

BUSINESS COUNCIL ON NATIONAL ISSUES

REVITALIZING THE RESERVES

SUBMISSION TO
THE HOUSE OF COMMONS STANDING COMMITTEE
ON NATIONAL DEFENCE

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In this submission, the Business Council outlines its case for revitalizing Canada's armed forces reserves. Well-trained and well-equipped reserves are essential if Canada is to have an effective defence capability. Strengthening the reserves has been a constant theme of Council studies, papers and representations in the area of defence policy.

The Business Council on National Issues is composed of the chief executive officers of 150 leading Canadian corporations. With some 1.5 million employees, these companies administer over \$725 billion in assets and generate over \$275 billion in revenues.

The Council's purpose is fourfold: to help build a strong national and international economy, progressive social policies, healthy political institutions, and a more secure Canada. The Council's President and Chief Executive Officer is Thomas d'Aquino. The Council's Chairman is David Culver, Chairman and Chief Executive Officer of Alcan Aluminium Limited. Thomas Savage and Peter Cameron are Chairman and Past Chairman respectively of the Council's Task Force on Foreign Policy and Defence. Mr. Savage is also Chairman and President of ITT Canada Limited and Mr. Cameron is Chairman of the Board and Chief Executive Officer of Chromalox Inc. The Secretary to the Task Force on Foreign Policy and Defence is Council Associate Brian Creamer.

**INTRODUCTORY STATEMENT BEFORE
THE HOUSE OF COMMONS STANDING COMMITTEE
ON NATIONAL DEFENCE**

January 27, 1988

The goal of revitalizing Canada's armed forces reserves is one to which the Business Council on National Issues is deeply committed and to which the Council has devoted considerable attention in recent years. The Council has consistently maintained that reserve revitalization is one of the most cost-effective means of enhancing the overall capabilities and responsiveness of the Canadian Forces. We have long believed that it is unacceptable that Canada should have one of the smallest reserve forces, in proportional terms, in the Western Alliance.

The importance of Canada's reserves cannot be overstated. Well-trained and well-equipped reserves are essential if this country is to meet and sustain its North Atlantic Treaty Organization (NATO) commitments in time of crisis. Following NATO deployments, reserves inevitably will assume a leading role in the direct defence of Canada. They also make a critical - and non-provocative - contribution to the war deterrence capability of the Canadian Forces. Moreover, they support the Regular Force in peacetime and can contribute, within limits, to Canada's peacekeeping commitments. Finally, reserves play a significant role in generating public understanding of - and support for - Canadian defence and security policy.

The Council is therefore pleased to offer its strong support for the proposals to strengthen the reserves set out in the recent defence White Paper. These proposals, and the White Paper in general, demonstrate courage and vision. We are pleased by plans to expand the reserves to some 90,000. But more needs to be done. Additional reserves will be needed to sustain operations beyond the minimum 30-day period. We support measures to more fully integrate the regular and reserve forces and to assign specific wartime tasks to reservists. We agree that the pay and benefits received by reserves should be increased. All of these measures will enhance the overall effectiveness of Canada's armed forces and give a much-needed boost to reservists' morale.

We are concerned, however, by the limited planned increase in the Regular Force from the present 84,700 to 90,000 over the proposed 15-year period. This increase, in our view, is insufficient to provide the level of training, support and numbers of integrated personnel within reserve units to fulfill the planned build-up in the reserves and achieve the desired readiness state. We are also concerned by the apparent absence of a field formation structure in proposed plans to reorganize the army. We believe that to be effective in

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emergency and war, the army should be organized to reflect a modern corps and divisional structure both in Canada and Europe, and that an appropriate supporting doctrine governing its training and operation should be promulgated.

As the senior voice of business in Canada, the Business Council is keenly aware of the vital role the private sector must play if plans to rebuild the reserves are to be successful. Last January, the chief executives that make up the Council issued a strong endorsement of Defence Minister Beatty's plans to provide significant extra funding over the next five years for a number of Reserve Modernization Programs. Elsewhere, we have agreed that corporate resources, such as land, should be made available to local reservists for training where possible. We have also agreed that knowledgeable reservists from within companies should be invited, on a regular basis, to speak about the importance of the reserves at appropriate business functions. Furthermore, we believe that individual companies and business leaders have a duty to acknowledge the contribution to society of the reserves both within their companies and the community at large.

More importantly, we have pledged to support a number of provisions designed to strengthen the reserves where the circumstances of individual employers permit. These include allowing employees time off for annual military training without detriment to the employee's paid holiday leave, and having employers assume the difference between military and civilian pay levels during these training periods. We have also pledged to support job and career protection legislation for reservists should such legislation be deemed necessary.

Our commitment to this issue, in short, is real. We believe that it is time that Canada get on with the task of rebuilding its reserves. We congratulate this Committee of Parliament for undertaking these hearings. And we urge all of you to lend your support to this vital undertaking.

PROPOSED MANPOWER LEVELS

Sustainment Requirements

The Business Council strongly supports plans to increase reserve strength over time to approximately 90,000. We believe that reserve revitalization is a cost-effective means of dramatically improving the overall capabilities of the Canadian Forces. The Department of National Defence (DND) estimates, for example, that the cost of a primary reservist is about one-sixth that of a full-time regular. The proposed expansion would place the ratio of regulars to reserves in Canada at about the same as that in the United States and the United Kingdom.

Even with the proposed increases, however, it must be borne in mind that total force strength will still be limited to about 180,000 - assuming all are fit and available for service. This figure roughly would meet the 30-day requirement established by NATO. But additional forces would be needed to sustain operations over a longer period. It has been estimated, for example, that a further 100,000 trained military personnel would be required to sustain operations from day 31 to day 180 of armed conflict.

Need For Increases in Regular Force to Accomodate Expanded Reserves

While the White paper has rightly stressed the need to expand the reserves, it has failed to recognize the corresponding need to provide increases in the Regular Force. Regular Force units will play a critical role in providing expanded reserves with training, support infrastructure and integrated personnel. Further increases in the Regular Force are therefore essential.

It would be unfortunate, in the Council's view, if gains in strengthening the reserve forces undermined the operational capabilities and effectiveness of the Regular Force. Estimates suggest that at least 9,000 additional regular personnel would be required if this is to be avoided.

Need for Army Field Force Structure

While final plans for the reorganization of the army are not yet known, various informed observers who have appeared before parliamentary committees of both Houses have expressed concern that the army structure being planned for Canada may be inadequate. Specifically, they are concerned that new plans will not provide a proper field force structure and adequate mobilization base. The Business Council believes that any reorganization should reflect a modern corps and divisional structure both in Canada and Europe and that an

appropriate doctrine governing the training and operation of regular and reserve formations should be promulgated.

Need for Trained Officers

As the White Paper recognizes, reserve expansion will require a larger pool of trained officers. The Council therefore supports the Government's intention to consider reactivating major reserve officer training programs such as the Canadian Officers' Training Corps, the University Reserve Training Plan, and the University Naval Training Divisions. It would also urge consideration of more flexible training systems to meet modern work and study patterns. These would facilitate recruitment of more mature leadership personnel in the 25-35 age bracket.

Recruiting

Successful expansion of the reserves depends on effective recruiting. Generating interest and enthusiasm for the reserves among young Canadians is more difficult today than it has been in the past. The Council believes that adequate funds for recruiting advertising must be made available and that support for the reserves should be generated from all sectors of Canadian society.

TOTAL FORCE CONCEPT

The Business Council supports the Total Force concept. We think it makes military sense. Reserves should be fully integrated into defence plans for the country given the renewed importance of sustainment forces. The Council recognizes, however, that integration of regulars and reserves is limited to some extent by the highly sophisticated or technical nature of certain equipment. In view of the specialized and intensive training required, it would not be practical, generally speaking, for such equipment to be operated by reservists.

The Council believes that the Total Force concept will herald significant improvements for the reserves in a number of areas. The first is that of equipment. Too often in the past, the effectiveness of Canada's reserves has been compromised by the lack of consistent and effective training and operational equipment. The Total Force concept implies an integrated approach to equipment procurement that ensures that reserves have access to the same top-line equipment as those in the Regular Force. The second major improvement pertains to the role of reservists. Again, in the past, reserve missions have often been ill-defined. Under the Total Force concept, tasks

generally will be assigned to the force as a whole rather than specifically to the regular or reserve forces. Combined units will ensure that reserves have a well-defined role in wartime. The Total Force concept should also bring about much-needed increases in the pay and benefits received by reservists.

By promoting significant improvements in the above areas - equipment, role, and pay and benefits - we believe that the Total Force concept could have a profound impact on morale in the reserves. Regrettably, recent studies by DND have suggested that many reservists feel they command little public respect. Improved morale, however, would reinforce the overall effectiveness of the reserves. It would also enhance their ability to attract and retain high quality candidates.

PAY AND BENEFIT COMPENSATION

The Business Council supports the principle of wage comparability between the regulars and reserves providing similar levels of training and effectiveness can be achieved. Unfortunately, reserve pay has been allowed to deteriorate relative to regular pay for many years. Inadequate compensation for reservists has contributed to a number of problems, including recruitment difficulties, high turnover and low morale. We believe that the wage gap between regulars and reserves must be closed. Assuming the same intensity of application and effective use of time between the two forces can be achieved, we believe that the time of a reservist ought to be worth as much as the time of a member of the regular force. In our view, pay comparability would be very much in keeping with the Total Force concept.

THE ROLE OF BUSINESS IN RESERVE REVITALIZATION

The successful rebuilding of Canada's reserves cannot be achieved without the full cooperation of the private sector. We believe private companies can make a vital contribution in a number of areas.

Provide Reservists With Time Off for Training

The Business Council supports the concept of assisting members of the reserves to take part in intensive training programs. Regular training is essential to ensure the readiness and effectiveness of Canada's reserves. The Council also recognizes that individuals participating in such programs can often acquire skills that are of great value to the private sector. Accordingly, we believe that where the circumstances of individual employers permit, reservists should be allowed up to 14 days training time off per year without detriment to their normal annual leave or vacation time.

Supplement Reservists' Pay During Training Periods

The Business Council believes that those who give of their time to train in the reserves serve the national interest in an important way. That many reservists, in effect, should be financially penalized for undertaking such training is unacceptable. We believe that where the military pay received by reservists during training periods is inferior to their normal civilian pay, individual employers, wherever possible, should provide appropriate supplements so that reservists suffer no net loss in income.

Support Job/Career Protection Legislation

The Business Council strongly supports employment protection legislation for reserves in the context of mobilization for war or international emergencies. Indeed, we were disappointed that recent emergencies legislation lacked provisions requiring employers to give reserves time off for call-out in emergency.

The Council has also pledged to support job protection legislation for reserve peacetime training should such legislation ultimately be deemed necessary. Nevertheless, peacetime job protection legislation raises a number of concerns that we believe need to be fully understood. While such legislation would protect reservists that do have jobs, for example, it could inadvertently discriminate against those that do not - some employers may be reluctant to hire reservists in the face of formal legislation requiring companies to allow reservists time off at unpredictable periods. It must also be borne in mind that job protection does not necessarily mean career protection. In fact, such legislation could potentially compromise the career opportunities available to reservists. Finally, it should be recognized that peacetime job protection legislation would place a much greater burden on smaller businesses than on larger ones - although even these could be inconvenienced by the loss of individuals with highly specialized skills. If Canadian legislation follows the example of job protection legislation in Australia, however, many of these disadvantages can be overcome.

Acknowledge the Contribution to Society of Reserves

The Business Council believes that individual companies should endeavour to promote greater understanding of the reserves and their important contribution to society and national security. A variety of means could be employed to this end. Many of these would involve little or no expense. Knowledgeable reservists within companies, for example, could be invited to speak at company functions on the role and importance of the reserve forces.

Similarly, business leaders could avail themselves of appropriate speaking opportunities in their communities to express public support for the reserves. The contribution of reservists to the community and the nation could also be acknowledged in company newsletters, publications and annual reports. At the same time, individual companies could make certain corporate resources - such as land - available to local reserves for training. Such initiatives, in the Council's view, would raise the profile of reservists in the community and generate interest in and support for the reserves.

Support the Concept of National Manpower Training

In the context of revitalizing the reserves, the Business Council believes that the private sector should lend its support to the concept of a broader national manpower training effort. We believe that a critical need exists to establish a peacetime manpower strategy and policy to ensure a pool of militarily-trained personnel capable of immediate mobilization in the event of an international emergency. The Business Council has long favoured the idea of a national volunteer youth training program - modelled, perhaps, on DND's existing Youth Training and Employment Program. Under YTEP, young Canadians receive basic military and trade training and eventually become eligible to apply for positions with the Regular Force or to accept employment in the private sector and become a member of the reserves.

In our opinion, the benefits of a national youth training program could be very significant. Apart from helping to provide the Armed Forces with an effective mobilization base, such a program would directly address the serious and persistent problem of youth unemployment. It would also enable young Canadians to acquire valuable technical skills and experience. These would considerably enhance their future employment prospects. Finally, the private sector would benefit from a more highly-skilled work-force.

The Business Council believes that such a program would serve a number of important national objectives. Consequently, we believe it is one that deserves serious consideration and support from the private sector.

THE ROLE OF POLITICAL LEADERS

The Business Council believes that it is incumbent upon political leaders of all three levels of government, and all three major political parties, to promote understanding of Canada's reserves and their vital contribution to society. The role of the Prime Minister, members of the federal Cabinet, opposition party Leaders and provincial Premiers is particularly important.

Unfortunately, political support for the reserves in this country, from all levels of government, has often been lacking. In contrast to the situation in countries like the United States and the United Kingdom, Canadian political leaders have often been slow to acknowledge the critical contribution to national security that reserves make to this country. We believe that political authorities have a duty to support the reserves and to do so publicly. Their support is critical to the morale of reservists and the public esteem in which they are held.