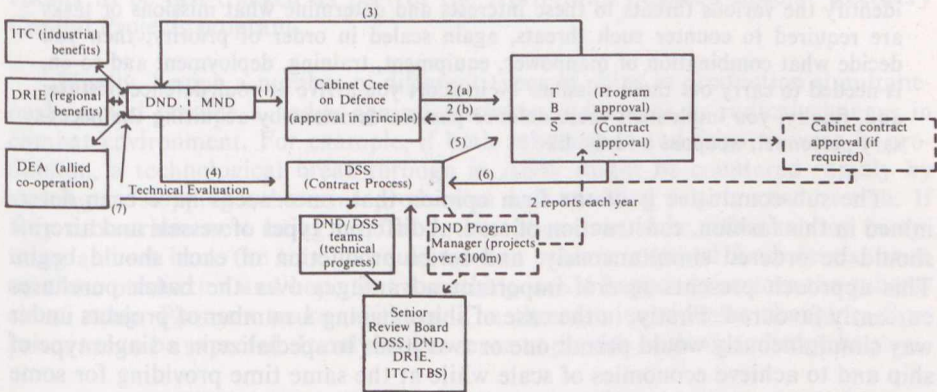


Figure 5  
MILITARY PROCUREMENT APPROVAL  
PROCESS WITHIN GOVERNMENT



political objectives; long lapses between construction programs; and the impact of unforeseen developments such as inflation, rising pay-rates, linkage of military and civil service salaries, and the breakdown of detente. These are the real villains of the piece.

Indeed, the sub-committee has been favourably impressed by the efforts made within DND over the past number of years to keep attention focussed on realistic possibilities and to promote a gradual rise in defence spending. It has been impressed as well with the department's increasing skill in managing an inadequate budget in such a way that capital outlays have begun to rise as a portion of total expenditures and specific provision is being made for readiness and sustainability.<sup>3</sup> Time taken internally to make a decision has less to do with the ponderous nature of the process than with the nearly impossible character of the decisions to be made. How can it be decided whether a new fighter aircraft or a new class of ship is more urgently required, when both existing fighter aircraft and ships have aged to a point where they are only marginally effective in their roles and becoming a danger to their crews? The real solutions to such process problems as exist lie in larger budgets and a procurement policy based upon long-term determination of equipment needs conforming to clearly defined defence objectives.

Professor D. Middlemiss described the current funding approach and what should replace it in terms the sub-committee endorses:

... the formula funding approach, including the latest NATO 3 per cent real growth formula, suffers from inherent inadequacies, the most serious of which is that it is essentially a politically-derived symbol of alliance solidarity and commitment, and bears little or no correlation to countering the Soviet threat in either a quantitative or qualitative sense.

... these arbitrarily defined and poorly adhered-to funding arrangements have become the substitutes for well thought-out policies, rather than the financial reflections of them.<sup>4</sup>

<sup>3</sup> See in particular *Minister's Statement — Defence Estimates 1983/84, op. cit.*, p. 32.

<sup>4</sup> *Proceedings of the Senate Sub-committee on National Defence*, 1 June, 1982, p. 31:7-8.