

RESERVES 2000

Prudent Defence

COMMUNIQUÉ

80 Church St, Toronto, ON M5C 2G1. Tel (416) 868-1186 Fax (416) 364-5395 Sept. 2014
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FALLING STRENGTH

For the past three fiscal years (FYs) the strength of the Militia has been falling, and it accelerated in the last full year, FY 13-14. In May 2014 the Deputy of the Canadian Army reported to the Executive of the Council of Honorary Colonels that Militia strength was only 18,135 some 1,365 below the authorized 19,500. In this FY if normal attrition in recruit training, transfers to the regular force and releases for all other reasons continue to total about 15%, as it has for years, then based on a start strength of 18,000 another 2,700 new soldiers will have to be recruited as well. The shortfall of 1,365 plus attrition of 2,700 means there should be about 4,000 new hires this year in order to return to authorized strength. Yet, the recruiting plan briefed in May appeared to only call for 2,800 new hires.

The recruiting plan is officially called the Strategic Intake Plan (SIP). From FY 2011-12 to FY 2013-14 the average yearly success rate in filling the plan was only 70%, which begins to account for the reported May shortfall and was no doubt a factor in the decision to return the process of enrollment to units. However, there is also something wrong if the SIP only calls for 2,800 recruits when 4,000 are needed.

The SIP is determined annually through a complicated process called RAMOR, where the

outcome is influenced by many factors other than current shortfall and predicted attrition. For one thing training capacity is considered, which likely leads to smaller intakes if the will is not present to increase capacity to suit the need. Budget constraints are also a factor and it is obvious that in any climate of reduced budgets fewer Militia recruits will result in savings that can be applied to other army programmes – especially as Militia pay is still considered to be O&M and thus readily available for appropriation by defence planners. The RAMOR process depends on computerized unit strength returns, and presumes the starting data is good, but there is much anecdotal evidence to the contrary. And a highly centralized system will never suit every unit in every varied corner of this immense nation. For all these reasons the RAMOR process has produced SIP numbers that are not large enough to allow units to remain at authorized strength - and then recruiting and enrollment shortfalls further reduce the intake. It is no wonder unit strengths are slipping.

Many Reserves 2000 supporters are reporting unit strengths this month, September 2014, that are 10 to 15% lower than they were three years ago. The situation now has been described as a “perfect storm”, with the SIP set too low, the recruiting process not yet decentralized so that units can take control of enrollment (and in some cases it appears that brigade recruiting and enrollment will prevail – still better than CFRG

control) and training capacity atrophying as a result of low throughput in the preceding two years.

In 2012 the Prime Minister directed the then Minister of National Defence, Mr MacKay, not to allow part-time reservists to be impacted by whatever Departmental pruning was being planned. This was reported in our December 2012 Communiqué as was our advice in a letter to the Prime Minister that the defence bureaucracy would bear close monitoring if his wishes were to be adhered to. Unfortunately it appears part-time reservists *are* being impacted by falling numbers and Reserves 2000 calls upon defence planners to reverse the downward trajectory Militia strength is now on.

All supporters should verify the situation in their own units and report what is found to your local Member of Parliament. They should be concerned that units in their ridings are dwindling away and the Government should be concerned that reserve strength is now below the total of 27,000 for all reserve components that it directed be maintained in many public statements, including the last two federal budgets.

CANADA FIRST DEFENCE STRATEGY

The Canada First Defence Strategy (CFDS) is a blueprint for the Government's intent to improve the Canadian Armed Forces. The present version now six years old is currently being re-written and may form the defence plank of the Conservative Party of Canada's platform for the next election.

Unfortunately, despite the fact that the Militia consists of as many soldiers as are to be found in army jobs in the regular force, the present version of the CFDS barely mentions Canada's

part-time reservists and their contribution to Canadian defence capability. It is high time to correct this policy shortcoming and Reserves 2000 has been trying to do exactly that as can be seen by the enclosed correspondence to the Prime Minister and with the Minister of National Defence. Minister Nicholson's reply is also enclosed and looks encouraging, but as stated above the current version only mentions the reserves three times, and every time only to say that total reserve strength will rise to 30,000 sailors, soldiers, airmen and airwomen by the year 2028 – certainly not a breakneck pace of expansion. Reserves 2000 has called for a Militia alone of 45,000 to be raised within five years.

The re-written CFDS must define the need for robust reserve forces, outline policies that will ensure their viability, including predictable funding and reservist control over that funding, and outline a five year expansion plan (the life of a new government). In addition, it should recognize the additional benefits the presence of part-time soldiers and units bring to Canadian communities and make a commitment to maintain that presence.

Over the course of the summer many Reserves 2000 supporters were requested to write to the Prime Minister to ask him to ensure proper recognition of the reserves is contained in the new CFDS, and most did so. A sample letter, enclosed, was provided but a number of individuals modified the letter and told the Prime Minister in their own words what they want to see in the CFDS. If you have not already done so, please write to the Right Honourable Stephen Harper and at least make the points suggested in the sample letter.

In addition a detailed briefing package has been prepared for supporters and is attached.

EDITORIAL

This has been a summer of international tension to which the Government has reacted with minimal deployments of the Canadian Armed Forces. But while the number deployed is not large today and there is no desire to become involved in combat, these situations have a nasty habit of escalating, and no-one can say that Canadians will once not again find themselves in combat in the near future. Should that occur, as the Afghanistan mission showed us, an increase in troops and assets deployed could quickly follow.

As far as the Army is concerned, thanks to Afghanistan, a fairly modern inventory of equipment is available and the Royal Canadian Air Force now has the capacity to move it quickly. The tough job will be providing the soldiers. According to information provided to the Canadian Press under the Access to Information Act the Army will have trouble sustaining a battle group deployment. In order to keep a battle group of about 1,000 soldiers in the field in Afghanistan another 1,500, which included an air wing, were required in the theatre. Where will they come from? The Militia will once again have to step up.

As Militia supporters know well, up to 20% of all Canadian personnel in most rotations to Afghanistan were reservists, mostly from the more than 120 Militia located in communities across the nation. At the beginning of the Canadian involvement Militia strength was still recovering from the disastrous downturn it took in the mid 1990s when plans were afoot to reduce the number of soldiers and units by half, but with the impetus of sufficient funding, exploding Class B opportunities in Canada and the chance to deploy, the number of soldiers eventually met and even exceeded authorized strength. But sadly, today, as reported in the lead article, the Militia is no longer at authorized strength and thus will not be able to immediately play such an important role in providing additional capability to our tiny regular forces.

The tumbling part-time strength of the last three years was not the intent of the Government, as evidenced by the Prime Minister's direction to the MND in 2010. It is directly the result of recruit intake numbers set too low (the SIP) and a dysfunctional recruiting and enrolling system, both issues which have long been reported by units up their chain-of-command. The fact that until earlier this year nothing was done to redress these issues, and then only the recruiting and enrollment problem, can only be interpreted as a return to the bureaucratic indifference and self-interest that existed before the operational focus was put on Afghanistan.

It is evident the Government wishes Canada to play a role on the world stage. In order to do so a suitably large pool of trained soldiers must be available. This is not the case at the moment, but an expanded Militia is the most cost-effective way to provide it.

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.

RESERVES 2000

Prudent Defence

31 March, 2014

The Honourable Rob Nicholson, PC, QC
Minister of National Defence
National Defence Headquarters
101 Colonel By Drive
Ottawa, ON K1A 0K2

Dear Minister:

It is the understanding of Reserves 2000 that the Canada First Defence Strategy (CFDS) is to be re-written in the near future and I would like to encourage you to use this opportunity to raise the profile of Canada's reserve forces and the citizen soldiers, sailors and air personnel that comprise them. Announcement in that re-write of a modest increase in Primary Reserve strength, one larger than the minute figures in the current version of the document, would send a message to all Canadians of the value your Government places on reserve service and your commitment to meaningful defence renewal.

The advantages of doing more with reservists are manifold, but none is more compelling than stretching tax dollars by using more reservists to replace some of the capability currently provided by costly full-time personnel. In this manner more capability can be retained and hard-won skills can be retained in the CAF that might otherwise be given up. A reduction of 100 full-time employees, military or civilian, would allow an increase of at least 1,000 reservists without adding a dollar to the defence budget.

In addition, of course, an increase in reserve strength would provide welcome part-time employment for young Canadians in almost every riding in the nation, which would support one of the commendable goals of your Government's most recent budget. The value of military training to these young Canadians and their communities in terms of self-confidence, teamwork, nation building and citizenship, to name but a few positive outcomes, is a secondary, but significant factor in terms of value for tax dollars spent.

On behalf of Reserves 2000 supporters across Canada, I urge you to use the opportunity presented by the CFDS re-write to expand your most cost-effective defence asset, the Primary Reserve.

Sincerely,



Stephen J.J. Letwin, Chair

cc: Dr. Roy Remple, PMO

80 Church Street, Toronto, Ontario M5C 2G1 Telephone (416) 868-1186 Fax (416) 364-5395
E-Mail: r2000@commissionaires.ca

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RESERVES 2000

Prudent Defence

July 4, 2014

The Right Honourable Stephen Harper, P.C., M.P.
Prime Minister of Canada
80 Wellington Street
Ottawa, ON K1A 0A2

Dear Prime Minister:

I am writing to ask that the Canada First Defence Strategy, currently being re-written, reflect the true contribution made by Canada's part-time reserves. The current version barely mentions reserve forces, yet in the Army today, there are just as many part-time soldiers as there are full-time soldiers.

Unfortunately, current policies within the Department of National Defence are hurting the Militia, or Army Reserve as it is also known, and without serious adjustments, it will fail to remain a keystone Canadian institution capable of playing a significant role when called upon. A re-written Canada First Defence Strategy stating your Government's recognition of the value of the Militia, and a Statement of Intent to substantially expand it while fixing the chronic problems which plague it, would be well received by many Canadians. At the same time, of course, expansion of the Militia would provide more jobs for young Canadians right across the country.

The renewal of the Canada First Defence Strategy offers a unique opportunity to influence defence policy for years to come. I hope you will use it to secure the future of the Militia in order that it may continue to play its vital and historic role in Canada's Defence and security.

Sincerely,


Stephen J.J. Letwin, Chair

cc: The Honourable Rob Nicholson, PC, QC
Minister of National Defence
National Defence Headquarters
101 Colonel By Drive
Ottawa, ON K1A 0K2

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Minister
of National Defence



Ministre
de la Défense nationale

Ottawa, Canada K1A 0K2

AUG 18 2014

Mr. Stephen J. J. Letwin
Chair
Reserves 2000
80 Church Street
Toronto ON M5C 2G1

Dear Mr. Letwin:

Thank you for your letter of 31 March 2014 concerning Canada's Primary Reserve. Please accept my apology for this delay in responding.

Given the rich heritage and tradition of our Reserve Force, the Canadian Armed Forces (CAF) is planning a return to the predominantly part-time model of reserve service by the citizen sailors, soldiers, airmen, and airwomen who reside in more than 100 communities across Canada.

The Government of Canada certainly recognizes the significance of the Reserve Force as both a force multiplier within the CAF and a vehicle to expose all Canadians to the value of part-time military service. Over the past decade the CAF has seen an increase in operational tempo at home and abroad, and a significant number of deployed CAF personnel have been primary reservists. Now, as it returns to a more steady state of operations, the CAF has been determining how to generate a more effective and sustainable Reserve Force that will result in increased operational efficiency, specifically refocusing efforts on the sustainment of a professional, part-time Reserve Force. To this end, the Government remains committed to incorporating a strong role for our Reserve Force within the *Canada First* Defence Strategy, which is available at <http://www.forces.gc.ca/en/about/canada-first-defence-strategy.page>.

I wish to highlight the Government's strong support of the dedicated men and women of our Reserve Force, who remain an essential link between the CAF and Canadians.

I trust that this information is helpful, and thank you for your support of Canada's Reserve Force.

Yours truly,

A handwritten signature in blue ink that reads "Rob Nicholson".

Hon. Rob Nicholson, PC, QC, MP

Canada

The Right Honourable Stephen Harper, P.C., M.P.
Prime Minister of Canada
80 Wellington Street
Ottawa, ON K1A 0A2

Dear Prime Minister:

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Unfortunately, current policies within the Department of National Defence are hurting the Militia, or Army Reserve as it is also known, and without serious adjustments it will fail to remain a keystone Canadian institution capable of playing a significant role when called upon. For that reason a re-written Canada First Defence Strategy stating your Government's recognition of the value of the Militia, and a statement of intent to substantially expand it while fixing the chronic problems which plague it, would be well received by many Canadians. At the same time, of course, expansion of the Militia would provide more jobs for young Canadians right across the country.

The renewal of the Canada First Defence Strategy offers a unique opportunity to influence defence policy for years to come. I hope you will use it to secure the future of the Militia in order that it may continue to play its vital and historic role in Canada's defence and security.

Sincerely,

Your name, address, etc

CC: The Honourable Rob Nicholson, PC, QC
Minister of National Defence
National Defence Headquarters
101 Colonel By Drive
Ottawa, ON K1A 0K2

MILITIA CONTENT IN CFDS RE-WRITE

AIM

The aim of this brief is to provide an argument for the inclusion of policies in the next version of the Canada First Defence Strategy (CFDS) to strengthen Canada's part-time reserve forces.

BACKGROUND

Up to the Second World War Canada relied on a very small full-time force backed up by sizeable part-time forces. In the Cold War period defence planners became convinced that full-time forces on constant high readiness were the only viable organizational option and that part-time forces would be of little value in an all out war as the outcome any fighting would be resolved in a matter of days, long before reserve forces could join the fighting. Part-time forces were paid but lip service, were underfunded, underutilized and forced to operate within policies constructed for full-time service, with the predictable result that Canada's reserve forces, the Militia in particular, are now on life-support.

Today, while Canada's full-time forces should total 67,000 personnel, very few of them are actually fighting soldiers, sailors or air personnel. The Army full-time field force is only about 12,000 positions and many are unfilled while the part-time portion of the Militia is only 16,000 of which 4,000 are not fully trained. Thus the full and part-time portions of the Army are about equal in numbers – but the current version of the CFDS barely mentions Canada's part-time forces!

CANADA LACKS SUFFICIENT MILITARY PERSONNEL – IN THE RIGHT PLACE

Somewhat like the conscription crisis of 1944, Canada today has a military that is well headquartered but weak in fighting numbers. Unlike 1944 however, where the need was for a large number of fighting soldiers overseas, the critical need today is for sufficient soldiers and effective units at home to protect Canadians and our vital infrastructure and accordingly this paper will henceforth concentrate exclusively on the Militia. At the same time should Canada need more forces to augment the full-time force for expeditionary roles or to mobilize reserve units for that purpose, a larger Militia will also be able to provide the resources much more effectively and to sustain them for much longer.

It is forgotten that in the October Crisis of 1970 every field unit in the Canadian Army in Canada was committed and plans were drawn up to bring home units from Germany and Cyprus. While these plans were never executed it is a frightening reminder of how a handful of terrorists could, and did, almost completely exhaust the security resources of Canada. Given the vast size of this nation and the potential for disruption that would result from any shutdowns of critical

infrastructure, Canada needs a much more robust response capability than today's tiny army, both full and part-time, can provide. Just one example of our vulnerability is energy infrastructure, which is critical not only to Canada but to the United States as well, and if we cannot secure it our friendly neighbour will. The US Army protecting Canadian critical infrastructure, in Canada, is not the mark of a sovereign Canada.

Perhaps, if all the 20,000 individuals now employed in headquarters could magically be transformed into trained front-line soldiers capable of dealing with potential domestic operations, Canadian sovereignty might not be placed at risk. But, one has to ask, in light of pay and allowances accounting for some 60% of the DND budget, is there a more localized and cost-effective way to expend defence dollars in pursuit of this capability?

The answer is obviously yes, and the way to do it is to expand the Militia footprint from sea to sea.

PART-TIME SOLDIERS ARE COST EFFECTIVE

The current version of the CFDS states that the cost of a full-time soldier is \$150,000 per year, not including equipment, infrastructure and training. Presumably that figure is comprised of pay, allowances and perhaps a set-aside for future pension liability. Using calculations explained at Annex A it can be extrapolated from the DND Report on Plans and Priorities (RPP) for FY 2013-14 that the pay budgeted for each part-time soldier was only \$11,129 per year, to which must also be added a pension liability, but one proportionate to the pay figure.

Nor does it cost a great deal to maintain the skills of part-time soldiers. The FY 2013-14 RPP allocates but \$3,072 per soldier for training. There would be no additional costs attributed to new construction or facility maintenance as every armoury in Canada was constructed to house many more soldiers than Militia units now parade. The same is true for support staff because even if unit strength was doubled or tripled the full-time staff now assigned to units would suffice.

Thus Canada could have approximately ten part-time soldiers for the cost of one full-time soldier.

CURRENT POLICIES DO NOT SUPPORT PART-TIME SERVICE

The centralized personnel policies that have developed within the unified force structure fathered by Minister Hellyer and embraced by successive Liberal governments, mitigates against the Militia as all policies have to fit all three services, thus pleasing none. The dysfunctional centralized recruiting process is the perfect example of a policy that does more to hamper the viability of units than it does to support them. Recent efforts by the Government to

undo some of the symbols of unification are good for the Militia and much appreciated by those who wish to strengthen it. Now personnel policies constructed solely to support a unified force must also be undone and new policies that will strengthen the fighting elements of the forces put in place. Recognition of the differences between full and part-time service and policies that take this into account can then be implemented in the Army.

The culture of the Canadian Armed Forces does not recognize that part-time service personnel have different needs than those who serve full-time. This is apparent to the part-time soldier from the moment of his or her first encounter with staff at a Canadian Forces Recruiting Centre who cannot see why an applicant is not available during school or working hours; through an enrollment process that takes on average 150 days while the applicants' peers are hired by industry in less than a week; to a training system designed for full-time trainees that cancels courses reservists have booked time off to take only to have the course cancelled on a moments notice; to an administrative regime that demands the same volume and detail to which full-time units can devote at least 30 days a month but reserve units must accomplish in perhaps five days a month; and ending with a pension scheme for reservists that takes at least two years to issue the first pension cheque.

Despite, or more likely because of, the vast headquarters staffs, especially in Ottawa, these issues, while raised year after year by part-time soldiers, have not been resolved. Indeed, the most positive development in a very long time was the recent direction for the Canadian Forces Recruiting Group to work with the Army to re-create the capability for Militia units to complete the enrollment process at the unit level, within their own armouries. But it will likely take months, if not years, for that to become reality.

Another longstanding frustration is that the reserve pay budget is currently classed as operations and maintenance (O&M) and is thus vulnerable to the whim of commanders at all levels to raid it for other purposes, as has happened many times in the past. Reservists deserve the same guarantee their full-time counterparts enjoy that they will be paid a certain amount over a given period of time.

In order to prevent funding earmarked for the Militia being utilized for other uses it is imperative that the Militia budget be controlled by Militia commanders at all levels. This would create a separate Militia budget and it would not only make for more accountability but it would send a powerful message that the culture described above, which marginalizes the Militia, is no longer acceptable.

THE ROLE OF THE MILITIA

The policy issues noted above stem in part from the lack of the acceptance by defence planners of mobilization as the first role of the Militia. This priority was defined by the Dickson

Commission in 1995 and confirmed by successive governments, but having been forced to employ up to 20% reservists per rotation in Afghanistan defence planners have emphasised the augmentation role over the need to maintain a healthy base for mobilization. The desire to have lower ranking reservists, those most utilized in Afghanistan, trained to a similar level as full-time soldiers has concentrated efforts on those individual skills to the detriment of policies and activities which support the units into which the individuals are recruited and nurtured.

A re-statement that the first role of the Militia is mobilization is necessary to create an atmosphere in which policies that support part-time soldiers will thrive.

OTHER BENEFITS

A dollar spent on part-time soldiers provides more benefits to Canada than simply cost-effective defence capability.

In particular, the Militia is a source of part-time employment in over 110 Canadian communities and those reservists live in almost every riding. Given the jobs and opportunities theme of the last federal budget, expansion of the Militia provides a ready-made opportunity to provide new part-time jobs across the country. And these jobs would primarily offer employment for young Canadians.

Units cannot absorb unlimited numbers of new recruits but every unit could add at least ten recruits per year, and some more. Once first year growth has been absorbed even more new recruits could be handled in succeeding years.

In addition to providing more employment the training these youth would receive would benefit Canada for years to come. Self-discipline, leadership, problem solving, teamwork and citizenship are but some of the skills they would absorb. It must also be noted that the Militia is a strong expression of federalism in Quebec and at this juncture federalism may be much more appealing there than in the recent past. It would be a shame not to nourish it.

GOVERNANCE

Militia improvements have been the subject of government direction several times in recent years but have always been sidelined by bureaucratic opposition. If Canada is to gain from the economies and benefits a larger Militia can offer, constant oversight and cabinet level direction is required. An associate minister for the Militia assisted by a small monitoring committee

comprised of distinguished defence advisors would do much to guarantee a successful outcome.

CONCLUSIONS

Canada needs a larger army but cannot afford a larger full-time army. Part-time soldiers are very cost-effective and the structure exists across the country to raise more soldiers in every community. Current policies do not support part-time soldiers and must be modified if expansion is to occur. Current policies support unification - not the individual service components and especially not the Militia. The culture of the Canadian Armed Forces, including the full-time Army, does not recognize the needs of part-time soldiers. To flourish, part-time soldiers must control their own budget and part-time pay must not be included in O&M. Mobilization must be the overriding role of the Militia. The many benefits to Canadians and Canadian communities that result from part-time service must be recognized and funded.

Past experience has shown the DND bureaucracy to be doggedly capable of thwarting direction to improve the Militia. A dedicated and informed political overseer is required to make real improvements.

The re-written CFDS will be seen to be the defence policy plank of the Conservative Party of Canada election platform for 2015. A commitment in the CFDS to provide more defence capability with cost-effective reserve forces and highlighting the ancillary benefits to Canadian families and communities of more opportunities for part-time employment in the Militia will appeal to voters.

RECCOMENDATIONS

Current DND policies will not support a Militia expansion. Reserves 2000 recommends the following supportive policy statements be included in the CFDS re-write:

- a. The Militia will be expanded to 45,000 soldiers over the next ten years with the first year's expansion to be 1,500 and succeeding years growth to be determined by unit capacity to absorb more soldiers;
- b. Unification will continue to be undone with early emphasis on returning personnel policies to the control of each service;
- c. Policies will be developed to really take into account the nature of part-time service and the Army will conduct itself accordingly;
- d. The Militia will control its own budget;

- e. Militia pay will be put on the same footing as regular and civilian pay. It will no longer be included in the Army O&M budget;
- f. The roles of the Militia will be confirmed to be, in order of priority;
 - i. Mobilization;
 - ii. Augmentation; and
 - iii. Connecting with Canadians.
- g. The benefits to Canada of part-time training and service beyond providing more defence capability will be recognized and stated as national policy; and
- h. An associate minister and a monitoring committee will be appointed to ensure success

CALCULATION OF COST PER RESERVE SOLDIER

From Report on Plans and Priorities (RPP) 2013-14

Total Reserve Pay	\$587,901,000
Minus Pay of 4,500 Class B reservists at \$75,000 each (likely a low estimate)	<u>-337,500,000</u>
Thus there is available for Class A pay	\$250,401,000

Total reserve strength is 27,000. Less 4,500 Class B leaves 22,500 on Class A.

Dividing \$250,401,000 among those 22,500 means each Class A costs \$11,129 for pay.

The reserve operating budget is \$69,131,000. This money is spent primarily on Class A training as the Class B are almost all employed in headquarters and not units. Each of the 22,500 Class A soldiers should be allotted \$3,072 of the total operating budget.

Thus the total direct cost of each Class A is;

Pay	\$11,129.00
O&M	<u>3,072.00</u>
	\$14,201.00

In addition there are initial costs for items such as ammunition, recruiting expenses etc. Let the total cost of a new soldier be shown as \$15,000.00

All the other costs attributed to the reserves in the RPP would be incurred whether new soldiers are hired or not. For example, units have the same number of Regular Support Staff no matter what their strength, facilities require the same amount of heating, cooling and maintenance if there is one person or 200 people using it, and bases are not established on the number of reservists they support. No new capital construction is required as every armoury in Canada was designed for more reservists than now occupy them.