as sovereignty and the area we have to protect go. Do you have any comments or suggestions as to what we should change in the allocation of our military in relation to protecting the northern half of our nation and the longest coastlines, which are in the north?

Col Howard Marsh: I don't have any specific recommendations other than to go there.

When Prime Minister Trudeau came into power, I happened to be a soldier at that time in the 5e Groupement de combat in Quebec. We had a huge thrust at that time to go to the Arctic, and when we went to the Arctic, a number of scientists came with us. We learned very quickly we had neither clothing, food, transport, nor support systems that were adequate for that climate.

I would be loath to actually come out with a recommendation other than to say go. Protect that capability. We know there is going to be an air component, a sea component, and a land component. Go and learn, and take the time, too, to develop it.

LGen Richard Evraire: Indeed, last year there was an exercise up north where quite a number of lessons were learned, precisely in those very areas. A lack of funds and a lack of personnel in accomplishing all of the other missions the forces are required to accomplish were impediments to doing what Colonel Marsh suggests, which is to get up there as often as possible, more often than now. If that isn't done, then all of these problems will surface when we do dispatch a group and to our chagrin discover what we should have discovered during exercises.

There is a lack of funding for exercises, and one of those areas that is often neglected and has been neglected regularly is of course the north.

Hon. Larry Bagnell: I think the military is actually doing good in the area. As you said, they did a great exercise last summer. They're doing a number of things. I think you're right; I think they're doing that very well, but I'm talking more about permanent location, and let that lead into my second question.

As an example, it is about revising the search and rescue system. Now all our bases for that are not that far from the American border. Without increasing our resources, but looking at how they're deployed for most efficiency, we would find it quite easy to have at least one of the search aircraft farther north so there's better coverage of the country, especially now with the contracting out of maintenance and things they're doing for machinery that's not secret.

That could also have other functions; we need these other functions of aircraft in the north. With the dual functions, it could be quite efficient for us to have some search and rescue presence in the north rather than having to spend 10 or 12 hours to get to an accident site.

• (1110)

Col Howard Marsh: The biggest challenge in the Arctic is the size. When you add the water, you have approximately seven million square kilometres. Unfortunately, the best surveillance and detection devices belong to the American ballistic missile defence system, which can locate a 10-centimetre object that's one degree centigrade warmer than the background in about ten seconds.

Flying around the Arctic with planes trying to find bodies is virtually a lost venture. You can't do it. The area is just too large.

Hon. Larry Bagnell: The planes I was talking about.... I'm also glad the military has increased its satellite protection to areas where it worked before, and are in the process of that in UAVs and stuff, but my question was related to the actual response when something is found. If everything is down near the American border, it just takes a lot longer. In the north, of course, you're a lot more likely to freeze to death or have hypothermia in the ocean than you are down in the warmer lakes in the south. I'm talking about the actual response capability and time from where these aircraft are stationed, not the actual detection of the problem.

Col Howard Marsh: The problem here is cost recovery per person. In southern Canada, between 5,000 and 7,000 people a year need to be discovered, and they're in a very narrow 100-kilometre band, so it's relatively cost effective—about \$4 million a person—to recover them.

When you go to the Arctic, there are only about five people a year; that'll probably cost you somewhere in the order of \$100 million a person. This is where it gets a little bit difficult, perhaps a moral issue, but you have to make a decision. What is the cost-effective ratio of people dying in search and rescue? The general guideline is \$4 million a person for insurance purposes.

Hon. Larry Bagnell: How much time do I have left, Mr. Chair?

The Vice-Chair (Mr. Rick Casson): One minute.

Hon. Larry Bagnell: Do you have any comments on whether, in the new armed forces, we should continue to have submarines?

LGen Richard Evraire: I will respond to that, if I might, Mr. Chairman.

We would wish to see what the defence policy suggests in that regard, in terms of distribution of resources. My personal view is that the longest coastline in the world in this country needs some attention. Whatever specific roles we assign to the navy submarines, one of them would have to be coastal protection and intervention in situations in which something needs to be examined.

I've heard a lot of testimony about the usefulness of submarines for that purpose and for other purposes. The fact remains that submarines are an integral part of a navy, and coastline protection is one of the roles the navy has; it must carry out that role. Whether, ultimately, our submarines are involved in blue-sea intervention, which they are meant to be involved in at the moment, remains to be seen, but I would certainly see that the navy would be incomplete were it not to have that particular dimension in its tool kit.

The Vice-Chair (Mr. Rick Casson): Thank you.

The second round is five minutes.

Mr. MacKenzie.

Mr. Dave MacKenzie: Thank you.

It seems one of the issues we always suffer with our military is the vision of Canadians with respect to the military. Maybe it's the optics, that they don't see the military. Can you comment on our reserve, as opposed to around the world? In some respects we're maybe backwards. We have fewer reserves than full time, and it's the other way around.

Col Howard Marsh: The first thing I'd like to do is bring to this committee's attention a fact that shocked me. Among all NATO countries, of which there are almost 25 now, Canada uses its reserves second to the United States. Of our operational deployments at the present time, 24% are sustained by the reserves, so the reserves are really involved. That's the first thing I'd like to say on this issue.

The other thing is within the department, and I did an analysis of this, there is so much movement now between the regular and the reserves that from a cost point of view, it's almost neutral.

Perhaps you want to talk about optics.

• (1115)

LGen Richard Evraire: Yes.

Of course, the issue of reserves has been on the department's and the Canadian Forces' plate for a very long time. They're trying to improve their usefulness, their operational employment. Much has changed in the last 30 or 40 years, from the time I first entered the force.

The decision by the government at the time of the Korean War to establish a force in being, a permanent regular force, resulted to some degree in what turned out in the sixties and seventies, and to some degree in the early eighties, to be a neglect of funding and therefore employability of the reserves. That has been turned around, and the reserves have indeed, as Colonel Marsh points out, been not only an important but an essential component in deployments for the Canadian Forces in the last 20 years, and probably even longer.

The problem of visibility of the military in Canada we hope will, to some degree, be solved by an increase in the reserves, by emphasizing the reserves. Indeed, the government's decision to increase by another 3,000 in the reserves is certainly a step in the right direction in that regard. But the fewer people in uniform who walk our city streets and our communities, the more difficult it is to convince Canadians that the Canadian Forces are an important element of security and defence in this country. We view as a very positive development not only the 3,000 announced, but the plans we know are in the works for potential increases beyond those 3,000.

The decision some 25 or 30 years ago, or even longer ago than that, to concentrate a lot of our military on major bases away from population centres, and the decision, for instance, to eliminate the presence on our university and high school—but principally university—campuses of the Canadian officer training program personnel, have resulted in a separation, a distancing, between the military and the population, and all of the results have been somewhat negative with respect to the armed forces.

We applaud any effort to increase the reserves. We applaud any effort to reinstall the military in the view of Canadians—wherever, on campuses and anywhere else in our cities—for the simple reason that “out of sight, out of mind” needs to be set aside.

Mr. Dave MacKenzie: Let me ask you a small question with respect to how we utilize our reserves. Is our high percentage of utilization of reserves because our regular forces are small to start with and we need to utilize them?

Col Howard Marsh: Yes, that's a part of it. The other thing is that the reserves currently have a whole suite of skills that the regular force does not have. The other thing is that there are a large number of Canadians, especially those in the 20 to 25 age group, who are doing, say, graduate studies and will go to a reserve unit and join—become a corporal, perhaps in the intelligence branch—and look forward to a six-month tour, where they can come home with \$10,000 American in their pocket to pay off their studies. So there are some high incentives in those areas.

Mr. Dave MacKenzie: Okay.

Thank you.

The Vice-Chair (Mr. Rick Casson): Thank you.

Mr. Rota, and then we'll go to Mr. Perron and then to Mr. O'Connor.

Mr. Rota.

Mr. Anthony Rota: Thank you, Mr. Chairman.

I have a couple of questions regarding the acquisition process. I'm a bit troubled—or a lot troubled, but not really surprised—that 90% of the milestones are missed in the projects. I guess the question is, how large are these projects and by how much are they missed?

I ask that question and I'm going to qualify it.

One of the observations that came up from the Auditor General was that the project management process within the armed forces is somewhat flawed. There seems to be a three-year rotation in and out. Project management is something you develop over a lifetime. You don't just come in for three years, take a course, and by the time

you're done you ship out and bring someone else in. It just seems to me it's a very expensive training ground for project managers.

There are two questions, I guess. Can you comment on the project management process and the people they have in place? Is it civilian? Is it military? Is it a combination of the two? And would it be better to have one that's long-term?

The other question is about the size of the projects. If they're behind.... If they miss the milestone by a month, it's not a big deal. After five years, or a year, I start to worry.

Can you comment on those?

• (1120)

LGen Richard Evraire: I would ask Colonel Marsh. He is much more expert in that area.

Mr. Anthony Rota: I see the iron ring there; he's probably the expert on this.

Col Howard Marsh: It needs to be a combination of military and civilian, and it currently is. Most project staffs are about 40% military and 60% civilian. The reason for the military component is that you need that officer who has 10 to 20 years of operational experience who knows what a sleeping bag is like in the cold. You need that military component. But your observation is absolutely right.

When I was director of land requirements, an officer posted to me, technically staff trained—whether he was trained in England or Canada or the United States—could only prosecute about \$2 million worth of projects a year. By the time he reached the fifth year of his career, or at least in his time with me, he was up to \$50 million a year. It takes a while to figure out where the buttons are to press within the department. So there needs to be stability on the technical staff side, and to some degree there is. I'm a technical staff officer, so perhaps I'm biased here. In the French forces they take their technical staff and create them as a separate group, which I think is called *les ingénieurs*....

[Translation]

LGen Richard Evraire: It is the General Delegation for Armaments.

[English]

Mr. Anthony Rota: Would this be like the Army Corps of Engineers in the United States?

Col Howard Marsh: No, because that corps of engineers are the people who build bridges and fix things. This group of armament engineers start their careers within the armoured corps or the infantry. They are technically qualified, and then their career path is basically an operational tour, and then they're posted to industry and they carry on like that.

They have a different pay scale, so a lieutenant colonel on that pay scale makes the same money as a brigadier general, because within all military systems you're not promoted unless you're operationally competent, and you can't be operationally competent if you spend 20 years of your career in industry. The French have gotten around this by establishing an armament engineer corps.

But you're quite right. A qualified person who specializes in that area is ten times more effective than a neophyte.

Mr. Anthony Rota: Very good. The other question....

LGen Richard Evraire: The delays in projects.

Col Howard Marsh: Oh, the delays in projects. It doesn't really matter. If the delay is at the front, you can't spend money at the back end. If the delay is at the back end.... Wherever you take that one-month chunk of time, it works its way right through.

Mr. Anthony Rota: I realize it's sequential. One causes the other; there's a causative effect. I was just wondering if there was an average on the size of projects, but I guess every one is different.

Col Howard Marsh: That's correct. You need to be aware that—this is my observation, I wrote on this—because it is so fearful for the Department of National Defence to go to cabinet for approval, it is, I believe, avoiding going to cabinet. Cabinet has demonstrated over the last 40 years that when you bring a large project for approval—over \$100 million—you'll likely have the money taken from you or a solution will be imposed on you that you do not want.

It's been my observation over the last 20 years that the department is getting around this by taking large projects and dividing them by the denominator that produces a number of projects under \$100 million. For instance, the CF-18 modernization is \$2.6 billion. It consists of 27 subprojects, each one under \$100 million. Now you have to have 27 project managers to look after the 27 components.

• (1125)

Mr. Anthony Rota: Do I have a couple of...?

The Vice-Chair (Mr. Rick Casson): No, you're a little over.

Mr. Perron.

[*Translation*]

Mr. Gilles-A. Perron: Good morning, gentlemen.

If we are to believe my friend's theory, after the events of September 11, which we are all familiar with, and after the end of the cold war, we must constantly be on the lookout for conflicts. Knowing that it will not have to face an army—terrorists do not wear uniforms nor do they have military armaments—won't the Department of Defence and the Canadian Forces have to modernize themselves based on this type of conflict? If so, what type of know-how and weapons must they acquire?

LGen Richard Evraire: It is clear that the threat is very different today from what it was before the cold war. The list of dangers now includes terrorism and unconventional warfare.

However, if you look at the list of military missions since the end of the cold war, you will realize that Canadian soldiers have had to fight in conflicts involving many weapons, the best example of this probably being Afghanistan. In no way should we limit ourselves strictly to military capacity and to training our troops to fight—if I may put it this way—simple terrorists. However, Canadian soldiers have to wear bulletproof vests and travel in protected armoured vehicles. They need a variety of weapons to counter the threat, which is not always easy to do. This threat is certainly not as obvious as the one during the cold war.

Consequently—and this is repeated often—a combat-ready soldier is ready for everything. However, we have to make sure that if we send our soldiers on a mission abroad, they will be able to wage a traditional war armed with the appropriate weapons. We hope to find out within the next few days what the new defence policy will look like. It is to be expected—rightly, I believe—that the government will say in its policy that the Canadian armed forces need to develop or maintain their capacity to not only wage war against terrorism, which comes in all shapes and sizes, but also to intervene in any type of conflict potentially unfolding today. This means helping civilians, which means intervening on the lowest rung of a conflict, as well as waging conventional war, which is at the other extreme. So we need armoured vehicles—not necessarily tanks—direct-fire or indirect-fire weapons, and other things to fight the type of war which took place in the former Yugoslavia in the infamous Medak pocket, for instance, and to wage the type of war which took place in Afghanistan, when the PPCLI was deployed as the first Canadian Force in that country. So we cannot limit ourselves to a certain type of conflict. Otherwise, we would put the lives of our soldiers at risk if we did not give them the necessary capacity or military equipment should they be asked to enter a combat situation on a moment's notice.

• (1130)

Mr. Gilles-A. Perron: The type of conflict I am referring to could unfold at the base of a Hydro-Quebec tower between LG-2 and Montreal, or at the foot of the CN Tower in Toronto. Has national defence started thinking about how to deal with that type of conflict?

LGen Richard Evraire: Yes, indeed. Colonel Marsh is reminding me that we hope that the defence policy will address the capacity to intervene in any type of conflict, ranging from what you have just suggested—and we certainly hope this will never happen—to so-called traditional warfare. The government said that if it was to deploy troops abroad, a military intervention would be complemented by diplomatic and humanitarian interventions as well. So if our soldiers are to contribute effectively, they will not only have to be trained in combat, but also in a whole series of other types of interventions perhaps less military in nature, but taking place within a military framework nevertheless.

The Vice-Chair (Mr. Claude Bachand): Thank you, Gilles.

Mr. Khan, you have the floor.

[*English*]

Mr. Wajid Khan: Thank you very much.

It's wonderful to hear you, General Evraire and Colonel Marsh. I have so many questions I don't even know where to begin. However, I only have five minutes, I understand, so I'll throw a couple of questions at you and listen for your answers.

Internationally, the world is far more unstable today than it's ever been. And whether it's pandemics or peacekeeping missions or war and terror at home and abroad, whatever the case may be, the load of the army has exponentially increased, but we still can't depend on the conventional type of armed forces.

So my question is, what would you identify as your top three priorities? What kind of a military should we have or focus on? Obviously you can't tell me how to bring in efficiencies in the procurement areas, but you can certainly talk about the airlift capability, which previous witnesses have mentioned as well.

We talk about the necessity for the airlift capability, but I have not heard an answer as to how we acquire it. We can't afford to buy it because to buy and to maintain it will take almost 40% of your defence budget. So is it a possibility that we can get a couple of Nordic countries together with us and buy or lease one of these that we can use collectively? I'd like to have some answers as to what we should do rather than what isn't there. And obviously defence, I believe, is very much an extension of foreign policy.

The last question, if you have time to answer is, what is your view of the belief that our emergency preparedness and our security matters should be led by the military rather than separate departments?

LGen Richard Evraire: If I could share the answer with Colonel Marsh on this one, let me begin by suggesting that it is very important, whenever the choice is available, for the military not to undertake tasks that are really not its responsibility. We have police forces and a variety of other intervention forces in Canada that must be fully integrated in whatever national in-country responses are required. The ideal situation is for the armed forces not to be employed in those sorts of tasks, so they could concentrate on intervening with the equipment and the training they have in the worst-case scenarios.

Nevertheless, we do call upon the armed forces to help if there is no requirement for them to be anywhere else. I have to point out, however, that quite a number of military personnel from the west coast and the prairies were called in to put out forest fires in British Columbia, as an example. Forgetting about how they got there, the fact remains that while they were employed doing that, there were many other jobs that they would normally have been required to perform where they were not employed. Maintaining equipment is one of those.

So in the very first instance, the forces should not be employed for tasks that more properly are those to be performed by other groups.

Colonel Marsh.

• (1135)

Col Howard Marsh: I'd like to respond to your observation to say that it is quite valid. There's a lot of statistical analysis showing that the demand for military equipment or intervention is increasing. But one statement you made that I wouldn't hold to be true is that we can't afford tactical airlift.

At the present time the Department of National Defence is spending about \$385 million—this year—to maintain 31 Hercules aircraft, 19 of which are parked and the other 9 can—

Mr. Wajid Khan: I'm talking about heavy airlift.

Col Howard Marsh: We have approximately \$400 million to maintain a junk pile, and that amount over 10 years is \$4 billion. I'm quite sure that we could go to an aircraft supplier and probably buy six C-17 Globemasters and twenty C-130J Hercules aircraft if we said we'd pay \$400 million a year for the next 10 ten years. The

supplier would probably say, thank you very much, and we would probably walk away with twenty C-130Js and six C-17s. We could probably solve this problem in about 12 to 18 months.

Mr. Wajid Khan: What's the difference in care and capability between the C-130Js and the C-17s?

Col Howard Marsh: When you have a CC-130J, which is a Hercules, you have relatively short range. When you put 20 tonnes in the back of a Hercules aircraft, you can only go 1,000 kilometres. You can only fly at 400 miles per hour, so you can't go into the international air lanes. So you have to bounce around. If you're flying a Hercules from Toronto to Vancouver, you have to stay outside the air routes because you can't stay up with the jets. It takes you 7,000 kilometres. You have to land seven times and fuel up to get there.

But they're great when you get to the far end and you have to do 500- to 1,000-kilometre sprints into an Arctic airfield. The larger aircraft carries 180,000 pounds—90 tons—and once it gets airborne, it can stay up there and travel at 650 kilometres and go 5,000 kilometres.

I think we actually need a combination of the two, given our history and given the kinds of airfields we go into, because the reality is that when you take a map of the world and you put on the areas of the world where the problems are and then you look for runways in those problem areas, you come up with a shortage of runways.

LGen Richard Evraire: In answer to the broader question about what we, the CDA, believe would be required as an overall description of the armed forces, this has been articulated and mentioned a number of times, and we're hopeful it will be included in the defence policy as its primary and essential purpose.

We believe, first of all, that we need armed forces to contribute to the defence of Canada and North America. The exact size and nature of that force has yet to be determined, and we tend to stand away from that because those who are in a best position to determine size, composition, and nature are the members of the forces themselves, given the task they've been provided.

We also believe, as a G-7 or G-8 country, and given the nature of our economy, our place in the world, and the place we want to occupy in the world, we must contribute to alliances and to, more generally, peace and security in the world. In order to achieve this, we believe there is a requirement for Canada to have a deployable force—the exact size of it, ideally, a brigade, a couple of large battle groups, yet again depending on exactly what amounts of money the government makes available.

This force should ideally be deployable independent from allied assistance, but there are options there as well. In order to contribute meaningfully, we need to have something in the nature of a brigade group that would be deployable and sustainable as well.

If we do not contribute this, then the viability of our contribution will be in doubt, and I think we would be renegeing on a responsibility that otherwise we should be able to take on.

The Vice-Chair (Mr. Rick Casson): Colonel Marsh.

Col Howard Marsh: May I just respond? I think the last question really underscores the main thrust of our presentation—that is, the impediments of the public administration of defence. That's the main problem.

The reason the department can say to you that it doesn't have enough money, but it has enough money, is because of the artificial barrier of vote 1 and vote 5 money laid down by the central government.

Vote 1 money, as you know, is such that when you have bought something and it's up and running, you can get all the vote 1 money you want to pay for the salaries and the operations and maintenance. You'll find there's \$400 million of vote 1 money to sustain the Hercules fleet, because it has been around for 40 years, but there's no money in vote 5 to buy a replacement. At the present time, there is no mechanism that allows you to take \$400 million out of vote 1 to move into vote 5 and go and make a new acquisition. It's one of the impediments that I suggest you focus on.

• (1140)

The Vice-Chair (Mr. Rick Casson): Mr. MacKenzie.

Mr. Dave MacKenzie: Two of the buzzwords are “integration” and “interoperability”. When we talk about acquisition, why do we need to do everything totally on our own? When we're operating with other organizations—Americans, the British, or whoever—why do we need to re-examine the whole thing when we want to purchase equipment?

LGen Richard Evraire: Without being totally obvious in our remarks earlier, I think we suggested that we don't have to reinvent the wheel in every case. A great deal of capital equipment could be purchased off the shelf, and in some areas this ought to be done, as opposed to going through the nightmarish procedures that Colonel Marsh described earlier, in satisfying requirements that, in many cases, quite honestly, we convince ourselves are necessary but only delay the acquisition of equipment and in the longer run make it risky for our men and women of the forces to go on deployments, so we don't.

The Vice-Chair (Mr. Rick Casson): We will go to Larry, and then back across the table.

Hon. Larry Bagnell: We don't have a boat in the navy that can go in, or through, or under the ice. Do you think that should be in our future capital plans?

Col Howard Marsh: You're quite correct. The strongest hull we have in the navy allows us to go through four inches of ice, which basically keeps us out of most of the Arctic, or most of our waters, for nine months of the year. You have to overcome that issue.

Hon. Larry Bagnell: I am just going to re-ask a question Mr. O'Connor asked of the last group.

Obviously, we're modernizing our navy and armed forces and putting in the different resources needed in the modern armed forces, like UAVs, the north, and airlift, etc. We therefore also probably have to remove things that aren't as essential in today's world, as Mr. Perron was saying.

What types of things do you think we could remove from our present configuration?

LGen Richard Evraire: We would not wish to give you an answer to that question, and I will explain why.

Given the fact that the armed forces have been reduced to the barely 50,000 number we know today, and that Canadians have reached the point where deploying a battalion group, or two groups, offshore is considered a “gee whiz, aren't we great” deployment capability, we consider those levels to be shameful, given the nature of this country, given our history, and given what we hope to achieve in terms of foreign policy and security and defence. So we don't think we should be cutting back; we should be increasing the number of the forces, which the government has announced at least partly, or as a partial solution.

Yes, there may be infrastructure here and there, or buildings, that could simply be done away with rather than maintained. All of this is a very complex issue. But if we were to increase the forces, some of the infrastructure we would currently want to get rid of may become very useful in the future.

What has happened over time is that we have so ill-maintained a lot of our equipment—our bases and equipment—that we have reached the point where maintenance is no longer an issue, because the buildings are simply unsafe and unmaintainable.

So the bottom line, as far as we're concerned, is that we can't be satisfied with what we're doing now. Even if we make it more efficient, it's simply not enough, and we ought to be ashamed at how little it is that we can in fact deploy offshore, or provide as part of our North American and national defence.

• (1145)

The Vice-Chair (Mr. Rick Casson): Thank you.

Col Howard Marsh: I would just add anecdotally to that, because I know a lot of people think that one thing you can do is to park the tanks, but sadly, the tanks have been parked. Every time you park a capability, you lose a tool.

A lot of people don't realize that the tank is the only vehicle in Canada that has a neutron shield and an NBCW closed system. So if we had a radiological attack in Canada, it is likely we would have to bring the tanks out of service, or put them back into service, in order to ferry people in and out of a dangerous environment. The tank is the only vehicle in Canada that can forge through 1.5 metres of water without preparation. So if you had a major flood in a city and you wanted to ferry people through water over 6 feet, the tank is probably one of the best things going. It also has a 20-tonne drawbar pull, so it can push and pull 20 tonnes of debris. It is an incredibly flexible vehicle that could be used when you get into extreme national emergencies and disasters, and the fact that it only costs \$28 million a year to maintain means it's one of those cheap tools that you really don't want to get rid of.

Thank you.

[Translation]

The Vice-Chair (Mr. Rick Casson): Thank you.

Mr. Bachand, it is your turn.

Mr. Claude Bachand: Thank you, Mr. Chairman.

Before expressing my point of view, I would like to come back to the example you have just given us. I have the impression that, since the events of September 11, there is a generational conflict in the perception of what constitutes a real danger. I have often heard it said that generals are always behind by one war. I do not know how you would translate this in English. I would like to discuss this with you. A little earlier, I was talking about philosophy; and now, I would like to talk about military doctrine.

I think that military doctrine has changed tremendously since the events of September 11. We used to have a military doctrine based on thousands of years of history. Napoleon's armies, as well as Caesar's armies, knew who their enemies were on the battlefield. But today, this military doctrine has completely changed. We also cannot be expected to change as dramatically or with as much flexibility as our enemies have, that is, the terrorists. I do not think there is anyone left who would want to confront the U.S. army on a battlefield. Their only battlefields are the elements of surprise and the well-known asymmetrical threats they have made.

It is for that reason that members of Parliament will not only look at the capacity of Canada's armed forces, but also at how the various police forces could counter these types of asymmetrical threats. I have always said that I don't believe that North Korea would launch an ICBM. However, I do believe that weapons of massive destruction could one day enter an American port in a container.

So there is a kind of generational conflict. Sometimes people do not want to let go of things they believe are important, such as tanks, aircrafts, aircraft carriers, C-17s, new weaponry, and so on. I sometimes have the impression that we are letting the new military doctrine pass us by. How can we deal with these asymmetrical threats? Are there today people in positions of authority, on the military side as well as on the civilian side, who understand that these threats cannot be countered by purchasing 300 tanks or 10 C-17s? I am not saying that it should not be done. Indeed, if we have an international intervention policy to support stabilization, peace-keeping and reconstruction, we need equipment; it can be very useful. However, as for the real asymmetrical threats, would you agree with me that the military doctrine must change and that it has not yet changed enough to deal with what is really at stake?

LGen Richard Evraire: I both agree and disagree, Mr. Chairman, because the armed forces have made huge changes to their doctrine. Those representing the current doctrine have gone through the era we are living in. They are the soldiers who were deployed to Afghanistan and to the former Yugoslavia, as well as to many United Nations missions. As you know, we even have soldiers who were in the Iraq conflict as members of the British and American armed forces.

In the debate on military doctrine, these people have brought forward all the elements you have mentioned as far as waging asymmetrical war is concerned. They have concluded that it is absolutely essential to redirect the doctrine in order to counter the asymmetric threat. These people are also responsible for the lives of the soldiers under their command and realize that far from being harmless, asymmetrical war is extremely dangerous. As a consequence, they are not about to turn their backs on their comfort zone, which is knowing they are protected by what you refer to as the military elements of the last war. They are not about to strictly limit

themselves to what could be called much lighter weaponry to fight terrorism, for instance. They need a whole range of capacities.

Will we one day have to fight the type of war we were ready for, such as the time I was the commander of the Canadian brigade in Germany and our enemy was the Soviet army? I do not know. But if we get rid of all these capacities and we need them in three, four or five years, we will never be able to get them back. We may have lost them forever. In any case, it would not be easy to get them back quickly enough. Let us not forget that, during the Second World War, we had virtually no capacity to begin with, but we created one. It took many years and cost a lot of lives before we reached the point of being able to fight on the same footing as our enemy.

Therefore, in my opinion, the doctrine has changed. It has changed so much that, if I joined the armed forces again today, I would feel lost.

• (1150)

Mr. Claude Bachand: It is a generational conflict.

LGen Richard Evraire: Yes, it is another generation.

However, I want to insist on the fact that today's generals, whom we often accuse of still being caught up in the last war, do not think that way at all, at least as far as I can tell. They are modern and turned towards the future; they are always on the lookout for the most recent changes and developments, and they try to include these factors in any recommendations they make to the government.

If I may, I would like to raise another issue, Mr. Chairman, since I am afraid that we may run out of time. It has to do with the fact that we should not expect too much from our armed forces, and the fact that they are often sent on missions for which there are not always enough troops. You have before you a slide which shows that we need 8,000 more troops in the Canadian Forces. That will cost \$80 million.

[*English*]

But the startling fact is if the Canadian Forces are to increase the total number of personnel by 8,000, the best guesses are that we will need 48,000 new people walking into recruiting centres to sniff around, 30,000 of whom will in fact turn into applicants and enrollees. In other words, out of that 48,000, 18,000 won't come back. Half of that number will actually enter the forces as recruits and will be under training, and out of 15,000, only 8,000, the number desired, will eventually turn into trained and effective operationally employable personnel in the forces.

The difficulty of about 48,000 walking into recruiting centres, of course, is that the Canadian Forces are fighting against any number of other interesting careers in Canada and people are being drawn away by any number of other headhunters, if you'll pardon the expression.

So recalling what the Vice Chief of Defence Staff said to the Senate Committee on Foreign Affairs and Defence last fall about not being able to recruit and bring in 8,000 in the sufficient time indicated at that time, the money has been made available, but the difficulty may be the lack of availability of interested candidates.

So even if there is a fair amount of optimism within the forces today about achieving the target of 5,000 regulars and 3,000 reservists, an optimism with which I can identify—the forces are always optimistic about what they can do—I think the task is an extremely difficult one, and we are not all that convinced that it will be achievable in the timeframe expected.

•(1155)

The Vice-Chair (Mr. Rick Casson): Thank you.

That led us through a couple of rounds of questions and it brings us to the end of our time.

Do you have any other comments you would like to wrap up with?

LGen Richard Evraire: Other than to say we are again very grateful for the opportunity of appearing in front of your committee, sir, and to repeat, finally, that the CDA is more than willing and, dare we say, able to contribute more to the process of the policy development process in regard to security and defence.

The Vice-Chair (Mr. Rick Casson): After today, your ability to do that is clear. We're off to a good start on this portion of our work. Thank you very much.

The meeting is adjourned.

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