

Making Waves

Dealing with an Assertive China (by Learning the Lessons of Afghanistan)

Ambassador David Mulrone

Canadians need to get used to the fact that China is growing increasingly capable of projecting its power and influence in East Asia and beyond. And this capability is matched with the inclination to do just that. China's new assertiveness is based, not unreasonably, on confidence generated by its stellar economic performance. It is stoked by new voices in its foreign policy community. And it is shaped by a slowly emerging sense of long-term possibilities.

By 2009, it was clear to anybody who was watching that China was moving, albeit in fits and starts, beyond Deng Xiaoping's dictum that the country "should hide its capabilities and bide its time." When I arrived in Beijing in July of that year to serve as Canada's Ambassador to China, praise for China's success in hosting the 2008 Olympics was giving way to wonderment at the country's success in weathering the global financial crisis. China had unleashed a torrent of stimulus funding, something that was helping to build gleaming new airports and high-speed train lines, and to transform the skylines of its cities. Awe-struck visitors routinely assured their hosts that they had seen the future, and it was China! To many foreign visitors, China's authoritarian, technocratic rule seemed far superior to democratic systems back home, which seemed hopelessly mired in partisan gamesmanship and numbing bureaucracy.

Not surprisingly, many in China came to believe their own headlines. This seemed particularly true among the ranks of the new players who were re-shaping the foreign policy landscape. Senior officers in the People's Liberation Army muttered darkly about challenging US hegemony. Hawkish journalists called on China to show more backbone internationally. Aggressive state-owned enterprises pushed China into new regions and new commitments. And hyper-patriotic netizens bristled at threats, real or imagined, to constrain China's seemingly inevitable global triumph.

As I watched the parade on 1 October 2009 celebrating the 60th anniversary of the People's Republic, it was easy to see where China had been turning its attentions in the years during which the United States was busy in Iraq and Afghanistan. Chinese-made aircraft filled the sky over Tiananmen while, far below, the latest missiles, artillery pieces, tanks and landing craft rolled down the Avenue of Eternal Peace.

China was quick to test its new capabilities. It moved aggressively to challenge Japan over rocky islets that both countries claim. Regional tensions also flared as China asserted its ownership of barely visible shoals in the South China Sea, and doggedly pressed its contention that what is now the Indian state of Arunachal Pradesh is actually part of the People's Republic of China (PRC).

That same feistiness was on display when Chinese leaders gave the cold shoulder to newly elected President Obama during a visit in late 2009. This surprised many because the US government had for months before the visit been signalling its willingness to lower the volume on human rights disputes. Within a year, disdain had given way to active fury as the United States commenced the difficult process of pivoting back to East Asia. American re-engagement with the region was made much easier by the fact that China's new and unbridled assertiveness had set back years of patient efforts to supplant the United States as the principal actor in the region.

Things are changing. We are already seeing a more disciplined, focussed and patient foreign policy under President Xi Jinping. Xi's rise means that China will be less inclined to indiscriminate assertiveness and, as a result, far more effective in expanding its influence. Although tensions remain still high with Japan and the Philippines, China has moved to reassure others in East Asia and to step back from border confrontations with India. Xi's first international visit was to Moscow, where he carefully underlined the strategic importance of that relationship.



Credit: U.S. Navy Mass Communication 1st Class Tiffini M. Jones

Chief of Naval Operations (CNO) Admiral Gary Roughead, right, salutes sailors of the PLAN Type 920 hospital ship *Daishandao* (AHH 866) in Qingdao, China, as part of goodwill celebrations of the 60th anniversary of the founding of PLAN.



Continuing complications. In November 2013, China announced a new Air Defence Identification Zone overlapping those of Japan and South Korea.

The recently completed third Plenum gave Xi even more control of what is ambiguously termed ‘state security,’ a mandate that probably includes foreign affairs as well as domestic anti-terrorism.

When Xi did get around to meeting President Obama in June of 2013, he spoke of the emerging opportunity to craft a “new type of great power relationship.” This was meant to be a reassuring message, expressing Xi’s belief that China and the United States could avoid the strife that is generated by confrontation between a rising power and the existing (and in China’s view, declining) hegemon. But the flip side of this concept is less reassuring. Xi also seemed to be suggesting that the great power relationship could be achieved by agreeing on a broad geographic division of influence. The United States would dominate a zone that runs out to somewhere beyond Hawaii. China would be the master of things on the other side of the line, effectively ending the US role as the guarantor of peace in East Asia. China’s recent imposition of an Air Defence Identification Zone (ADIZ) off its east coast is likely an early move in this direction.

This does not bode well for East Asia, or for those whose future development is linked to it. The risks are already

evident: rising regional tensions; threats to the spread of human rights and democracy (think of Burma); and diminished opportunities for building trans-Pacific economic ties. This poses a long-term challenge to the United States and its allies, Canada included, and brings a growing risk of direct Sino-US confrontation.

We need to view what’s happening as something more than a tense bilateral showdown between China and the United States. In reality, accommodating China’s rise should be a far more broadly shared process in which a community of nations, Canada among them, works together. A big part of this involves reassuring China, making it clear that we welcome and respect its new vitality. In doing so, Canada and its allies must also signal, with confidence and real resolve, the expectation that China will far more readily embrace the responsibilities that come with being, in the memorable words of then-US Deputy Secretary of State Robert Zoellick, a responsible stakeholder.

Key to success is making the point that, far from being a region entirely dominated by a single power, East Asia is home to diverse, autonomous and, to a gratifying degree, increasingly democratic countries. And these countries have many friends. Indeed, their stability, prosperity and unhindered development are, to use a Chinese phrase, ‘core interests’ of a wide range of important global players, Canada among them.

Of course, if Canada is to play such a role, it needs to be able to bring assets and influence to the region. This is partly a hardware challenge. The Royal Canadian Navy is still years away from bringing new ships into service, and even then, their nature and probable tasking makes it unclear that they will be able to meet important trans-Pacific commitments. These will almost certainly include helping to combat problems of piracy and human trafficking, sharing in humanitarian missions, and building trust and confidence through exchanges with the navies of the region, China’s included.

But there is no justification for passivity or inaction while Canada waits for new ships to be delivered. Canada is already beginning to display a capacity for effective engagement, as shown by the speedy deployment of humanitarian resources to the Philippines in the fall. It has also signalled its long-overdue willingness to be more involved in the emerging architecture of the region. Put simply, Canada is showing up more often. East Asia is now on the itineraries of the Ministers of Foreign Affairs, Trade and, long overdue, Defence.

While such activity is welcome, it would be a mistake to think that activity alone can turn Canada into a respected player in the region. We need first to think carefully about our core objectives. And these need to be something more than securing membership in the regional organizations that haven't yet decided to let us in. Surely, Canada's overriding objective in the region should be encouraging China's peaceful rise. Implicit in this is better managing our own bilateral relationship with China, seeing it steadily and seeing it whole. China is both a key contributor to our future prosperity and a very real challenge to regional and Canadian security.

Managing this will require a level of focus, policy coherence and disciplined implementation that we have rarely achieved in the past. The messages that the Foreign Minister provides to his Chinese counterpart need to be coordinated with the reassurances that the Defence Minister shares with his colleagues in Vietnam and the Philippines. And both need to be calibrated against Canadian ambitions when it comes to long-term trade and investment objectives. No one should assume that any of this happens naturally, easily or frequently in our system of government.

But there is a useful precedent to study. In making their recommendations about Canada's future role in Afghanistan, John Manley and his fellow panelists described the Kandahar mission as a once-in-a-decade challenge, something worthy of a rare level of commitment, effort and coordination by the government. And it worked. Cabinet, led by the Prime Minister, took responsibility for the oversight and regular review of a mission that was finally, and far too long after its launch, based on clear and limited goals endorsed by Parliament. These were in turn effectively tasked out to public servants and the Canadian Forces, who were now finally working in concert.

If we are to step up to the far greater challenge of engaging a rising China, we would do well to re-learn the important lessons of that now almost-forgotten chapter in our recent past. 🇨🇦

Pacific Naval Operations

Ken Hansen

There is a lively discussion going on about whether or not the Royal Canadian Navy (RCN) should 'rebalance' its Atlantic and Pacific Fleets. The US Navy is in the process of shifting 60% of its fleet to the Pacific Ocean by 2020, half of which will be forward deployed. The idea is that naval power serves as a form of leverage against the rise

of Chinese maritime power. Should Canada follow the American example?

The 15-vessel Canadian Pacific fleet comprises five frigates, a destroyer, two submarines, a replenishment ship and six coastal defence vessels. There are 18 vessels on the Atlantic coast: seven frigates, two destroyers, two submarines, a replenishment ship and six coastal defence vessels. While some claim a 60-40 split favours the Atlantic Fleet over the Pacific, the actual numbers are 55-45.

Eric Lerhe's recent editorial column in *CNR* (Vol. 9, No. 2 (Summer 2013)) argued that Canada should adopt a Pacific-heavy stance. He thinks that all the replenishment ships, the submarines and long-range patrol aircraft would be of greatest value in the Pacific. But, he says, "they will only be credible if they are permanently forward deployed – perhaps at Guam."¹ David McDonough, writing recently in *Broadsides*, supported the Guam idea for basing Canadian submarines.²

McDonough also noted that Canada and Japan concluded a mutual logistics agreement in September 2013, known as the Canada-Japan Acquisition and Cross-Servicing Agreement. Prime Minister Stephen Harper called the treaty "an important step towards strengthening bilateral defence relations."³ David Pugliese reported that the treaty "will allow the Canadian Armed Forces and Japan's Self-Defense Force to exchange basic goods and services such as fuel, water and facilities wherever both forces are cooperating" but quoted a DND official as saying "it does not involve the stationing of troops in either country."⁴ While major troop deployments may not be contemplated, Canadian naval vessels operating from a Japanese naval base with a small shore-based logistics contingent might be a lot easier to arrange, especially in the event of a conflict with China. Japan certainly has more in the way of physical space than Guam.

Guam is definitely small: the island is only 48 km long and varies between 6-19 km wide, with a total area of 594 km². This makes it about three-quarters the size of Singapore. Apra Harbor on the southwest coast of Guam is the largest deep-water port in Micronesia and is the site of US Naval Base Guam. Capable of receiving aircraft carriers and the home port of Submarine Squadron 15, the military facility on Guam is already very busy and will become even more so when 8,500 US Marines from Okinawa are transferred there in the not-too-distant future. Would there actually be space for Canadian naval forces to operate from there?

USS *Frank Cable* (AS-20), an auxiliary naval ship, provides most of the support to the American submarine squadron at Guam. Ashore facilities for submarine operations are

probably very limited. While Canadian submarines might visit there occasionally, to operate from there on a regular basis would mean bringing all of their own support. The distances involved mean this will be a major logistical undertaking.



Could Guam become pivotal in any future Canadian Pacific Pivot?

Guam is 5,642 nm from Victoria, British Columbia. By comparison, the distance to Yokohama is 4,262 nm and the distance to Honolulu is 2,350 nm. The distance from Halifax to Liverpool is 2,368 nm, similar to the distance to the Hawaiian Islands from British Columbia. Why is this significant? The scale of Canadian naval logistical capacity was established during the Cold War where the focus of operations was on the North Atlantic.

The new *Berlin*-class sustainment ships will have significantly *less* capacity for fleet support than the *Protecteur*-class. The scale and scope of naval operations in the Pacific, if they are supported out of either Japan or Guam, will be vastly more challenging than anything the RCN ever experienced in the Atlantic. Just getting there will be either 75% (for Tokyo) or 138% (for Guam) more demanding than a trip across the Atlantic. Once at Guam, you are still not anywhere in particular. Manila is another 1,575 nm away and Singapore is 2,925 nm. The physical restrictions at Apra Harbor, competition for space with US naval forces and commercial activities, and the complete lack of a Canadian mobile submarine support capability will probably rule out Guam as a support base for the RCN.

Japan is closer than Guam and the North Pacific is more closely linked to Canadian defence and commercial interests. However, even with a logistics treaty, there will be language problems and different supply systems between the two navies. The inestimable advantages of operating with the USN are the longstanding bond of culture and commonality of logistical systems.

Where does all of this leave us? For Canada-US initiatives, Pearl Harbor will remain the operational centre of gravity for the Central Pacific, as it has always been. For a strengthening Canada-Japan relationship, it will be advisable to start small and work up from there. For our own national operations in the Pacific, increasing logistical capacity at Esquimalt and working toward improved efficiencies of all sorts will be necessary to offset the logistical shortcomings imposed on the navy by the smaller *Berlin*-class sustainment ships. Beyond this, a lot more thought about the importance of logistics to naval operations is required.

For anyone considering a Canada-Australia naval alliance, the distance to Sydney from Victoria is 6,705 nm. 🇺🇸

Notes

1. Eric Lerhe, "Editorial: Time for a Canadian Pacific Pivot?" *Canadian Naval Review*, Vol. 9, No. 2 (Summer 2013), p. 3.
2. David S. McDonough, "The RCN and Submarine Basing in the Pacific," *BroadSides*, 1 October 2013.
3. David Pugliese, "Japanese and Canadian Militaries to Cooperate on Logistics," *Ottawa Citizen, Defence Watch*, 25 September 2013.
4. *Ibid.*

Sending Signals: Canada Needs to Get Serious About Asia-Pacific

David A. Beitelman

There has been a great deal of debate recently within policy circles about Canada's engagement in the Asia-Pacific region and whether the Royal Canadian Navy (RCN) should shift naval resources from the Atlantic coast to the Pacific. The debate grew so loud that the RCN released an official statement from Vice-Admiral Mark Norman in August 2013 in response. He said "[t]here are no plans to redistribute RCN ships from the Atlantic fleet to the Pacific fleet as the current distribution meets our strategic and operational requirements."¹ However, in light of recent developments in the Asia-Pacific region and Canada's new 'economic foreign policy,' it is time the RCN reconsidered its position.

For a resource-strained naval force that cannot contribute materiel to the region on a level that would tilt the scales one way or the other, 'rebalancing' to the Pacific

is a relatively costless move that helps the government convince the world that Canada is serious about the Asia-Pacific region. Shifting naval forces to the Pacific sends important signals to those in the region with whom Canada is trying to foster closer ties, as well as to allies, particularly the United States. It would make resources more readily available in case of an emergency and demonstrate support for US policy shifts in the region, and to other friendly states which are facing an uncertain future in an increasingly tense region.

Since the RCN stated that it considers the Middle East and the Caribbean the “most likely areas of operations for the CAF for years to come,”²² there have been a number of developments that suggest the tides are shifting to the Pacific. The Canada-US Asia-Pacific Defence Policy Cooperation Framework, signed (perhaps ironically) in Halifax in November 2013, and the Global Markets Action Plan, Canada’s new foreign policy road-map, also announced in November, are two developments specific to Canada and reinforce the region’s increasing importance. There is also China’s recent announcement of an air defence identification zone (ADIZ) over the East China Sea (which includes disputed territory), raising tensions in the region. South Korea has responded by expanding its own ADIZ, which also includes disputed territories and overlaps with air defence zones of both China and Japan. Japan has reacted to the developments by moving to implement a more robust, ‘China-centric’ defence posture.³

The Canadian government has supported Canada’s economic interests in the region, but is lagging when it comes to security. Canada wants a seat at the table to help create the economic and security architecture taking shape in the region, and, as Eric Lerhe has noted in an earlier *CNR* editorial, “[m]ilitary strategy and trade are linked.”²⁴ More than simply ensuring a seat at the table, shifting focus to the West Coast and increasing its presence in the Asia-Pacific region gives Canada a voice.

As proof of its interest in Asia-Pacific, the government touts its participation in the biennial Rim of the Pacific (RIMPAC) exercise, and in the recent Shangri-La Dialogue in Singapore, as well as the US Pacific Command Chiefs of Defence Conference. As well, the government has stated its desire to participate in the Association of Southeast Asian Nations (ASEAN) Defence Ministers’ Meeting Plus and the East Asia Summit.⁵ Canada has also taken steps to increase ship visits, expand its Military Training and Cooperation Program (MTCP), and improve bilateral relations with many countries in the region.

These are important steps and should not be diminished. However, while there are good arguments to be made as to why Canada’s contribution to regional security is destined to be limited due to its lack of resources and logistical capabilities far from home (including foreign port access), more can be done to signal to others that Canada is taking even its limited role seriously. In Vice-Admiral Norman’s statement, he notes that “[w]e can deploy RCN assets from either coast to any maritime area of operations in the world,” and so the 60-40 naval resource distribution that favours the Atlantic coast needn’t change. Shifting resources from the Atlantic coast to the Pacific coast, however, sends such a signal, even if it is a perfunctory one. In a region where relationships are all important and “business is done with friends,”²⁶ having materiel close by bolsters Canada’s attempts to expand its economic footprint; support with military resources helps prove Canada’s willingness to defend its interests and investments in the region. It would also go a long way in supporting Canada’s attempts to join the Defence Ministers’ Meeting and East Asia Summit, as well as strengthening its position in regional institutions where Canada already has a seat – particularly those with a security/defence focus.

Leaving things as they are, conversely, communicates something else entirely. First, it tells people that while Canada is interested in the *economic* benefits of the Asia-Pacific

Credit: MCpl Marc-Andre Gaudreault,
Canadian Forces Combat Camera



HMCS Algonquin (DDG 283) sails during the Rim of the Pacific (RIMPAC) exercise in the Pacific Ocean on 26 July 2012.



region, it is committed to the security needs of others (in this case, Europe, the Middle East and the Caribbean). Or, second, that Canada is content to assert itself as a Pacific power while leaving the heavy lifting to others, principally the United States. Neither of these should be acceptable to the government of Canada, particularly when they complicate or contradict other stated policies and objectives. Canada's largest trading partner, the United States, is increasingly investing resources in the Asia-Pacific region. Canada's second largest trading partner is China. 'Economic diplomacy' still needs teeth. If Canada wants to play a larger role in Asia-Pacific, even the nominal contribution of a single frigate to a US carrier group sends an important signal to countries in the region: Canada is investing in more than just Asian markets. There is no guarantee that such a move would have the desired effect. There is nothing guaranteeing Canada's economic aspirations in the region, either. Attending conferences and joining institutions is great; supporting talk with action is better.

More than strengthening burgeoning relationships in the Asia-Pacific region, shifting west sends an important signal to Canada's most important economic and security partner. The United States is pivoting – or 'rebalancing' – to the region. It is expanding military ties with the Philippines, Vietnam, Singapore, Australia and others. Critically, it is attempting to support India's military modernization. The focus of this policy reorientation is, undoubtedly, China. Rather than moving to 'contain' China, a Department of Defense report to Congress instead refers to American "strategy to shape China's choices."⁷ That is, the United States wants to create the strategic environment in the Asia-Pacific region rather than allow China to do so.

China is an increasingly important economic partner for Canada. Helping maintain a stable Asia-Pacific is in Canada's economic interests. Supporting the United States in the region helps ensure American support for Canadian efforts to increase its institutional presence, both directly and by virtue of its ability to influence other states in the region, and buys favour as Canada negotiates a burden-sharing arrangement with the United States in the Arctic (where China is also making moves). Canada is a country with limited military resources; this is a known and accepted reality by all. The Canadian navy is especially strained by the need to maintain a presence along three coasts spanning extremely large distances. That said, the country's military capabilities, particularly naval, should match its foreign policy aspirations. Canada cannot be all things to all places, but if the Asia-Pacific

region is where Canada's economic future lies, then it is time the government starts taking it seriously.

Shifting west will not be an entirely painless or costless experience for the RCN, but it is the government's willingness to endure these costs that gives it value. A redistribution of naval resources to the Pacific coast is a good start, even if it is largely about optics. Minister of Foreign Affairs John Baird has said "[s]ecurity and prosperity go hand-in-hand."⁸ Perception matters, and right now the perception is that Canada is engaging the region with one hand. 🍷

Notes

1. Vice-Admiral Mark Norman, Commander Royal Canadian Navy, RCN Press Release, 20 August 2013.
2. *Ibid.*
3. Kiyoshi Takenaki, "Japan's Defense Plans Focus on China and Islands Dispute," Reuters, 11 December 2013.
4. Eric Lerhe, "Time for a Canadian Pacific Pivot?" *Canadian Naval Review*, Vol. 9, No. 2 (Summer 2013), p. 2.
5. Department of National Defence, "Backgrounder: Canada's Defence Relations in the Asia-Pacific Region," 22 November 2013.
6. James Manicom, "Canada's Re-engagement with Asia: Testimony to the Senate Committee on Foreign Affairs and International Trade," 29 May 2013.
7. United States, Office of the Secretary of Defense, "Annual Report to Congress," p. I.
8. Minister of Foreign Affairs John Baird, "Address by Minister Baird to Canadian Council of Chief Executives," 24 September 2012.

Boom and Bust: An Opportunity?

Timothy Choi

Canada's National Shipbuilding Procurement Strategy (NSPS) was conceived not only to recapitalize the federal fleet, but to do so in a sustainable manner over many decades. This was considered especially important in face of the fact that previous Canadian naval construction plans occurred on a 'boom-and-bust' cycle, when years would pass between construction contracts, resulting in mass layoffs and loss of expertise. In turn, this expertise would have to be regained at an extreme cost every time the federal fleet (both the navy and the coast guard) was renewed. The NSPS, by aiming to ensure shipyards continue to receive work throughout the coming decades on a constant basis, promises to end this pattern for the first time in Canadian history.

The desire to have an NSPS arrangement is based, of course, on the underlying assumption that boom-and-bust itself is always a bad thing. Certainly, the massive costs (to date, some \$600 million combined for both Irving in Halifax and Seaspan in Vancouver) associated with renovating the NSPS shipyards would appear to agree with this assumption. But what if rebuilding shipyards almost from scratch is not necessarily a bad thing?



The *Tide*-class tankers are a proposed class of four large fast fleet tankers for the Royal Fleet Auxiliary (RFA) of the United Kingdom. Here is an artist's conception of the BMT Defence Services' AEGIR tanker concept.

Can there actually be advantages for Canada in doing so, given the massive advances in engineering and design in recent years?

Our point of comparison is the new East Asian shipyards that have been so prolific in the past decade. Readers may be familiar with the United Kingdom's Royal Navy (RN) and its decision to outsource the construction of its new replenishment ships, the *Tide*-class, to South Korea. In contrast to Canada where we will build the German *Berlin* design in the Seaspan Vancouver shipyard, the RN is doing the opposite: letting the shipyard of South Korean company Daewoo do the physical construction based on the design created by British firm BMT Defence Services.

The purpose of this observation is not to add yet another log into the fire of whether Canada should have done as the RN.¹ Rather, I seek to offer several possibilities on the longer term scenarios for Canada's shipbuilding industry using the South Korean experience as a loose model.

The introduction and adoption of computer-controlled machining and computer-aided design over the last two decades has drastically altered the manufacturing process. While this has manifested itself most prominently in daily items such as automobiles and kitchen appliances, it is an evolution that also applies to shipbuilding. However, due to the scale and costs associated with the shipbuilding industry, the massive restructuring needed to accommodate new construction methods is rarely undertaken. This can be especially true in the case of yards that 'benefit' from continual construction orders, such as the major yards in the United States and Europe – they would hardly have time to stop construction in order to reconfigure their yards. While they can implement smaller-scale changes (e.g., new computers) on a piece-by-piece basis, these can lack the cohesive integration that would result in optimal efficiency and lowered costs.

This is where Halifax and Vancouver may be able to shine. By having to reconfigure their entire construction processes and infrastructure from the ground up, these

yards will have the opportunity to take advantage of all the latest technological advancements in engineering and construction while implementing them wholesale. The complete integration at a single point in time can effectively bring Canada's shipbuilding industry and capabilities up to the latest 21st century standards.

What implications might this have on Canada's shipbuilding fortunes? South Korea's example may provide some clues. Just as Irving and Seaspan are doing, South Korea's Daewoo, Hyundai and other yards have established their processes and structures fairly late in the current era. It can be argued that this is one major reason why their ships could out-compete European yards on a cost basis. Lest the *Tide*-class example be insufficient evidence, Danish transport giant Maersk is building its latest and largest cargo ships, the *Triple E*-class, also at Daewoo's yards, ending a tradition of building them in its own yards.

The cost benefits of a completely new 21st century shipyard have yet to be fully examined. Indeed, most, if not all, cost estimates of the NSPS have been made based on decades-old examples from North America and Europe. This suggests the possibility that, shockingly, the costs of carrying out the NSPS program may actually be *less* than predicted. Current cost estimates have been made based on outdated construction processes and techniques. They have not accounted for the latest shipbuilding methods and the decreased costs with which they are associated. Going forward, an examination of South Korean warship construction may provide the most accurate information regarding the likely costs of Canadian programs.

In particular, the Republic of Korea Navy's *KDX-III*-class Aegis destroyers may provide some interesting insights. In a sense, the procurement of these destroyers has a similarity to one method by which Canada may procure its new surface combatants: using or adapting an existing



The Republic of Korea Navy guided-missile destroyer ROKS *Sejong the Great* (DDG 991) returns to Joint Base Pearl Harbor-Hickam after participating in Rim of the Pacific (RIMPAC) 2010 exercises, 30 July 2010.

and proven design to fit Canadian requirements. The *KDX-III* is essentially a lengthened version of the American *Arleigh Burke*-class destroyers, and although these ships' capabilities are likely well beyond that required of Canada's future fleet, their cost characteristics provide some useful comparisons. Whereas the latest Flight IIA *Arleigh Burkes* built in an American yard cost some \$1.5 billion (US), the *KDX-III* comes in at \$923 million (US), despite being larger and better armed. Given that this cost is based on a class of three vessels (just as Canada plans on having three area-air-defence replacements for its *Iroquois*-class), it appears to be a fair comparison that compensates for economies-of-scale differences.

But if Canada's new yards can indeed become competitive due to adoption of the latest shipbuilding techniques, then the benefits extend far beyond the NSPS as it currently stands. A competitive Canadian shipbuilding industry can make it an attractive option not just for the Canadian government, but for others as well. The RN's *Tide*-class tankers are already proving that Western militaries are willing to go abroad for their construction; the Dutch construction of their Joint Support Ship in Romania (albeit at a Dutch-owned yard) is another example. Should this willingness to go abroad for naval construction become a trend, Canada may well become a viable option for some of the smaller navies in the West.

I limit this optimism to quantitatively smaller projects due to the physical size of the Halifax and Vancouver yards. As any person who has visited Seaspan's premises in North Vancouver and Irving's waterfront property can attest, there is not much room available – both in terms of property currently occupied and in terms of nearby unoccupied space for expansion. Therefore, Canadian yards are unlikely to be able to support the simultaneous construction of vessels necessary for larger orders.

Despite this drawback, the possibility that Canada's new shipyards may become shipbuilding centres in the West holds much promise both for Canada and for its allies. A fully-modernized and cost-effective yard can enjoy a measure of protection from the vagaries of changing domestic governments. Should a future government decide to alter or cancel the NSPS, the modernized yards can still attract foreign clients, allowing them to survive until the domestic orders resume.

The government of Canada stated at the outset of the NSPS that Canada's shipbuilding industry is a strategic priority. It likely had something different in mind when using that term for the industry, but the possibilities outlined here, given the changes in 21st century technologies and global



Credit: U.S. Navy Mass Communication Specialist 1st Class Hodges Pone III

The German combat support ship *Frankfurt am Main* (A 1412) (left) comes alongside the US Navy Amphibious Transport Dock ship *USS Mesa Verde* (LPD-19) (right) for a mock underway replenishment during the 50th iteration of the UNITAS Gold exercise, 26 April 2009.

shipbuilding dynamics, suggest a much more concrete importance. While physical constraints will likely prevent Canada from becoming a global powerhouse in shipbuilding, a vital niche of small-scale, but technologically-intensive, orders can be filled by Canadian shipyards.

Costs may still be higher than construction in East Asian yards due to factors like higher worker pay-scales, but Canada enjoys a close relationship with other Western states, and shares two of the languages of the West – English and French. This translates not just to clearer communications between parties but also to smoother interactions when it comes to sensitive materials. A lower barrier to technology sharing and access may well mean that foreign customers would not only build their hulls in Canada, but possibly the combat systems as well. And as shipbuilding literature often emphasizes, it is the systems that take up the majority of a naval vessel's costs. Although the installation stage of the systems would apply to a shipyard and not the research, design and production, there is nevertheless an increased sum that would land in Canadian hands if only by virtue of greater work hours needed to complete a keel-to-mast outfitting.

In sum, the radical bottom-up reconstruction of Canadian shipyards holds the promise of not just decreased costs for Canada's ships, but also the possibility of competing for foreign orders and decades of continual work. Clearly, more research is needed to confirm or refute what I have suggested here, but it is an interesting possibility which merits greater examination. 🍷

Notes

1. Eric Lérhe made this argument quite succinctly in his *CNR Broadside* post, "A Reply to Jack Granatstein about Shipbuilding in Canada," 5 November 2013, available at www.navalreview.ca/2013/11/a-reply-to-jack-granatstein-about-shipbuilding-in-canada/.