

Dollars and Sense: Evaluating Justin Trudeau's Shipbuilding Record

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With this the last issue of *Canadian Naval Review* prior to the 2019 federal election, it is worth sitting back to assess the Trudeau government's record on issues of importance to the Royal Canadian Navy (RCN). In the 2015 federal election campaign, the Liberal Party of Canada made several promises which had implications for the RCN in concrete ways. In office, the government has delivered, and actually over-delivered, on all of them. Reflecting back on the previous three and a half years, Prime Minister Justin Trudeau has led a shipbuilding-friendly government.

A Liberal campaign commitment in 2015 was to maintain defence funding at existing levels, including planned increases. This presumably meant honouring the multi-year funding to which Prime Minister Stephen Harper had committed in the 2015 budget, which built on the Canada First Defence Strategy's fiscal framework. This set aside a separate fiscal funding mechanism for the Department of National Defence (DND) distinct from the government of Canada's wider finances and committed to a three per cent annual increase in defence operating and personnel funds.

For the navy, maintaining this pledge was critical. Without it, the existing funding base for new ships, already too small, would have been curtailed, and the RCN and other services would have been fighting for enough operating funds to keep the fleet at sea. In actual fact, the government only kept to the campaign commitment on defence funding until the publication of its defence policy *Strong, Secure, Engaged* in June 2017. The new policy significantly exceeded that promise, injecting tens of billions of new funding into the defence budget for capital investments, operations and maintenance, and personnel. As a result, defence spending under the Trudeau government has increased beyond what it would have if it had stuck to its commitment to maintain the Harper government's funding levels. Had Trudeau only just honoured his original promise, the navy would likely have had to make some tough choices.

Instead, fulfilling a separate positive campaign commitment, the government made a significant new investment in the navy, albeit not by the method originally identified. The campaign platform suggested that additional naval investments could be realized by following through on the Liberal Party's ill-advised pledge not to buy the F35 fighter jets. Instead, the Liberal Party promised to



Minister of National Defence Harjit Sajjan announces the Liberal government's Strong, Secure, Engaged defence policy on 9 June 2017 at the Beatty Street Drill Hall in Vancouver. Through the next three years, the Liberal government allocated significantly more money for shipbuilding than initially promised.

Credit: Bombardier Albi Law,
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purchase through an open competition (a bizarre contradiction having promised to exclude one competitor) a cheaper, but in their words equally capable, fighter jet and re-invest the savings in the navy. As of the time of writing, the government had not bought the F35 (nor any other new fighter jet) although it was working towards releasing a Request for Proposals for new jets in the spring of 2019. In the meantime, prior to the policy review that led to *Strong, Secure Engaged*, the government announced that the requirement for Canada's fighter jet fleet had increased to 88 aircraft from the planned purchased of 65. The costing exercise that supported the policy actually resulted in the project budget for new fighter jets being increased to between \$15 and 19 billion.

And yet, notwithstanding their source of funds drying up, and a multitude of other pressures, the Trudeau government was able to make additional investments in the navy, more than doubling the project budget for the Canadian Surface Combatants to between \$56-60 billion. Having added more money to the budget for Canada's future fleet of warships than it originally contained, the government clearly delivered on the commitment to make shipbuilding investment a priority.

Beyond the cash infusion, the government also delivered on the commitment to maintain the National Shipbuilding and Procurement Strategy, albeit renamed as the National Shipbuilding Strategy. Considerable progress has



Credit: Irving Shipbuilding

Flanked by modules to make up further units of the **Harry DeWolf**-class Arctic Offshore Patrol Vessels, Minister Sajjan announces on 2 November 2018 at Irving Shipbuilding that the government is committing to a sixth ship of the **DeWolf**-class, ending years of uncertainty over whether five or six would be built.

been made on each of the navy's shipbuilding projects. In October 2016, the competition was officially launched to select the design for the Canadian Surface Combatant. In February 2019 the government announced that the bid from Lockheed Martin Canada, based on the UK's Type 26 design has been selected for Canada's future warships. Lockheed subsequently signed design sub-contracts with Irving Shipbuilding and the process of reconciling Lockheed's bid with what Canada wants to build is now underway.

Beyond the CSC the Trudeau government also committed to build a sixth Arctic Offshore Patrol Vessel (AOPV) for the RCN. Construction of the AOPVs is occurring now, and adjusting the contract to build a sixth ship will help bridge the production gap between the completion of the AOPV project and start of construction on the CSC which will not happen for several years.

The government also took active steps to re-establish the navy's at-sea replenishment capability. This started with the decision to follow through with the Letter of Intent signed by the Harper government for an Interim Auxiliary Oiler Replenishment ship, MV *Asterix*, which entered service in the winter of 2018. Virtually all aspects of the contract have unfortunately been controversial because of the suspension of Vice-Admiral Mark Norman and subsequent charges laid against him for an alleged breach of trust during his role as Commander of the Royal Canadian Navy. This controversy has over-shadowed the contract's success and the fact that the ship has spent more than a year in operation, to great acclaim.

Looking forward, the government also made a major re-organization of Seaspan's order book to accelerate construction of the first Joint Support Ship. This happened first with the signing of a design and production engineering contract in February 2017, followed by construction of



Credit: Petty Officer 2nd Class Devin Langer, US Navy

The Naval Replenishment Unit *Asterix* leads a formation of international warships during RIMPAC 2018. Although over-shadowed by political controversy, the ship itself has proven to be a much-welcomed addition to the fleet.

early blocks of the fuel tanks for the ships in June of 2018. In February 2019 a decision was made that construction of the first Joint Support Ship would be completed before work would start on the Offshore Oceanographic Science Vessel.

These three projects only reached the stage they are at now because of the work of the Harper government which launched them. And their future progress will rely on the work of the government that forms after the fall 2019 election. But Justin Trudeau's government has exceeded the expectations on shipbuilding set by the Liberal Party of Canada during the 2015 election. 🇨🇦

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