

RESERVES 2000

Prudent Defence

COMMUNIQUÉ

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PM ORDERS MND TO PROTECT MILITIA

A remarkable bit of inside information was recently uncovered by (or perhaps leaked to?) Murray Brewster, the award winning reporter for the Canadian Press. In June of 2012 the Prime Minister wrote to the Minister of National Defence to express concerns about the Department of National Defence deficit reduction process. He told the Minister he wanted to reduce current regular force and civilian overheads while enhancing operational capabilities. He also told Mr. MacKay quite specifically to avoid “budgetary reductions that impact on the part-time reserves”.

Coupled with the equally remarkable statement in the March budget that reserve strength was to remain at 27,000 the two orders, coming as they both do from the very heart of government, are crucial to Militia survival. In the past cuts to the defence budget automatically resulted in cuts to the Militia budget – and usually proportionately larger cuts than the rest of the defence establishment suffered.

A copy of the Canadian Press article is attached. Also attached is a letter from Reserves 2000 to the Prime Minister commending him for recognizing the need to direct defence planners to protect the Militia, but warning him that close scrutiny of the state of the Militia will be necessary to ensure his direction is being followed and his desired results are achieved.

2012 VIMY AWARD

The Vimy Award annually recognizes one Canadian who has made a significant and outstanding contribution to the defence and security of our nation and the preservation of our democratic values. The recipient this year is the former Honorary Colonel of the Calgary Highlanders, Colonel Fred P. Mannix, OC, CD.

Colonel Mannix is a tireless promoter of strong reserve forces in Canada and a very capable advocate as can be seen in the attached copy of his acceptance speech. His efforts have been instrumental in stemming the tide of cuts to the Militia proposed by defence planners over the years and for this alone he deserves the award. His Vimy Award is richly deserved.

PETER CAMERON RETIREMENT DINNER

A dinner was held at the Albany Club in Toronto on October 30th to honour Peter Cameron. It was well attended by long-time members of Reserves 2000 from across Canada who came to wish Peter well and to offer their support to the new Chair, Steve Letwin. As Reserves 2000 seldom gathers in one location there was a collective recognition of this by many in the room and satisfaction with all we have achieved together over the years. The determination to continue our efforts for as long as necessary was loudly proclaimed.

EDITORIAL

Despite the clear direction from the Prime Minister to the Minister of National Defence in June that reductions to the defence budget must not impact the part-time reserves, preceded by the equally clear statement in the budget document of March 2012 that reserve strength had to remain at current levels, defence planners are today busily making plans to reduce future funding for the Militia.

Reserves 2000 has received reports from supporters in all four Areas that units have been advised Militia funding in Fiscal Year 2013-2014 will be cut by up to 25%. If enacted those plans would have a huge negative impact on part-time soldiers and their units.

As pointed out in the report authored by Lieutenant-General Leslie before his retirement, Canada is carrying a tremendous burden in non-deployable headquarters. From 2004 to 2010 Leslie reported that headquarters staff, mostly in Ottawa, increased by 46%! And that does not include thousands of contractors, consultants and professional service providers, again, mostly in Ottawa. A summary of key findings of that report is attached. When reading the summary, bear in mind that the increase in the reserve force is actually the move of reservists from part-time to full-time. Total strength of the reserves did not increase by 23%; in fact it did not increase significantly at all.

From 2004 to 2006 headquarters staff increased by perhaps 15,000 or more bodies including contractors while senior civilians, EX 1 and above, increased by 25%. At the same time the part-time Militia base actually grew smaller in order to provide the Class B increases.

Treasury Board Chairman Tony Clement recently indicated total cuts to the DND civilian work force will be in the order of 1,600 from a workforce that totaled 26, 832 on 1 April 2011. That is about a 6% reduction. And it would be fair to guess that most of those cut are low level employees on bases and not those EX 1s in Ottawa.

Meanwhile if the plans Reserves 2000 has been informed of are enacted the Militia will shrink by much more than 6%. Perhaps the Prime Minister's message was never passed on to the Chief of the Defence Staff or it has yet to reach the Army Areas. That, however, seems unlikely, and besides, the release of the Murray Brewster article made the wishes of the Prime Minister public knowledge.

Thus, it appears the Prime Minister must issue fresh direction. This time, in order for there to be no misunderstanding the message should be as simple as possible. Reserves 2000 suggests "keep the Militia budget at this year's level for the next two fiscal years". Anything that provides less funding will impact on the part-time reserves.

Reserves 2000 supporters are encouraged to deliver this message to their Members of Parliament and Senators over the Christmas recess. The Prime Minister needs to hear from them that his direction to protect the Militia is currently being ignored.

Reserves 2000 is a coalition of Canadians concerned with the security and defence of our country, now and in the future. Among its constituents, **Reserves 2000** includes Honorary Appointments from Reserve and Militia units across Canada, along with responsible citizens from all walks of life.

The purpose of **Reserves 2000** is to ensure the perpetuation and contribution of Canada's Reserves and Militia as a viable and important component of Canada's Forces in the context of present and future challenges.

Harper letter to MacKay: Cut more administration, sell surplus Defence property

By: Murray Brewster, The Canadian Press

Posted: 10/24/2012 3:17 PM | Last Modified: 10/24/2012 4:24 PM

OTTAWA - A leaked letter shows the prime minister told Defence Minister Peter MacKay last spring that his initial budget proposals did not cut deep enough on the administrative side of National Defence. The three-page letter — dated June 15, 2012, and obtained by The Canadian Press — was written to provide “guidance” to MacKay and General Walt Natynczyk as the Conservatives embarked on a rewrite of their marquee defence policy.

The document sheds light on the divide between Stephen Harper’s office, determined to wrestle the deficit to the ground, and a defence establishment resolved to protect the budget gains of the last five years. Harper’s missive sets out what cuts he was prepared to accept, what wouldn’t work, and even suggests National Defence unload some of its surplus property.

“It is important that we reduce the current overhead in regular force military and civilian personnel, and in those activities that do not directly contribute to operational readiness,” he wrote.

A spokesman for MacKay said the government doesn’t comment on leaked documents and remains focused on getting the military the resources and equipment it needs. Harper’s letter to MacKay underscored that the days of ever-increasing defence spending are over, a new reality first announced in the March 29 budget and in a myriad of other public statements. “We need to acknowledge that, given the current fiscal climate, there can be no expectation that the defence budget will grow in the next few years,” he wrote.

“As a result, it will be imperative that we make every effort to ensure that each dollar currently devoted to defence is targeted towards enhancing our operational capabilities.”

The fact Harper had to spell out everything speaks to the kind of resistance his government seems to be facing from defence, said University of Ottawa defence expert Phil Lagasse. “I think it suggests there’s an appreciation on the part of the prime minister that the defence establishment has a tendency to try and do things its own way, and that it has been resistant to political direction in recent years,” he said.

“Does that reflect poorly on the defence minister? Perhaps not as a person, but certainly it seems to suggest that the prime minister is somewhat concerned about his defence minister’s ability to properly implement his preferences and his direction.”

In 2008, as part of the first defence strategy, the Conservatives promised stable and predictable funding increases to the military over 20 years. While it still provides increases to the operational budget, those hikes are more than offset by planned cuts that one defence researcher estimated a few weeks ago could total \$2.5 billion a year by 2014.

Defence has been wrestling with how to implement the government’s strategic review and the deficit reduction plan, but proposals about what to cut have been a closely guarded secret.

It's clear from Harper's letter that MacKay's first round of proposals last spring did not pass muster. "As we begin our review of the (Canada First Defence Strategy) I ask you start by making the detailed completion of your Department's Deficit Reduction Action Plan (DRAP) your first priority," the prime minister wrote.

"Thus far, your DRAP proposals have not sufficiently addressed corporate and institutional support and services."

The letter estimated that almost \$11 billion out of a total Defence budget of \$20 billion was swallowed by both civilian and military administration.

Harper urged MacKay to consult more with a cabinet committee that's steering the government-wide series of cuts, and to talk more with his office.

He also laid down red lines about what not to cut.

"You should work closely with the next iteration of the Strategic and Operational Review Committee, as well as central agencies and my office, and present detailed proposals that critically examine corporate and institutional overhead with a view to avoiding budgetary reductions that impact on operational capabilities, the part-time reserves, training within Canada, and the promotion and protection of our national sovereignty," said the letter, which was copied to Treasury Board President Tony Clement and Public Works Minister Rona Ambrose.

In a paper for Carleton University's Centre for Security and Defence Studies, defence expert Dave Perry warned that the cuts planned by the Harper government can't help but take a bite out of "readiness" because of the way the Defence Department manages its budget and the military's unwillingness to give up capabilities, such as ships, tanks or planes.

As the letter suggests, Harper remains convinced the savings can be had in the bureaucracy in much the same way retired lieutenant-general Andrew Leslie suggested in a landmark report last year. "You will need to demonstrate that all internal efficiencies have been identified and pursued, in addition to those in the 2011 Transformation Report," Harper wrote.

"This should include: critically examining the corporate and institutional overhead with a view to reducing duplication and consolidating on both the military and civilian sides; considering options to reduce DND's real estate holdings while remaining cognizant of government priorities."

The letter indicates a firm belief by the Prime Minister's Office that general Leslie was correct in urging significant cuts of overhead, said Lagasse.

But Lagasse says he remains skeptical that Harper and Leslie are right.

"The programs they have in place exist for a reason. They're not all fat and they're not all pork. You will eventually need those very things you're being asked to cut," Lagasse said.

RESERVES 2000

Prudent Defence

9 November, 2012

The Right Honourable Stephen Harper, P.C.
Office of the Prime Minister
80 Wellington Street
Ottawa, Ontario K1A 0A2

Dear

While in Calgary I was privileged to serve as the Honorary Colonel of 14 Service Battalion. There I developed an enormous regard for Canada's citizen soldiers, saw firsthand the value of their service to Canada and shared their frustration with the bureaucracy of the Department of National Defence.

Since moving to Toronto I have become involved with Reserves 2000, a national volunteer organization dedicated to the preservation of the Militia as a viable component of the Canadian Forces, and recently became Chair.

Reserves 2000 has campaigned for many years to prevent the destruction of the Militia by defence planners, who, in 1994, without the intervention of Reserves 2000, would have cut units and soldiers in communities across Canada, all the while maintaining a large and inefficient bureaucracy in Ottawa. Thousands of Canadians felt this was wrong, joined Reserves 2000, and due to their entreaties with Parliamentarians, officials of the Department of National Defence were forced by successive governments to maintain the Militia despite multiple efforts to reduce it.

Supporters of Reserves 2000 were therefore delighted to note that the March 2012 federal budget contained reference to maintaining personnel strengths of both the regular and reserve forces at 63,000 and 27,000 respectively as many times in the past shrinking defence budgets automatically resulted in Militia cuts. More recently your personal direction to the Minister of National Defence to protect part-time reserve strength while finding other economies within his Department, as reported recently by Murray Brewster, was particularly welcome. Unfortunately, monitoring reserve strength is not something the Department of National Defence does well.

This was illustrated by the Honourable John Fraser in several reports of the Minister's Monitoring Committee, so vigorous follow-up on your direction will be vital if the desired result is to be achieved.

In closing, on behalf of all members of Reserves 2000, I would like to thank you for your personal attention to this issue which concerns so many Canadians.

Yours,

S.J.J. Letwin
Chairman

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Fred P Mannix Speech
to
The Conference of Defence Associations
Annual Vimy Award Dinner
at
The Canadian War Museum
on
The Occasion of Receiving
“The Vimy Award”

November 9, 2012

Introduction

Chief Justice McLachlin, General Henault, Vice-Admiral Donaldson, Lieutenant-General Evraire, Mr. Alexander, Adam Day, Distinguished guests, Ladies and Gentlemen.

I am honored to have been chosen for this prestigious award. I know many of the previous recipients personally and I am pleased to have been admitted into their company.

I realize I have a very different background than all of those previous winners. I thought I would provide some insight during my short remarks on how my steadfast interest in the Canadian Forces and in particular the Army Cadets and Militia came about.

When I was growing up after World War Two, our family business had many employees who were ex-soldiers, mostly from the Militia. I also learned that my great grandfather and his uncle had fought in the Riel Rebellion and the Fenian Raids.

It was impressed upon me at an early age and I later recognized it when I ran the family Outfit that ex-military personnel were very capable and extremely responsible.

They all understood command and control and the concept of achieving the objective. In the heady days of large construction contracts in Canada, this was extremely important.

NDC

In 1978 after I had run our group of companies for 12 years, I attended National Defence College in Kingston as a civilian. This came about as a result of the Federal Government wanting our companies to become more internationally engaged.

Several retired generals (* Rockingham and Waters to name two) who were working with me at the time persuaded me of the value of NDC to better understand the opportunities and the challenges. This course was the best geopolitical, national and international experience I could ever have imagined or had.

It gave me a passion for this nation. It made me understand where Canada had come from and where it stood in the world. It also started me thinking of where Canada was headed and how I might get involved.

Connect with Canadians

As those of you who know me will appreciate, I cannot let this opportunity pass without noting a few suggestions on issues that I believe are in need of top down attention. I also believe that leaders cannot correct problems that they know nothing about.

I believe in the Canadian Forces proactively connecting with the Canadian public and this is the basis for my suggestions.

Without the ongoing support of Canadians, the CF will always be vulnerable to those who believe that “sweet” reason alone is enough to protect our way of life in this world of uncertainty.

Any practice that weakens the connection with the Canadian public will ultimately prove counter-productive, no matter how it might seem as an easy solution to a difficult problem in the short term.

Army Cadets

I went to Ridley College in St Catherine’s and as all students did, I joined Royal Canadian Army Cadet Corps #162. To this day, I remember the professional instructors, all of whom had Second World War experience.

For over a century the Cadet program has trained outstanding military and civilian leaders and great Canadian citizens in hundreds of communities across this country.

This is one of the most important programs the Canadian Army has at its disposal to connect with Canadians through the cadets and their parents.

The Army Cadet program has been and continues to be unnecessarily watered down, much to the regret of many of the cadets themselves, who ask for more army in Army Cadets.

Instructors in the Cadet program have significant responsibility to the youth and parents of those participating as well as a national responsibility on behalf of the Canadian Forces.

The Cadet Instructor Cadre officer has the same commissioning scroll as a regular or Militia officer but does not have similar training and experience (* basically only a two week course). As much as there are many excellent instructors in this program, I believe qualification standards need to be developed for enrolment and progression in the CIC.

We have many well-qualified regular and reserve NCOs and officers who could be returned to leadership positions in this very important national institution, now that Canada’s decade-long focus on operations overseas is coming to an end.

This will accomplish two mutually supporting aims – re-instill a military ethos in the program and provide an opportunity for returning veterans to contribute to society through a system that they instinctively understand. The system owes them this opportunity.

I also believe that the three cadet programs, army, navy and air, should all be returned to their respective environmental commands as recommended in the General Leslie Report on Restructuring.

Security and Defence Forum

My next concern relates to Canadian Universities - killing the Security and Defence Forum program on Canadian campuses to save \$2M annually seems penny wise and pound foolish.

The elimination of this program will remove any military contact with young adults when they are formulating their attitudes towards this nation. It will make it impossible for most of Canada’s centres of strategic studies and military history to continue to operate.

This once vigorous national network of higher education for teaching, learning and scholarship, which has produced some of the most advanced defence learning in the free world, will soon go dark. I dare say, the ramifications of this small cut have not been thought through.

The CF needs a presence on Canadian campuses which is visible and useful and where young educated opinions are formed.

Militia

The Militia is the most important and greatest link between the general population and their military.

Militia soldiers have impact on their co-workers and their civilian network of acquaintances, which is not available to regulars. Canadians have been and should be immensely proud of their part-time Militia,

citizen soldiers.

When I talk about the Militia I mean a person who has two jobs, one part-time in the army and the other on civvy-street. It seems to me the full-time reserve army should be considered part of and paid from the regular force salary envelope.

I fear the Canadian Forces will now cut the Militia class "A" wage envelope, even after the Minister asked the Chief of Defence Staff and the Vice Chief for a policy to protect the reserve pay in a manner similar to that which the regular force enjoys.

If the CF wishes to retain the experience gained by the Militia in Afghanistan, then their reserve training budget also needs to be protected. Young Militia soldiers need constant and challenging learning experiences. If there is not sufficient compensation and training, then individuals will pursue other avenues for pay and excitement away from the Militia and both recruiting and retention will suffer.

The Militia has proven it is capable of responding to national challenges, including notable military performance in Afghanistan. It is the defence footprint in most communities across the country and the basis of mobilization in an uncertain world.

Honorary Colonels

The institution of the Honorary Colonels in Canada is yet another key to a strong connection between Canadians and the Canadian Forces. In my view it ought to be a Militia unit Commanding Officer who puts forward the names of appropriate local citizens to serve as Honorary appointments to the Minister of National Defence for approval.

To have regular force officers in the chain of command interfering in this process is inappropriate, especially when they would not accept similar interference for their own regular force Colonels of the Regiment. This will in time jeopardize yet another important link between Canadians and their troops.

Conclusion

In summary the department should consider analyzing and reinvigorating its Connect with Canadians strategies using best practices from wherever they may be found.

To quote Churchill – "difficulties mastered are opportunities won."

Before I end – I wish to personally complement Adam Day on winning the Ross Munro Media Award. Adam was an early graduate of the Military Journalism course run by the Centre for Military and Strategic Studies at the University of Calgary and sponsored by the Canadian Defence and Foreign Affairs Institute - CDFAI. Adam, well done and keep up the good work.

I wish to thank Major General (Ret'd) Barry Ashton, who I believe is here this evening, and all the others who supported my nomination.

Thank you again Chief Justice McLachlin, General Henault and CDAI for this honor - and thank you, everyone, for your attendance this evening.

(* italicized parts were added at the time of giving the speech)

Key Findings

- DND/CF growth overall
 - people (Reg/Res/Civ) ↑ 18%
 - funding ↑ 51% (nominal)
- Reg Force ↑ 11% or 6,524
 - about half to the Army, most of the remainder to non-Army headquarters.
- Res Force ↑ 23% or 6,651
 - most are full time reservists in HQ & Admin
- Civilians ↑ 33%, or 7,318 people
 - Mostly in headquarters
- The 'tail' ↑ 40%
 - personnel in HQ & non-operational jobs
- The 'tooth' ↑ 10%
 - personnel in operational and / or deployable jobs
- Consultants, contractors, and professional services contracts
 - about \$2.7B annually and growing
 - at least 5,000 people, many of whom are in Ottawa
- 9,000 full-time reservists (Class C, Class B and full time Class A)
 - mainly in HQ & support functions
 - approximately \$1B annually
- Multiple layers of military and civilian bureaucracy:
 - Limited managerial agility and flexibility
 - inefficiently and ineffectively prosecutes the totality of its assigned resources
 - trend in unspent money: growing!
- Some Executive leadership growth outpaced overall population increases
 - Regular Force (Cols & above): 2%
 - Reserve Force (Cols & above): 75%
 - Civilians (EX1 & above): 25%
 - Cumulative (Reg/Res/Civ) increase of 19%.

Assumptions:

- Through SR & SOR, DND will pay proportional share of deficit reduction
- CFDS to be made more affordable by reinvesting from within
- Tail will be rationalized to protect and invest in teeth

Note: this is not intended as a menu of options: all the ideas are interconnected and build on each other.

It is an outline intent and concept of operations which can lead to a plan.

Some Solutions

Potential for reinvestment

The Issues

Short Term: 1 year

1. How do we pay our proportional share of deficit reduction?



- a. Implement cross sectional administrative efficiencies

Report xiii, Annex C, App4A&B

~1B

Short/Med Term: 1-3 yrs

2. How do we make CFDS more affordable within remaining resources?



- a. Implement full-time Reserve reductions to a baseline of 4,500

Report xiii (sub-para biii)

~350M



- b. Implement Joint Forces Support Command, saving 4% per year, thus 12% in 3 years

Report Sec 5.4

~300M



- c. Implement Professional Services Contracts and Contractors reduction by 30% over 3 years

Report Sec 5.6, p 67

~900M



- d. Implement additional medium term administrative savings

Report Sec 5.7

~200M

Medium Term: 3 yrs

3. How do we:
- Increase efficiency?
 - Reduce overhead?
 - Find the people from within to invest in the future?



- a. Identify and reallocate ~3500 Reg Force and an appropriate number of public servants from overhead & HQs

Report xii (sub-para bii)



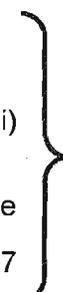
- b. Reduce Headquarters and staffs by grouping like with like

Report Sec 5.6, p 67



- c. Focus NDHQ/Corporate HQ on corporate policy and strategic management, and parse out service delivery to Joint Forces Support Command

Report Sec 5.6, p 67



3500
Reg Force
Personnel

3500
Public Servants