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**Chair**

**Mr. John Cannis**

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## Standing Committee on National Defence and Veterans Affairs

Tuesday, October 25, 2005

• (1125)

[English]

**The Chair (Mr. John Cannis (Scarborough Centre, Lib.)):** I call this meeting to order.

Before I introduce our guest, I would like to take the opportunity to welcome some changes. As you know, it's a new sitting and staff have kind of been moved around. I would like to first of all welcome our new clerk, Andrew Chaplin, who is a well-experienced individual. He certainly comes with great recommendations from his past experience, and we look forward to working with him.

I would also like to thank Angela Crandall for the tremendous work she has done on this committee. I would like your permission, as a suggestion, to put a letter of thank you on behalf of the committee to her.

**Some hon. members:** Agreed.

**The Chair:** With that we'll go into our meeting. I'd like to welcome to the Standing Committee on National Defence and Veterans Affairs, as we do our review of defence policy, from Queen's University, Dr. Douglas L. Bland, chair of the defence management studies program of the school of policy studies.

Dr. Bland, welcome. I know you have a guest with you, so please introduce him. Normally we go with your presentation and then we go to questions and answers, with seven minutes for each member.

Sir, the floor is yours.

**Dr. Douglas L. Bland (Chair, Defence Management Studies Program, School of Policy Studies, Queen's University):** Thank you, Chair.

Ladies and gentlemen, I'm going to make my remarks based mainly on some new research—a little advertisement—in this study we completed at Queen's University this year called *Transforming National Defence Administration*. One of the authors of one of the chapters in this pamphlet is Colonel Howie Marsh, whom some of you may know. Colonel Marsh has a long experience with the Canadian Armed Forces. He too was an armoured officer, which makes him especially qualified. He is now a research associate with the Conference of Defence Associations Institute. While I'll make the main remarks here, if we get into areas that Colonel Marsh has researched, perhaps I'll ask him to join in the conversation.

What I'm going to do, Chair, is give five main messages. I'll say those right out front now, and then I'll go into some detail in more elaborate remarks. The messages are these.

First, the Canadian Forces are in steep decline and must be recovered in the next five to six years before major capabilities literally disappear. Second, the present system of government-wide defence administration, the process that produces defence capabilities, is inadequate to this task. Third, the Minister of National Defence and the Chief of the Defence Staff cannot achieve the transformation or resurrection of the Canadian Forces outlined in the defence policy statement because neither is in control of the government-wide process that produces defence outcomes. Fourth, in my view, Parliament must immediately direct a reordering of the laws, regulations, and responsibilities for defence administration in the country. Finally, in my opinion, the Minister of National Defence and the CDS must be given additional powers for defence outcomes so as to concentrate responsibility and accountability in one authority or in as few as possible.

Let me turn to some more detailed remarks. I would like to talk about what we at Queen's University are terming the new defence agenda. The old agenda was centred on strategic studies and strategic studies research aimed at defining Canada's defence problems. Once that was accomplished—or so the argument went—governments would then produce a rational policy to meet the defence needs. However, strategic studies and strategic assessments inside and outside government do not matter greatly in the formulation or conduct of Canadian defence policy. If you miss that message, if you don't understand how Canadian defence policy is actually made, your deliberations and recommendations might well unintentionally miss some important points.

So what does drive defence policy in Canada? It is not the rhetoric of a few or occasional white papers. Defence Minister Brooke Claxton warned senior officers in 1951 about strategic planning regarding NATO. He told them that what they were offering government was unrealistic and ignored “the facts of national life” upon which policy must be built.

Robert Sutherland, a brilliant defence scientist in the Department of National Defence in 1963 advised Paul Hellyer that a wholly Canadian strategic rationale for defence “does not exist and one cannot be invented”. Nevertheless, Paul Hellyer attempted to invent such a strategy, but Lester Pearson dismissed it out of hand, saying that Canada doesn't need efficient armed forces.

In the defence paper in the 1970s, Trudeau's government declared "it is not possible simply to state defence requirements and call that the defence budget". He went on to say rather that "defence decisions including budgetary decisions ought to be based on the judgment and selection of activities in relation to other government operations".

In 1994, the new Liberal government spent months researching defence policy options and encouraged the joint committee of the Senate and House of Commons to conduct a wide-ranging review of policy. In fact, I recommend that study to you today.

The review engaged nearly every leading scholar of strategic studies in Canada. Ultimately, the government dismissed the committee's detailed report. The Minister, David Collenette, declared their recommendations in the 1994 white paper on defence, "inconsistent with the financial parameters within which the Department of National Defence must operate". It is the facts of national life that drive Canadian defence policy, and these facts are based in domestic political attitudes and domestic political needs—not very much by assessments of the strategic picture we're facing.

• (1130)

Since 1952, no Canadian government has provided to national defence what is needed, as the old agenda might try to describe. Governments provide what is available for national defence, not what's needed for national defence.

To paraphrase Dr. Joel Sokolsky of the Royal Military College in Kingston, the government provides how much for national defence? Just enough for national defence.

The reality is this. The government says to the defence minister today, "Here's \$13 billion. Go and see what you can get for it, and please don't come back." The actual defence policy outcomes, capabilities, and so on, are determined not by strategic studies but on how the defence budget is administered by officials, but no one set of officials is actually in charge of these outcomes.

The new defence agenda that I'm speaking about is aimed at highlighting this distinct order of things and making recommendations and suggestions to governments on how to improve outputs from our defence administration.

Let me just step back for a second. What's the purpose of armed forces? Their purpose is to provide coercive force or the threat of coercive force, or deadly force, to be used at the discretion of the government. The aim of defence policy is to describe the where, when, how, and with whom you will use this force. The aim of defence administration, on the other hand, is to organize, equip, sustain, and hold ready the armed forces. Efficiencies of defence administration must be measured against these objectives.

Put simply, how well does the government-wide—and I emphasize government-wide—system produce combat output? The amount of money that any government is going to provide to national defence over the next number of years can be predicted, I think, with some confidence. The floor is 1% of GDP, and that is established by the squeals of our allies and by organizations such as the Conference of Defence Associations. The ceiling is 2% of GDP, and that's established by the squeals of the finance minister and perhaps people on the left who have other agendas.

From the defence policy statement, we know what the government wants the armed forces to do, in general. We know what funding levels are going to be. We know that to increase Canada's defence potential we must ruthlessly manage the "just enough" that the government gives to the armed forces. I'm afraid, in assessing the government-wide system, that we can't get there from here in time to avoid major crashes of capabilities. The government-wide system of defence administration is snarled in red tape and immersed in interests of other departments, other agencies, and other people, and it's been that way through successive governments.

The new defence agenda poses questions about what needs to be done and how we might do it efficiently where combat output is the measure of success. Let's look at a few issues that we have on the agenda as we're defining it now in our new research program.

Again, let me clarify the first question. What do we want the armed forces, the Canadian Forces particularly, to do? As I said, the purpose of armed forces is to act as an instrument of controlled coercion. The question we want to ask is not what tasks do we want the Canadian Forces to do, but rather, when, where, and with whom, and at what level of intensity do we want the Canadian Forces to do those principal things that armed forces do, that is, to threaten and to apply deadly force to resolve social and political conflicts at the direction of the government?

The second agenda item, and they're not necessarily in order, is that the Minister of National Defence and the Chief of the Defence Staff are not solely responsible for defence outcomes. Other ministers and agencies have a great deal to do to meet defence objectives. However, the internal policies, organizations, and procedures of the Department of National Defence and National Defence Headquarters need to be rethought.

• (1135)

In 1947, General Charles Folkes set the standard for National Defence Headquarters—I think. He said it ought to be a small, thinking headquarters, devoid of administrative responsibility. We're not there yet. In fact, the reality might be quite the reverse.

The latest study, in 2003, was commissioned by then Defence Minister John McCallum. It's called the "Minister's Efficiency Study". Again, I recommend it to the committee. It has a ring of truth about it and a good feel for the general state of the problem in the headquarters. The report states, among other things, that there are many things done in National Defence Headquarters that don't need to be done there—or anywhere.

The efficiency study recognizes that national defence is a national effort of the government; it's not a public good produced by the Department of National Defence. National defence is not the responsibility of the Canadian Armed Forces. The Canadian Armed Forces are merely the instrument of policy. National defence is the responsibility of the whole of government, of all departments, agencies, and ministers. It follows, therefore, that the Prime Minister and cabinet, not just the Minister of National Defence, must lead this policy area.

Third, we need to decide how best to budget for national defence, and we need to do that in terms of how many dollars, what capabilities, and so on, we need to produce the kind of force we want. We need to look at how much, what scale, what scope, and at how to produce it. We need to know who does what in this town, how they do it, and where they make contributions to national defence. We need to do that soon, and we need to understand the so-called tooth-to-tail ratio—how much effort for what we're getting from it.

Fourth, in this context we need to talk about defence procurement. People are beginning to do that. The minister is keenly aware of the problem and is seeking solutions, and we are doing new research at Queen's in the area as well.

In Britain they talk about interdepartmental defence cooperation—as perhaps only the Brits can use their language—as “joined-up government”. Defence procurement in Canada is like joined-up government, but it's in fact more like jammed-up government. For example, a major crown project, anything costing more than \$100 million, involves at least nine departments or agencies of government and people outside government to reach a decision. If it is a smaller project, surprisingly, more people get involved. Try convening a meeting of nine department heads in this city anytime soon, and then try to get the idea or the decision from the officials marched through cabinet. We need to look at how we produce combat output more rationally and quickly.

One suggestion is that Parliament look carefully at concentrating more responsibility and authority in the office of the Minister of National Defence.

We have a new study, as I mentioned, under way now at Queen's University, which will be finished, I hope, in the spring, led by a senior, very knowledgeable official. I have asked the research team not to talk to me or anybody else about what the problem is. We want them to produce a report on procurement that states what the solution is, despite present rules, regulations, and so on. If we have to rebuild the Canadian Armed Forces in five years to save us from the collapse of capabilities, how are we going to do that?

Fifth, we need to adopt a bias in favour of combatants when we talk about people. There are more than 60,000 people in the Canadian Forces. How many of those are front line, at the sharp end, and how many are at the blunt end of the spear? We need to know that.

Why do we have more than 80 classifications for officers and non-commissioned members in the armed forces? I know that talking about the old days is not always useful or helpful, but in the 1960s, when some of us joined the armed forces, of more than 50,000 people in the army, everyone—officer and non-commissioned member—was in one of 11 classifications. That included nurses, doctors, dentists, lawyers, infantry officers, and on and on. All these classifications have their own branches of service now. They have their own managers. They have their own processes.

● (1140)

I think it would be useful for the committee to think about and talk about the concept I call, not perhaps originally, active reallocation for defence matters. By that I mean how are we going to take

things—without increasing, if necessary, allocations of funds—from the blunt end of the spear and put them in the sharp end of the spear? That's the question.

The main message that this committee, in my view, needs to acknowledge comes from, again, John McCallum's “Minister's Efficiency Study”, where the commissioners of that study wrote:

Without fundamental transformation of the national level of management framework and practice of the government, the Department of National Defence, the CF will not be able to transform itself rapidly enough to adapt to Canada's strategic environment.

I would add, nor will the Canadian Forces be able to survive the collapse of major capabilities, nor will the Canadian Forces be able to meet the objectives of the defence policy statement.

To conclude, some might think I'm being pessimistic, but in my way, I think we should cheer up, because it's going to get worse before it gets better.

Two years ago, some of us worked on a project with a Toronto-based organization, the Breakout Educational Network. They produced an award-winning series on the Canadian Armed Forces called *A Question of Honour*. I recommend that to you as well.

We called our project then “the seven-year project”. That was the term that I decided, somewhat arbitrarily, would be needed to rebuild the armed forces rapidly, if the government and the government-wide system was interested in doing so. The timeline is very close, because, as some of us argued in the pamphlet *Canada Without Armed Forces*—I hope some of you had a chance to look at it—we have only seven years, and maybe less, before these significant capabilities collapse.

Now we have five years. Even with the full support of government, the transformation is going to be difficult, if not impossible, and it will be especially difficult if we try to run it on the system we have in place. We can do better than this if we want to.

In 1950 the Canadian military was about 30,000 people, with a propellor-driven air force, old ships, broken-down bases—I know; I lived on one of them. By 1957 the Canadian Armed Forces was 120,000, with a superb jet-driven air force. We joined NATO. We formed and joined NORAD. We constructed the Pinetree radar line, the mid-Canada line, the DEW line, reconstructed bases across the country, and we deployed 10,000 soldiers in the army component of our deployment into Europe and 12 fighter squadrons into Europe. We fought the Korean War and sent a force to the Middle East, all in seven years.

Parliament can make these things happen if they want to. In essence, the government of the day saw that defence underspending hobbled Canada's foreign policy. Ministers came to Parliament, they saw what was going on, and they got to work to fix the problem.

Today, as in the 1990s, our Parliament faces a crisis of defence and foreign policy, and the response is, quite frankly, gentlemen, that they came and they saw, and many people walked away from the problem.

So what's the first order of business on the new defence agenda? It's to get Parliament embroiled in leading the reform, the reorganization, and the transformation of defence administration, so that willing people in government, in the armed forces, in the department, and outside the formal system will have the authority to act effectively to provide for Canada's national defence.

In 1994, in the Senate and House report on national defence, senators and members of Parliament jointly declared that Parliament is not paying sufficient attention to Canada's national defence. It's somewhat better now, but is it good enough? Defence planners know what to do, but jammed-up government is not the answer. People need your support to do what they all know needs to be done. They are simply asking Parliament and political leaders for the authority and tools to do the job.

I'll be happy to answer any questions, and I know I can depend on Colonel Marsh to back me up. He is, after all, an engineer and I am just an arts student. Thank you very much.

• (1145)

**The Chair:** Mr. Casson.

**Mr. Rick Casson (Lethbridge, CPC):** Thank you, Mr. Chairman.

Mr. Bland, thank you very much. When you were finished, I wanted to applaud, but I will hold that back.

You've brought up a myriad of issues, and ones that we've been hearing about on this jammed-up, plugged-up system, particularly procurement, but not restricted to that, of course, where it takes on average 14 years to get a piece of equipment. It's absolutely hard to understand how that could happen.

I'd be interested to see the study you're working on right now, with answers, with what needs to happen and what should happen and what has to happen for us to carry forward, instead of rehashing what is presently happening. The timeline is short, as you indicated, five years from a point where we start to seriously lose the capability we have left, and we can't let that happen.

On the issue of the combination and the mixing of the military and the bureaucracy and how that blends together or does not blend together—and you touched on that a little bit—I'd like you to expand on that and give us your opinion on who should be calling the shots.

We've been told that increased dollars are fine, and that's needed; however, the structure is not in place to actually spend the money. There are not the kinds of teams put together and people in place to actually make it happen. We're concerned about the issue of value for dollar. Is sole sourcing the way to go or is it not? And there's the question of transparency. All of these things have to come in, because, as politicians, we have to have that oversight, but at some point in time we've got to turn the right people loose to do the job and to get it done.

Could you key in on procurement a bit, the mix of the civilian and military people, and what has to happen there for this thing to work properly so that we can start to get the type of equipment and capability that we're going to need to carry on?

• (1150)

**Dr. Douglas L. Bland:** Mr. Chair, over the years, I've spent a lot of time trying to explain to myself and to other people how a

national defence headquarters actually functions. Most people tell me that you can't find out because it's too complicated.

On the question of the structure, I'll put it this way. I don't think in the present circumstances there's anything fundamentally wrong with the present structure—although there was in the past.

The Department of National Defence and the Canadian Armed Forces are, in law and custom, two separate entities. The minister is minister of—he has other responsibilities, at least two separate entities. Each of those entities has their own head: the Chief of the Defence Staff, on the one hand, and the deputy minister of the department on the other hand.

A modern ministry of defence needs to have a close relationship among three elements: the political authority, the office of the minister, the minister himself; the military leader; and the senior bureaucrats. Each have their own—again in law and custom and tradition—areas of responsibility. For instance, in my view, the CDS has vested rights that he does not take from the minister's rights; he's not a delegate of the minister.

The headquarters set-up—beginning with Paul Hellyer, who was very insistent that the three elements be separated—has matured over years now. We've allowed that to mature well. Where it ran afoul was in the 1970s. It went through an act of administrative mayhem. People decided that the Department of National Defence and the Canadian Forces were a single entity and needed one head. Parliament wouldn't let them have one head, so they created a diarchy and caused all sorts of confusion.

I asked the Minister of National Defence at that time—Mr. McKinnon, a nice, conservative gentleman from Victoria—whether the CDS was superior to, subordinate to, or equal to the deputy minister. The minister said he didn't know and that he couldn't find out. That's when we started to run into great numbers of problems of accountability and so on—culminating in the Somalia inquiry—when you couldn't find out who was making decisions for what.

So the present structure, in my view, is right. The scope and scale and the internal workings of the relationships are fine. There's no reason a military officer shouldn't be appointed to the deputy minister's staff as long as he knows he's working for the deputy minister. When a civilian is appointed to the Chief of the Defence Staff's headquarters, he has to know he's working for the Chief of the Defence Staff. And the minister has to know who everybody is working for and where he's getting his advice from.

On the question of single sourcing, I'm told there are already rules and regulations in place that allow for emergency procurement, which can't be used too often, but there are also ways to provide for rapid contracting.

The timeline of the procurement cycle has many features. The delays are caused by a number of things. If you speak with my colleagues—and I'm sure you have—from the Department of National Defence, they are mostly worried about the political problem of reaching a decision. They can come forward with a major crown project and then be stalled to see if it can be better bought someplace else and so on, which can add years to the program. We see that with the maritime helicopter project.

There are four simple stages of procuring: you decide what you need; you go shopping; you select something; and you buy it. That's how I do things I think most of the time—maybe not in that order. That's the procurement system for national defence.

• (1155)

The complexity sets in when all the other departments and agencies in town and the political community, all with different interests, different agendas, and different priorities, get involved. Having said that, I don't deny for a second the political community's right and responsibility to make the decision.

**The Chair:** Dr. Bland, we're going to go to the next questioner. I know we're going to get back to it again.

We'll go to Monsieur Bachand.

[*Translation*]

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Chairman, first I have a request. I enjoyed Mr. Bland's presentation, and I'd like to have a copy of it. Would it be possible to send your presentation to the clerk of the committee? I admit I'd like to reread it. I believe it could be very helpful to us.

You even mentioned during your presentation that what you were telling us was perhaps a bit negative. You also spoke about a glorious past, which probably culminated in 1957 with 120,000 soldiers, a modern air force, construction of the Dew Line and Canada's participation in the Korean War. You mentioned the capability of using deterrent measures ranging up to lethal force, putting that at the government's service.

I have a great deal of respect for you, but I believe we're now in new circumstances, in that the warrior we have to face today is a terrorist. He's a terrorist who has no uniform, who is ready to sacrifice his life, taking as many people with him as possible. That's very different from the glorious era, when we had an army facing a clearly identified enemy and a doctrine for knowing how to use our forces to the best of their ability to defeat that enemy.

Today, however, we're in completely different circumstances. There are points on which I agree with you. As you know, we're waiting for a document that is to accompany the defence policy. If we have this kind of policy, equipment has to be procured on the basis of that policy. Today, defence policy is to be preemptive and not to wait for the new terrorist warrior to come to Canada. We have to go and stabilize countries, and Afghanistan is the best example of that. That takes very specific equipment. Do we need an aircraft carrier to do that? I don't believe so. Do we need a joint strike fighter to do that? I don't believe so. We need a well-equipped army.

In conclusion, I'm going to ask you for your thoughts on the importance of Parliament. We are elected representatives, and we have a very great responsibility. We manage taxpayers' taxes. As you know, in our society, there aren't just military needs; there are also health, education and other needs. We're trying to do the best we can. I've always somewhat criticized the inability of the Standing Committee on National Defence and Veterans Affairs to have a major impact on decision-makers. We proceed with a study, submit it to the government, the government takes what it wants, whereas, in the United States, the armed forces committee has a say in the budget.

With all due respect, do you agree with me that circumstances have changed? You too must admit that we in Parliament are limited, particularly when we deal with generals and people like Mr. Marsh and Mr. Pellerin, who have more than 30 years' experience in the armed forces.

We're trying to determine whether we're doing useful work with the taxes that we have in society. Are we giving enough to National Defence? I even think we're giving too much because we should perhaps make some internal changes to correct the situation.

I know I've addressed a number of subjects. I'll turn the floor over to you, but I would like you to react to the idea that we're in new circumstances and that the Canadian forces' glory days of 1957 are over.

[*English*]

**Dr. Douglas L. Bland:** Mr. Chair, of course it's a new context and it's an old context. The new context is the specific, particular situation we find ourselves in right now. The old context is the enduring nature of the international system, despite what some might wish it to be, of conflict and conflicts that suddenly arise, often from unknown locations.

Who in my generation—if I can use that term—would have thought we would be deploying the armed forces to Afghanistan? We thought we were going to Poland. Things changed overnight. In 1989 Gorbachev said he was going to do the worst thing NATO had ever heard of; he was going to take away the enemy. And he did. Things changed rapidly, and I am pessimistic enough to think that things will change rapidly again.

I admit as well that Parliament and members of Parliament are very much concerned and ought to be concerned with the distribution of Canada's tax money, but I think there's a higher priority. The safety of the country is the higher priority. That does not, from my point of view, give anyone licence to spend money frivolously, but I think what we are up against now, and I admire General Hillier, is a process of transformation. What we need to make sure of is that we're getting the most value from the dollars we are spending, and I don't think you can say that's happening.

I think members of Parliament need to make sure that the country has adequate forces now and adequate forces in the future. And my concern, and the concern of others, is that while the government may be addressing the present force sufficiently, we're not addressing the state of the future force. Defence policy or defence matters are shrouded in great uncertainty, and I think that's where we have to be careful.

• (1200)

**The Chair:** I think you're just over by half a minute. You're just over seven minutes, but you may make a closing comment, if you wish, Mr. Bachand.

[*Translation*]

**Mr. Claude Bachand:** I'd like to hear your opinion on the administrative reform you want to conduct. I haven't read your book. I see you've brought copies, and I'm interested in obtaining one. If I have to buy it, my riding budget will pay for that. Don't you think there are a lot of armed forces people and officers confined to headquarters in Ottawa, thus limiting the forces we often need in the field? I'm also talking about generals in regard to that point. Don't you think there are a lot of generals in the Canadian forces and that we need more soldiers and people in the field than administrators at headquarters?

**Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ):** Fewer chiefs, more Indians.

**Mr. Claude Bachand:** Yes, fewer chiefs, more Indians.

[*English*]

**Dr. Douglas L. Bland:** Chair, I agree that someone needs to reconcile people to positions. Prime ministers—not this one but others—have said in the past to chiefs of defence staff, “I gave you \$12 billion and 60,000 people. Where is everybody?” I know the Chief of the Defence Staff can answer that question. Too many people are probably deployed in administrative responsibilities in Ottawa and other places, not because, in most cases, the military wants that; it's because they're responding to jammed-up government. Scores of officers are sitting in offices answering the Privacy Commissioner and the Commissioner of Official Languages and Treasury Board and the Auditor General and Public Works and Industry Canada. When officers say, incredibly, give us more money, but no thanks, we can't spend it, it sounds outrageous. But part of the reason for that response is that they don't have enough officers to fill out all the pieces of paper to spend the money. If you said, “Here's the money, but don't fill out the pieces of paper,” I'll bet they could spend a whole bunch of money very quickly.

So I think we need to set aside—and I know the member wasn't saying that—the stereotype that there are too many chiefs and not enough Indians. What we need to do is clear out the jammed-up paperwork so the people can get at the job they're supposed to be doing on the barricades, not someplace else.

**The Chair:** We will now go to Mr. Martin.

**Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.):** Thank you very much.

Thank you, Dr. Bland and Colonel Marsh, for being here today.

I have to challenge you, Dr. Bland, as you know I will. Your comments in part I think with respect to streamlining government are right on. But with respect to the government's policy, I think they're obsolete and completely inaccurate.

“Go away and don't come back” is what the Minister of Defence... as we've been told. I don't know how that, sir, would wash with respect to our investment in Kandahar and the corner that I think we've turned in terms of the new investment of the \$13 billion we have put in.

I think that while you hearken back to the days of the fifties when... You were too young, actually, to serve at that time. But today, we have people in the demographic of you and the colleagues who have come here from CDA. So in our responsibility to the

public, with the demographics we have today, those people who are older than you aren't working. They do need pensions, they need MRIs, and they need CT scans to save their lives. We didn't have that in the fifties, because the demographic has changed.

I'm only saying this as a preface to challenging what you were saying, because it is a challenge—the demographics—that we and our allies are faced with, and it's a legitimate one that we have to come to terms with. How do we get more people in the forces, given those pressures from health, pensions, and other areas, that we never had to face in the fifties? We have to deal with that.

I think we have also turned a new corner in a number of ways. One is in the area of accountability. If we simply said to any department, sir, “Go and spend your money and don't fill out the paperwork”, can you imagine what would happen publicly to any department and any minister who was involved in that? They would be excoriated and fired from their jobs. So we must have the accountability.

I think at the end of the day what you're really driving at is a balancing mechanism. I think our common objective, therefore, is how do we streamline the process?

What I seek from you, sir—and I know you're working on this—given that you and your colleagues have been at this for a long time and have done some great work.... Perhaps you could share with us some of the very specific solutions to what we're seeking as a committee in order to accomplish exactly what you said, to enable our forces to get the equipment they need in a timely fashion and in a responsible and accountable way at the greatest value for the taxpayers.

Where, in those nine groups you spoke about, are the solutions you can give us to diminish the involvement of Public Works, Industry Canada, the decision-making process? What can you give us right now that we can take back and absorb in our report to be able to provide those constructive solutions to shortening this process?

• (1205)

**Dr. Douglas L. Bland:** Chair, I can't give you the solution right now, but I can hint around and think or talk about ways that we're looking at the solution.

Again, the context has changed. In 1950, the government was frightened because of the looming threat from the Soviet Union, which records show was quite real. But they were more than just frightened. Paul Martin, Sr., at the time said that in the 1950s Canada had an appetite to be a player on the world stage and it produced the teeth to be a player. Through the years afterwards, through successive different parties and governments, we maybe have maintained the appetite for a place on the world stage, but we don't have the teeth to play the game.

What we're saying is that now there is a crisis in defence, maybe it is the crisis of national defence capabilities that would move government to do something extraordinary, as they did in the 1950s when they rebuilt the armed forces from 30,000 people to 120,000 people.



As an overburdened taxpayer, I am not all that keen on people throwing my money around. But what I do suggest is that we need a rigorous accountability system for things like procurement, and it can be a short system. What I recommend, for instance, is that final authority for defence acquisition decisions be taken by the Minister of National Defence and that he be held accountable to Parliament, to this committee, to explain in great detail how they arrived at what they're going to do.

•(1210)

**Hon. Keith Martin:** Ultimately, Dr. Bland—

**Dr. Douglas L. Bland:** When you go to the interests of Industry Canada to promote industries, offsets, and so on across country, or Public Works to set up contracting systems, I think they have become, in this crisis situation, an impediment to future—

**Hon. Keith Martin:** I would agree with you, Dr. Bland. But what we're seeking here is to get to the heart of the matter. The heart of the matter, as you've alluded to and as we've all struggled.... Mr. Casson has brought this up quite appropriately in a procurement issue. This is one thing that can make a big difference. This is one thing in which we seek your advice as to what specifically we can do. You mentioned Industry, you mentioned Public Works, and ultimately the minister is responsible. But give us, please, the specific solutions on how we can streamline that process. That's what we're seeking in very cold, hard, specific terms.

**The Chair:** You've got three minutes to do it, but we can get back to it.

**Col Howard Marsh (As an Individual):** I'll try to be as brief as possible. My experience was from 1985 to 1996 and then as assistant to the Chief of the Defence Staff in the early years of 2000.

The thing that makes the system so long is the complexity. When I was director of land requirements in 1995, I had to satisfy 50 internal requirements and 60 non-military requirements in the paperwork before I could proceed.

So my advice is to go back to your department and ask the directors how many non-military objectives are in their directorate.

**Hon. Keith Martin:** How many...?

**Col Howard Marsh:** Non-military objectives. I was dealing with Minister Masse's 1991 maple syrup augmentation. I was dealing with helping Minister McKinnon in cardboard products in Bathurst.

There are all these good things that come on year upon year, and you're dealing with how to advance this project and satisfy these 60 non-military requirements. Whether it was fabrics, helping the native people of Canada to do jobs, maple syrup, cardboard, the steel industry in Algoma—whatever it was, there was an incredibly long list. This made my life—

**Hon. Keith Martin:** This was in the early nineties, more than ten years ago.

**Col Howard Marsh:** This is the early nineties. I believe it has been cut down. I was talking to a colleague and he figured we had gone from 110 down to 60.

**Hon. Keith Martin:** If it's any consolation, I met with the assistant deputy minister—

**The Chair:** Keith, I'm sorry, you're almost a minute over your time.

**Hon. Keith Martin:** In closing, a lot of those things right now have been dramatically streamlined down. So anything else you could give us would be good.

**The Chair:** We'll be going around again on the second round.

Mr. MacKenzie.

**Mr. Dave MacKenzie (Oxford, CPC):** Thank you, Chair.

Dr. Bland and Colonel Marsh, it's a pleasure to have you here.

I know the parliamentary secretary is trying to defend the position we're currently in, but I did find some of your comments, particularly dealing with the past—because sometimes we have to look at the past to see where the future is—with respect to Paul Martin, Sr., wanting us to be on the world stage.... That was one of my questions.

Much of what you talked about is where we are in Canada. It seems that we've lost our status on the world stage. You know, it looks as though the President frequently won't return the Prime Minister's phone calls. Ms. Rice is here after something like 38 other countries she's visited. I want to ask whether or not you see our lack of having a military power on the world stage, or available to take the world stage, as having taken us out of a major role that we had in the fifties, sixties, and seventies and if our failure to move ahead in the last 15 years has caused us that problem?

**Dr. Douglas L. Bland:** I think there is a correlation between military capabilities and where we are in the world, before in NATO and now in the UN and other places.

I have a great deal of respect for the present defence minister and the way he's been able to wrestle, if that's the word, extra funding for the armed forces out of the government. When Paul Martin of the present asked me one day some years ago how much we should give to the armed forces, I said, if you're giving money to the armed forces, I don't think you should give them anything.

We maintain armed forces for other purposes, for foreign policy purposes, internal security purposes, and so on and so forth. If you want to have a capability to engage in those major issues that face G-8 nations, then you need some capabilities. The fear is that we're not going to have those capabilities and that some action has to be taken. Action is being taken.

The question, though, is not now whether we've turned the corner and we're going to some day in the future 15 years from now have a new ship; the question now is whether we can recover quickly enough before the armed forces radically collapse. The research question now is not how to streamline the system. I wouldn't streamline the system; it's an awful system. You don't streamline it, you get rid of it. I'm talking radical changes here.

So what kind of new system? What impediments can you kick out of the way to enable us to rebuild the armed forces in five years? Let me put it to you this way, the way I put it to my senior researcher. The Prime Minister walks into the room and he says to all the deputy ministers in town, I want the Canadian Armed Forces transformed and rebuilt in five years, I want to have somebody able to account to me how you're going to do that, and I want you to do it now; I'll see you later.

What would you do? What things would you kick out of the way so you could do that? That's the question, and I think that's the central question of defence policy at the moment.

• (1215)

**Mr. Dave MacKenzie:** The other thing you talked about was the massive increases in the early fifties as opposed to where we are. Would you not consider that we were able to turn things around rather quickly in the fifties because of the lack of bureaucracy built into the system? It was a pretty slim bureaucratic system, and we've added 50 years of bureaucracy, from both a political perspective and a military perspective, into the system.

**Dr. Douglas L. Bland:** I think there were a number of reasons why we were able to do that. One was that the government put about 40% of their budget towards national defence and security over a few years to make that rebuild happen.

The second thing was, we had in the community, in Canadian society, tens of thousands of people who were essentially trained in military operations because they had retired from the Second World War; that helped. Some of them, as some of our colleagues will remember, weren't all that helpful in the new world, but they were there anyway, especially for Korea.

But the main reason why we were able to do that was because the political community said to the bureaucracy—who was willing and able and perhaps smaller, and it's all relative—build the armed forces and don't come back to me and tell me you can't do it because of this regulation or that regulation; change the regulations.

It begins in Parliament. Change the National Defence Act, change the procurement act, change the way we do things. Instead of having industrial offsets built on top of defence procurement, make the procurement and then ask the manufacturer to find some way to make this thing happen. These are the kinds of radical approaches you have to take in these matters. It's not fixing the present problem.

**Mr. Dave MacKenzie:** I think in your initial remarks you said the military is in a steep decline, and you've said it again. In what context are we in a steep decline: personnel, equipment, direction?

**Dr. Douglas L. Bland:** Everything, in most respects. Capabilities are not a shiny piece of equipment. A brand-new ship tied up at the dock with no crew is not a capability, so we need to fix all at once the personnel problem, the acquisition problem, the supply system, and so on and bring them all into line. I know General Hillier has a plan for that, but what you have to find out are ways to support him.

On the specifics, perhaps Howie can talk about the capabilities.

**Col Howard Marsh:** In the Claxton report paper we made a list of everything that was in serious decline, and it runs to everything, literally: the command system, intelligence, support, logistics. The major problem in that was the fact that the Canadian Forces got rid of 500,000 person-years of experience in the nineties, so there's not the intellect to build those things rapidly.

The air force has been declining at the rate of three aircraft a month for the last 120 months; the air force had 700 aircraft in 1994 and has just slipped to 150. Because I don't hear of any contracts to replace anything, that is going to carry on to 2012 at the present rate, so in about five years' time the air force will be down to 19 search

and rescue helicopters, 68 Griffon helicopters, 34 CF-18s, and that's about it.

• (1220)

**The Chair:** We're into our second round of exchange. I just want to clarify that we're in the five-minute part of questions and answers.

Mr. Khan.

**Mr. Wajid Khan (Mississauga—Streetsville, Lib.):** Thank you, Mr. Chair.

Since I have only five minutes, I'll give you lots of time to answer. I'll ask my three or four questions very quickly; they're brief and direct.

But I'll make a comment. In the fifties the armed forces reflected the society of that time. The armed forces also need to reflect the society, and today it's a little different.

The first question is, do the CF and the government need to expand their strategic analysis capability?

All of us tend to agree that streamlining the bureaucracy is no bad thing, but can you comment on the tendency of purely military-driven defence policy to become a long shopping list for the biggest and shiniest kit to maximize combat outcomes?

Number three, you made comments that things change quickly. Are you referring to a cold war or to the anti-terrorist situation? Do you expect that we'll go back to a cold war, if I take this comment correctly? The Chinese are not looking for enemies; they're making friends; they don't believe in creating enemies. The Russians also have a different attitude. Where do you see the cold war?

**Dr. Douglas L. Bland:** Let me try to rapidly answer some of the questions. I think it is a noble, important, and practical policy to include and be able to recruit from as many parts of our society, our demographics, as possible. We need to find ways to encourage people into the armed forces, but at the same time, I think that society and members of Parliament need to acknowledge or might acknowledge that it's not always possible, not because of a lack of effort on the part of the armed forces, but because communities are just not interested in being in the armed forces. We need to examine that question very carefully.

**Mr. Wajid Khan:** I wasn't talking about the recruitment aspect. I was talking about the society projected outside the country, the values today. At that time we needed a force that was just a battle-ready force for war. Right now we have the 3-D approach and we've got the other attitudes towards building and defending and the humanitarian, and all those things have to be taken into consideration when you're talking of building a force.

**Dr. Douglas L. Bland:** I think, Chair, that the Canadian Armed Forces, throughout most of their history, have very ably reflected all of Canada's values very well outside the country, whether in the First or the Second World War, where we distinguished ourselves as Canadians and not as Brits or as Americans.... When we were doing 3-D in the Netherlands in 1945, and when our forces are deployed in UN peacekeeping operations and in NATO, for instance, we have reflected a Canadian attitude and a way of doing things, and I think we continue to do that.

It would be helpful to continue to try to build—and we are building—that sort of attitude overseas and in our forces, and people in the armed forces are very proud of that. But we must be I think careful not to encumber the recruiting and promotion system and so on of the armed forces with agendas that are not aimed at producing combat output. It's a delicate balance between the two.

**Mr. Wajid Khan:** Are you trying to say the troops of the 1940s, 1950s, and 1960s are the only ones that would be good combat troops? I beg to differ.

Are you trying to refer to the cultural mosaic of today, unable to fight for Canada? Is that what your comment is?

• (1225)

**Dr. Douglas L. Bland:** No. What I think I'm answering or trying to answer is that the Canadian Forces have always produced people and systems and leaders that are very aware of Canada's distinction in the world, distinct nature, and that they have paraded that very well in operations around the world.

On the question of the military spending carelessly, perhaps wanting the biggest, the shiniest, and so on, my experience with these people is that they are very responsible. They are not asking, really, for various elaborate and shiny equipment. The Canadian Armed Forces right now is talking about the most basic kinds of military capabilities—a few people with rifles and a few jeeps and armoured cars, and a couple of ships, and so on. These are hardly, by any measure in the community, elaborate systems. But why wouldn't we have elaborate systems? This is a very rich country. Why wouldn't we equip our forces very well?

**The Chair:** It was almost bankrupt about ten years ago.

We'll go to the next questioner.

**Mr. Wajid Khan:** You said things change very quickly. I asked, were you referring to what is happening today, going back to the cold war?

**Col Howard Marsh:** Sir, if I may, I'd like to refer to your earlier question about whether we have sufficient strategic assessment. I just wrote an article on that very thing. We have too much strategic assessment for the size of our force. Our force is a relatively small tactical force of a few battalions, two or three ships that are fully crewed, and about three flights of aircraft, and even those aircraft don't have all the means to do it. So we have far too much strategic assessment.

The other thing you have to be careful about is that when there are a lot of strategic assessments, you tend to zoom in on the common denominator, which is present conditions. So you can only achieve consensus on what everyone believes. So everybody believes what's going to happen today.

Again, I did another paper recently that shows that over the last 70 years, we've only had a 15% batting average of looking into the next decade and getting it right, because we have too much strategic assessment in Canada.

[Translation]

**Le président:** Mr. Perron, please.

**Mr. Gilles-A. Perron:** Thank you, Mr. Chairman.

Gentlemen, in listening to you this morning, I think the ideal thing would be to put the entire armed forces in file 13.

I like to ask simple, brief questions and to get answers that are as simple and brief as possible.

Considering that Canada's population is equal to 10 percent of the U.S. population and 50 percent of that of the United Kingdom, can Canadians afford armed forces that are 10 percent of the size of the U.S. forces or 50 percent of the U.K.'s forces?

[English]

**Col Howard Marsh:** First of all, we're not 10%; we're actually about 2.5%. The Canadian army, in relation to—

**Mr. Gilles-A. Perron:** I'm talking population. Can we afford it to be 10% of the U.S. army?

**Col Howard Marsh:** Well, at one time, the Canadian army was one million people in a population base of 16 million. That's huge. So it can be done. I'm not advocating that we actually go to a force that's 10% the size, in proportion to the Americans.

I'm just trying to figure out the ratios quickly. It would mean having an army of about 75,000, just the army alone.

[Translation]

**Mr. Gilles-A. Perron:** So, you're answering indirectly, saying that we don't have the financial means to do so.

[English]

**Col Howard Marsh:** Oh, we have the financial resources to do it. We don't have the human resources in Canada right now because of the demographics of 1980 and 1990.

[Translation]

**Mr. Gilles-A. Perron:** In that case, if we can't have forces that are potentially competitive or somewhat competitive with those of the rest of the world, why don't our forces choose specialized niches and develop them?

[English]

**Col Howard Marsh:** I would ask the committee to look within the Department of National Defence. Within the Department of National Defence, there are 100,000 full-time equivalent people on salary. I'm talking about regular force, reserves, supplementary reserves, civilians, contractors, class AB, BC, D—all those things. We pay about \$100,000 in salaries.

Of those 100,000, 26,000 actually go on operations, and here I'm talking about operations and operational support. Of that 26,000, approximately 10,000 to 12,000 actually go on the front line. Of course, the question is, when you look at the 75,000 who really don't go anywhere or really contribute very much—they are in the infrastructure, they are in headquarters, and so on and so forth, and they're in all these 160 armouries...they're all in the woodwork.

If you go to these 75,000 and say, these 5,000 people will form a new brigade, there you go. Now, there's always screaming and crying in the department because they're going to have to go to PT and get in shape and learn how to fire a rifle and so on. But I'm persuaded that the manpower resources and the money resources are within the department to create at least one more brigade, if not two, and to spend \$10 billion on strategic lift and heavy lift and mobile lift. Again, we're spending about \$4 billion a year on strategic assessment at the national level. I have to wonder, do you guys get \$4 billion worth of information? The answer I think is no.

When you look at the structure of National Defence Headquarters, it boils down to 80% of it being built to fight each other. I've spent a lot of time there. In the 1980s, I had one major who worked for me who was responsible for 53% of all the infrastructure in the Canadian Forces—that's what the army owned. He spent his whole time going across the country visiting base commanders, and twice a year he would come to me with a great list and say, we need to fix a fence here, we need to put this building up, and so on. I said, that makes sense; I'll run it by the army commander. I had consensus from 17 base commanders, and the army commander would pass it through the generals and it would be modified a little bit, and he would come back and say, Howie, make it so. I had a major at \$45,000 a year and this is all he did, and the army commander said, make it so.

So I built Base Gagetown. I went in and made a three-minute presentation to General Vance. I said, we need this. He said, yes, you're right, Howie, make it so.

Now you have an assistant deputy minister of infrastructure. Now major is not a high enough rank to go to the meetings, so we have a colonel who does it. And the colonel has to have three or four lieutenant colonels and majors to do all the studies, because he's now fighting the guys in the centre who say, we don't want to fix your fence, and a huge battle starts. That battle is in information technology, it's in infrastructure—you name it.

You can go to the Department of National Defence and delegate. In this paper, I point out that if you just put the authority back into the service chiefs who are responsible for everything and gave them the money and asked them to buy services from the other 80% in headquarters, you would see the headquarters shrink pretty darn quickly.

Excuse the long answer.

• (1230)

**The Chair:** There is time for one more question, Mr. Rota. Then we'll go into the third round.

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

Maybe I'll just follow on this, if you don't mind. It sounds as though you're just taking the administrative scale that's there and pushing it down, pushing more people to the operational level. One of the questions I was going to ask, and maybe I'll just ask around this, is about part of the procurement through project management. I find the rotation that happens within the armed forces for project managers—a three- to five-year rotation—barely gives them enough time to get in there on a twelve-year project.

We want to shorten the procurement timeframe. The question I'm asking is, should we be taking these people who are project managers completely out of that position and putting them into operations, or do we keep them there on a consultative basis? You mentioned buying off the shelf, and that sounds great. Do we get rid of this class of officer, this class of soldier, altogether? We're pushing everything down. Is that what you're suggesting?

**Dr. Douglas L. Bland:** What we need to look at is relieving the system of the burdens of project acquisition.

Measure how much paper is required to produce something. Years ago—and it is years ago—the Armoured Corps decided they wanted to buy a new tank for the armed forces. The government decided they wanted to have a new tank. People sat down and started to write papers about what a tank is. There were only four contenders that we might buy in the entire world, but to meet Treasury Board rules and regulations and the project management guidelines, we had to have a description of what this thing is—it has a track, it has armour, it has the turret on top, a gun in the front. There were piles and piles of paper to describe something that was rather obvious. Many project managers now tend to be operations officers—pilots, sailors, and people from the army. They are well aware of the capability they're talking about. They're specialists in their capability, so they're essential to the definition of what's needed.

If the objective is to rebuild the armed forces in five years, we need to find ways to shorten the thing down. One of the ways to shorten it down is to stop asking people to fill out paper—feed the goat, at Treasury Board and other places—to define exactly what the thing is you want to buy.

• (1235)

**Mr. Anthony Rota:** You're confident that what we need is already out there, and we don't have to reinvent it?

**Dr. Douglas L. Bland:** For the most part, yes.

**Mr. Anthony Rota:** I agree with you. I'm just asking for that statement. Thank you.

**Dr. Douglas L. Bland:** Part of that is also a tendency over the years to Canadianize things we buy. Instead of just taking the airplane as we buy it, we want to put in Canadian this and Canadian that, which complicates the matter further.

**Mr. Anthony Rota:** This was your statement earlier about going over about five or nine different ministries or departments, with each one of them having input. You're saying to concentrate it in one place, define it quickly, identify it, and then purchase it. How much time does that normally take?

**Dr. Douglas L. Bland:** From my point of view right now, that's the wrong way to ask the question. It's not how long will it take; it is whether we can we do it in five years.

**Mr. Anthony Rota:** So five years is the time.

**Dr. Douglas L. Bland:** If we can't do it in five years, we need another system.

The step missing in what you just mentioned was to define what we need, go and identify who has it, get them into some place and have a little on-site competition, say we want that one, make the contract, and then come back here and explain the whole deal in great detail, technical detail, to the members of Parliament. Then Parliament can recommend to the government what to do. That's what's needed.

**Mr. Anthony Rota:** Okay. Another question I have is on concentration of power. You mentioned that you have an admiration for the Minister of Defence. You said there should be more power concentrated in that position, or more ability to make power. Should that position even be—and I know it comes right in the face of our parliamentary system—an appointed system, as in the congressional system, in which a lot of power is allotted to that position? It's just go out, do your job, and come back and report to the Prime Minister or to the President. Should it be as it is in the United States? Is that an ideal situation, down in the U.S.A.?

**Dr. Douglas L. Bland:** I think the systems are, at their base, too different to match up like that.

I'm not suggesting we need to change parliamentary traditions, customs, rules, regulations, and so on. We need to concentrate responsibility and authority for producing defence outcomes in one or two people. I'm not sure what the answer is yet.

**Mr. Anthony Rota:** I'm just trying picture how to do that within a parliamentary system.

**Dr. Douglas L. Bland:** The same way we do any number of things. I'm not an authority, of course, but I think the Minister of Health is responsible for health policy in the government, and the buck stops more or less there. Maybe that's not a great example, but as the number of ministers and departments involved in the setting of policy increases, the more complex the system becomes, the more compromises have to be made, the more interaction is required, the more paperwork has to flow, and the more things don't happen quickly.

**The Chair:** There will be more interaction by going to Mrs. Gallant.

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Thank you, Mr. Chairman.

Dr. Bland, in your opening statements you mentioned that procurement is often done with the interests of other departments and people and contractors.

Could you describe the competing interests of the different departments and people you were referring to in that remark?

• (1240)

**Dr. Douglas L. Bland:** Yes. I'll say something general, and then I'll perhaps ask Colonel Marsh to give a couple of examples from necessarily other times but not so far back.

The Department of National Defence has a great deal of money to spend on projects, more money than many other departments combined. People often look at the defence budget as if there's a need to do something useful.

From my point of view, usefulness means producing combat output, combat capabilities, and the things to support them. But

some people think it is useful to use the defence budget to provide for regional economies, by maintaining bases that we don't need or by splitting contracts when we built the new frigates between Nova Scotia and Quebec, and that we should find offsets for defence spending.

We'll spend money, and the company that is providing something will provide money for something else and buy wheat from Saskatchewan, for example, all of which complicates the process. In some respects, it also adds cost to the project, and taxpayers end up paying more for a product than they might reasonably otherwise pay. Those are the kinds of things that complicate the process.

Departments sometimes have interests. I think the Department of Public Works and Government Services believes it should be the sole contractor for Canada. People in the Department of National Defence have another view, and that's not sorted out yet. Generally speaking, the more players there are, the more interests there are.

Howie may briefly have a couple of examples.

**Col Howard Marsh:** Yes. When I was director of land requirements, I advanced the project for the light armoured LAV III through the Department of National Defence to cabinet. At the cabinet submission, I was surprised to discover that I had to send the document to 43 addresses and respond to requirements from those 43.

I won't go into all of them. The major ones were Atlantic Canada Opportunities Agency, the Federal Office of Regional Development—Québec—FORDQ—and the Western Economic Diversification office. Those three alone brought about a percentage allocation of the budget. Let's say it was 38% for Quebec and 27%. Someone decided that.

I was then left with the responsibility of taking on the entire LAV III purchase of several hundred vehicles and identifying the 2,100 subcomponents in each vehicle. I sent a team of seven people across Canada for a year to find every manufacturer who could make a percentage of the wheel, a percentage of the hub, a percentage of the seal, and a percentage of the heating. It ended up in a 700-page document that I had to administer, because the other guys became exhausted.

There I was. The government said it wanted LAV III. They said, here's the money, Howie Marsh; when you have satisfied 37% there and 23% there, we'll proceed.

I had to keep reporting back after the project, every six months for five years, to show that those things had been satisfied. I had to keep my team together; I think it was then down to three people. It was a 700-page document on 2,100 components.

I had to keep on explaining that, for example, we went to North York, in Toronto. We bought seven high steel axles because there was a shortage, but we kept our supply of high steel axles from Halifax.

You've got this incredible thing to manage, with the complexity and the time, and it goes on and on.

**Mrs. Cheryl Gallant:** Okay. That was when we ourselves were manufacturing.

Could you tell us your thoughts, using this idea of competing interests, on how that would apply to purchases, for example, purchases that we couldn't make within the country? You could use the submarines that we purchased from Britain, helicopters, Cormorants, Griffins, or whatever, as examples to show us how that would apply outside the country

**Dr. Douglas L. Bland:** The starting point always has to be whether we are going to revive the armed forces efficiently, effectively, and economically with the very best combat pieces of equipment or other pieces of equipment.

The next question is whether we can get that equipment in Canada. If not, then the next question is where we can best purchase it from. Alongside that question, you have to ask if we can manufacture this piece of kit in Canada. But always on top of these questions is this notion that we want to produce the best combat output, not the most efficient thing for a region of Canada or for the budget or for some other reason. That's where we often go off track. We don't approach the problem from that point of view, or we don't approach it from that point of view for very long.

Just to support that anecdotally, many senior people who have experience in the defence acquisition field have told me time and again that the great delay in making the purchase is at the cabinet table, for years sometimes—not just the marine helicopters, but all sorts of things—as cabinet ministers and other people keep sending the officials back to the drawing board: Can't you find somebody in Calgary who makes that wheel? Can't you find something else? Can't you do something else?

You might ask questions now about the search and rescue airplane. Buying something that flies around looking for people seems like a rather simple thing to do, but we don't even have a bid on the table. As best as I understand it, we haven't gotten a request for proposal yet in over three years, because they're still looking around to see if we can have a request for proposal that matches the interests of any number of players.

• (1245)

**Mrs. Cheryl Gallant:** My last question, Mr. Chair, is a really short one.

Colonel Marsh, I was very impressed with your understanding and knowledge of the inventory of aircraft. We purchased 100 Griffins. We have 85 in service and 2 crashed, and there are just over 10 that seem to be unaccounted for on the different websites that we've consulted. Would you happen to know what they're being used for?

**Col Howard Marsh:** I would challenge your figures a bit, because the original statement requirement required us to fly approximately 100, but I think we only had enough money to buy 92. When you take out of service the Griffins that are required for training and to train the mechanics, and those in the crashes, I think we're currently down to an operational level of about 70 or 75 Griffin helicopters.

As you know, the problem with the Griffin helicopter is that it was based on the Bell M412, which was a helicopter designed for liaison between ground and oil rigs, so it doesn't have much lift capacity. So when you look at a Griffin helicopter, whatever the numbers are, you have to divide them by 2.5 to get a real helicopter, because it doesn't have the engine horsepower needed to pick anything up.

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

**Mr. Wajid Khan:** Thank you, Mr. Chair.

Dr. Bland, there's a slight difference when you're looking at equipment. The reason I'm talking about equipment purchases is that you mentioned some examples from ten, fifteen, twenty years ago. It's a little bit more complicated buying a T-6 Harvard when compared to a Sabre or to an F-18. However, sir, what is the average turnaround time for procurement projects in other western industrialized countries?

**Col Howard Marsh:** I don't know the precise figures. I'm just trying to remember a paper by Brian MacDonald. I believe the average for the U.S. Navy is 9.2 years, but I think it's 12.7 years for the U.S. Army. And I don't recall the British figures.

**Mr. Wajid Khan:** It's six months to sixteen years, depending on what it is.

**Dr. Douglas L. Bland:** If I can piggyback onto that question, Mr. Chair, theoretically, if the procurement system takes fourteen years, that doesn't much matter as long as your decision process is up to the task. In other words, we wouldn't have a problem with our support ships in the navy right now, the so-called AORs, if somebody had decided twenty years ago to buy new ones, because as the old ones are wearing out, the new ones would be coming on line.

Part of the problem is that we don't, as a community, across governments and across the bureaucracy, decide to maintain capabilities over time. We needed to decide several years ago what we were going to do about the CF-18s. We needed to decide ten years ago what we were going to do about the Hercules transport airplanes. If we had made those decisions at those times, then we wouldn't be in the crisis we're in now.

The Conservative government at the end of the cold war and the Liberal government under Jean Chrétien did not adequately keep up with the decline of the Canadian Forces, so you now end up in a position in which the procurement time is longer than the crash time. Even in a reasonable kind of system, in many ways we're running out of time. That's why we're flying a forty-year-old Hercules. We should have decided twenty years ago to replace the Hercules.

So it is very important to think about defence procurement and defence administration in terms of servicing the present force and the future force all at the same time. We haven't done that.

• (1250)

**Col Howard Marsh:** If I could just give you some facts on this, when you look at procurement over the last fifty years, you'll notice that there was a watershed. Virtually all the projects—DDH 280, armoured personnel carriers M113 and M109—are from the 1950s and 1960s. Everything happened prior to the government's decision in 1983-84 to establish the regional development offices. Prior to that, most things were done in six to eight years. Since 1983 and over the last twenty years, things have all moved up to the sixteen-year point.

**The Chair:** Thank you.

Monsieur Bachand.

[*Translation*]

**Mr. Claude Bachand:** Thank you, Mr. Chairman. This morning's meeting is very interesting. It affords us the opportunity to see your reaction to various scenarios that we're trying to find in order to be as effective as possible. We're coming back from a tour in Europe, in Brussels, among other places, where we met with NATO representatives.

A situation is developing at NATO with small countries, more particularly those of Eastern Europe, joining the organization. This is about the contribution requested of those countries. For example, Lithuania can't be asked to perform as well or to provide as much equipment as the United States of America. A certain specialization is therefore being developed in those small countries.

That's perhaps my first question. We agree on the idea of trying to rationalize the existing forces, to ensure there's less overhead so that the troops in the field are more effective.

I'd like us to address the question of specialization. Sometimes we wonder whether we're not at a crossroads in terms of making decisions on, among other things, the three branches of the Canadian Forces, the army, the navy and the air force. If you read the government's policy statement, you realize that the predominant idea right now is really to send troops to destabilize countries. You soon realize that we can't always afford to send them there quickly. Everybody is familiar with the strategic airlift problem, among other things.

I'd like to know your opinion on the subject. Don't you think we're at a crossroads in terms of deciding whether we're going to put more emphasis on the army and somewhat less on the air force? Have we gotten to that point, or should we keep all branches at full capacity and adjust to the new circumstances as well? Are we at a crossroads where we'll say that we're going to drop part of the air force and reinforce the army? Is this kind of discussion possible for you or is it still taboo and untouchable?

[*English*]

**Dr. Douglas L. Bland:** First, generally, the Canadian Forces have almost always been and are now specialized. They're specialized in very basic military capabilities. There's nothing that I know of—perhaps sleeping in arctic tents might be one—in which we are actually specialized in something that our other allies can't do on a greater scale.

There's nothing wrong with the country specializing in certain military capabilities on purpose when the government and the people understand the consequences of doing so. If we decided not to have submarines, for instance, I think the naval officers would tell you that's fine, if that's what the country wants to do. However, we just won't know what's going on in our oceans.

What worries me is when the Canadian Forces are de facto specialized by poverty, when perhaps for no explicable reason they just dwindle away, fade away, and capabilities drop off, as we're doing with our air force, for instance. I'm always a champion of unification and not the continuation of organizations for the organizations' sake, because that's not necessary, but people have to be very careful about making these kinds of decisions. For instance, people blamed or were critical of President Bush for not

thanking Canadians for allowing American and other airplanes to land at our airfields and we took care of them. Not many Canadian politicians or others have stood up and thanked President Bush for allowing the United States Air Force to provide air defence over Canada during the 9/11 crisis because our fighter planes couldn't get there. We need to be very careful in how we look at these kinds of situations.

General Hillier is quite correct when he says that while we are engaged in army operations overseas, the air force, especially the transport air force, is very critical, because it's the life line between Canada and our forces overseas. You need to send the people there, but you have to have some assured way to get them back, especially if things go awry and you want to bring them home. If we don't have our air force to take them there, people complain. Imagine how we'd complain if we left people like Roméo Dallaire in Rwanda with no way to come home.

So I would caution people about trying to find ways to economize in military and defence policy by cutting out the front end of the armed forces—the combat units, the combat aircraft, and so on. We'd be better off cutting some of the fat out of the system before we do that.

• (1255)

**The Chair:** We'll go to Mr. Martin.

**Hon. Keith Martin:** Just as a closing comment, Dr. Bland, your comments about improving our air force are well taken, and we are gripped with that, but I would submit to you that your comments about being unable to respond during 9/11 are incorrect, sir.

You also are aware, I'm sure, that during Hurricane Katrina, our Griffins went down to the eastern seaboard to take over for the Americans and provide search and rescue for them on the eastern seaboard while they deployed their helicopters down to Louisiana. As you know, our forces did an outstanding job on Katrina. Our divers from Esquimalt—and I'm partial, of course, because that's my riding—and our forces did an excellent job in working with our American counterparts to try to help them in their time of need.

I think we help each other. We have acknowledged what the Americans have done for us, and we also acknowledge what our forces do with the Americans. I'm sure you know better than I what they do in terms of working together, particularly in the navy, but also in the air force and army. That doesn't mean to say that we're going to be complacent, but we are going to continue to work with them and improve our forces' capabilities, which I think is your goal and ours together. Hopefully in the future we'll work together and will be able to take the constructive solutions that you're going to provide for us in procurement and use those solutions to try to disentangle and make the system more efficient.

In closing, as my friend Mr. Khan said, it is a comfort that when you look at American procurement and procurement in Great Britain, they're taking between six months and sixteen years. It's a problem for all western nations in terms of how we procure. By working together, which is what we're going to do, we're going to learn from what we're each doing well and learn from each other to improve that system.

In closing, Colonel Marsh, many of your comments are well taken. I strongly encourage you to listen to and engage with our deputy minister, Mr. Ross, who is doing an excellent job of exactly addressing the problems that you've come up with, in the many ways and with the types of solutions that you've provided.

So we're on the same page and are moving forward in the same direction, and I thank you both for being here.

• (1300)

**The Chair:** Thank you.

I also want to take the opportunity to thank you, Dr. Bland and Mr. Marsh, for some very good points. I'll just close due to time constraints.

One area that we're looking at very closely, as the vice-chair, Mr. Casson, indicated, is procurement. We met with Sir Peter Spencer, who I believe is minister of state responsible for procurement in the U.K. One of the problems we're facing is, how do you address procurement? Obviously, as you said, you decide, shop, and go out and purchase. If it were just that simple, I think we'd always have a modernized military with equipment available. But you will agree that there are other factors beyond, let's say, placing an order to get delivery of something. At least that's what we heard over there. Unless you just go off the shelf, as we were led to believe.... You can't always go off the shelf and say, here, we have these tanks available, we have these helicopters available. I'd like just a quick comment on that, if you can.

You said also, "defence matters are shrouded in uncertainty", and you couldn't really bring forth a solution for that. So you're really trying to unravel this yourself, if I understand it correctly. That was your comment. I think you're entrenched in this area more than most of us here, so if you're in this dilemma, where can we be?

In closing, you said we're a very rich country. I agree with you, and I think the books reflect that as well. Sometimes you deal with what you have before you. As difficult as it was in the early nineties...because you mentioned President Bush. We have to complement the time, somebody's initiative, and so on, but the gentleman inherited almost balanced books, maybe a surplus, and today he's burdened with close to \$1 trillion in deficit.

Fortunately we find ourselves today in the enviable position of having taken this country from being almost totally unofficially bankrupt to having, thank God, surpluses that we can now start to reinvest. I do agree with you—reinvest properly and do it quickly.

Those are just my comments.

**Dr. Douglas L. Bland:** Thank you for that.

I think it is too simple to say that procurement is about four steps, but then I'm an academic, so I'm allowed to abstract things. Part of the process is to purposefully simplify the system so we can get some handle on the essentials without worrying and being overwhelmed by the details. Most people would agree—and I know British colleagues and others would agree—there are four steps, and they are quite simple. If you're in a significant emergency, like we were during the FLQ crisis and other times, the doors open and the stuff flies out to us. But we're not always in that situation.

We see in our research, and there is empirical evidence, that the centre, the hard nut if you will, is covered with slush. The snowball is covered with layers and layers of slush, and it's time for somebody to knock it all off and get back as close to the basic position as we possibly can.

Right now it is not a strategic question of whether we should have armed forces and what they should be doing. It's not a question of how much money is out there, how the armed forces will be transferred, and what they will do. As I said, the new agenda is about refocusing the debate from what we should do, how much we should spend, and where they should go, to how the hell we are going to rebuild this armed force before it collapses.

**The Chair:** Just do it.

**Dr. Douglas L. Bland:** Just do it. I'm quite sure, with the forceful prime ministers we've had, in many other fields they've said, just do it. We bought Challenger jets for transporting people around. That didn't take 14 years.

But there's the question of strategy, and I come back to the point of whether we have enough brain power strategically. Again my argument is that strategy's not the problem. From my point of view in the academic world—and in Parliament and other places understandably—we are missing a deep understanding of defence administration. How do you produce defence output? Where do you get the stuff from? We need to redirect the discussion, as we're doing today, to that agenda. I hope we'll be able to give you more precise answers to some of these things as we proceed down the road.

• (1305)

**The Chair:** You've certainly given us enough today, both of you. Again, on behalf of the committee and the vice-chairs, I want to thank you for your time and your responses.

Before we go, gentlemen, there was something circulated on what we discussed at the subcommittee. If you're all in agreement.... We will not ask our guests to leave so we can go in camera. If you do want to discuss it, by all means....

We're okay? Great.

Monsieur Perron.

[*Translation*]

**Mr. Gilles-A. Perron:** Mr. Chairman, regarding the draft you're referring to, I'm uncomfortable with the "routine meeting" motion. In French, a routine meeting is a fairly innocuous, boring and ordinary meeting. Here I'm calling on Michel and the translators to find the right word for me. I've chosen "standard", "usual", "working" or "regular".

How should we translate the expression "routine meeting"? I believe the term "regular meeting" would be more appropriate.

[*English*]

**The Chair:** I will check with Mr. Chaplin. I see he's already taken the initiative to correct it on his copy. If you wish, at some time we can pass it around, but if everybody is in agreement to us adopting the word....



[*Translation*]

**Mr. Gilles-A. Perron:** Would the term “regular meeting” be good? All right.

[*English*]

**The Chair:** Thank you.  
We'll adjourn.

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