

INSIDE CANADA'S DEFENCE LOBBY

Stephen Harper's Conservative government launched its Canada First Defence Strategy in 2008 — a massive shopping list of military equipment including entire fleets of warships, fighter jets, helicopters, tanks, and even drones. The cost is hard to imagine: nearly a half trillion dollars over the next twenty years.

This unprecedented arms buildup has increased the influence of the defence industry in Canada dramatically. Lobbying, publicity, conferences and advertising are all used to secure contracts and push programs forward. The companies hire retired generals and politicians to help win multi-billion-dollar contracts from their colleagues still in government, and many of the deals are forged without competition and with little transparency.

The industry itself reports that in 2011, defence and security industry revenues in Canada reached \$12.6 billion, generated roughly evenly between the Canadian government and foreign sales (mostly to the United States). The Harper government has not released the annual list of military exports since 2009.

Companies that build the weapons and equipment on Stephen Harper's military shopping list are mostly based in the United States, or in some cases Europe. There are several Canadian-owned companies, but the largest enterprises in Canada are branch plants of U.S. corporations. Most products, such as aircraft, are built on U.S. assembly lines, while some production and maintenance jobs are based in Canada.

Arms exports from Canada to the United States go without government oversight, while exports to other countries require permits. But the system is weak, and Canadian-made arms still find their way to conflict zones.

For instance, light armoured vehicles made in Canada by General Dynamics and sold to Saudi Arabia, with government approval, were later used to suppress pro-democracy protests in neighbouring Bahrain. SNC-Lavalin, a Canadian defence services contractor, worked closely with the Gadhafi family and its regime in Libya for years, and is being investigated for paying millions of dollars in bribes.

MAJOR CORPORATIONS SUPPLYING THE CANADIAN FORCES UNDER THE CANADA FIRST DEFENCE STRATEGY



LOCKHEED MARTIN (U.S.)
Transport aircraft, naval combat systems integration for frigate ships, systems integration for new patrol ships, 65 F-35 stealth fighters (announced but no contract, yet)



UNITED TECHNOLOGIES (U.S.)
Naval helicopters through its firm, Sikorsky. Military aircraft engines through Pratt and Whitney, another subsidiary



BOEING (U.S.)
Long-range transport aircraft, Harpoon missiles, transport helicopters, military satellite systems



BAE SYSTEMS (U.K.)
Howitzers, weapons, repairs and upgrades for submarines



GENERAL DYNAMICS (U.S.)
Hundreds of light armoured vehicles and upgrades, subsystems for maritime helicopters



RAYTHEON (U.S.)
Radars, laser-guided bombs, missiles, satellite systems, and helicopter services

THE GENERALS AND THE JOURNALISTS

Each year the Conference of Defence Associations, an advocacy group made up of retired military officers and funded by the Department of National Defence and defence contractors, presents a journalist with an award and a \$2500 cheque for contributing to "the general public's understanding of issues relating to Canada's defence and security." Many journalists, for ethical reasons, will not accept such an award.

YEAR JOURNALIST — MEDIA OUTLET (AT TIME OF AWARD)

2012	Adam Day — <i>Legion Magazine</i>	2008	Alec Castonguay — <i>Le Devoir & L'actualité</i>	2004	Sharon Hobson — <i>Jane's Defence Weekly</i>
2011	Rosie DiManno — <i>The Toronto Star</i>	2007	Matthew Fisher — <i>Canwest</i>	2003	Garth Pritchard
2010	Murray Brewster — <i>The Canadian Press</i>	2006	Christie Blatchford — <i>The Globe and Mail</i>	2002	Stephen Thorne — <i>The Canadian Press</i>
2009	Brian Stewart — <i>retired from CBC</i>	2005	Bruce Campion-Smith — <i>The Toronto Star</i>		

THE CORPORATIONS

GLOBAL TOP DEFENCE CORPORATIONS (2011, BY DEFENCE REVENUE)

RANK	COMPANY	COUNTRY	2011 TOTAL REVENUE	% OF REVENUE FROM DEFENCE
1	LOCKHEED MARTIN	U.S.	46,499.0	94.6%
2	BOEING	U.S.	68,735.0	44.7%
3	BAE SYSTEMS	U.K.	30,723.0	94.8%
4	GENERAL DYNAMICS	U.S.	32,677.0	78.1%
5	RAYTHEON	U.S.	24,791.0	93%
6	NORTHROP GRUMMAN	U.S.	26,400.0	81.1%
7	EADS	NETHERLANDS	68,386.2	23.5%
8	FINMECCANICA	ITALY	24,106.8	60.5%
9	L-3 COMMUNICATIONS	U.S.	15,169.0	82.5%
10	UNITED TECHNOLOGIES	U.S.	55,800.0	19.7%
(...)				
71	CAE	CANADA	1,842.9	49.1%

Source: Defense News http://special.defensenews.com/top-100/charts/rank_2011.php?c=FEA&s=TIC



CANSEC is Canada's largest arms show, held each year in Ottawa. Similar shows are held in Halifax and near Vancouver.

CANADA'S DEFENCE AND SECURITY "INDUSTRIAL BASE"

Canada's arms-industry commissioned study reports the following:

DEFENCE AND SECURITY INDUSTRIAL BASE:	2,000 FIRMS
INDUSTRY REVENUES IN 2011:	\$12.6 BILLION
CANADIAN SALES (NEARLY ALL TO CANADIAN FORCES):	\$6.2 BILLION (49%)
FOREIGN SALES (MOSTLY TO THE U.S.):	\$6.4 BILLION (51%)

Source: KPMG <http://www.defenceandsecurity.ca>

THE LOBBYISTS

THE LOBBY FIRMS

These firms help their corporate clients to win military and other government contracts. While companies often have their own in-house lobbyists, these firms provide additional consultant lobbying services.

LOBBY FIRMS	CLIENTS
CFN Consultants	Lockheed Martin, CAE, IMP, General Dynamics, Raytheon, Sikorsky
The Capital Hill Group	Telesat, Oshkosh, MBDA Missiles
Hill+Knowlton	Northrop Grumman, General Dynamics, L-3 Communications
Summa Strategies	Boeing

THE LOBBY ASSOCIATIONS

These associations are funded by defence companies, the military, or both, and advocate for greater military spending, research and development subsidies, and business-friendly programs and regulations.

- CANADIAN ASSOCIATION OF DEFENCE AND SECURITY INDUSTRIES (CADSI)
- AEROSPACE INDUSTRIES ASSOCIATION OF CANADA
- CANADIAN MANUFACTURERS & EXPORTERS
- CANADIAN COUNCIL OF CHIEF EXECUTIVES
- CANADIAN CHAMBER OF COMMERCE
- CONFERENCE OF DEFENCE ASSOCIATIONS (CDA AND CDAI)
- CANADIAN DEFENCE AND FOREIGN AFFAIRS INSTITUTE (CDFAI)

SPOTLIGHT: CFN CONSULTANTS

As CBC's *The Fifth Estate* revealed in 2012, CFN Consultants has been at the centre of many multi-billion-dollar arms deals, including the controversial F-35 stealth fighter built by Lockheed Martin, one of its clients. More than any other firm of its kind, CFN Consultants symbolizes the trend of senior military officers "retiring" and then lobbying for the arms industry.

LOBBYISTS

- Lieutenant General (ret.) Paddy O'Donnell, former Vice Chief of the Defence Staff
- Lieutenant General (ret.) George Macdonald, former Vice Chief of the Defence Staff
- Vice Admiral (ret.) Peter Cairns
- Vice Admiral (ret.) Gary L. Garnett
- Brigadier-General (ret.) Kevin O'Keefe
- Brigadier-General (ret.) Steve Irwin
- Colonel (ret.) Charles MacLennan
- Colonel (ret.) Georges Rousseau
- Captain (ret.) Ian Parker
- Pierre Lagueur, former ADIM (Materiel) at DND

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