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Minister of National Defence  
c/o Policy Group, DND

Minister,

First of all, allow me to congratulate you on your appointment as MND. You join a long and distinguished list of stewards of the defence of Canada and Canadians, and I know that this is a responsibility that you take to heart. Second, thank you for the invitation to participate in the first Defence Policy Review Roundtable in Vancouver. In this regard, I offer some brief thoughts on defence that I hope will set up a good discussion on 27 April.

It is desirable and helpful to review on a regular basis the context and priorities for the considerable investments we make in the defence and security of our country. Indeed, it is a preoccupation of DND, as I am sure you know, to refresh advice on this regularly, and to examine the adjustments needed going forward to meet the expected threats and challenges - and opportunities - of the future security environment. Periodically, I agree that it helps to seek the views of Canadians, and to accept challenges to the views of government agencies to inform good policy and spending choices. That being said, I do not think that the fundamental elements of Canadian defence and security have changed in the last hundred years (notwithstanding periodic reviews), nor do I think that they are likely to change in the next fifty.

Canada, with its huge sovereign spaces and their approaches, its sparse population outside major urban centres, and its globally connected economy, has never possessed the resources to defend its territory - or even the full extent of its vital interests - against a concerted attack by a major power. This is not a criticism of the extent of the investments made in our defence, nor is it a comment on Canadians' fighting spirit (which I believe to be among the best in the world). Rather, it is a reflection of the strategic reality with which our successive governments have had to contend. Notwithstanding our belief that there is no immediate, direct threat to our territory now or in the near future from a major power, it is not unreasonable to think that such a threat could arise within ten years. Another strategic reality is our proximity to, and in many cases inseparably intertwined interests with the United States, and the attendant risks of conscious, unconscious or neglectful actions by our great friend and neighbour to the south.

These strategic realities have led successive governments to some fundamental conclusions. First, we will necessarily rely on other countries to assist us should we be attacked by a powerful enemy. Second, we must have arrangements in place with those allies to know that our defence is secured. Third, we must sufficiently invest in our own national defensive capability so that we maintain credibility with those allies, and so that we can respond to modest threats and incursions as a sovereign nation. Fourth, we must sufficiently invest in deployable capability that we can reciprocate in the defence of those allies, again to maintain the credibility of our arrangements and also to respond independently should our interests be threatened at a modest level. Fifth, given the limitations outlined above, in those cases where our interests are threatened, early intervention at a distance and in a manner appropriate to our capabilities is

preferred to addressing threats on our shores. And sixth, a concerted effort to reduce the likelihood of attack on our territory and interests by investing in and promoting peace, security, rules-based international order, dialogue and understanding will reduce the risk and frequency of having to fall back on the first five.

There is a role for the application of military capability in a 'whole of government' approach to this sixth conclusion, but it is not the role that should define the requirements for the CAF. The CAF must be shaped for success - at least minimum success - in the first five areas for our nation to be secure. This requires considerable judgement, realistic risk management, and careful balancing of precious national resources, but in view of the strategic realities we face, the range of choices available to the government are not as broad as one might wish. This is why the outcome of various reviews of our defence policy over the years has not varied much. We are inescapably driven to a defence establishment that offers balanced, combat-capable, globally-deployable forces that are inter-operable with those of our allies, and capable of independent action at home and abroad in response to the unexpected. Any attempt to over-specialize or to focus on "niche" capability risks eroding our capacity for independent action, and when done in conjunction with allies ties our hands in terms of future capability choices.

For these reasons, I do not feel that the key questions in defence policy relate to the "what" or the "when". Even the "where" can be misleading - who would have predicted that we would be operating in Afghanistan for many years? The key questions for the government to tackle are "how much", "how soon, and for how long", "how many at the same time", and "at how much risk". In a balanced, combat-capable and globally deployable force, these questions inform the resource requirements of the CAF in terms of size, shape, capabilities and readiness to act; or, conversely, constraints on resources limit the answers to these questions. I therefore recommend that a good deal of energy in the defence review be devoted to these issues.

Conscious as I am of the space allowed, and now that I have outlined my over-arching orientation and views on Canadian defence, allow me to offer some thoughts to stimulate discussion next week.

Canadians lack any context for understanding the management of public funds at the federal level, and have been encouraged to view the expenditure of hundreds of millions - or billions - of dollars on military capability as inherently wasteful and unreasonable. Put into context, the federal government spends less annually to maintain our defence establishment than it does to service our national debt. Government has a responsibility to inform citizens of the reasonable and necessary costs of "doing business" as a country, and agree to be held to account on how they manage them.

I suggest that there is a culture of risk intolerance that has infected the federal level - financial in the case of Public Servants, and political in the case of Ministers - that has led government to prefer additional process, "third-party validation" of responsible officials' work, and serial delay to achieving results. Indeed, it appears that there is now a view that avoiding spending on intended outcomes is somehow a desirable "result" for Canadians. I disagree. It appears to me that, at the heart of all this, there is no real point of accountability for the costs of delay, or for the failure to deliver capability.

Our government has no effective system in place for managing the risks and investments associated with developing military capability, or for creating a real strategic partnership with key

national industries. This does not square with a desire to enhance innovation and Canadian industrial competitiveness internationally, and limits defence acquisition to a “military off-the-shelf” range of choices. A clear policy choice needs to be made, and supported with efficient allocation of resources and process.

Notwithstanding the small size of our force, the “all or nothing” approach to fleet replacement introduces risks and complexities that may outweigh the benefits. Consideration should be given to a more frequent refreshing of parts of fleets (vehicles, aircraft and ships) with currently available technology in a rapid procurement process, despite the additional cost and challenges of operating and maintaining mixed fleets. Additionally, lease arrangements should be investigated for smaller capability holdings (like small transport aircraft, auxiliary vessels, uninhabited vehicles, in-country vehicles, etc) on a high-level business-case basis, and capital and operating budgets should be adjustable to accommodate this approach.

Canada lacks an effective regime for surveying, monitoring, controlling and responding to events in the Arctic. This is not a military function (although there is a role for military assistance), and key elements of the infrastructure required for effective government control of these national spaces should not come out of the already small budget allocated to defence capability. The government should immediately commit to and invest in a system of systems for high data-rate communications, navigation safety in internal and archipelagic waters, effective air and ground transportation infrastructure, and monitoring of activity in remote internal areas.

In a resource-constrained environment, the government should identify those aspects of defence spending that are desirable, but that do not contribute to defence capability or institutional management and move them into separate envelopes or operating agencies. The management of heritage properties, payment in lieu of taxes for defence bases and establishments, the national Cadet programme, and the costs associated with surplus military bases and infrastructure, for example, may all be important for varying reasons. This is certainly so in the case of the Cadet programme, which should continue and thrive. The significant costs, however, should not be hidden in the allocation of funds intended by Parliament to create and maintain our military capability and institutions.

I will stop there for now. I look forward to our discussion at the roundtable next week.

Yours aye,

A.B. Donaldson