President’s Message (Robert S. Millar)
This past year saw significant progress for the Institute. CDFAI can be proud of its efforts in developing new and continuing core programmes, building relationships and improving on its methods of doing business.

Programs were enhanced by partnering with other successful organizations. CDFAI engaged in a very successful collaboration with the Dominion Institute on a documentary titled Foreign Fields. This partnership allowed CDFAI to leverage its resources with a likeminded organization, thereby providing the general public better information in a multimedia context. Throughout the year CDFAI continued to build its relationships with some of Canada’s major academic centres including Carleton University, Queen’s University, University of Calgary and Université Laval in a variety of individual arrangements and joint partnerships, thus bringing some of Canada’s best academic minds to bear on various projects.

Fundraising planning and execution were given special effort throughout the year. A couple of senior consultants worked with management to develop broader fundraising ideas that the right type of employee can begin to implement, once hired in 2004. Special thanks is offered to those many donors that made our accomplishments in 2003 possible. Their names and affiliations are listed elsewhere in this report.

Management took account of the lessons learned from the various activities undertaken in 2002 and the early part of the year and worked to fine tune its programs and various projects. Late in the year a revised strategic plan was approved as the guidance for CDFAI to move forward. Needless to say, the opportunities are enormous and will only be limited by our resources, financial and human. Much effort is required if the Institute is to meet its vision, whereby Canada has regained it’s respected and influential voice in the international arena based on a comprehensive foreign and defence policy. This policy will express our nation’s interests, our political and social values, our military capabilities and our economic strength. Canada will be willing to be engaged in action that is timely, constructive and credible.

It is my pleasure to recognize the many individuals who work with our organization. In particular, I applaud the contribution of our partners, staff and the many others who worked tirelessly on our programs and awareness-building efforts this past year. The work of the Board of Directors and the Advisory Council in particular have been crucial to our early successes.

Vice President, Research’s Message (David J. Bercuson)
As a very young organization, CDFAI looks back at 2003 with pride in its many accomplishments that will help build a solid foundation for programming in 2004 and beyond.

The highlight of the year was the release on 31 October of CDFAI’s study “In The National Interest: Canadian Foreign Policy in an Insecure World.” Written by six defence and foreign policy experts under the overall direction of Dr. Denis Stairs of Dalhousie University, and based on 13 studies commissioned especially for this project.

The paper was also the focus of a conference sponsored largely by CDFAI and hosted by Carleton University in conjunction with Universite Laval and Queen’s University on October 30th-31st. The paper and the conference attracted significant attention among the policy making community, culminating in a private meeting on the afternoon of November 1st at National Defence Headquarters of the paper’s authors and the Deputy Ministers of National Defence and Foreign Affairs and International Trade. The project also attracted significant financial support from a number of donors and was launched in cooperation with the Globe and Mail and the Dominion Institute.
The paper and conference were by no means the only successes achieved by CDFAI in 2003. The Institute supported three student conferences via publication grants and awarded three prizes to masters students for outstanding research papers. The journalism course organized and instructed by Bob Bergen, a PhD candidate at the University of Calgary attracted more than double the number of students who participated in the first course in 2002. CDFAI also participated in a successful project with Global Television and the Dominion Institute on the future of Canadian foreign policy and broadened its connections with various centres of the DND Security and Defence Forum.

CDFAI is still very much in its formative period, but it is already having an impact in academic circles, among the press and their readership, and in the policymaking community. We look forward to an even more active year in 2004.

General
CDFAI was incorporated in 2001 to address the need for a well-funded, dynamic institute focused on defence and foreign affairs research and education. There are several universities and other independent organizations across the country involved in this field but the lack of adequate funding is a major impediment to their success. CDFAI believes that it can make a difference by working with likeminded organizations across Canada.

Mission
CDFAI is dedicated to enhancing Canada’s role in the world by helping to stimulate awareness and debate amongst Canadians about their nation’s defence and foreign policies and the instruments that serve them.

CDFAI will fulfill this mission by:
- Contributing, as permitted, to the public discussion of government policy in the areas of defence, foreign affairs and national security as well as institutional preparedness to support current policies;
- Supporting the development of Canadian expertise by funding research as well as professional and student conferences in relevant areas;
- Establishing linkages with other Canadian and international organizations, governments and the private sector; and
- Providing opportunities for the exchange of national and international study.

Activities
2003 was a successful year for CDFAI with the continuation of programs introduced in 2002 and the development of new programs and partnerships.

1. CDFAI released the foreign policy paper “In the National Interest” on October 30th, 2003. “In the National Interest” was launched in conjunction with the Changing Canadian Foreign Policy Conference held at the Lord Elgin Hotel October 30-31, 2003. This conference was presented by CDFAI in partnership with Carleton University, Université Laval and Queen’s University. The conference was oversubscribed with 100 politicians, dignitaries, academics and media meeting together to discuss Canada’s foreign policy and how it should be modified. “In the National Interest” was released with the intention of initiating a public dialogue on Canadian Foreign Policy and to present suggestions for objectives that should be considered in the expected federal foreign policy review. This document provided one of the most comprehensive analyses of the security aspects of Canadian foreign and defence policies.
2. CDFAI, in collaboration with the Dominion Institute, produced a documentary titled "Foreign Fields: Canada's Role in the World". This was a one-hour documentary that originally aired on Global TV September 10th, 2003. The program focused on breaking down the myths about Canada's role on the world stage. Foreign Fields examined how to restore Canada's fading image and recreate a more activist and creative presence in the world.

3. CDFAI increased the number of students for the Canadian Military Journalism Course to ten journalism students from across Canada and expanded the length of the course to eight days. The course is designed to teach basic facts and information about the Canadian military to the students. The course was a great success with positive feedback from the students. Course material was taught and administered by Bob Bergen, former reporter for the Calgary Herald and currently a PhD candidate at the Centre for Military and Strategic Studies (CMSS) at the University of Calgary. CDFAI was fortunate to have a number of guest speakers involved with the program including Major Michael Audette, Contingent PAFFO Operation Kinetic (Kosovo) and Operation Apollo (Afghanistan). Students at universities with journalism programs were invited to apply.

4. CDFAI partnered with the Centre for Military and Strategic Studies (CMSS) to launch the EJournal Program. CMSS originally created the electronic journal for the purpose of disseminating information and publishing papers to a circulation list of 3000+ contacts. CDFAI took over this program in May 2003 with the intention of co-branding the journal with CMSS and promoting work by academics on issues dealing with Canada's military and foreign affairs. As part of this process CDFAI registered www.jmss.org as the new official site to house the e-journal.

5. CDFAI partnered with the Conference of Defence Associations Institute to present the 2003 Ross Munro Media Award. The Ross Munro Media Award recognizes annually one Canadian journalist who has made a significant and outstanding contribution to the understanding by the general public of Canada's defence and security issues. The recipient of the award for 2003 was Mr. Garth Pritchard. He has reported on Canadian defence issues from such places as Somalia, Croatia, Kosovo, and Afghanistan, and his work clearly shows how he has earned the respect of the members of the Canadian Forces and the public in general. More than 400 people including parliamentarians, business leaders, members of the Canadian Forces and the general public were in attendance at the Museum of Civilization gala event on November 21st, 2003.

6. CDFAI partnered with the Centre for Military and Strategic Studies to host the Ross Ellis Memorial Lecture in Military and Strategic Studies (Ellis Lecture). The Ellis Lecture is an annual lecture series honouring Lieutenant Colonel Ross Ellis, a former Commanding Officer of the Calgary Highlanders. The speaker for 2003 was Major-General (Ret'd) H. Cameron Ross, CMM, CD - Former Director General International Security Policy, National Defence Headquarters, and Ottawa. The aim is to make available to the Canadians the opportunity to hear a quality speaker in order to better inform them on issues of importance and to assist in developing a better understanding of the role played in society by foreign affairs and defence.
7. In 2003 CDFAI contributed three (3) grants each of $5,000 to a student run conference with a focus on Canada’s foreign and defence policy. The goal of the competition is to encourage such conferences by offering an annual grant to be used for the publication and dissemination of the proceedings of the conference. **Grant Recipients** from the 2003 competition were:

**Centre for Military and Strategic Studies**  
University of Calgary  
SMSS 5th Annual Conference

**Centre for Defence and Security Studies**  
University of Manitoba  
Political Studies Students

**Centre for International and Security Studies**  
York University  
Theory in Practice: Critical Reflections on Global Policy

8. In 2003 three **Essay Competition** prizes were awarded to graduate students in each of two categories:

- Essays written on themes chosen by CDFAI;
- Essays written on themes chosen by the student, as long as the subject was on Canadian defence, Canadian foreign policy, Canada’s military or Canadian security.

In each category, $5,000 was awarded for first prize, $3,000 for second prize and $2,000 for third prize. Due to the small response for the directed topic portion of the competition, CDFAI will remove this area from the 2004 program and run the competition for undirected topics only. Winners of the 2003 competition were:

**Directed Topic:**
There were no 1st or 3rd placings in this category

2nd Place Chris Bullock, University of Calgary  
"Canadian Ballistic Missile Defence From the Sea: Interoperability and Sea-Based BMD"

**Undirected Topic:**
1st Place Erin Weir, University of Calgary  
"German Submarine Blockade, Overseas Imports, And British Military Production in World War II"

2nd Place Brent Ellis, Carleton University  

3rd Place Steve Grunau, Carleton University  
"The Limits of Human Security: Canada in East Timor"

9. CDFAI upgraded its website in 2003 to make information on programs and projects more readily available to visitors. Please visit the site at [www.cdfai.org](http://www.cdfai.org)
Future Plans
1. The thirteenth annual Vimy Award dinner with the presentation of the Ross Munro Media Award will be held at the Canadian Museum of Civilization in November 2004.

2. CDFAI will sponsor the production of a sequel research paper to “In the National Interest” with an update on current issues dealing with Canadian defence policy.

3. In 2004 CDFAI will again sponsor an eight-day course to teach ten journalism students from across Canada basic facts and information about the Canadian military. The course will be taught and administered by Bob Bergen, former Military Affairs reporter for the Calgary Herald and currently a PhD candidate at the University of Calgary.

4. In 2004 three prizes will be awarded to graduate students for essays written on themes chosen by the student, as long as the subject is on Canadian defence, Canadian foreign policy, Canada’s military or Canadian security. The essays must be original, written by students in masters programs enrolled at a Canadian university.

   $5,000 will be awarded for first prize, $3,000 for second prize and $2,000 for third prize.

5. In 2004 CDFAI will contribute three (3) grants each of $5,000 to be awarded to a Canadian student run conference with a focus on Canada’s foreign and defence policy.

6. CDFAI will partner with the Centre for Military and Strategic Studies and the Land Force Reserve Restructure office in NDHQ to run the second Reserves Conference on “Homeland Defence and the Land Force Reserves”. This conference will follow on the tremendous success of the March 2002 International Reserves Conference held in Calgary. The 2004 conference will run from March 25-27 at the Palliser Hotel in Calgary, AB. Speakers from the military and academia will be invited from across Canada, the United States, Britain and Australia to comment on the question “What is the best way to structure, train, and deploy land force reserves for homeland defence?”

7. The Ross Ellis Memorial Lecture in Military and Strategic Studies (Ellis Lecture) will take place at the Glenbow Museum on May 17, 2004. CDFAI is pleased to work with an establishment as well known as the Glenbow. Notice of the lecture will be included in the Glenbow’s calendar to their members. Margaret Wente, columnist for the Globe and Mail, has agreed to speak at the 2004 Ellis Lecture.

Financial Information
CDFAI chose to move its fiscal year to align with the calendar year in 2003, consequently the Financial Statements for the 2003 fiscal and 2003 stub year are attached.

Robert S. Millar
President

Attachments:
Advisory Council and Board of Directors
2003 CDFAI Fiscal year Audited Financial Statements
2003 CDFAI Stub year Audited Financial Statements
List of Donors
ADVISORY COUNCIL 2003

Chairman, Dr. Jack Granatstein

Jack Granatstein is Distinguished Research Professor of History Emeritus at York University, a former Director and CEO of the Canadian War Museum, and the Chair of the Council for Canadian Security in the 21st Century. He writes extensively on Canadian history, especially military history.

Mr. Randy Henderson

Mr. Henderson is the Executive Vice-President, Finance and Chief Financial Officer for Enmax. Randy joined ENMAX early in 2001 and is responsible for all financial, information technology, risk management and regulatory matters at ENMAX. Prior to joining ENMAX, he was Vice-President Finance/Controller of Zi Corporation from August 2000 to February 2001, Controller at Engineered Air from May 1998 to August 2000 and Vice-President Finance and Comptroller at Fletcher Challenge Canada Limited from June 1996 to May 1998. Prior to June 1996, Mr. Henderson served in various senior financial roles for TransAlta Corporation for 10 years. He holds a Bachelor of Commerce (Accounting) and has been a Chartered Accountant since January 1979.

General (Ret’d) Paul Manson

General Manson was Chief of the Defence Staff from 1986 to 1989, culminating a 38-year career with the RCAF and Canadian Forces. A fighter pilot, he served extensively with NATO in Europe, and commanded at every level of the air force. Joining the RCAF in 1952, he attended the military colleges at Royal Roads and RMC, receiving the Sword of Honour upon graduation from the latter. He then obtained a BSc degree in electrical engineering from Queen's University in 1957. General Manson is also a graduate of the Canadian Forces Staff College and the National Defence College. He holds two honorary doctorates. From 1977 to 1980 he led the New Fighter Aircraft Program, resulting in the selection of the CF-18 Hornet.

After retirement from the military, General Manson entered the world of business, becoming the president and CEO of a large aerospace company, eventually retiring as Chairman of Lockheed Martin Canada in 1997. During this period he served a term as Chairman of the Aerospace Industries Association of Canada, and he received the C.D. Howe Award from the Canadian Aeronautics and Space Institute.

Upon retiring from business in late 1997, General Manson became volunteer Chairman of the Canadian War Museum’s highly successful Passing the Torch Campaign, a position he still holds. He is a Trustee of the Canadian Museum of Civilization Corporation and Chairman of the Canadian War Museum Committee. He also chairs the Building Committee for the new Canadian War Museum, currently under construction.

He is a Commander of the Order of Military Merit and Commander of the U.S. Legion of Merit. In 2002 he was made an Officer of the Order of Canada, and he was recently named the 2003 recipient of the prestigious Vimy Award.

Dr. Gordon Smith

Gordon Smith is Executive Director of the Centre for Global Studies at the University of Victoria and Chair of the Board of the International Development Research Centre. He is Vice-Chair of the Canadian Commission for the international Institute for Strategic Studies and a member of the Trilateral Commission. He has been Deputy Minister of Foreign Affairs and Ambassador to NATO. Dr. Smith holds a Ph.D. in strategic studies from the Massachusetts Institute of Technology.

Dr. Denis Stairs

Currently McCulloch Professor in Political Science at Dalhousie University, Denis Stairs attended Dalhousie, Oxford, and the University of Toronto. A former President of the Canadian Political Science Association and a member for six years of the Social Sciences and Humanities Research Council of Canada, he was the founding Director of Dalhousie’s Centre for Foreign Policy Studies from 1970 to 1975. He served as Chair of his Department from 1980 to 1985, and as Dalhousie’s Vice-President (Academic and Research) from 1988 to 1993.

A Fellow of the Royal Society of Canada, and a member of the Board of Directors of the Institute for Research on Public Policy (among others), he specializes in Canadian foreign and defence policy, Canada-U.S. relations, and similar subjects.
Ms. Margaret Wente

Margaret Wente is one of Canada’s leading columnists. As a writer for The Globe and Mail, she comments on both national and international issues. She has worked as an editor and writer with the paper since 1986, and has twice won the National Newspaper Award for column writing.

BOARD OF DIRECTORS 2003

Mr. Bob Booth

Bob Booth is a partner in the Calgary office of the Bennett Jones law firm where he has practiced commercial law since 1978.

Bob is involved in professional, academic and public policy organizations. In addition to being a Director of the Canadian Defence and Foreign Affairs Institute, he is a Director of the Canadian Petroleum Law Foundation, Vice Chair of the Advisory Council to the University of Calgary’s Centre for Military and Strategic Studies and serves on the national executive committee of the Royal Military College Club of Canada.


HCol Robert J.S. (Bob) Gibson

Robert J. S. Gibson was born in Bentley, Alberta in 1946. After graduation, he joined the Royal Canadian Navy as an officer cadet; attended the University of Alberta and University of Calgary; and worked in number of corporate administrative positions.

Currently, Bob is Managing Director of Alsten Holdings Ltd., the holding company of the Singer Family of Calgary and operates a commercial cattle operation in Penticton, B.C.

Bob has served as Honorary Lieutenant Colonel of the 15th Edmonton Medical Company and sits on a number of committees related to the Army Reserve restructuring. On August 8th, 2001, Bob was named honorary Lieutenant Colonel of the Calgary Highlanders and later assumed the position of Honorary Colonel.

Mr. Robert S. Millar

Bob has academic, corporate, government, military and not-for-profit experience. He taught at the Royal Military College. Over the past 24 years, he has been an executive in several corporations ranging from oil sands development, downstream petroleum, biotechnology, private medicine and high tech research & development. In 2000 he retired with the rank of Brigadier-General from the Canadian Forces, having served 15 years in the Regular Army and 20 years with the Army Reserve. Bob has served on several Boards: Shooting Star Technologies, Alberta Children’s Hospital Research Board, Citizen’s Advisory Roundtable (CAR) on the future use of the former Canadian Forces Base Calgary, Alberta Children’s Hospital, Canadian Petroleum Products Institute and Transportation Association of Canada. He was Chair of a private Research Ethics Board, the Alberta Children’s Hospital Foundation, Prairie Petroleum Association – Marketing, Conference of Defence Associations and President of the Royal Canadian Armoured Corps Association.

Currently, he is a director of the Kid’s Cancer Care Foundation of Alberta, the Calgary Military Museum Society, the Museum of the Regiments and the Calgary Highlanders Regimental Funds Foundation. He is Chair of Eric Technologies Corporation and the Sharing Our Military Heritage Foundation. Bob has a Master of Business Administration and Bachelor of Commerce degrees from Queen’s University. In 1998 he attended the Queen’s University Public Executive Program. He holds the designation “Officer” in the Order of Military Merit.
## DONORS

### Corporations
- Canada NewsWire
- ENMAX

### Foundations
- The Calgary Foundation, Vigilance Fund
- Three Anonymous Foundations

### In-kind
- Mancal Group of Companies

### Partners
- Carleton University
- Canadian Council of Chief Executives (CCCE)
- Centre For Military and Strategic Studies (CMSS)
- Centre for Security & Defence Studies
- Center for the Study of the Presidency
- Conference of Defence Associations Institute (CDAI)
- The Dominion Institute
- Laval University
- Norman Paterson School of International Affairs (NPSIA)
- The University of Calgary
- Queen’s University