

The Defence Budget After Afghanistan

No one seemed to notice, certainly not the media, but on March 27 the government announced its funding plans for the Canadian Forces for the next three years. The news is not entirely positive.

The Department of National Defence's Report on Plans and Priorities noted that in 2008-09, the fiscal year just ended, the department spent \$19.143 billion of which \$3.4 billion was for capital expenditures. For the next fiscal year, the budget is \$20.993 billion with \$4.9 billion in capital spending. For 2010-11, the projected spending is \$20.591 billion with \$4.7 billion in capital spending, and for 2011-12, the estimate is that spending will be \$19.697 billion with \$4.6 billion in capital expenditures. The shutting down of the Afghanistan combat mission in 2011 is reflected in the declining budgets from 2010-11 to 2011-2012, the incremental spending for the war being cut from the defence budget in that last year. That will disappoint those who had hoped and expected that the government's build-up of the Canadian Forces might receive a push from the extra funding when the Canadian contribution to the Kandahar mission wound down. Still, it was only a decade ago that the budget of the Canadian Forces was under \$10 billion a year, and to double defence spending in that time—in this military-averse nation—is a remarkable achievement.

The Report on Plans and Priorities also projects Canadian Forces troop strength. The number of regulars for 2009-10 is to be 66,992, with an additional 35,500 in the primary reserves and 4600 in the Canadian Rangers, the lightly-armed Arctic eyes of the military. In 2010-11, the regular force will increase by less than 800 to 67,742 and the reserves will stay the same. In 2011-12, the projection is for a regular force of 68,000, no figure is provided for the primary reserve, and the Rangers are expected to reach 5,000. In other words, the growth in the military's strength repeatedly promised by both the Liberals and the Conservatives is all but frozen. The problem is that retirements and resignations from the military are increasing and, although recruiting is good, the numbers as a whole seem stuck in neutral. Perhaps rising unemployment will encourage the government to take in more recruits.

The Conservative government's Project Spending (Capital Equipment Program) also appeared on March 27. Immediately apparent was that there is no spending planned on replacements for the Navy's destroyers and frigates, though funding is allocated for frigate modernization. There is no money allocated for a replacement for the CF-18 fighter, though money is budgeted for a host of modernization programs for the aircraft that are already more than two decades old. Nor is there any funding for a new Long Range Patrol aircraft, although once more funding is to be provided to do upgrades on the long-in-the-tooth Auroras the Air Force uses in this role.

But there is funding to get the Arctic Offshore Patrol Vessels and the Joint Support Ships underway. The Army will get its Light Armoured Vehicles refurbished and new Heavy Armoured Support Vehicles. The Leopard II tanks will be upgraded—some in Germany and some in Canada—to meet Canadian Forces standards, and the Army's antique armoured personnel carriers will be modernized yet again. The Air Force will acquire new fixed wing and helicopter Search and Rescue aircraft and the Chinook medium and heavy lift helicopters that have proven their worth in Afghanistan operations. All this is to the good, but we should be clear: the Navy's and the Air Force's future needs for ships and aircraft are not even on the horizon.

And there may be worse to come. First, the Department of National Defence is to be the target of one of the government's "Strategic Reviews," a probing exercise that looks for "unimportant" projects that can be cut. Departments that have already suffered through this exercise have not found it pleasant. At the same time, the present recession that continues to gather force will certainly lead the Treasury Board to search for areas in which to reduce government spending. With its \$20 billion budget, National Defence will likely seem to be ripe for the plucking, and there is little sympathy for the Canadian Forces in the Privy Council Office.

The future for the Canadian Forces, while not yet bleak, thus does not look wholly promising. Money is going to be tight, the numbers of personnel will continue to be insufficient to do the required tasks, and much of the military's equipment, while better in several areas than a few years ago, will continue its long, slow slide into obsolescence. The Harper government, like the Martin government before it, has promised much to the Canadian Forces, but more remains to be done.

Historian J.L. Granatstein writes for the Canadian Defence & Foreign Affairs Institute.