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## **The Ghost of General Otter: Putting the Canadian Forces Report on Transformation 2011 in Context**

by Andrew Godefroy  
November, 2012



# Research Paper

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## ► Executive Summary

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After nearly a decade of military commitment to war, counterinsurgency, and stability operations in Afghanistan and elsewhere, the Canadian government in 2010 initiated a shift in its national security and economic policies that would ultimately lead to a significant contraction in the total level of funding invested in national defence. One of the first steps taken was the issuance of a directive to the Department of National Defence (DND) to undertake an internal audit of its recent organizational behaviour. Specifically, the Canadian Forces Transformation Team (CFTT), then under the direction of Lieutenant General Andrew Leslie, was ordered to identify areas where DND “could reduce overhead and improve efficiency and effectiveness, [in order] to allow reinvestment from within for future operational capability despite constrained resources”.<sup>1</sup> For General Leslie and his team, however, finding a perfect solution to this problem was impossible. Already battered by the realities of global recession, changing policies, government deficit fighting measures, and an impending departmental strategic review, there was no doubt that difficult choices would have to be made. Therefore, the recommendations put forth in General Leslie’s Report on Transformation surely appeared draconian, and not unexpectedly invited immediate criticism from both the affected stakeholders as well as the wider public. Regardless, history has repeatedly revealed to us that in the absence of war, all Canadian military efficiency studies generally come to pass. Though it may be some time before the activities surrounding the report as well as the document itself come to be fully understood within the broader context of Canadian defence policy in the 21<sup>st</sup> Century, there is enough information available at present to make a preliminary analysis of the more immediate impacts of this key primary source.

### AUTHOR’S CAVEAT

It must be recognized that the analysis for this study was undertaken in the period immediately leading up to and just after the tabling of the 2012 Federal Budget and the subsequent defence force restructuring. Some of the outcomes of the budget were felt immediately, but the longer-term effects of funding cuts on defence may not be fully realized for some time. Therefore it is unavoidable that certain conclusions drawn here will become dated, and possibly eventually invalidated altogether, as more information becomes available or as subsequent political, economic, or defence decisions are made.

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<sup>1</sup> DND. Report on Transformation 2011 [Hereafter referred to as RoT2011], p.vi.

## ► Sommaire

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Après presque une décennie d'engagement militaire, que cela soit à la guerre, à la contre-insurrection ou aux opérations de stabilisation en Afghanistan et ailleurs, le gouvernement canadien a, en 2010, initié un changement dans ses politiques économique et de sécurité nationales qui se traduira par une réduction importante du financement total à la défense nationale. L'une des premières mesures prises a été la publication d'une directive qui a ordonné au ministère de la Défense nationale (MDN) d'entreprendre une vérification interne de son comportement organisationnel récent. Plus précisément, on a demandé à l'équipe de la transformation des Forces canadiennes (ETFC), alors sous la direction du Lieutenant-général Andrew Leslie, « de déterminer les possibilités de réduction des effectifs surnuméraires et d'améliorer l'efficacité afin de permettre un réinvestissement des ressources intérieures en vue de la mise en place d'une capacité opérationnelle malgré les ressources restreintes ».<sup>2</sup> Pour le général Leslie et son équipe, cependant, trouver une solution parfaite à ce problème était impossible. Déjà malmené par les réalités de la récession mondiale, la modification des politiques, les mesures gouvernementales de lutte contre le déficit, et l'imminence d'une revue stratégique ministérielle, il n'y avait aucun doute que des choix difficiles ont dû être faits. Par conséquent, les recommandations formulées dans le rapport du général Leslie sur la transformation ont naturellement été perçues comme des recommandations draconiennes, et ont bien sûr suscité une critique immédiate des deux parties concernées ainsi que celle du grand public. Quoiqu'il en soit, l'histoire nous a maintes fois révélé que, c'est en temps de paix que fleurissent les études canadiennes sur l'efficacité militaire. Il faudra du temps avant que les activités engendrées par le rapport et le rapport lui-même soient pleinement compris dans le contexte plus large de la politique de défense canadienne du 21<sup>e</sup> siècle; cependant il y a suffisamment d'informations disponibles à l'heure actuelle pour faire une analyse préliminaire des impacts les plus immédiats de cette première source clé.

### MISE EN GARDE DE L'AUTEUR

Il faut prendre note que l'analyse de cette étude a été réalisée dans la période entourant immédiatement le dépôt du budget fédéral de 2012 et la restructuration subséquente des forces de défense. Certaines décisions du budget ont eu un impact immédiat, mais les effets à long terme des réductions budgétaires en matière de défense ne se feront pas pleinement sentir avant un certain temps. Par conséquent, il est inévitable que certaines conclusions tirées ici pourraient être caduques ou même tout à fait invalidées par de nouvelles informations ou à la suite de prises de décisions politiques, économiques, ou de défense ultérieures.

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<sup>2</sup> DND. Rapport sur la Transformation 2011 [Ci-après dénommé RoT2011], p.vi.



*“The Chief has asked me to help the command team of the Canadian Forces with transformation activities and I am going to quote him, General Natynczyk, we want to reduce overhead but pay ourselves first.”*

- Lieutenant General Andrew Leslie, *CBC Newsworld Power & Politics Interview*,  
15 June 2010.<sup>3</sup>

On 6, July 2011 Lieutenant General Andrew Leslie, then serving as the Canadian Forces Chief of Transformation (CT), submitted a report simply titled, *Report on Transformation 2011*, to the Chief of Defence Staff (CDS) for the Deputy Minister of National Defence (DMND). The report itself was the product of over ten months of study, consultation, and analysis of the organization and activities of the Department of National Defence (DND) and the Canadian Forces (CF). More important, perhaps, its publication represented one of the most comprehensive strategic reviews of the military since the beginning of Canada’s involvement in the Afghanistan War. Its arrival also officially marked the beginning of the inevitable post-war austerity that all militaries generally suffer in the wake of an extended period of heightened operational activity. It was hardly surprising, therefore, that the publication immediately drew sharp criticism from both defence and the military’s wider supportive public. However, Canadian history has repeatedly observed that in the absence of war, all military efficiency studies eventually come to pass.

Strategic reviews commissioned to identify ways to trim defence spending, even those supposedly immediately shelved and forgotten, have a tendency to influence subsequent government decisions in spite of themselves. For example, when the Otter Commission concluded its study of the reorganization of the Canadian military after the end of the First World War they did not even submit a completed final report back to government, let alone have the press or social media tools one possesses today at their disposal to influence subsequent decisions or facilitate the promulgation of their recommendations to a wider audience.<sup>4</sup> Still, this did not stop many of the Otter Committee recommendations, most of which were authored by Generals Sir Willoughby Gwatkin and A.G.L. McNaughton, from being adopted over time. By 1936, when the issue of reorganization of the military officially surfaced again within government, those few Otter Committee recommendations that had not yet come into effect were marked for adoption. Only the looming threat of a Second World War seemed capable of stopping the government from making further cuts to the military.

It is therefore interesting to note the remarkable similarities shared by the many efficiency studies that the Canadian government has commissioned since the Otter Commission at the end of the First World War. The major catalysts remain the same: peace and fiscal austerity. As well, when military efficiencies are being sought, the same main lines of

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<sup>3</sup> DND. ADM (PA) Transcript (text in language of origin). Power and Politics Interview with LGen Andrew Leslie by Rosemary (?), CBC NN Power & Politics, 15 June 2010 17h41m. Retrieved on 28 Mar 2012 from URL <http://media.mil.ca/ps-ir-eng.asp>.

<sup>4</sup> Officially known as the Reorganization Committee, it was chaired by Major General Sir William D. Otter, and included Brig. E.A. Cruikshank (secretary), Maj.Gen. A.C. Macdonnell, and Brig. A.G.L. McNaughton. Macdonnell was replaced by Maj.Gen. Sir E.W.B. Morrison, and Cruikshank by General Gwatkin, in 1919.



investigation are often pursued and similar conclusions drawn from those inquiries. For example, Otter, Gwatkin, and McNaughton grappled with problems such as the question of national and military unity in the post war era; ensuring regionalization in the culture of the armed services; determining the future organization and role of the militia; the economization of military expenditure; the integration of various functions; the reinvestment of existing resources into future capabilities; as well as the modernization of military equipment, doctrine, and training.<sup>5</sup> No less interesting is the fact that nearly every time the investigators remained, or at least appeared to remain, confident that their plan could figure out how to do more with less and deliver a more effective yet more efficient “leaner and meaner” armed forces. Yet, whereas in the past such plans were more simply known as ‘reorganizations’, in the 21<sup>st</sup> century DND has given them the much more Disney-like title of ‘transformation’.

## THE NEW ERA OF CF TRANSFORMATION

Just as it is important to recognize that despite its title the Report on Transformation 2011 is in fact a military efficiency study, so too is it important to understand how the concepts of transition and transformation have since 9/11 converged to the point where the lines between the two have become terribly blurred. The current era of CF transformation traced its genesis to the period immediately following the end of the Cold War. As both the department and the military struggled to redefine itself in the ‘new world disorder’ that was the 1990s, many key reforms that shaped the values, leadership, organization, and sustainment of the CF were both initiated as well as forced upon it. Still, as one senior analyst subsequently noted, the majority of these reforms were little more than, “tactical reactions to problems as opposed to any coherent view of where the CF needed to go.”<sup>6</sup> Even worse perhaps, “[these] attempts fell short of providing a new vision essential to moving the CF forward and it clung to the view that all future operations would follow the industrial age model.”<sup>7</sup> The general feeling was that, “strategic planning continued to be driven by the belief that all operations would be conventional and that the 1990s were an anomaly.”<sup>8</sup> The CF was further criticized for eschewing jointness in favour of their separate service preservation, resisting institutional change in order to focus on maintaining traditional core capabilities optimized for CF ‘industrial warfare’ within the context of reduced budgets.<sup>9</sup>

Shortly after his appointment as Chief of Defence Staff (CDS) on 4 February 2005, General Rick Hillier initiated an official program of institutional transformation, the results of which were designed to fundamentally recast the CF’s operational command and control architecture in response to the government’s new objective to see Canada play a larger role on the world stage. The government’s own plan was further articulated soon after in Prime Minister Paul Martin’s *International Policy Statement: A Role of Pride and Influence in the World*, published in April 2005.<sup>10</sup> Together, these events served as the catalyst for the creation of a new CF

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<sup>5</sup> Desmond Morton. *The Canadian General*. (Toronto), pp.351-368.

<sup>6</sup> LGen. Michael K. Jeffery (ret’d). *Inside Canadian Forces Transformation: Institutional Leadership as a Catalyst for Change*. (Kingston: Canadian Defence Academy Press, 2009), p.10.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> The foreign and defence aspects of this policy was analyzed in some detail by the author in a separate publication. See Godefroy, A.B. *Canada’s International Policy Statement Five Years Later*. Calgary: Canadian Defence & Foreign Affairs Institute, November 2010.



Transformation Team (CFTT) whose responsibility was the oversight and management of transformation on behalf of the CDS.<sup>11</sup> Major General Walter Natynczyk was selected to become Chief of Transformation (CT) in early June and tasked to implement CF transformation, synchronizing his team's efforts with the Director General Strategic Plans (DGSP), coordinating departmental activities, and, "execut[ing] approved measures, and identify[ing] and analyz[ing] more complex issues with a view towards enabling timely decisions in order to attain irreversible transformational momentum".<sup>12</sup>

Under General Natynczyk's direction, the CFTT focused much of its effort on the planning and implementation of the new CF command and control architecture as well as the development of sustainable integrated forces. This work often occurred in the face of expected institutional inertia, but nevertheless within a very short period of time the CDS announced the creation of four new operational commands<sup>13</sup> as well as a new Strategic Joint Staff (SJS). These commands were declared operational on 1, February 2006. Meanwhile, a new Conservative government, elected on 23, January, swore in its new Cabinet on 6, February, including the appointment of a new MND, the Honourable Gordon O'Connor. Hardly surprising, the new government's defence objectives were, and had to be publicly perceived as, different from that of the previous Liberal government. It was hardly surprising therefore that O'Connor's own views of what needed to be fixed in DND was at variance with General Hillier's own vision for CF transformation, and this divergence of opinion affected and shaped all subsequent efforts to revamp DND.

Even before the Liberal government fell from power it had become evident that the original transformation plan was too ambitious given the other major challenges DND already faced. In the fall of 2005, the CF had shifted its operational focus in Afghanistan from Kabul to Kandahar, a much more lethal province where troops were routinely engaged in combat missions. Additionally, there was the ongoing strain of transformation, the need to improve recruitment and training to feed force generation, and the never-ending requirement to procure new equipment. The ascension of the Conservatives and the delivery of their own Canada First Defence Strategy (CFDS) added significantly to the existing transformation bill. The new Prime Minister, the Right Honourable Stephen Harper, wanted greater emphasis on capabilities dedicated to the arctic and other domestic security, a commitment to greatly expand the total strength of the CF, and the rapid acquisition of several major new capital equipment projects.<sup>14</sup> However, the CF never had the capacity or the funding to realize this many goals. Nevertheless, by 2008 Hillier's transformation had achieved a degree of legitimacy, credibility, and success that enabled the CF to sustain organizational coherence in a shooting war while managing a good portion of the directed change. By 2010, however, the capacity of both the government and DND to sustain these activities had all but exceeded their limits.

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<sup>11</sup> The CFTT evolved out of the four original CDS Action Teams (CAT) assembled in mid-February 2005 to consider the problem of CF transformation and develop a strategy and plan. These teams were disbanded following the delivery of their reports in the summer of 2005, replaced by the newly created CFTT.

<sup>12</sup> Op. Cit. Jeffery, *Inside CF Transformation*, p.26.

<sup>13</sup> These were Canada Command (CANADACOM), Canadian Expeditionary Forces Command (CEFCOM), Canadian Special Operations Forces Command (CANSOFCOM), and Canadian Operational Support Command (CANOSCOM). These commands were often referred to more popularly as 'the dot coms'.

<sup>14</sup> Op. Cit. Jeffery, *Inside CF Transformation*, p.33.





## THE REPORT ON TRANSFORMATION 2011

*“I would never recommend anything that would destroy the Canadian Forces.”*

*- Lieutenant General (ret'd) Andrew Leslie<sup>15</sup>*

On 30, April 2010, CBC News reported that Lieutenant General Andrew Leslie would not lead a large international coalition operation in the Congo as previously rumoured after his departure from the appointment as Chief of Land Staff (CLS), but instead would become the new Chief of Transformation. The old CT and now CDS, General Walter Natynczyk, was quoted as saying that General Leslie had, “a bright future and has performed exceptionally well” as CLS for four years, but that his current assignment was critical to the CF’s future.<sup>16</sup> Natynczyk told CBC reporter James Cudmore, “We have got to set ourselves up for success in that post-2011 process.”<sup>17</sup> Specifically, the CDS wanted Leslie to develop detailed recommendations on how DND might safely navigate the impending policy and budgetary storm that was sure to hit them sometime within the next eighteen months.

Lieutenant General Leslie was appointed to an office that, since its inception in 2005, had changed far less than the environment in which it functioned. When Hillier’s transformation initiative got underway there was a clear and immediate threat facing Canadian troops operating in Southwest Asia that demanded the CF evolve into a finely tuned operationally focused organization as quickly as possible. To this end between 2004/5 and 2009/10 DND was given considerable political and public support as well as being provided with substantial physical resources, specifically, an 8.6 percent nominal increase in its budget annually, and an expansion of its total military and civilian personnel strength by 18 percent.<sup>18</sup> By late 2010, however, much had changed. Not only had the immediate threat receded to some extent, but political, public and therefore financial support also began to wane, meaning that DND and the CF simply would not have the resources, or the capacity, to implement the Canada First Defence Strategy or military transformation much further.

Yet, despite this rather obvious shift in political and economic circumstances, as recently as March 2012, the official CFTT website continued to state that its primary function was to identify opportunities to increase defence’s operational capability by proposing continuous improvements in a) the reduction of overhead and functional duplication; b) the further integration of the CF’s three core activities – force development, force generation, and force employment; c) the refinement of authorities for joint force generation, integrated readiness, and high-level corporate defence processes; and d) the scope of responsibilities of the VCDS office.<sup>19</sup> It was within this paradox that General Leslie’s mandate, officially identified on the CFTT website as “the second phase of CF transformation”, was seemingly decided.

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<sup>15</sup> DND. ADM (PA) Transcript (text in language of origin). Interview with LGen Andrew Leslie Evan Solomon, CBC NN Power & Politics, 18h11m, 13 September 2011. Retrieved on 28 Mar 2012 from URL <http://media.mil.ca/ps-ir-eng.asp>.

<sup>16</sup> Lieutenant General Walter Natynczyk was appointed CDS on 6 June 2008.

<sup>17</sup> James Cudmore. “Military Plans post-Afghanistan Review: Canadian Forces Won’t Deploy Large Force to War-Torn Congo”, CBC News, 1614hrs, Friday 30 April 2010.

<sup>18</sup> For a detailed accounting of both budget and personnel data during this period see Brian MacDonald.

“Transformation: By the Numbers”, *On Track*. Vol.16 No.3 (Autumn, 2011), pp.13-15; and also David Perry. *Defence After the Recession*. Calgary: CDFAI, April 2012.

<sup>19</sup> CFTT official webpage, accessed 28 March 2012.





The report's background, guiding principles, goals, and context are all well explained in its own executive summary and therefore will not be repeated here. As for the core analysis of the report, it identified what the CFTT called 'the friction space', essentially, areas within DND and the CF where it was discovered that there was a certain degree of administrative incoherence; a lack of appreciation for accountabilities; blurred financial authorities and accurate cost estimates; as well as obstacles to accepting risk, "especially in delivering the capital program outside of the urgent operational issues".<sup>20</sup> What the CFTT unearthed was that these frictions had resulted in a "disturbing and increasing trend" in unspent allocated defence funds from fiscal year (FY) 2006-2007 onwards. No less disconcerting, the team also reported that these frictions had led to a significant increase in military and civilian headquarters personnel – over 46 percent – between 2004 and 2010, as well as the retention of thousands of contractors, consultants, and other professional services personnel. All of this, the report concluded, had resulted in a substantial growth of the "tail" of defence while the "teeth" grew only about 10 percent. In order to meet the demands of the future, the report argued that these things must be corrected as soon as possible so that much needed resources could be moved or reinvested as required to meet the DND/CF's longer-term goals within the emerging context of the CFDS.

The report's recommended approach to improving efficiency and effectiveness broadly across the whole of the DND and the CF consisted of the development of a series of seven main thrusts (Figure 1) within a hybrid version of a future organizational model known as the '5F model' (Figure 2).

### **Figure 1: The Seven Thrusts for Cross-Cutting Transformational Themes and Key Recommendations**

Thrust 1 – *Optimizing Command and Control for Force Employment*

Thrust 2 – *Integrating Force Generation for Joint & Common Capabilities*

Thrust 3 – *Delivering Future Capabilities Through a Revitalized Force Development Structure*

Thrust 4 – *Consolidating Force Support to the CF*

Thrust 5 – *Strengthening Force Management Today to Better Integrate Civil-Military Defence Governance in the Future*

Thrust 6 – *Protecting Front-Line Units by Reducing Administrative Overhead*

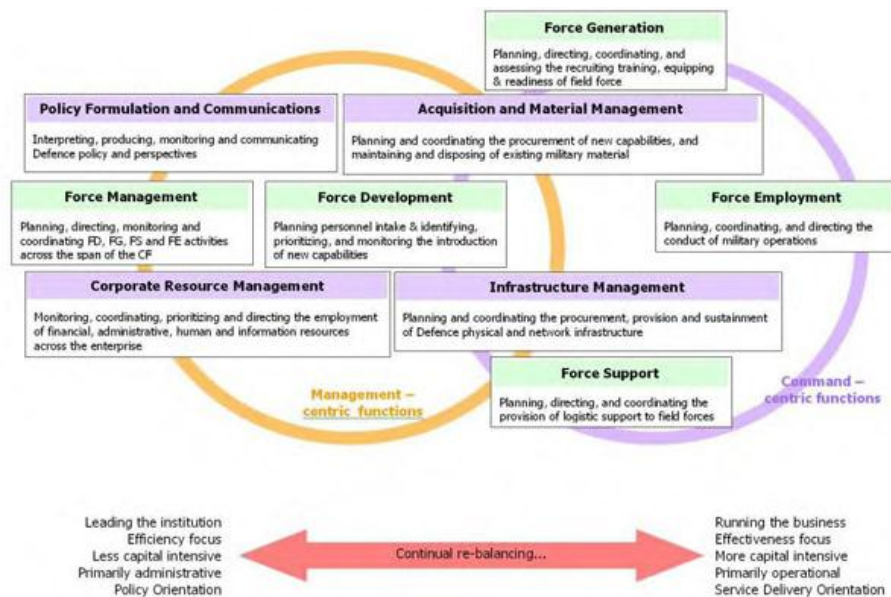
Thrust 7 – *Achieving Gains in Defence Productivity Through Process Reform*

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<sup>20</sup> RoT2011, p.vii.



Figure 2: The DND/CF '5F' Model<sup>21</sup>



From this analysis 43 specific recommendations were made, which may be briefly collectively summarized as follows. The CFTT's report recommended that in order to set the conditions for future success the DND and CF would have to a) reduce the headquarters and staffs currently in operation by either grouping like functions or accepting risk in the entire elimination of certain organizations; b) identify and reallocate approximately 3500 regular force personnel into other organizations and capabilities marked for future growth or invest the funds spent on these personnel elsewhere; c) demobilize over half of the reserve force currently on full-time (class B or C) duties back to part-time service and invest the funds elsewhere; d) reduce the budget of \$2.7 Billion currently spent on contractors, consultants, and private service providers by up to 30 percent and reinvest these funds in future capital programs as outlined in the CFDS; and e) transfer 3500 DND/CF civilians into higher priority activities or invest the funds elsewhere.

## INITIAL REACTIONS

*"If you tried to implement that report as it is, you would destroy the Canadian Forces."*

*-General (ret'd) Rick Hillier<sup>22</sup>*

Though General Leslie officially signed off on the Report on Transformation 2011 at the beginning of July, it was not immediately released to a wider audience until copies of the report, sans annexes and appendices, began leaking out to the press and various think tanks at the end of the summer. The delay in full departmental as well as public disclosure fuelled immediate

<sup>21</sup> Source: RoT2011, p. 37.

<sup>22</sup> DND, ADM (PA) Transcript (text in language of origin). Remembering 9/11 Interview with General (Ret'd) Rick Hillier by Don Martin, CTV News Channel, 1700hrs 6 September 2011. Retrieved on 28 Mar 2012 from URL <http://media.mil.ca/ps-ir-eng.asp>.



speculation and intrigue over whether or not the CFTT objectives were achieved, and whether or not the report's recommendations would be accepted or rejected by the CDS and the government. One did not have to wait very long to find out. Within days of the report being released to the public, former senior military personnel and civilian analysts began to weigh in on the report's contents. Those that supported its recommendations suggested that the report would be quashed, while those that hated it suggested General Leslie's recommendations were misguided or far too draconian.

The pinnacle in the swarm of initial reactions came on 6 September when retired General Rick Hillier, the highly charismatic and respected former CDS who initiated CF transformation, was seen on prime time television politely eviscerating the report's recommendations and warning that if they were implemented they might "destroy the Canadian Forces." Just as his "decade of darkness" comment reshaped government and public support for the military many years before, this single sound bite immediately galvanized those in opposition to the CFTT and its report, setting the stage for a brief bureaucratic sword fight of the type that media outlets dream of. As well, it undoubtedly influenced, to some degree, the thinking and acceptance of the recommendations of the report by the current CDS and others in government, however, it is important to note that such opinions and influences alone could not completely shape or decide the outcome.

In light of this, and other initial reactions, Lieutenant General Leslie was back in front of the news cameras several more times in the following days to offer a riposte in defence of the report's conclusions. Among other appearances, Leslie responded to Hillier's comments in an interview with Don Martin on CTV News World on 8, September, explained the recommendations in greater detail to Evan Solomon on CBC News Network on 13, September, and found himself at the center of John Ibbitson's updated article on internal DND/CF discord over the report in the 19 September edition of the *Globe and Mail*. Just to make matters even more interesting, in the midst of all the back and forth over the report's recommendations and institutional acceptance, Lieutenant General Leslie officially announced his retirement from the CF after 35 years of honourable service.<sup>23</sup>

## PUTTING THE REPORT ON TRANSFORMATION 2011 IN CONTEXT

There have been two major criticisms of the report that appear to have guided all subsequent analyses to date. The first comes from those that oppose the report. This group has argued that the report's analysis is misguided, threatens to derail CF transformation, and therefore is contrary to sustaining the objective of an operationally focused military.<sup>24</sup> The second comes from those that support the report. This group has suggested that its recommendations, though necessary, are too draconian to be accepted by the bureaucracy as a whole and as such the entire document was very much 'dead on arrival' on the CDS's desk and destined to be shelved or discarded by the government entirely.<sup>25</sup> It is clear that both of these assessments are

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<sup>23</sup> From both comments made and sources available, General Leslie's retirement was planned prior to the publication of the report and was not the result of reactions to it. He was subsequently called to provide evidence on CF transformation activities and the report before the Standing Senate Committee on National Security and Defence on 4 October 2011. Following his retirement in September 2011 he was recruited by CGI Corporation to head its new defence, public safety, and intelligence unit.

<sup>24</sup> The most obvious example of this group was General (ret'd) Rick Hillier's comments noted above.

<sup>25</sup> For one example from this community see Douglas Bland. "The Leslie Report in Context", *ON TRACK*. Vol.16 No.3 (Autumn 2011), pp.8-9,12.



emotionally driven, and yet neither of them is correct. As with all things the truth of the matter lies somewhere in between, and therefore it is necessary to once more put the Report on Transformation 2011 in context.

In order to place the report within the broader context of emerging Canadian defence policy it is important to understand what the report is and what it is not. Simply put, the report is not a panacea for Canadian defence reform. As previously mentioned, despite its title and the organization that created it, the report does not constitute the “second phase of transformation” as it was envisioned back in 2005-6. Hardly a transformative statement, the report is instead more reflective of the revised version of the second phase of CF transformation as it existed in a much more fiscally constrained soon-to-be post Afghanistan war, environment, in that it sought to examine how the DND/CF was then functioning and identify opportunities for efficiencies and savings. Similarly, whether or not the report constitutes an evolution of the DND/CF, or rather simply a readjustment of a certain part of it, is open to further debate. One must keep in mind that the work of the CFTT constituted only one of several activities affecting CF transformation at the time, the other major influences being the 2009-10 DND Strategic Review, a separate administrative review, and the DND/CF’s share of the government’s deficit reduction action plan (DRAP). Taken in this context instead, the report’s creation makes much more sense, even if only as a reflection of the current necessity for military readjustment and realignment as the Canadian national security and economic environments change.

Therefore, most of the subsequent official analysis and evidence given before government senate committees in the months following the report’s publication focused on the DND’s acceptance of its share of the deficit reduction effort, rather than undertaking yet another reorganization of the DND/CF’s current *modus operandi*. “In this respect,” noted Vice-Admiral Bruce Donaldson during an appearance before the Standing Senate Committee on National Security and Defence on 17, October 2011, “the work of the transformation team has been hugely successful. It has delivered exactly the kind of provocative and informative recommendations we were looking for, some of which validate the path that we are already on, some of which make good sense and which we are proposing to implement, and others which, as we expected, are quite ambitious and require further study before we can determine whether or not they are in our overall best interests.”<sup>26</sup>

Statements such as this seemed to indicate that the report was not officially perceived as capable of destroying the CF or derailing its ongoing ‘transformation’ as the opposition argued, only that any one of its 43 recommendations may or may not be implemented depending on how the budgetary situation evolved. Therefore, the report was not ‘dead on arrival’ as some supportive critics had feared, nor was the “probability near zero” that the report alone could result in significant changes to DND/CF resource distribution.<sup>27</sup> In fact, subsequent announcements made by the DND/CF in the weeks and months following the release of the report clearly indicated that some of its recommendations were slowly coming to pass. Thus one could ask, specifically, was there such a thing as a successful strategic road map for the creation of a ‘leaner and meaner’ military, doing more with less, etc.? And if it was possible, was the path to that future force actually achievable by simply reducing the institutional tail and reinvesting those funds in front teeth capabilities?

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<sup>26</sup> Parliament of Canada. The Standing Senate Committee on National Security and Defence Evidence given by Vice-Admiral Bruce Donaldson, Vice-Chief of the Defence Staff, Ottawa, Monday 17 October 2011.

<sup>27</sup> Op. Cit. Douglas Bland. “The Leslie Report in Context”, p.8.



The answer to the first question remained simply, no. Though the concept of ‘leaner and meaner’ within the Canadian defence context has a long history, it is germane to the analysis here to remember that the concept has consistently met with failure. For example, on 17 September 1991 the Hon. Marcel Masse, then serving as the MND, announced in the aftermath of the Gulf War a peace dividend that would see the reduction of Canada’s regular forces from 84,000 to 76,000 and the trimming of \$2.2 Billion from the projected defence budget over the following five years. To offset these reductions, the reserve force levels would be increased and the investments in new equipment guaranteed. This plan to create what was then being hailed as the ‘leaner and meaner’ post-Cold war era CF that would lead Canada into the 21<sup>st</sup> century survived for about a year before significant events both overseas and at home destroyed this defence roadmap entirely. Cuts in defence spending proved to be far more severe throughout the mid-1990s in the face of an economic recession while at the same time the military paid a heavy political price for its chronic cannibalization of the institutional infrastructure as it attempted to keep field forces afloat. The result for the CF was what General Hillier had previously characterized as ‘the decade of darkness’.

If similar overconfidence prevails today there is no reason why, almost exactly 20 years later, the same sort of thing could not simply happen again. Knowing that historically Canadian defence spending rises and falls between roughly 1.8 and 1.2 percent of the GDP, depending on the characteristics of the Canadian security and economic environments, and that every attempt since the 1960s to create a policy aimed at finding efficiencies within DND in order to allow the CF to do more with less has in fact only produced forces capable of doing less with less, it remains doubtful that the plan presented in the Leslie report will avoid these constants given the current environment. We know for example, that since the federal budget for 2012 exempted regular force military personnel and capital equipment spending from reductions, the DND/CF was forced to drastically cut its two other personnel pools – reservists and civilians – while at the same time finding another \$1.5 to \$1.9 Billion in savings within its infrastructure and operations and maintenance (O&M) budgets (theoretically nearly a 20 percent cut in each) in order to meet the projected spending reduction goal of \$2.1 Billion by 2014/15. The likely results of these cuts paint a substantially grimmer picture than the optimistic assessments currently being delivered before the senate committees and television cameras. And one should make no mistake that in the absence of war, or another similar direct national security threat, Canadian defence spending will continue to slowly ebb downwards towards that historical low mark of 1.2 percent of the GDP. This will mean that the CFDS will no longer be viable in its current composition; even the findings of the Leslie report essentially admitted as much. It will also mean that over time the CF’s operational readiness will eventually suffer, as the department keeps trying to figure out how to stall the inevitable march towards doing much less with much less. Still, despite this very real fact of life it is here that the Leslie report often faces its largest criticism.

As with many previous military efficiency studies, the Leslie report argued that once again future success depended upon the ‘teeth’ not being touched while the ‘tail’ was to be made the enemy of progress. As it noted in its own executive summary, “we will not further discuss the idea of reducing the deployable output at tactical level – regular or reserve – as they are our vital ground.”<sup>28</sup> Almost all of the 43 recommendations therefore suggested some reduction of the institution in order to free up funds for reinvestment towards the long-term sustainment of

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<sup>28</sup> RoT2011, p.ix.





force generation and employment. Yet as the budget numbers revealed, such a plan cannot succeed over time and nor is it necessarily a wise choice. Further analysis of the defence budgets demonstrates, for example, that of the two other main defence budget consumers, infrastructure and O&M, it is the latter that will be disproportionately impacted by future budget reductions. In 2011/2012, for example, the CFDS allocated only eight percent of its spending towards infrastructure so even if the cuts in this category were possible and severe they still would not realize very much in savings. Thus, the largest cuts will very likely be made within O&M, the portion of the defence budget that provides the resources for operational readiness, the very thing the Leslie report suggests will be adequately protected over the longer term by the CFTT's plan.<sup>29</sup>

And while it may instinctively make sense to 'trim the tail' to 'keep the teeth sharp' even under such conditions, such action is in fact not an ideal solution even if such a decision seems to be a popular one. Robbing from the institution to keep the regular field force out training, and therefore, one assumes more operationally capable, will come with a significant price tag that inevitably becomes pricier the longer the DND/CF is forced to do so without a new injection of funding, or new resources to rebuild its institutional foundation. And in addition to the cost, the DND/CF must also assume ever greater risk as it sacrifices an ever increasing amount of its institutional corporate knowledge and capability in an attempt to stave off operational readiness starvation. Again as we have observed in Canada's recent defence history, notably during the late 1980s and early 1990s, the constant pillaging of the CF's "tail" unchecked, especially in areas such as force development, doctrinal design, and leadership training, ultimately caused the entire system to suffer catastrophic failure. Thus, to use yet another analogy here, one must remember that it cannot simply save the hand by letting the brain freeze.<sup>30</sup>

Thus, despite the VCDS's declaration that, "a dollar reduction in input does not necessarily result in a dollar reduction in output",<sup>31</sup> history would seem to prove otherwise. And even if all of the recommendations from the Leslie report were implemented *en masse*, resulting in savings to the amount of roughly \$700 million, they still could not stave off further impending reductions in the CF's operational readiness that will inevitably occur as a result of subsequent budget cuts over time. Therefore, one must consider very carefully the wisdom of sacrificing certain existing institutional capabilities just to chase new, yet transient, military fads, creating new frictions between civilians, reservists, and the regular force, and recommending yet another possible reorganization of the institution writ large, just to sustain current personnel and equipment that may very likely have to be sacrificed anyway if defence funding is not restored in the near future. While one appreciates that it makes sense to preserve that which takes longer to generate, i.e. personnel and equipment, at the expense of readiness, the longer it takes for new defence funding to appear the less chance there will be of preserving any part of the status quo.

## FINAL OBSERVATIONS

Transformation has come to mean many things to the DND/CF over the past several years. During General Hillier's tenure transformation was, despite its apparent lack of unified process

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<sup>29</sup> For greater detail see Op. Cit. David Perry, "Defence After the Recession", pp.2-3. Perry offers an excellent short analysis of the financial impacts of the federal spending reductions on present and projected defence budgets in this report.

<sup>30</sup> Yet amazingly, it never seems to stop the system from trying.

<sup>31</sup> Op. Cit. Vice-Admiral Bruce Donaldson, *Evidence*, 17 October 2011.



or senior leadership support at times, clearly described as a means to achieve a particular end. Since then, however, one could observe that CF transformation appears to have become an end in and of itself. There is much talk now about transformation as a constant journey, or “an ongoing process aimed at making the CF better and more nimble.”<sup>32</sup> Given that command philosophies, cultures, and personalities can all have significant effects on the direction any evolution of the DND/CF might take, it would seem that lacking an extremely forceful personality at the top of the system, the days of Hillier-like surge-type transformation is now over, to be replaced by a new era of more subtly guided incrementalism. This incremental evolution might be considered transitional, but it will not be transformative. Ultimately the incoming CDS, expected to be announced by the MND later this year, will have to decide just how transformative he thinks both his office and the DND/CF can still afford to be.

Still, the establishment of the CFTT as a semi-permanent fixture within NDHQ during the last several years constituted a very pragmatic move by the DND and the value of the team’s work, such as the Report on Transformation 2011, should never be understated or misunderstood. The relatively minor investment in this “honest broker” outside of the chain of command has paid a dividend far beyond its cost, and its existence also constantly reminds the wider government and the public that there no longer exists a culture of the ‘fox guarding the henhouse’ within the DND/CF. Given its mandate, therefore, one should have expected the Leslie report to be bold if not controversial. That it delivered exactly that reflects well the professionalism of its team to not be inappropriately influenced one way or the other.

With this in mind, any future analyses of the Report on Transformation 2011 must place it within the proper context of the environment in which it was commissioned. For example, it is important to note that the increases in both defence personnel and budgets that were targeted for reduction by the report were not the discovery of some misguided waste of the public purse, but rather the measured result of a period of heightened Canadian security activity in the wake of the 9/11 terrorist attacks on the west. At one time in 2010, for example, the CF was *simultaneously* carrying out five of the six core missions laid out by the government in the CFDS. In addition to ongoing combat operations in Afghanistan, the CF responded to a sudden humanitarian crisis in Haiti, supported government security initiatives for the 2010 Winter Olympics, maintained its preparations for a response to a terrorist attack, and carried on its daily provision of maritime aerial surveillance and search and rescue capabilities.

By the same token, when such periods of heightened activity eventually lessened, it became reasonable to expect that given the difficult economic environment overall defence spending would be curtailed. With the nature of Canada’s involvement now transitioning from full participation in frontline combat operations to training and support for the Afghan Army and other military and civilian stabilization initiatives, with its participation in Libya’s Civil War nearing its end, and with the immediate domestic requirements for the security of large scale events such as the Olympics now behind us, the report is more than likely to have a strong influence on departmental strategy and force restructuring in the immediate future.

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<sup>32</sup> CFTT website.





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