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C O N F I D E N T I A L SECTION 01 OF 03 OTTAWA 000196

SIPDIS

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TAGS: PREL, MARR, MOPS, NATO, AF, CA

SUBJECT: CHALLENGES TO THE TRANSFORMATION OF THE CANADIAN
ARMY

REF: A. 08 OTTAWA 649

B. 08 OTTAWA 1024

Classified By: PolMinCouns Scott Bellard, reasons 1.4 (b) and (d)

1. (C) Summary: Despite the recurrent pledges by PM Harper's government to re-build the capabilities of the Canadian Forces, the Canadian Army still faces serious funding, recruitment, and procurement challenges as it seeks to meet pressing requirements in Afghanistan while also transforming itself into a medium-weight service capable of

conducting both major combat and counterinsurgency operations. Wear and tear on personnel posted to Afghanistan, procurements and repairs not keeping pace with equipment breakdown and obsolescence, and unusually high senior NCO and junior officer attrition rates led the Chief of the Land Staff publicly to suggest that the army might even need to take an "operational break" after 2011. Canada will remain a willing global partner, but has not fully lived up to its own commitment to significant military modernization. The policy debate over the Canadian Forces and Canada's post-2011 role in Afghanistan will again inevitably intensify over the next eighteen months. End summary.

BIG DREAMS, BUT

2. (SBU) In his 2006 and 2008 election campaigns and in the several "Speeches from the Throne" in which his government laid out its agenda to new sessions of Parliament, Conservative Prime Minister Stephen Harper has championed military modernization as a core goal to buttress his claim that "Canada is Back." He and Defence Minister Peter MacKay in May 2008 presented an ambitious "Canada First Defence Strategy" (ref a) and pledged tens of billion of additional

spending on the Canadian Forces, as well as expansion to 70,000 regular troops and 30,000 reserves. They also explicitly promised to up the existing automatic budget increases for defense from 1.5 pct to 2 pct annually.

3. (C) The military has admitted some tough sledding in this ambitious program. (Ref b described problems facing the Canadian Air Force.) Chief of the Land Staff Lieutenant General Andrew Leslie, in remarks on February 27 to senior military officials and defense industry leaders and to pol/mil officer separately, outlined the many challenges faced by the Canadian Army as it meets mostly Afghan requirements while modernizing, equipping, and staffing this single largest element of the Canadian Forces (CF) -- 20,281 regulars/19,327 reserves. General Leslie detailed issues that will require most of his attention during the rest of his tenure as Chief: supporting the defense and security elements of the Canadian mission in Afghanistan while transforming the army into an expeditionary force; growing army recruitment while stemming attrition; and, renewing the land fleet while abusing it in the desolate Afghan terrain.

AFGHANISTAN LOOMS LARGE

4. (SBU) In subsequent testimony before the Senate National Security and Defence Committee on March 9, General Leslie claimed that the strains within the Canadian Army, largely due to the Afghanistan deployment, were so great that it Qdue to the Afghanistan deployment, were so great that it might have to take a "short operational break" -- perhaps up to a year or so -- to rest and rebuild after the Canadian Forces' combat mission in Kandahar ends in 2011.

5. (SBU) The security context that will confront the Canadian Army over the next 10-15 years is "much like what we are doing in Afghanistan" in NATO-ISAF and Operation Enduring Freedom (OEF), according to General Leslie. He commented that the Afghan mission had already helped to speed up the army's transformation into the kind of expeditionary force that the government had described in the "Canada First Defence Strategy," seeking to evolve Canada's "medium weight" army into a force capable of conducting both major combat and counterinsurgency operations against traditional or asymmetric threats nearby or far afield, as well as in

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rural, urban, and littoral domains. He observed that this

was essentially what the army was doing today in Afghanistan.

6. (SBU) In addition to the strain of transformation, General Leslie highlighted the considerable wear and tear on personnel and equipment that has resulted from the deployment of over 2,500 replacement troops (80 pct of them regular army) to Afghanistan every six months since 2006. The other major challenge that General Leslie cited was Canada's slow military procurement processes. He observed that procurement bureaucrats (most of whom are civilians at the Department of Public Works) tend to meet wartime and overall transformation demands with "normal peacetime process." He claimed that due to their "foot-dragging," in 2008 the army had to give back to the general fund over C\$50 million in needed but unspent funds that had been set aside for military fleet upgrades.

RECRUITMENT AND ATTRITION WOES

7. (C) In his remarks to the defense community officials, General Leslie also warned that the army's annual attrition rate was high for Canada -- 9.1 pct in 2008. Its intake target for new recruits in 2009 is 14,000, including 8,000 regulars and 6,000 reservists. He noted that this relatively

high attrition rate had persisted despite the government's many efforts to address family and other standard of care issues, which had led many senior NCOs and young officers to quit the service for more predictable lives in the civil sector. Young officers and NCOs in particular are tired, he said, in large part due to the high operational tempo and long separations caused by the war in Afghanistan. He specified that the army currently faces a shortage of some 700 NCOs and as many junior grade officers

8. (C) Separately, the Parliamentary Secretary for National Defence, Conservative MP Laurie Hawn, confirmed to PolMinCouns on March 4 that the government had been unsuccessful in meeting its expansion targets for the Canadian Forces, but noted that recruitment was less of a problem than the early retirement of NCOs and officers, in part due to the prospect of serving multiple tours in Kandahar. He added that the Canadian Forces' best trainers were often on deployment in Afghanistan, making it difficult to process new recruits. He expressed the hope that rising unemployment rates at home on one hand, and the welcome new deployments of U.S. troops in Kandahar on the other, would help the Canadian Forces to recruit and retain troops, at least in 2009 and 2010.

REPLACING THE LAND FLEET

9. (SBU) General Leslie told the Senate defence committee that the army's land fleet had taken a severe beating due to decades of underfunded maintenance, slow procurements, and non-stop operations in Kandahar since 2006. Some 30-40 pct of the army's 650 LAV IIIs (Canadian Stryker variant) are inoperable, as are about 70 pct of the 203 Coyote fighting and reconnaissance vehicles and over 80 percent of 7,000 Medium Tactical Vehicles, which have been slated for replacement. (Note: the Coyotes are nearing the end of their intended service life. end note)

10. (SBU) The bright spots in the inventory, General Leslie commented, are the Husky, Buffalo, and Cougar mine-protected vehicles operating near 100 pct readiness. "We get a bang (mine) a week against these vehicles but no fatalities," he observed (although 113 Canadian troops have been killed so far in Afghanistan, mostly due to IEDs). These vehicles are quickly repaired or rebuilt and re-deployed. He added that the 20 Leopard II tanks in theater (along with 40 more still awaiting refurbishment in Montreal) meant to replace the 71 pct inoperable Leopard 1 models also deliver a huge advantage

in force protection, as do the new M-777 artillery pieces.

PROCUREMENT PROBLEMS

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11. (C) The Senate's and Commons' defence committees in 2007 and 2008 both conducted lengthy hearings and produced reports outlying numerous problems in the defense procurement processes, but came up with no consensus on actual solutions. Commons National Defence Committee chairman Rick Casson complained to PolMinCouns on March 2 that every defense purchase involved a complicated tug-of-war among the Department of National Defence (DND), the Department of Industry, and the Department of Public Works (which has overall supervision for all governmental procurement). He admitted that the Conservatives' hopes to establish a separate DND procurement agency had disappeared, at least until the Conservatives one day might form a majority government. He added, however, that the committee at this time had no further plans to study this issue or make new recommendations.

COMMENT

12. (C) The government of PM Harper remains committed to improving the capabilities of the Canadian Forces and to its ambitious program of military modernization, and included military budget increases in the 2009 budget (now before the Senate for final passage), despite the country's overwhelming preoccupation with the budget's economic stimulus package, which will help drive the budget into deficit territory for the first time in a decade. Despite ongoing challenges within the Canadian Forces and more broadly in the economy, Canada will remain an active global partner with the U.S. and NATO, and will live up to its combat mission responsibilities in Kandahar through 2011. There appears to be no inclination in the Conservative Party or the Official Opposition Liberal Party -- or, apparently, in the senior leadership of the army -- to extend the Canadian battle group beyond 2011, however. Minister MacKay's recent public comments about other roles for Canada in Afghanistan after 2011 -- reconstruction and development as well as training, mentoring, and enabling the Afghan National Security Forces -- probably presage the policy debates that will become more intense on Afghanistan and on the Canadian Forces over the next eighteen months.

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