

DND told to keep war costs down in coming budget year

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OTTAWA - National Defence has been warned it will have to cover the costs of the Afghan war entirely out of its own budget next year, without any top-up from the federal Treasury Board, a political source has told The Canadian Press.

The directive went out recently from the Privy Council Office as planning for the 2008 budget reaches its peak, said an official who asked not to be named.

It's part of an increasingly determined effort by the Harper government to assert more civilian control over the military, which has been perceived as having too much leeway in both the conduct of the war and with the public purse, said the official.

At one recent meeting, the source said, political staff groused openly that the Conservatives "have spent \$20 billion plus" on the military in new equipment and seen little political "sizzle" for the effort.

The head of the Senate security and defence committee said he's also been told the military was warned it will not receive any additional appropriations beyond its budget envelope.

"They've been told they'll have a flat amount allocated to them and that will include in the cost of Afghanistan, and not to come back for more," said Liberal Senator Colin Kenny.

On Friday, Defence Minister Peter MacKay's office referred queries about next year's funding to department officials, who in turn said they could not answer the questions that day.

The Conservatives do plan a modest increase to the defence budget in the coming year, according to the federal Treasury Board's supplementary estimates.

Total spending at National Defence is expected to go from \$18.3 billion in the current budget year to \$19.4 billion in 2008-09.

But Kenny's committee has argued that spending should be in the range of \$25 billion.

In the past, the cost of the war in Afghanistan has routinely exceeded the Defence Department's estimates, forcing officials to go back to Treasury Board to ask for additional operating funds.

In the 2006 budget the additional appropriation added up to \$202 million, according to the department's 2006-07 performance report.

It's unclear what the figure will be in the current budget year since officials were unable to provide details Friday. But it's that kind of extra allocation that will end soon, the source emphasized.

MacKay said last week the total operating cost of the war to the military from 2001 to the present was \$3.1 billion - a figure that likely doesn't include capital purchases such as armoured patrol vehicles and other major equipment.

Kenny said the Conservatives have thus far failed to provide enough money to fulfill their campaign promise to expand the military and

fight the war. Recently the Defence Department conceded that its plans to expand to 75,000 regular members and 35,000 reservists had to be trimmed back because there wasn't enough funding.

In addition, a wide range of military spending has come under the microscope at the political level, said Kenny.

"Offloading the costs of the war on the department will have a major impact on just about everything," he said. "These guys want it both ways.

"They want to have a reputation of being strong on national security and strong on defence. Their idea of being strong is to make PR gestures when they're spending less than (former prime minister Pierre) Trudeau did on defence in terms of (gross domestic product)."

Jay Paxton, a spokesman for MacKay, said in an e-mail that the potential impact of restraining cost-overruns was "hypothetical and we won't speculate." During previous wars the federal government funded military operations separately from the Defence Department's annual budget, using special appropriations.

It was only during the 1960s and the era of peacekeeping that overseas military operations began coming directly out of the department's budget, say defence analysts.

Kenny and many military observers believe the federal government should return to the traditional wartime funding approach, especially if Canada is to remain in Afghanistan past 2009 as the Conservatives suggested in their recent throne speech.

"It's only logical to do that because how else are voters able to evaluate whether the money is well spent?" Kenny asked.

"We all know what the cost in lives and wounded are, but we also need to know what the costs in dollars. And that should be part of equation as we go through the debate about whether Afghanistan is worth it."

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