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Masters of Defence Studies Research Paper

The Military Company Town – An Outdated Concept

By /par

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Abstract

Canadian Forces Married Quarters housing was originally provided for what are now called quality of life reasons; soldiers and their families who were posted to remote locations were to be given support in the company town setting of a Married Quarters area on Base. Over time however, Canadian Forces Bases have progressed from being in totally isolated locations to being surrounded by local communities and in many cases, large urban centres. Throughout its history, the Married Quarters portfolio has been largely neglected due to operational budgetary issues competing for the limited funds available in the Department of National Defence budget. At the same time, other quality of life initiatives have been introduced into the Canadian Forces including significantly improved pay and compensation benefits and extensive family support programs. Today, the Married Quarter portfolio faces a \$380 million upgrade requirement to bring the housing to modern health and safety standards. With the current fiscal climate and the progressive introduction of compensatory quality of life programs this paper will show that the continued general provision of a Married Quarters program within the Department of National Defence should be ceased.

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Before a decision is made on a CFHA mandate, we believe that several questions that shape the housing/accommodation delivery solution must be addressed as follows: Is there a continued requirement for a physically-defined military community? DND has operated and maintained housing 'enclaves' for 40 years, but the rationale needs to be re-visited in today's marketplace as well as within the context of Strategy 2020. Are there reasons for owning, maintaining and operating DND housing, other than providing accommodations where the private sector cannot? For a segment of the military population, is 'physically defined' military housing within a military community considered to be part of the social/family support system and a quality of life issue?¹

Chapter 1 - Introduction

Housing is one of humanities basic needs.² The Canadian Forces (CF), early in the 1950's instituted a widespread family housing, or married quarters, program recognizing the need to assist its members and their families as a way of improving the soldiers' lot in life.³ It was for what are now called quality of life reasons that the married quarters were originally provided here in Canada just as our allies have done elsewhere (in particular United States, Britain and Australia). The need for family housing arose primarily from the remoteness of the locations that the military established its bases and stations. For Canada (as with other nations), the provision of military housing in the 1950's, took the form of an in-kind benefit provision (i.e. the house was provided as part of the pay and benefits package; or if no house was available, an allowance was

¹ Department of National Defence, *Chief Review Services DND Accommodation/Housing Issues and Canadian Forces Housing Agency (CFHA)*, (Ottawa: DND Canada, file 7053-50 (CRS) May 2001), 3.

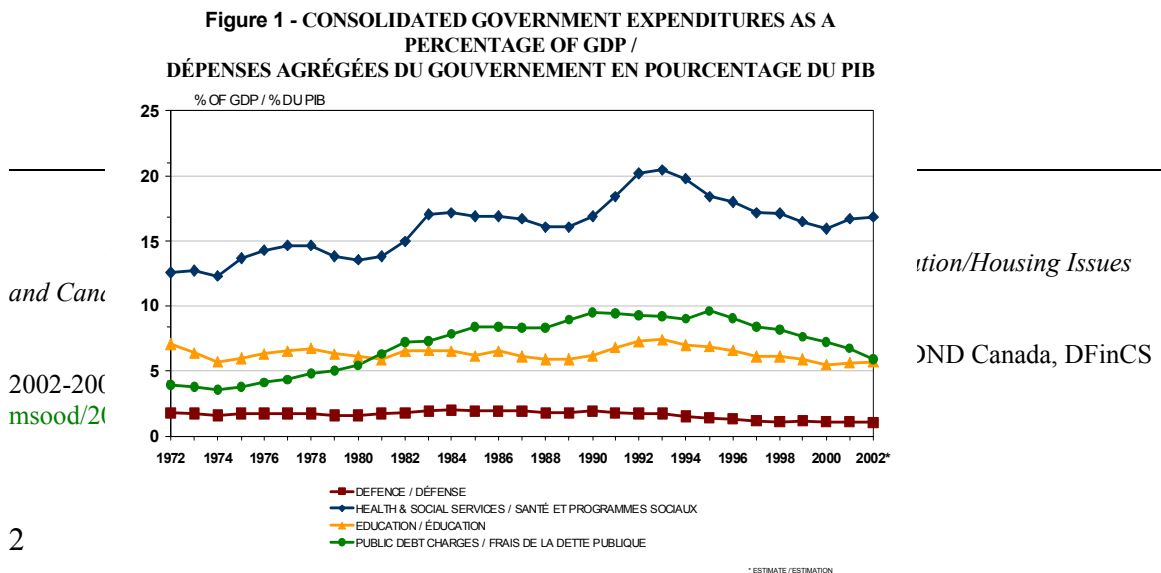
² Abraham Maslow describes human basic needs (in order of priority) as: air, water, food, safety and security, then secondary needs such as social and esteem needs. Housing falls into the safety and security realm and as such is of primary importance to human beings. More information available from *Employee Motivation, the Organizational Environment and Productivity*; available at http://www.accel-team.com/maslow/_maslow_nds_02.html; accessed 8 December 2003.

³ Although some houses existed prior to the 1950's, they were limited in numbers and locations. See chapter 2 for the historical context of CF housing development.

provided). But since the 1950's, when the bulk of the CF houses were built in a company town setting, Canadian society and Canadian military demographics have changed resulting in changes to the need for housing. The military has, for the most part, done well in reacting to these changes; as the various policies and compensation measures provided to CF members over the years under the umbrella of a quality of life (QoL) program has progressively evolved, although not necessarily in a coordinated fashion.

Current estimates for CF Married Quarters (MQs) to effect a replace or repair program in order to modernize the portfolio to current health and safety standards are at \$380M.⁴ When this is pitted against competing defence priorities and limited funds to implement the various CF transformation projects, it means the continued viability of the MQs has reached a crossroads. Competing with limited defence dollars means that every major project or program must pass the litmus test of operational effectiveness, especially in light of the Department of National Defence (DND) competing for political consideration for limited federal funds against other public concerns like health care, education and the public debt. As the graph at figure 1 shows, defence dollars have not increased relative to these other major expenditures.

Source: DFinCS 2002-2003 Report Making Sense Out of Dollars⁵



“The Department of National Defence exists only to field the Canadian Forces in operations. Despite the complexity of this vast organization, and the many issues and priorities we face every day, we must never lose sight of this fundamental concept.”⁶ Although “people first” continues to be a priority Chief of the Defence (CDS) message;⁷ the White Paper, yearly Defence Planning Guidance, annual departmental Business Plans, and Strategy 2020 make no mention of the \$380M for housing as a priority project, nor do any of the current transformation documents of the three services.⁸ Instead, these documents focus on future operational equipment needs like ship replacement, fighter aircraft modernization and vehicle acquisition.

With the media recently carrying yet another round of pleas to stop MQ rent hikes and MQ horror stories of mould infestations, wet basements and frozen closets prevalent; the department has put efforts towards justifying an MQ repair/replace program.⁹ When

⁶ Department of National Defence, *Military HR Strategy 2020 Facing the People Challenges of the Future*, (Ottawa: DND Canada, 2002), i.

⁷ Department of National Defence, *A Time for Transformation, Annual Report of the Chief of the Defence Staff 2002-2003*, (Ottawa: DND Canada, 2003), III.

⁸ Department of National Defence, *Leadmark, the Navy's Strategy for 2020*, (Ottawa: DND Canada, 2003); available from http://www.navy.dnd.ca/leadmark/doc/index_e.asp; accessed 30 October 2003; Department of National Defence, *Advancing with Purpose*, (Ottawa: DND Canada 2003); available from <http://www.army.forces.gc.ca/strategy/English/strathome.asp>; accessed 14 December 2003; and the in-progress Air Force *Strategic Vectors*, discussion Chief Air Staff with author, 7 January 2004 (in draft form, not yet publicly available); to date make no mention of housing as an issue or a project. Department of National Defence, *Strategic Capability Planning for Canadian Forces*, (Ottawa: DND Canada, 13 June 2000), 12; and Department of National Defence, *Corporate Priorities 2004-2005 Supporting Change*, (Ottawa: DND Canada, 2004) available at http://www.vcds.forces.gc.ca/dgsc/pubs/how/corporate04-05_e.asp; accessed 12 January 2004, also make no mention of housing. Housing is instead treated as a departmental issue, the responsibility of Canadian Forces Housing Agency (CFHA) under the direction of ADM(IE).

⁹ Andrea Janus, “Wives take aim at Military Housing”, *The Edmonton Journal*, 5 August, 2003. Efforts include a pending submission for full Special Operating Agency status of CFHA and a renewed mandate to effect the health and safety repairs required on the housing stock.

faced with a limited budget and already having invested in QoL programs, the question isn't whether the CF should repair or replace the MQs; because the condition of the housing stock is so poor that, much like our US counterparts, the units are no longer habitable.¹⁰ The more appropriate question is does the Canadian Forces have a continued need for the Married Quarters, or should the department be getting out of the housing business?

Using a CF Quality of Life model, this paper will argue that the provision of Canadian Forces military housing as a general policy should be discontinued. Following this introductory chapter, using a series of time periods to emphasize their progression, chapter two will look at the evolution of CF quality of life programs including some of the factors that have driven the need for MQ housing. In the process, the chapter will also examine the evolution of the provision of military family housing, including a look at demographic trends and how they have influenced housing needs. The third and final chapter will examine the future of CF family housing from a quality of life perspective, with a short discussion on the possible impacts of discontinuing the CF MQ program. Beyond the examination of well known issues of economics and policies, chapter three will also discuss some intangibles; a crucial, yet often neglected dimension to QoL arguments. This final chapter will conclude by making some observations on possible avenues for further study. Although the focus of this paper is on the Canadian military married quarters housing, some reference and parallels will be made throughout with

¹⁰ Department of National Defence, *Chief Review Services Survey of Progress and Management Practices Canadian Forces Housing Agency Health, Safety and Security Repair Program*, (Ottawa: DND Canada, file 7053-50 (CRS), January 2003), 3.

what our allies are doing, as there are some interesting lessons to be drawn from other countries' quality of life and family housing programs.

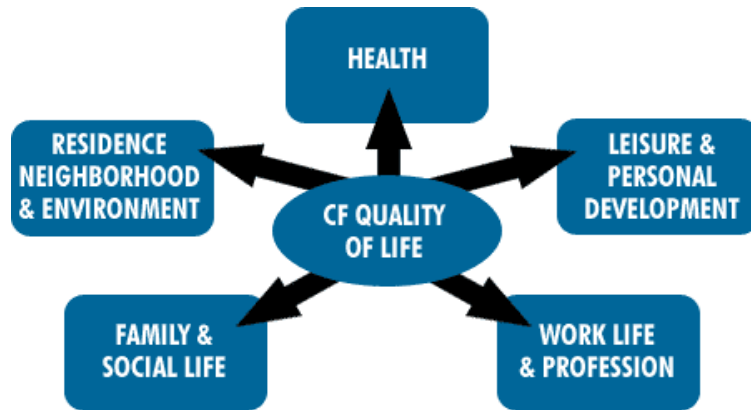
However, in order to look at housing as a quality of life issue, it is important to first understand what is meant by quality of life in the current Canadian Forces context. More than simply a public relations effort and treating soldiers well, CF military human resource strategy documents recognize that the operational capability, and hence the operational effectiveness of the CF, ultimately rests on the quality of the people within the military.¹¹ These documents focus not only on recruitment and retention, but also on the time-in-service for military members. The CF has recognized that QoL programs have a significant organizational benefit; good QoL for the individual and their family means higher morale and better unit effectiveness. It is for this reason that the well-being and interests of the everyday soldier,¹² as well as potential recruits and veterans have become so predominant in CF culture and the various quality of life programs have evolved to what they are today. Current QoL programs are all encompassing; designed to holistically ensure the well being of the CF member and his/her family in areas such as health, compensation, employment conditions, training and family. The Canadian Forces model for Quality of Life defines QoL as follows: "CF quality of life is the degree to which life conditions are agreeable to CF members and their families in support of the CF mission. Life conditions essential to quality of life include the spiritual, living and

¹¹ Department of National Defence, *Military HR Strategy 2020 Facing the People Challenges of the Future ...*, i.

¹² Soldier in its generic term is used throughout this paper to mean any Canadian Forces military member.

working spheres.”¹³ The current CF QoL program includes 5 key elements or pillars as figure 2 shows:

Figure 2 – Canadian Forces Quality of Life Model



Source: CF Quality of Life web site¹⁴

The five elements of the CF QoL model are not mutually exclusive, and although pay and benefits do not form a separate arm in the current CF QoL model, this issue of compensation, as we will see in the next chapter, formed one of the original ‘pillars’ and has been as a key underlying element in all CF QoL programs. It is therefore an inherent part of each of the 5 elements of today’s CF QoL model.¹⁵

Recent Quality of Life initiatives have included a stronger focus on improving Married Quarters, perhaps due to the Standing Committee on National Defence and Veterans Affairs’ (SCONDVA) reports and the high level of media attention and public

¹³ Department of National Defence, *Canadian Forces Quality of Life web site*, (Ottawa: DND Canada); available at http://hr.dwan.dnd.ca/qol/engraph/diagram2_e.asp ; accessed 30 October 2003.

¹⁴ *Ibid.*

¹⁵ *Ibid.*

awareness these have provided.¹⁶ Chapter two will show that housing has played an important role in QoL provision in the CF. However, this paper will argue that the other QoL elements in the CF model have evolved to the point where the accommodation element of QoL (for families) can now be diminished. The various other incremental QoL programs in the CF model have now overtaken the initial reason and need for continued provision of MQs and, as this paper will show, the department should discontinue widespread provision of Married Quarters.

¹⁶ The first of these reports was: *Moving Forward - A Strategic Plan for Quality of Life Improvements in the Canadian Forces*, Standing Committee on National Defence and Veterans Affairs' Report tabled in the House of Commons (Ottawa: Canada, 28 October, 1998); available at http://www.dnd.ca/hr/scondva/engraph/response1_e.asp?cat=1; accessed 30 October 2003.

*On Aug 11, 1993, Marine Corps Commandant General Carl Mundy issued an order, which was immediately revoked, that prevented married persons from enlisting in the Marine Corp after Sept 1995. ... The order was based on the premise that families have a negative impact on the readiness and retention of enlisted soldiers.*¹⁷

Chapter 2 – Evolution of Quality of Life Programs in the Canadian Forces

Although the above quoted order was issued in the early 1990's, it is reminiscent of the 1950's treatment of a soldier and his/her family, showing how little quality of life issues have traditionally played a part in military thinking. It has only been fairly recently that military and family issues have taken the forefront in the public eye, highlighted by reports such as the ones presented by SCONDVA in the late 1990s. It has also been mostly the soldier and not the family that has been the subject of non-military Canadian researchers.¹⁸ For this reason, much of the source material in this paper is Canadian military in origin, augmented by American studies on military and family quality of life where available.

In the literature there is a wide variance of what is meant by or should be included in defining quality of life, but it is usually characterized in two ways. The first is about the home living environment including the tangible and intangible benefits of location, services available, quality and cost of housing, aesthetics and other issues such as economic and social standing as they relate to the home environment.¹⁹ Research with

¹⁷ Lieutenant K. Myklebust, *The Impact of Family Issues Throughout the Deployment Cycle: The Human Dimension of Operations Project*, Technical Note 99-3, Director Human Resources Research and Evaluation, National Defence Headquarters, (Ottawa: DND Canada, January 1999), 1.

¹⁸ *Ibid*, 1.

¹⁹ Gilles Sénécal, "Urban Spaces and Quality of Life: Moving Beyond Normative Approaches", in *Horizons*, vol. 5, no.1, 20.

this QoL perspective reflects the belief that housing is more than simply a product to buy, sell or rent; the home is key to meeting a number of quality of life requirements.

Reporting for the US Department of Defense (DoD), Twiss and Martin summarize a number of researchers' views, writing that:

... housing situates members of the military in relationship to others – both within and outside the military ..., as well as military and civilian goods and services that meet social and material needs such as friendship, kinship, community membership, employment, transportation, health and welfare.... Housing is more than bricks and mortar; it is a fundamental component of community social and economic life Military housing is thus viewed as a fundamental component of military quality of life and the military community.²⁰

In the Canadian civilian context, the Federation of Canadian Municipalities also cites housing as being a vital component of quality of life. But this agency also links housing to economic factors stating, “[h]ousing is the single largest ongoing expense for most families, and it is also the expense that varies the most from one community to another.”²¹

The second way the literature treats quality of life focuses more on work life, professional progression, and similar issues of economic and social standing; all as they

²⁰ Pamela C. Twiss and James A. Martin, *Quality of Life and Shelter: A History of Military Housing Policy and Initiatives (1973-1996)*, Military Family Institute Technical Report 98-1, (Scranton PA: March 1998), v.

²¹ Federation of Canadian Municipalities, *The FCM Quality of Life Reporting System Second Report-Quality of Life in Canadian Communities*, March 2001, 64; available at www.fcm.ca/english/communications/qol2001-e.PDF; accessed 30 October 2003.

relate to career peers.²² The CF has chosen a mix of the quality of life elements found in these two categories of QoL from the literature. As the introduction to this paper pointed out, the CF defines “quality of life [a]s the degree to which life conditions are agreeable to CF members and their families in support of the CF mission”.²³ The five main categories of the CF’s current QoL program are: health, family and social life, residence, neighbourhood and environment, work life and professional development, and leisure and personal development.²⁴ As the focus in this paper is family housing, the quality of life elements of health, work life and professional development, and leisure and personal development in the CF model will not be extensively explored. Although it is acknowledged that all three of these issues can be related to the housing element of the QoL model, the links are not as strong as the pay and compensation that overarches all 5 elements in the model (and formed one of the original elements of the CF model²⁵), nor as strong as the family support specific elements of the CF model, and due to space constraints will not be dealt with further. Instead a modified CF Family QoL Model, shown in figure three will be used for the rest of this paper to demonstrate that the housing pillar of QoL can be discontinued due to the growth of the two other elements in the model.

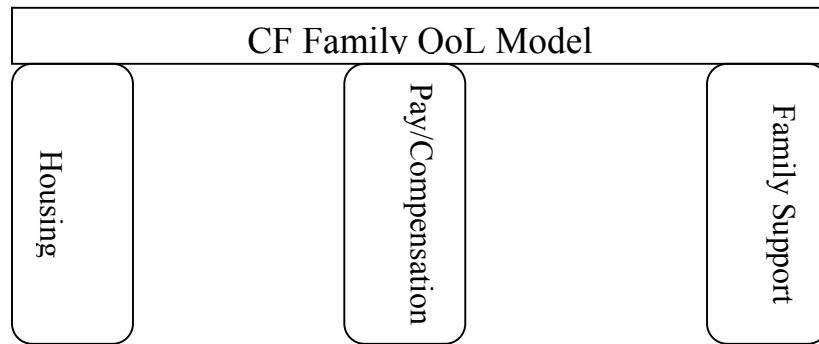
²² Literature included: Robert W. Rice, Dean B. McFarlin, Raymond G. Hunt, Janet P. Near, “Organizational Work and the Perceived Quality of Life: Toward a Conceptual Model”, in *Academy of Management Review*, vol. 10, no. 2, 1985, 296-310; Robert E. Lane, “Quality of Life and Quality of Persons, A New Role for Government?”, in *Political Theory*, vol. 22, no. 2, May 1994, 219-252; David R. Segal, Barbara Ann Lynch and John D. Blair, “The Changing American Soldier: Work-Related Attitudes of U.S. Army Personnel in World War II and the 1970s”, In *The American Journal of Sociology*, vol. 85, no. 1, July 1979, 95-108.

²³ Department of National Defence, Canada, Quality of Life Web site. . . .

²⁴ *Ibid.*

²⁵ *Ibid.*

Figure 3 – CF Family QoL Model



Although not initially referred to as a Quality of Life program, introduction of family housing assisted the married soldier in meeting competing family-work needs by enabling postings of families to remote locations. An examination of the evolving Quality of Life programs in the CF, especially housing, would not be complete without understanding the changing needs of the CF over the years; understanding the demographics driving the need for housing is a key element in determining whether the CF should continue with general provision of MQs. The CF population has become older, more educated and more diverse over the period covered in this paper, mirroring general Canadian socio-demographic trends.²⁶ With an ever-changing workforce, employers competing for skilled workers must meet worker expectations and be able to satisfy family and quality of life issues at the same time.

In trying to meet these demands, the CF has introduced a number of quality of life programs and policies at various time periods and not necessarily in a coordinated fashion. This chapter will look at the historical evolution of the CF and some of its QoL programs. To accomplish this, a series of time periods has been selected to reflect the

²⁶ Department of National Defence, “The Canadian Forces, a Demographic Snapshot”, in *D Strat HR News*, vol. 1, 2003, 6.

changing emphasis the CF has put on QoL. The first period, pre-1949, reflects the military's attitude of families being a soldier's problem, with very little thought given to QoL. Period two, 1950 to 1965, reflects the sudden need to deal with the swell in numbers of married soldiers and the resulting MQ housing boom. In period three, 1966 to 1979, we see a lull in development of any significant QoL initiatives; for the most part status quo prevails. In period four, 1980 to 1995, although housing construction levels have remained stagnant, the CF begins to introduce other QoL programs to assist the family and the soldier. The final period in this chapter, 1996 to present, shows how QoL has become prevalent in the CF and how competing departmental demands have complicated the MQ program in particular, bring us to the crossroads of today.

Throughout the chapter, CF demographics as well as general Canadian demographic trends, home tenure choices, economic trends, and other influences affecting Canadian housing preferences will be presented in order to further understand the factors affecting family housing needs within the Canadian Forces. As we shall see, Canadian military family housing has received cyclical government attention throughout its history with an evolution (much like our U.S., British and Australian counterparts) showing a change from early isolated settlements, to government owned and operated company towns, to public agencies being set up to manage the departmental assets and an increasing reliance on privately owned housing located off the military bases.²⁷

²⁷ James A. Martin, and Pamela C. Twiss, "Conventional and Military Public Housing for Families", in *Social Service Review*, vol. 73, no. 2, June 1999, 241.

Pre 1949 – Families Were a Soldier’s Problem

Twiss and Martin, commenting on United States (US) Department of Defense (DoD) housing evolution, state that “as early as the 1920’s, it was noted that demands of military life make it difficult to establish and enjoy the benefits associated with having a ‘home’.”²⁸ In the US, the stereotypical soldier was a lower class, promiscuous, and alcohol indulgent individual, and in many localities the presence of soldiers in garrison posed a “threat to the local community morals, safety and stability”.²⁹ There was therefore a tendency to keep the professional soldier segregated from society at large, “so as not to contaminate it”,³⁰ isolating the military from the rest of the civilian population into garrison towns built and operated by the military became the norm.³¹

Obligatory provision of either quarters, or an alternative housing allowance when quarters were not available, for married military members had a limited effect on Canadian civilian communities and housing markets prior to World War II. Canada maintained a relatively small standing military force between the wars with the bulk of this force composed of single and unaccompanied males. As a result, military family

²⁸ Twiss and Martin, *Quality of Life and Shelter: A History of Military Housing Policy and Initiatives (1973-1996)* ..., 83.

²⁹ Charles H. Coates and Roland J. Pellegrin with contributions by Norman A. Hilmar, *Military Sociology: A Study of American Military Institutions and Military Life*, (Maryland, PA: The Social Science Press, 1965), 396.

³⁰ *Ibid*, 44.

³¹ *Ibid*, 48.

housing received only limited attention following WWI.³² However, like our American counterparts, World War II dramatically changed the military's role in our housing markets and in the production of public housing.

The first Canadian military housing program was developed under the auspices of Wartime Housing Limited (WHL), which operated from 1941-48. The mandate of this federal crown corporation was to construct, purchase, rent, and manage rental housing for war workers in areas experiencing housing shortages across Canada.³³ Originally designed for single persons, by 1944 WHL was mandated to also look after the needs of families of married soldiers under the Veteran's Low Rental Housing Program.³⁴ Almost 46,000 small homes were constructed beginning in the late 1940's; many of these were later sold off as Canada Mortgage and Housing Corporation (CMHC) absorbed and dismantled WHL in 1948 and the military manning levels declined post WWII.³⁵ These first housing units were of relatively good quality for their time, and they were seen to set a standard of appropriate housing and neighbourhood development, showing early indicators that some aspects of family quality of life was important to the military.³⁶

The other overarching quality of life tool that has been prevalent throughout the history examined in this paper is that of pay and compensation. The focus on economic standing has been a large part of western culture, highlighted by the fact that “just a

³² Martin, and Twiss, “Conventional and Military Public Housing for Families” ..., 242.

³³ John R. Miron, *House, Home, and Community: Progress in Housing Canadians, 1945-1986*, (Kingston: McGill-Queen's University Press, 1993), Appendix A, 410.

³⁴ *Ibid*, 410.

³⁵ *Ibid*, 410.

³⁶ *Ibid*, 410.

single figure: the per capita gross domestic product (GDP) was originally used to describe the QOL [of] a country".³⁷ The economic standing of a soldier has posed a similar QoL importance. Since the beginning of formalized military service, the military member has been provided compensation. Through time, this has progressed from a share of the spoils from those conquered, to allowances, and finally to the current system of wages.³⁸ In Canada, as early as 1946, a Committee of Pay and Allowances linked financial compensation to skill, and by association, rank progression. Prior to that, CF members were compensated mostly by provision of a series of allowances.³⁹ Apart from the attempts to introduce some wartime housing and limited formal structured compensation, what is apparent from the available literature is that there was no CF QoL program for families during the pre-1949 period, as families were considered to be the soldier's problem.

1950's to 1965 - The CF Housing Boom

Following WWII, veterans returned to face a significant housing crisis; a crisis that continued as Canada ramped up its involvement during the Korean War. Much as our American neighbours found, the historically single-man nature of the military was changing. Returning from the Second World War, the Canadian government removed conscription, reinstating volunteer service.⁴⁰ Moving from a mobilization force

³⁷ Department of National Defence, *Quality of Life Discussion Paper Defining Quality of Life in the Canadian Forces*, 2; available from DQOL web site http://hr.dwan.dnd.ca/qol/engraph/diagram2_e.asp; accessed 30 October 2003.

³⁸ Major J.R. Orzechowski, "Pay Versus Progression in the CF: A Case for the Resurrection of the Concept of Compensation for Acquired Skills in Lieu of Promotion", (Toronto: Canadian Forces College Command and Staff New Horizons Paper, 1996), 1.

³⁹ *Ibid*, 1.

predominantly consisting of single men, Canada's standing force found itself largely made up of family oriented individuals who were career minded.⁴¹ The prevailing attitudes of pittance payments by allowances, family being excess baggage, and marriage being discouraged was changing.⁴² Faced with recruiting military members from Canadian society in competition with large corporations, to draw in soldiers, the CF turned to emphasizing adventurous travel, learning a trade, job security and a pension in a military career of up to thirty-seven years. The CF realized that the new military career-minded member would, after joining as a single person, eventually marry and have a family, requiring housing and other services.⁴³ As a result, the family became supported more openly by the military; although the proportion of members with families was still initially small compared to the overall strength of the forces.⁴⁴ By the late 1950s this had changed, and the limited number of war-time housing that was still left from the pre-1949 era was no longer adequate to satisfy the need.⁴⁵

⁴⁰ Captain Michael W. Baker, *An Exploratory Study Identifying Hardships Confronting Canadian Military Families*, (Ottawa: DND Canada, July 1978), 1.

⁴¹ Mady Wechsler Segal, "The Nature of Work and Family Linkages: A Theoretical Perspective" in *The Organizational Family Work and Family Linkages in the U.S. Military*, ed. Gary L. Bowen and Dennis K. Orthner, (New York: Praeger, 1989), 4.

⁴² "In the Good Old Days [fall of 1951], there prevailed a certain attitude that the family was excess baggage without which the Service could have done very well. Marriage was, in fact, a mite discouraged in that marriage allowance, \$30.00 a month, was not payable until the member reached age 23" Taken from: "Family support..." *Canadian Forces Personnel Newsletter*, (Ottawa: DND Canada, 1988), issue 6/88, 1.

⁴³ Baker, *An Exploratory Study Identifying Hardships Confronting Canadian Military Families ...*, 1.

⁴⁴ *Ibid*, 6.

⁴⁵ *Ibid*, 6.

Canadian and American history is full of examples where large employers and industries have provided company towns to support workers and their families.⁴⁶ Most of these towns provided stores, housing, parks, health care, schools and leisure activities and “tended to dominate the personal and family lives of their employees”.⁴⁷ As many of these company towns were in isolated areas, the incentive for workers to be recruited and retained by these industrial companies was that the family support requirements were provided readily for the relatively poorly paid worker.⁴⁸ As Twiss and Martin point out, “[t]hough paternalistic in their outlook toward workers, the creators of company towns did offer their employees in-kind benefits that acknowledged the needs and presence of family members”.⁴⁹

The Canadian military during the 1950s to 1965 found itself working with our American partners in the cold war development of radar stations and other remote sites across the country. In most of the places where bases and stations were being established during this timeframe, much like the industrial company town-owners found, the isolation meant no support was available for the families being posted to these remote locations. As a result, the military became committed to the concept of building self-sufficient military communities, including provision of on-base family housing (MQs),

⁴⁶ Many of these towns still exist in northern Canada today, examples include Ansonville (now Iroquois Falls), Ontario built by the pulp and paper mill now owned by Abitibi Price.

⁴⁷ Gary L. Bowen and Dennis K. Orthner, “Introduction” in *The Organizational Family Work and Family Linkages in the U.S. Military*, (New York: Praeger, 1989), x.

⁴⁸ Twiss and Martin, *Quality of Life and Shelter: A History of Military Housing Policy and Initiatives (1973-1996)* ..., 4.

⁴⁹ *Ibid*, 4.

stores, schools and other community facilities.⁵⁰ The establishment of MQs saw both positives and negatives for families. One strength of the interdependence was that the military families on base were given access to low cost housing and lower cost goods and services available in the stores and facilities set up on base in the ‘company town’. The less tangible downside was that there was a strict, almost parental, control over life under the close watch of the military leadership.⁵¹

In Canada, the first of the MQ housing boom projects was completed under the oversight of CMHC in 1951.⁵² The MQs were designed to meet the varying operational, training and support requirements of the, then separated, three services. Most MQ units existing today are the same ones that were constructed in the early 1950’s to CMHC temporary housing design and building standards, originally developed to satisfy emergency wartime short-term housing requirements during the Korean War. Many of the units exist today, virtually unchanged from the 1950 era configuration. Examination of the CF MQ data in table one reveals that only 464 married quarters were constructed prior to 1949 and 79% of them were constructed from 1949 to 1960. Since 1960, only 14% of the married quarters have been constructed with most of these being built at isolated stations.⁵³

⁵⁰ Martin, and Twiss, “Conventional and Military Public Housing for Families”..., 243.

⁵¹ James A. Martin and Dennis K. Orthner, “The ‘Company Town’ in Transition: Rebuilding Military Communities”, in *The Organizational Family Work and Family Linkages in the U.S. Military*, ed. Gary L. Bowen and Dennis K. Orthner, (New York: Praeger, 1989), 164.

⁵² Lynn Hannley, “Substandard Housing”, in *House, Home, and Community: Progress in Housing Canadians, 1945-1986*, ed. John R. Miron, (Kingston: McGill-Queen’s University Press, 1993), 206.

⁵³ Carrie A. Fortier, “Trends in the Cost of Maintaining Single Family Housing Units on Canadian Forces Bases”, (Kingston: Queen’s University School of Urban and Regional Planning Masters Research Paper, 1996).

Table 1 – Married Quarters Construction

Year Constructed	Number of units (1996 data)	Percentage of portfolio
No year available	1193	5.5
1810 – 1948	464	2.2
1949 – 1960	17029	78.6
1961 – 1993	2970	13.7
Total number cases	21656	100

Source: “Trends in the Cost of Maintaining Single Family Housing Units on Canadian Forces Bases”⁵⁴

The average MQ was built with a floor area of 1622 square feet, including the basement. There are some basic design problems with the units involving sound transmission between physically connected units, inadequate kitchen facilities, lack of dining area, a shortage of closet space, inefficient use of interior spaces and in some cases inadequate entrance facilities.⁵⁵ A lot of this is due to the units being constructed to a temporary standard in an era with different lifestyle expectations and very little upgrading having taken place in the intervening years. DND currently owns some 18,000 units across Canada,⁵⁶ a figure that over the years since 1949 has been augmented by leased units under varying programs as the need for housing changed with the force structure configuration in terms of both size and location.⁵⁷ As illustrated at figure four, the QoL emphasis for the period 1950 to 1965 was a very strong CF program to provide MQ housing for families. Pay and compensation and family support pillars of the CF Family QoL model were only of limited influence in a soldier’s family QoL during this period.

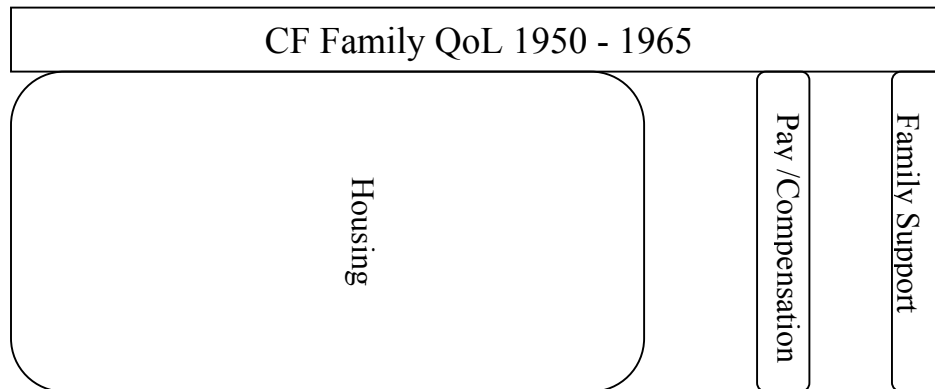
⁵⁴ *Ibid.*

⁵⁵ *Ibid.*

⁵⁶ Note exact numbers of MQs today are not readily available due to a number of demolition programs under way. CFHA reports indicate around 18000 units in 2003 and CFHA has used this number in recent business plans.

⁵⁷ Block Leased Housing Units (BLHUs) was one such program under which private companies or individuals provided leased units to DND for rental as MQs.

Figure 4 – CF Family QoL 1950-1965



1966 to 1979 - Status Quo

Prior to 1966, the three Canadian military services provided MQs at no charge to the occupant as an in-kind benefit. The majority of personnel, however, were forced to live on the economy, as there simply were not enough MQs available to meet the demand. Those living on the economy were provided with a subsistence allowance in lieu of quarters. On occupying an MQ, this allowance ceased; as a result, people tended to equate the value of the lost allowance with a deduction for MQ rent. During the 1960s, the Canadian government adopted a 'fair employer' philosophy in setting the pay and allowance benefits and terms of employment for various government departments including the military.⁵⁸ In 1966, as the military moved from an allowed based pay system to a salary concept, certain benefits such as marriage and subsistence allowances were discontinued and were included in a member's basic pay; occupants of MQs were then in turn charged rent for the first time; albeit at a rate that was initially low compared

⁵⁸ Department of National Defence, "Compensation" in *Canadian Forces Personnel Newsletter*, (Ottawa: DND Canada, 1981), issue 7/81, 2.

to what was available on the economy.⁵⁹ In an effort to ensure pay comparability between the military and the public service, and to enhance the financial quality of life of military members, Treasury Board set up a joint Treasury Board/DND Advisory Group on Military Compensation in November 1968.⁶⁰ Findings from this group included the recognition that compensation was important for recruitment and retention of career minded individuals,⁶¹ and equal pay for equal ranks became a basic principle.⁶² The recommendations also included financial security considerations for retirement and disability. The Advisory Group recommendations resulted in significant pay raises in the years 1971 and 1972.⁶³ The methodology used by this Advisory Group in determining pay equity remained basically the same until 1980.⁶⁴

Starting in 1971, the government also announced that MQ rents would be comparable to that which the public service paid for. The CF system approved by Treasury Board was an average Canadian rent based on civilian equivalents, dependant on location.⁶⁵ It was inherent in this new policy that MQ occupants would pay rates

⁵⁹ Department of National Defence, “Frais pour le vivre et le logement” in *Canadian Forces Personnel Newsletter*, (Ottawa: DND Canada, 1971), issue 1/71.

⁶⁰ Department of National Defence, “Compensation” in *Canadian Forces Personnel Newsletter* ..., 2.

⁶¹ *Ibid*, 3.

⁶² *Ibid*, 3.

⁶³ Once the benchmarks were agreed to and an initial comparison was completed the differential between the two groups was eliminated during the pay years 1971 and 1972 with increases of 10.12% and 9.90% to officers and 11.97% to 20.36% to other ranks. *Ibid*, 3.

⁶⁴ Department of National Defence, “Your Pay – How is it Determined?”, in *Canadian Forces Personnel Newsletter*, (Ottawa: DND Canada, 1988), issue 10/88, 1.

⁶⁵ Department of National Defence, “Logements familiaux”, in *Canadian Forces Personnel Newsletter*, (Ottawa: DND Canada, 1971), issue 4/71.

comparable to those paid by members and civilians living on the economy and MQ charges would no longer form part of a member's compensation package.⁶⁶

To enable this new MQ rent policy, a system was adopted in 1968 to have all Crown-owned accommodation professionally appraised by CMHC every two years in relation to comparable rental housing in private sector markets. From 1968 to 1972, CMHC conducted appraisals every two years and, as a transitional measure for DND only, charges were determined on a weighted national average with annual increases not to exceed a fixed amount by rank for each base and station. A fundamental drawback of the weighted national average system was that it generally produced over-priced MQs in rural areas and under-priced MQs in urban areas. Not only did this produce inequity between members occupying MQs and members living on the economy but it also tended to increase vacancy rates in economically depressed areas and inflated the demand for MQs in the higher cost urban areas.

In April 1972, DND discarded the national averaging and moved to the present system of MQ charges based on CMHC appraisal of local private sector markets for each base or station.⁶⁷ In recognition that the implementation of market charges might initially pose a financial hardship, particularly to junior members, a policy was also introduced to limit the rent for an MQ to a quarter of a member's gross monthly income (25% excluding cost of parking, fuel and utilities charges).⁶⁸ Additionally, provincial rent

⁶⁶ Department of National Defence, "Married Quarters Charges", in *Canadian Forces Personnel Newsletter*, (Ottawa: DND Canada, 1988), issue 9/88, 4.

⁶⁷ *Ibid*, 5.

⁶⁸ Department of National Defence, "Married Quarters: Rent vs Salaries", in *Canadian Forces Personnel Newsletter*, (Ottawa: DND Canada, 1994), issue 12/94, 2.

control limitations applied to provinces like Manitoba and Ontario, again easing the transition to the new MQ payment policies for those affected.⁶⁹ Measures were also introduced to initially phase in any significant increases in rental charges due to any local market impacts on the CMHC appraisals; these same buffers in rent charges were not available to those living on the economy.⁷⁰

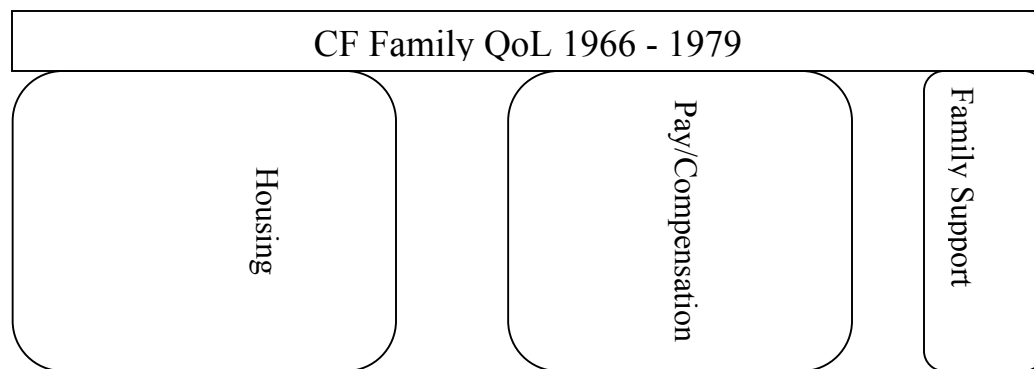
However, during the 1970's at the height of the cold war, the military was still large in numbers and the demand for family housing still could not be met with Crown-owned units as (except for a few cases), Treasury Board policies had not allowed the construction of new homes since the early 1960s.⁷¹ As a result, in lieu of military family housing construction, the government still relied upon the private sector to accommodate most military families.⁷² In 1970, the CF also conducted a Conditions of Service (COS) study in the hope of identifying areas to improve morale and effectiveness through quality of life measures. What the COS study found reflected a perception of low pay (compared to the Public Service) and that the housing quality provided by MQs did not equate to the increased rental costs that had been recently implemented.⁷³ The pay raises

⁶⁹ Department of National Defence, "Compensation (continued)", in *Canadian Forces Pers*

in 1971 and 1972 along with the introduction of the market rent concept for MQs was aimed at improving the quality of life situation, especially as it pertained to housing.

As is illustrated in figure five, what is clear from examining this time period, is that the CF QoL program emphasis had switched from being housing (MQ) centric in the earlier time periods, to now expanding to include pay and benefits in the primary QoL efforts for families.

Figure 5 – CF Family QoL 1966-1979



1980 to 1995 - Quality of Life Takes the Limelight

Between 1970 and 2000, the overall size of the CF decreased by over 36,000 members, with large portion of this decrease experienced in the early 1990's when the CF introduced a Forces Reduction Program.⁷⁴ MQ occupancy data shows that in 1979 about 50% of all married personnel and their families lived in MQs with the percentage dropping to about 30% in 1997.⁷⁵ During the period 1971-1996, Canadian Census data also showed an increase in homeownership rates for CF members. Prior to the 1970's CF

⁷⁴ Department of National Defence, Canadian Forces Housing Agency, *Housing Requirements Study Summary Report*, (Ottawa: DND Canada, April 2001), 2-6.

⁷⁵ Dupré and Flemming, *An Overview of Housing and Accommodations in the Canadian Forces* ..., 2.

homeownership rates were much lower than the general Canadian population homeownership rates, perhaps in part due to the ‘free’ provision of married quarters discussed in the previous time period. An increase of 14% of ownership is shown in the 1970s with the greatest increases in those in the over 35-age bracket. As the graph at figure six shows, there has been a definite rise in the trend of CF members who are homeowners. In its Housing Requirements Study Report, Canadian Force Housing Agency (CFHA) attributes the increase in homeownership to the significant increases in pay and adjustments experienced during the same timeframe, making homeownership much more affordable.⁷⁶ In general, the aging of the Canadian Forces has led to a reduction in the numbers of members who rent and an increase in the numbers who now own their homes.⁷⁷

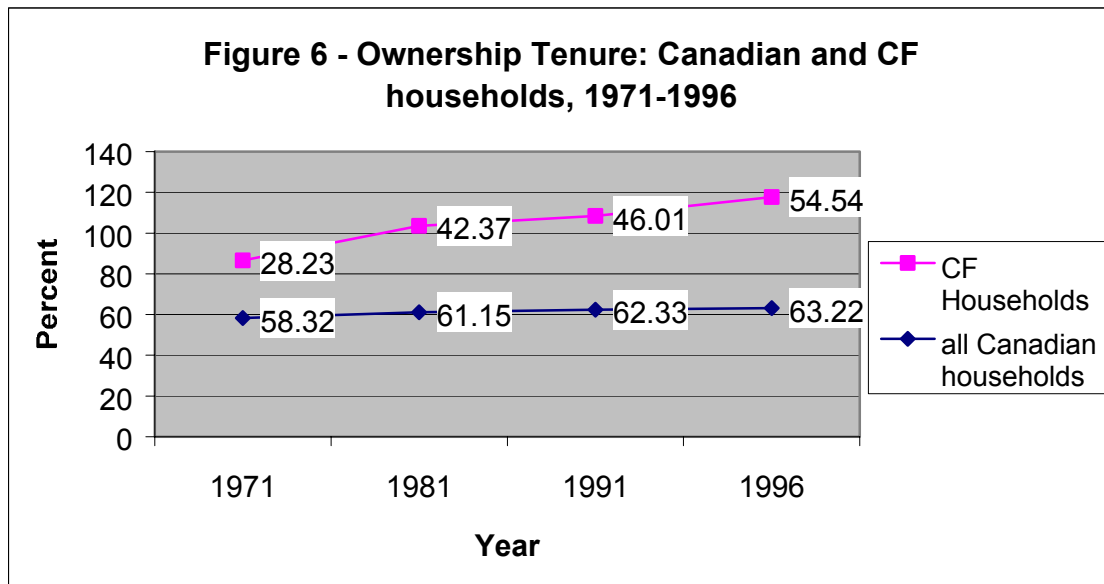
Housing costs, especially on the economy, directly impacts the quality of life of military members as these costs represent a fixed amount of available income; making shelter costs a significant influence on the military member’s financial quality of life.⁷⁸ In the 1980s and 1990s, the military repeatedly argued that in high-cost areas military personnel experienced serious difficulties finding affordable housing, and the private sector simply could not supply housing affordable to the most junior ranks. A cost of living allowance study conducted in the early 1980s determined that accommodation costs formed more than seventy percent of the regional differences for military

⁷⁶ Department of National Defence, Canadian Forces Housing Agency, *Housing Requirements Study Summary Report* ..., 2-20.

⁷⁷ *Ibid*, 2-9.

⁷⁸ Twiss and Martin, *Quality of Life and Shelter: A History of Military Housing Policy and Initiatives (1973-1996)* ..., 76.

members.⁷⁹ The CF attempted to resolve these problems by enhancing military incomes and incrementally (and not necessarily in a coordinated fashion) introducing a number of allowances in an effort to balance the quality of life between the various posting locations.⁸⁰ Approved by Treasury Board in 1982, the Accommodation Assistance



Source: “CFHA Housing Requirements Study Summary Report” April 2001⁸¹

Allowance was one such measure introduced as a cost of living benefit designed to alleviate high rents in higher cost areas.⁸² This comparative allowance was designed as a quality of life measure to level the financial playing field for housing rental costs, but it did not apply to those who chose to purchase their homes.⁸³ This allowance was subject

⁷⁹ Department of National Defence, “All You Ever Wanted to Know About AAA But Were Afraid to Ask”, in *Canadian Forces Personnel Newsletter* (Ottawa: DND Canada, 1993), issue 5/93, 2.

⁸⁰ Martin, and Twiss, “Conventional and Military Public Housing for Families” ..., 248.

⁸¹ Department of National Defence, Canadian Forces Housing Agency, *Housing Requirements Study Summary Report* ..., 2-21.

⁸² Department of National Defence, “All You Ever Wanted to Know About AAA But Were Afraid to Ask” ..., 1.

to some controversy, as it applied not only to married but also to single personnel either living on base or renting on the economy (the rates differed by marital status). The allowance also had its complaints as it only app

As part of this review, a new posting allowance was introduced in 1982 in addition to an already existing movement grant. This additional half-month's salary was an incremental quality of life measure to compensate members for the turbulence associated with posting; a measure that had previously been included as a smaller amount in everyone's base pay.⁸⁷ Added to this quality of life measure were further pay and compensation additions in 1983 for home purchase/sale compensation and provisions to assist members who couldn't initially sell their homes.⁸⁸ Designed to address the inequity between homeowners and those renters entitled to the accommodation assistance allowance, this new allowance had the added intangible QoL benefit of providing encouragement for homeownership, ultimately contributing to building up financial equity for members and assisting them in transitions after retiring from military service.⁸⁹

Immediately following the good news of pay review and the incremental benefit increases, a pay freeze was announced. During the three year Federal Restraint Program which commenced in June 1982, increases in the charges for MQs were held to six percent, five percent and four percent while local market rents on which the charges were based continued to increase unchecked in many locations. Termination of the rent restraints meant that the gap between the 1985 appraised rates and MQ actual charges was as high as 60 - 70 percent at some locations. In order to avoid imposing such large increases on MQ occupants, Treasury Board approval was obtained to again introduce phasing measures which placed limitations on the amount of annual MQ rent increases

⁸⁷ Department of National Defence, "Compensation (continued)" ..., 4.

⁸⁸ Department of National Defence, "Increased Benefits for Military Homeowners" ..., 2.

⁸⁹ *Ibid*, 1.

which could be paid.⁹⁰ This was not the first time the military would be faced with pay freezes, as during 1992 to 1995, in an effort to combat recession an Expenditure Restraint Act was introduced, again freezing any pay and environmental allowance increases in the military.⁹¹

During the 1980 to 1995 time period there were also a number of other non-monetary quality of life adjustments made in the CF. Among these were the efforts to support the family. Over the years there had been individual examples of bases and stations, on a volunteer basis, organizing local support programs, but there was a recognized need for a more coordinated effort.⁹² In 1985, a concerted effort was launched under the auspices of the 1985 Military Family Study to examine the various aspects of CF life that impacted on “morale, satisfaction, effectiveness, commitment, and other critical performance factors.”⁹³ Among the various factors examined were family support and cost and quality of housing, with the study concluding that these elements were contributing to overall stress of CF personnel, warranting further attention.⁹⁴

In an effort to move forward on quality of life issues, the CF, having established a link between family and the operational readiness of military members, created the Family Support Program Project in 1987. Recognizing the various social changes the CF had been through including; dual income pressures, more women in the forces, the

⁹⁰ Department of National Defence, “Married Quarters Charges” ..., 5.

⁹¹ Department of National Defence, “Military Compensation: An Update” in *Canadian Forces Personnel Newsletter* (Ottawa: DND Canada, 1993), issue 4/93, 4.

⁹² Department of National Defence, “Family Support...” ..., 2.

⁹³ Dupré and Flemming, *An Overview of Housing and Accommodations in the Canadian Forces* ..., 3.

increasing stresses placed on a CF family member and the changing nature of the CF family, the project provided information and referral programs and assisted families in need.⁹⁵ This initial foray into family support programs, eventually developed into funding for widespread Military Family Resource Centres (MFRCs) to be established across the country.⁹⁶ Each MFRC was set up to provide where needed, four general services encompassing “information and outreach programs, child care, life quality improvement courses and crisis counselling”.⁹⁷ The MFRC program was based on the growing belief that family support and military readiness coexisted; a belief that had started to develop in the late 1960s in the United States.⁹⁸ What the MFRC program did not address was the issue of quality in married quarter units; that would come later under yet another separate QoL program.

Looking at the United States trends reveals some interesting comparisons. Much like in Canada, about 70% of the US service families were occupying off base housing by the mid 1990s.⁹⁹ Unlike Canadians, there was a housing allowance that was provided

⁹⁴ *Ibid*, 3.

⁹⁵ Dr. A.A. Clark, Mrs. M. Mitchell, Ms D.J. Watkins, Ms S. Hill, *Final Report NDHQ Program Evaluation E4/95 of the Military Family Support Program*, (Ottawa: DND Canada, Chief of Review Services, file number 1258-112 (DGPE), 31 March 1997), 3.

⁹⁶ Lieutenant (N) K.D. Davis, Captain J.A.A. Thivierge, and Captain J.M. Stouffer, *Canadian Forces ‘Family Friendly’ Personnel Policy: Focus Group Discussions and Recommendations*, Canadian Forces Personnel Applied Research Unit, Sponsor Research Report 96-7, (Ottawa: DND Canada, May 1996), 7.

⁹⁷ Department of National Defence, “Military Family Support Program A Way of Life Within the Canadian Forces”, in *Canadian Forces Personnel Newsletter* (Ottawa: DND Canada, 1993), issue 6/93, 3.

⁹⁸ Deborah Harrison and Lucie Laliberté, *No Life Like It, Military Wives In Canada*, (Toronto: James Lorimer & Company, Publishers, 1994), 77.

⁹⁹ Twiss and Martin, *Quality of Life and Shelter: A History of Military Housing Policy and Initiatives (1973-1996)* ..., 63.

regardless of where one lived, an allowance that continues today. While the US societal and demographic drivers pushing for family support have been similar in Canada, the military impetuses have not. Unlike its American counterpart, the Canadian military has been a volunteer force since the 1950s with the majority of its members married. As a result, the Canadian military did not begin to consider the idea of a system-wide family support until the late 1970s, after it became prominent as a retention incentive in the US post conscription cessation period.¹⁰⁰

US Department of Defense (DoD) efforts to assist military families have increased over the years, starting with fervour in the mid 1960s when conscription ended and the US struggled with retention of family aged soldiers. Just like in Canada, the 1980s saw some dramatic increases in the US program, including extended formalized family support services, policies for personnel including considerations for family issues, and funding of formal family research in order to better understand the soldier-family-military relationship.¹⁰¹ US research had taught the DoD that in places where the US Army had made concerted efforts to tangibly affect families, retention and re-enlistment were correspondingly high, ultimately reducing DoD training and recruiting budgets.¹⁰² In the 1990s the DoD took a multi pronged approach to quality of life improvements. The US military sought and implemented changes to housing policies to enhance quality

¹⁰⁰ Harrison and Laliberté, *No Life Like It, Military Wives In Canada...*, 79.

¹⁰¹ Segal, “The Nature of Work and Family Linkages: A Theoretical Perspective” ..., 12; One of the more prominent US studies on family and soldier research is the Army Family Research Program (AFRP), which was initiated in 1986 and conducted over a five-year period. A summary of the AFRP can be found in M.W. Segal, and J.J. Harris, *What We Know About Army Families*, Technical Report No. SR-21, (Alexandria, VA: U.S. Army Research Institute for the Behavioral and Social Sciences, 1993).

¹⁰² Clark, et al., *Final Report NDHQ Program Evaluation E4/95 of the Military Family Support Program ...*, 30.

of life, and at the same time, more access to services such as daycare, medical, shopping, recreation facilities and other community programs were implemented.¹⁰³ This paternalistic provision of service in the company town like setting on US bases is not what was happening in Canada during the same time frame. DoD took the approach of providing a standard slate of services to families instead of the Canadian MFRC model of allowing families to determine which services were needed in the particular community and engaging family volunteers to assist in implementation. There is a fundamental difference in the approaches to family QoL improvements between the two countries. Where DND has focused on flexible programs, engaging families to actively participate and relying heavily on volunteers; the DoD model is a “treatment model” offering specific, and standardized support and, for the most part, run by paid staff.¹⁰⁴ Highlighting the differing philosophies, “Americans use the term ‘support’ to illustrate their approach, whereas Canadians speak of ‘resources’ and ‘community development’.”¹⁰⁵

Canadian quality of life improvements up to 1996 also did not address housing quality issues; rather the QoL program focused on providing services and outreach programs for family support. At the same time CF base facilities were being reduced or eliminated in recognition of the fact that many bases and stations were now co-located with ever-expanding communities. As a result, where US bases have built up their

¹⁰³ Twiss and Martin, *Quality of Life and Shelter: A History of Military Housing Policy and Initiatives (1973-1996)* ..., 73.

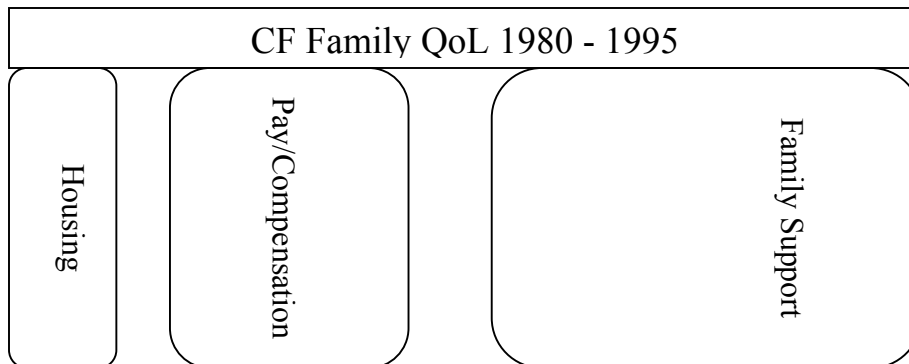
¹⁰⁴ Clark, et al., *Final Report NDHQ Program Evaluation E4/95 of the Military Family Support Program* ..., 22.

¹⁰⁵ *Ibid*, 22.

company towns to include more facilities; on DND establishments, the gas stations and CANEX shopping centres were either closing or significantly reduced. As well, on-base schools, initially operated within a DND education system, were now either closing or were turned over to local school boards; all lessening the company town like setting, and moving more to a ‘bedroom community’ within the larger urban setting of the local Canadian community, town or city.

As can be seen by the above, the period 1980 to 1995 showed a distinct shift in the CF family QoL program emphasis. As illustrated in figure seven, housing took a back seat in CF family QoL, becoming virtually ignored, while pay and benefits continued to be important and family support programs rose became prevalent.

Figure 7 – CF Family QoL 1980-1995



Birth of CFHA (1996) to Today – Quality of Life in the Forefront, Housing at a Crossroads

In general, the original need for MQs was mostly driven by the posting of CF families to remote or underdeveloped markets in the 1950s, and CF members tended to be more reliant on the rental market then, as home purchases were, for the most part,

beyond economic reality.¹⁰⁶ Over the years, as the CF force structure was reduced and various budget announcements included a large number of base and station closures, the remaining bases have been mostly urban. As the map at figure 8 shows, Canadian Forces distribution today largely reflects the general Canadian population distribution, heavily concentrated in the urban centres of Canada, especially in Ontario and Quebec.¹⁰⁷

The CF today is also reflective of the general Canadian trend towards both an aging population and work force. As reported in D Strat HR News recently,

... by the end of 1996, the largest group of CF members was in the 30-34 age cohort. In 2001, the largest group of CF members were between the ages of 35 and 39, with the mean age of CF personnel being 35 years old. There has also been a large increase in the proportion of those between the ages of 40 and 44, as well as increases in those 45-49 and 50-54 years of age.¹⁰⁸

As the percentage of CF members below the age of 35 declines, the general Canadian Census data suggests that the housing choice preference between ownership and rental also changes. This means that as the CF soldier ages, the number of members wishing to own their own homes instead of renting (MQs or otherwise) will increase. This has been an important factor in the current decline in MQ occupancy being observed across Canada and is a critical element in forecasting a continued need for MQs. The aging of the CF combined with a trend in reduced numbers as seen in the graph at figure nine, has

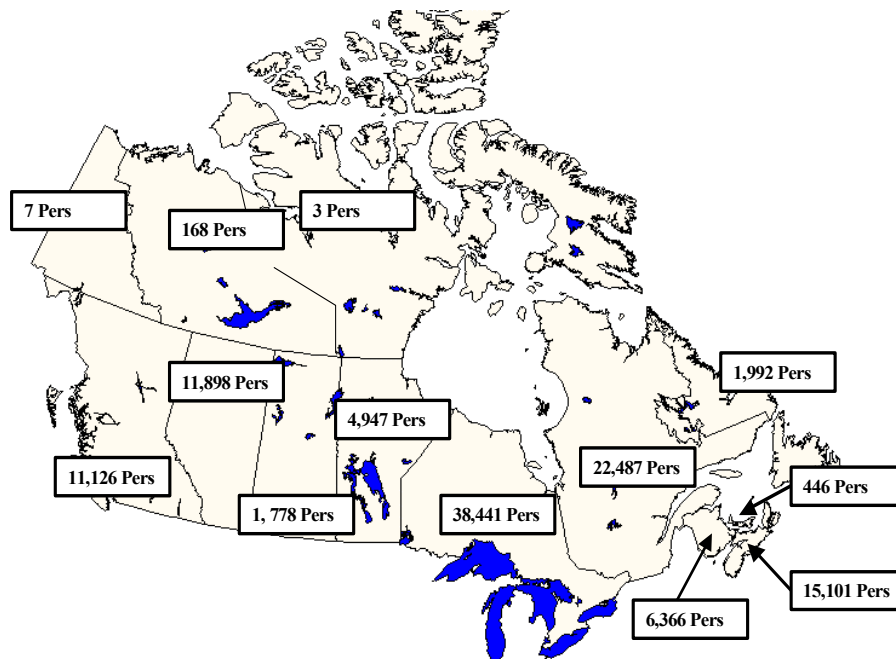
¹⁰⁶ LGen Couture, *CFHA Treasury Board Submission Review*, (Ottawa: DND Canada, National Defence Associate Deputy Minister of Human Resources Military, file 5420-6(DQOL 3), 14 April 03), Annex B-9/54.

¹⁰⁷ Department of National Defence, *Making Sense Out of Dollars, DFinCS 2002-2003 Report ...* .

¹⁰⁸ Department of National Defence, "The Canadian Forces, a Demographic Snapshot" ..., 4.

meant an overall reduction in the number of members who rely on the rental market (both private rentals and MQs).¹⁰⁹

Figure 8 - DND (Military Regular and Reserve plus Civilian) Presence 2001-2002

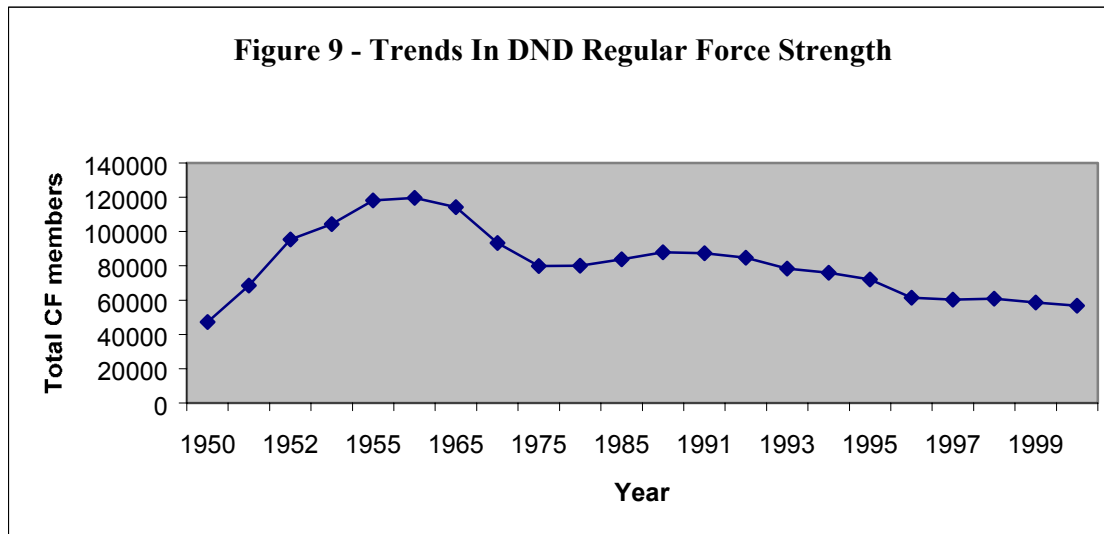


SOURCE: DND ESTIMATED EXPENDITURES BY ELECTORAL DISTRICT AND PROVINCE FOR FISCAL YEAR 2001-20022

The changing Canadian demographics have had significant influence on the CF with recruitment and retention policies being transformed.¹¹⁰ The CF has been trying to attract young and educated workers but is facing strong competition with other employers doing the same. The demand for well-educated employees has been such that the employee is able to demand better working conditions, and increased pay and benefits.

¹⁰⁹ Couture, *CFHA Treasury Board Submission Review ...*, Annex B-9/54.

¹¹⁰ T. Wait, *Organizational, Social and Demographic Change in the Canadian Forces: 1976 to 2001*, ADM(Human Resources – Military) Directorate of Strategic Human Resource Coordination DSHRC Research Note RN 03/02, (Ottawa: DND Canada, February 2002), 19.



Source: Canadian Global Almanac 2003¹¹¹

The CF has been no exception to this trend, introducing various QoL programs including improved compensation and benefit packages to enhance recruitment and retention of its members.¹¹²

Among Canadian households in general the trends show that older households are more likely to be owners and younger households are more likely to be renters. This is not just a matter of increasing income, but also a measure of changing needs due to family changes like marriage and children.¹¹³ To rent or own is a big decision for Canadian households. Tenants must depend on the landlord to maintain the building and there is little option for personal choice in colour schemes or other alterations. Owning

¹¹¹ Susan Girvan, *Canadian Global Almanac 2003*, (Canada: John Wiley and Sons Canada, 2002), 194.

¹¹² *Ibid*, 20.

¹¹³ Department of National Defence, Canadian Forces Housing Agency, *Housing Requirements Study Summary Report ...*, 2-19.

on the other hand gives the family more control over its housing than does renting, as levels of maintenance become the owner's choice and personal preferences can be easily expressed in renovations done at the owners discretion.¹¹⁴ Buying a home has long been recognized as a long-term investment with a mortgage consuming a significant portion of one's income.¹¹⁵ Affordability becomes the biggest deciding factor in making a housing choice for most Canadians. CMHC says that affordable housing should cost no more than 30% of household income,¹¹⁶ and most lending institutions use this rough percentage when calculating how much of a mortgage one can afford.¹¹⁷ For many Canadians, the declines in mortgage rates in recent years have also helped to bring homeownership to more households.¹¹⁸ For the CF, a major QoL objective has been to encourage home ownership,¹¹⁹ and improving pay and benefits during the nineties has facilitated this.

Beginning in 1996, a series of pay raises were implemented to reinstate the comparability principle between Public Service and military pay.¹²⁰ Also in the late

¹¹⁴ Marion Steele, "Incomes, Prices, and Tenure Choice", in *House, Home, and Community: Progress in Housing Canadians, 1945-1986*, ed. John R. Miron, (McGill-Queen's University Press: Kingston, 1993), 41.

¹¹⁵ L.C. Marsh, "The Economics of Low-Rent Housing", in *The Canadian Journal of Economics and Political Science*, vol. 15, no. 1, February 1949, 16.

¹¹⁶ Minister of Supply and Services Canada, *Service to the Public: A Study Team Report to the Task Force on Program Review*, (Ottawa: Canadian Government Publishing Centre, 27 June, 1985); and Minister of Supply and Services Canada, *House Programs in Search of Balance*, (Ottawa: Canadian Government Publishing Centre, 1986), 21.

¹¹⁷ Girvan, *Canadian Global Almanac 2003...*, 240.

¹¹⁸ Canada Mortgage and Housing Corporation, *Canadian Housing Observer*; available at web site <http://www.cmhc-schl.gc.ca/en/cahoob/index.cfm>; accessed 30 October 2003.

¹¹⁹ Department of National Defence, Chief of Review Services, *Review of the Integrated Relocation Pilot Program*, (Ottawa: DND Canada, file 027045-57 (CRS), revised 6 Mar 2002), 14.

nineties, a number of other financial benefits associated with moves and home purchasing were introduced. A pilot program, the Guaranteed Home Sale Plan (GHSP), operated for three years as a government-wide project to try to minimize the losses incurred by homeowners due to market fluctuations upon relocation. Although the GHSP ceased in 1999, a more all-encompassing relocation assistance package, entitled the Integrated Relocation Pilot Program (IRPP) was implemented in its stead, and essentially remains in effect today.¹²¹ The IRPP program included enhanced home equity protection provisions, improved home purchasing benefits, and put all allowances and benefits associated with relocation under a single contract.¹²² Another allowance introduced in 2000, entitled the Post Living Differential (PLD) was a renewed attempt to compensate for cost of living differences between various CF locations, reinstating the government principle behind the now defunct Accommodation Assistance Allowance: that the cost of living for families should be relatively stable regardless of where the member was posted.¹²³ Unlike its precursor, the PLD applied to homeowners and renters alike as it was based on more than simply rental accommodation differences, including things like taxation

¹²⁰ Prior to the pay freeze, members (NCMs) were 2.2% behind their PS counterparts and that General Service Officers (Second Lieutenant to Lieutenant-Colonel) were 0.9% behind. During the pay freeze, further study established that NCMs in fact had a total shortfall of 6.7%, including the initial shortfall of 2.2% and that General Service Officers (GSOs) had a total shortfall of 14.7%, including the initial shortfall of 0.9%. From: House of Commons, *Moving Forward - A Strategic Plan for Quality of Life Improvements in the Canadian Forces...*

¹²¹ Department of National Defence, *2001 Annual Report to the Standing Committee on National Defence and Veterans Affairs on Quality of Life in the Canadian Forces*, Standing Committee on National Defence and Veterans Affairs' Report Tabled in the House of Commons (Ottawa: Canada, 2001); available at [Http://hr.ottawa-hull.mil.ca/hr/scondva/engraph/2001acc_e.asp?cat=1](http://hr.ottawa-hull.mil.ca/hr/scondva/engraph/2001acc_e.asp?cat=1); accessed 14 November 2003.

¹²² *Ibid*, 4.

¹²³ *Ibid*, 3.

levels and the costs of goods and services in the various areas where CF members reside.¹²⁴

After a significant erosion of moral and financial quality of life during the 1990s,¹²⁵ the year 1998 marked a significant turning point in quality of life for CF families. In October of that year, SCONDVA released a report recommending a number of changes impacting on the quality of life of all members of the CF, recommending that QoL take high priority.¹²⁶ Receiving wide public support, the 1999 budget recognized the recommendations made by SCONDVA and supplemented the DND budget by \$175 million to address CF quality of life issues, and at the same time reversed an additional \$150 million in previously announced cuts.¹²⁷ These actions resulted in pay increases, improved family support services, and a specific effort to address housing by effecting health and safety repairs in the MQ units.¹²⁸

For those in MQ rental accommodation, a widespread perception in the Canadian military was that, along with various pay freezes in the 1980s and 1990s, the family actually saw a reduction in economic standing as MQ rents continued to rise and various

¹²⁴ Department of National Defence, *Quality of Life DQOL Frequently Asked Questions...* .

¹²⁵ Department of National Defence, *Annual Report of the Chief of the Defence Staff 1998-1999*, (Ottawa: DND Canada, 1999); available at http://www.forces.gc.ca/site/reports/cds_report/english/cdsr2_e.htm; accessed 21 October 2003.

¹²⁶ Fred R. Fowlow, *Good Morale or Good Equipment, Compromise is Not an Option*, (Canada: Maritime Affairs The Naval Officers Association of Canada); web site available at http://www.naval.ca/article/fowlow/goodmoralorgoodequip_by_fredfowlow.html; accessed 14 November 2003.

¹²⁷ Department of National Defence, *Annual Report of the Chief of the Defence Staff 1998-1999...*

¹²⁸ *Ibid.*

physical facilities on base were eliminated.¹²⁹ Although the Family Support Project, and the introduction of MFRCs represented an improvement in support programs available to the soldier; until 1999, nothing had been done about the MQ quality and cost problem. Despite the market rent concept having been in place for some time, there was a widespread feeling that the quality of the MQ did not warrant the rent being charged, both in terms of upkeep and lack of modern amenities.

Making matters worse, budget devolution meant that the level of upkeep in the MQs varied between air force, army, or navy bases. The amounts spent on MQ maintenance and improvements depended on how much each CF element could devote out of its total operating budget in competition with other, more important operational concerns such as maintaining ranges and training areas, or upgrading runways and jetties. The lack of priority for housing expenditure is not unique to Canada, as similar parallels exist in the United States and the United Kingdom.¹³⁰ In recognition of the varying abilities each element of the CF was having to devoting maintenance funds to housing, the CF centralized this responsibility and the Canadian Forces Housing Agency (CFHA) was formed. CFHA started operating on 1 April 1996 with responsibility for the operations and maintenance of some 8,000 of the approximately 20,000 MQs across Canada, taking over all the remaining MQs the following year. Mandated to collect the rents for the MQs, CFHA was to use the resulting revenue to maintain and upgrade the

¹²⁹ Davis, Thivierge, and Stouffer, *Canadian Forces 'Family Friendly' Personnel Policy: Focus Group Discussions and Recommendations ...*, 8.

¹³⁰ House of Commons, *Moving Forward - A Strategic Plan for Quality of Life Improvements in the Canadian Forces ...*, 26.

housing while ensuring that there were no operating losses.¹³¹ There were high hopes that the rent collected would be more than adequate to effect repairs, and modern improvements could finally be implemented. However, CFHA was faced with a daunting task considering the condition of the portfolio.

One of the most important aspects of any housing portfolio is the physical quality and overall living conditions provided by the units. The typical MQ housing unit is lacking in character, and projects a ‘rundown’ and somewhat sterile profile to the community. The reasons for this negative image are mainly financial as the CF struggled to balance its budget often putting operational priorities in front of housing repairs. The decline in repair levels of MQs would also appear to be the result of a deliberate deferral in cosmetic maintenance in certain locations. This approach has tended to minimize rent levels while not seriously jeopardizing the integrity of the asset. The ‘lag’ seen in substandard conditions of the portfolio is the result of creeping obsolescence. Failure to fund rehabilitation projects (designed to address health and safety issues and upgrade the units to competitive market quality) has resulted in the current condition of the portfolio. The typical MQ is functional in most respects, but is a source of dissatisfaction and embarrassment to all levels of the military community.¹³²

Starting in 1997, DND recognized the size of the MQ task and quality of life funds were provided to CFHA to implement projects to improve the living conditions of

¹³¹ House of Commons, “Chapter III – The Housing Crisis”, in *Moving Forward - A Strategic Plan for Quality of Life Improvements in the Canadian Forces*, Standing Committee on National Defence and Veterans Affairs’ Report tabled in the House of Commons (Ottawa: Canada, 28 October, 1998); available at <http://www.parl.gc.ca/InfoComDoc/36/1/NDVA/Studies/Reports/ndvarp03/11-chap3-e.htm>; accessed 30 October 2003.

¹³² Department of National Defence, *Final Report of the National Defence/Canada Mortgage and Housing Corporation Accommodation Working Group*, (Ottawa: DND Canada, 31 March 1983), 3-3.

the occupants. The first four years of CFHA's focus was on implementing essential upgrades; this brought about a third of the married quarter portfolio up to a minimum maintenance standard, but made no improvements to the space layout or other issues. Total repair costs over this period for all CFHA locations were approximately \$219M, an average of \$55M a year.¹³³ These repair costs included work which is fundamental to bringing the selected units up to standard – for example, repairing foundation walls and leaky basements, replacing windows and doors, upgrading insulation, installing current building code fixtures and heating systems, and upgrading floors; but they did not address issues of modern layout or space expectations.¹³⁴

Today there is still an enormous amount of work outstanding, with anticipated total repair costs at over \$590M identified under the Housing Safety and Security Repair Program (HSSRP). Using the department's current way of funding the repairs from rental income, only one third of this total will be funded; the remaining two thirds or about \$400M is required through reallocation of precious resources from elsewhere within DND.¹³⁵ Various studies done by CFHA (and subsequent CRS review studies) in an attempt to define the need for the housing (i.e. the number and location of MQs to retain) has identified a couple of complicating factors – a high level of vacancies (e.g. 4,502 units as at 4 Dec 2001), and the potential for changing housing patterns caused by

¹³³ Note: per unit costs will ultimately average about \$4,444 over eight years, a figure which is reasonably in line with the Canadian benchmark of \$3500 per unit for Canada as a whole, which was calculated using Statistics Canada estimates of costs for homeowner and rental dwelling repairs and renovations. Department of National Defence, *Chief Review Services Survey of Progress and Management Practices Canadian Forces Housing Agency Health, Safety and Security Repair Program ...*, 2,3.

¹³⁴ *Ibid*, 3.

¹³⁵ *Ibid*, 2.

the PLD and other QoL pay and compensation initiatives among them. The MQ end-state in these studies has ranged from a low of 8,000 units to a high of 13,058 units.¹³⁶

Private sector options have not as yet been defined and an approved target for the final number of MQs to be retained by the department has not yet been established. Complicating this is the fact that, since the time that most of the bases were built, many of the local communities in the surrounding area have radically changed. In general terms, social and recreational facilities which were not available in the 1950s and 1960s are now readily available from civilian sources, with the size and variety of civilian services often greatly exceeding the level of service available within the military community.¹³⁷

Today the aging trend continues and, as more CF members pass the 35 year-old mark (where the data trends indicate housing tenure preference switches from renting to ownership), the need for continued provision of MQ units should also decline. A larger proportion of members (54 percent) are now over the age of 35; but recent trends to correct the aging profile have included robust recruiting action, meaning there might be an increase in CF members who would be inclined to rent. The level of need for MQs is therefore unpredictable and not static. It is a function of the size and composition of the CF and various housing supply market factors dependant on location. QoL initiatives that have been incrementally introduced (and not necessarily in a coordinated manner)

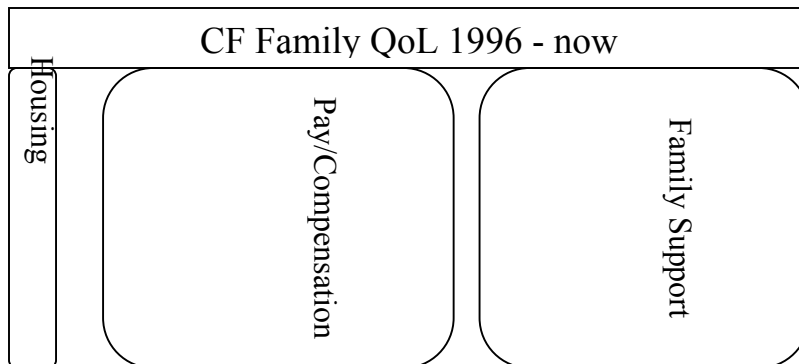
¹³⁶ *Ibid.*

¹³⁷ Department of National Defence, *Annexes to the Accommodation Policies Task Force (APFT) Report*, (Ottawa: DND Canada, file 7605-6900 (VCDS), June 1980), Annex B, 2.

have also potentially reduced the need for MQs.¹³⁸ This means if the CF wishes to get out of the housing business, the time to act is now. Putting in place alternative programs for newly recruited individuals and weaning the rest of the CF population out of MQs will however, pose a challenge, as despite there only being a small percentage of the CF population housed in MQs, the issue of MQs tends to be an emotional one.

As we have seen in the examination of this last time period of 1996 to present, the CF QoL program has again all but ignored the MQ housing issue and is starting to question the long-term viability of the program. Instead, as illustrated in figure ten, the CF family QoL program emphasis has remained during this period on pay and benefits and family support programs, as highlighted by the various SCONDVA reports.

Figure 10 – CF Family QoL Program 1996-Now



The table at figure eleven summarizes the key initiatives and characteristics of the three CF quality of life components examined in this paper. The highlighted (circled) areas for each area denote the shift in emphasis for the CF’s family QoL program over the years. The trend has been a shift from provision of housing as *the* QoL tool for

¹³⁸ Couture, *CFHA Treasury Board Submission Review ...*, Annex B-9/54.

family assistance towards a more balanced pay and compensation and family support portfolio offering choice to the CF member. As the primary reasons for initially providing MQs such as isolated locations, unaffordable ownership, etc., no longer exists, the CF should indeed consider the option of no longer continuing with the widespread provision of the MQ portfolio.

Figure 11 – Summary of CF Quality of Life Program - Evolution of Focus

Timeframe	Housing	Pay & Compensation	Family Support
1950-1965	Isolated locations, MQs provided as a benefit, Ownership basically unaffordable	Allowance based system	Isolated locations, Company Towns established, No formal family support program
1966-1979	MQs move to rent based system, Many living on economy due to force structure, MQs maintained to 1950 standard	Pay and benefit system introduced, Pay equity concept introduced	Isolated locations, No formal family support, Localized volunteer programs existed
1980-1995	Market rent introduced with phasing, Budget issues result in declining maintenance, Ownership encouraged	Pay freezes introduced, Limited additional benefits for renters and owners	Base closures, No longer isolated locations, Family Support project stood up
1996-today	MQs full market rent, CFHA stood up, Housing in deteriorated state, Sustainability in question, Ownership encouraged	Pay increases introduced, PLD, IRPP and ownership loss protection introduced	Formal coordinated support programs in place, MFRCs opened

In March 2001, DND direction was issued for aggressive transition of CF housing to the private sector as soon as practicable.¹³⁹ Despite this direction to devolve MQs, the department (through CFHA) has made concerted effort to continue the MQ program. The DND accommodation policy and QoL factors have major implications for the future

¹³⁹ Department of National Defence, *Chief Review Services Survey of Progress and Management Practices Canadian Forces Housing Agency Health, Safety and Security Repair Program ...*, 2.

design and resource requirements of the HSSRP that CFHA plans to embark upon, and when combined with demographic trends, they beg the question whether there is a justifiable need for the department to continue providing MQ units as a general practice.¹⁴⁰ Given the competing issues of finances and various policy directions, it is time to examine the continued need for keeping the military company town alive.

¹⁴⁰ *Ibid*, 4.

DND is committed to ensuring that CF members are able to secure accommodation which is suitable to personal circumstances, in a timely fashion and at any location where duty demands. DND will pursue policies, plans and programs which encourage CF members to secure accommodation in the private sector marketplace in order to maximize freedom of choice. In those instances where the private sector marketplace cannot meet the needs of the CF member, DND will support Crown intervention.¹⁴¹

Chapter 3 – The Next Time Period: The Future of CF Housing

After looking at the historical trends and some of the factors affecting housing need, the rationale for Crown owned housing must be critically examined in a more contemporary context. DND accommodation policy states that housing is provided only when the private sector cannot do so.¹⁴² Quality of Life studies indicate that only seventeen percent of members with families in 2002 occupied Married Quarters.¹⁴³ Unfortunately, not much research has been conducted on what drives housing preferences for CF members.¹⁴⁴ The limited numbers of those who choose to occupy MQs may be an expression of personal preference, a reflection of the poor condition of Crown-owned housing, or be for some other intangible quality of life reason. The CF Accommodation Policy indicates that, in assessing the need for Crown-owned housing, DND will adhere

¹⁴¹ Department of National Defence, *DND Accommodation Policy*, (Ottawa: DND Canada, file 300000067-6-0 (PMO QOL), 11 May 1999), 1.

¹⁴² Department of National Defence, *Accommodation in Support of the Canadian Forces: A Vision for 2020*, (Ottawa: DND Canada, September 2002).

¹⁴³ Figures indicate for 2002 CF population of 60,000, 55% were homeowners, 45% were renters. Of the renter population of 27,000, 10,250 CF families rented MQs (or 17%), 1,500 CF singles rented MQs, and rest rented either privately

to the principle of ‘filling the gap’ between CF demand and private sector supply. Key to defining this ‘gap’ is an appreciation of the capacity of the private sector to respond to changing demand. To date, CFHA Requirement Studies have taken a snapshot of private sector housing availability/supply in various regions. However, these studies have not evaluated the capacity of the private sector to respond to demand stimuli, including a variety of possible Crown interventions. Instead, CFHA’s efforts have been concentrated on operating/maintaining the existing housing inventory and not on proactively examining cost-effective private-sector involvement to meet the demand. Any proposals for new investment in the construction of Crown-owned housing is likely to cause concerns over the legitimacy of the requirement, the relevance of the CF owning housing on a national scale, and its affordability. More reliance on innovative engagement of the private sector to supply housing offers opportunities to ease the financial and managerial burden on the Crown, in addition to leveraging a larger financial resource base that would be freed up in order to serve CF members in other QoL endeavours (or alternatively be put towards higher operational priorities within the CF).¹⁴⁵

As we have seen in the previous chapter, the current MQ inventory has evolved over a number of decades, and various units were built in response to a variety of force postures and operational requirements. As a result, much of the current inventory is not tailored for the current base locations or operational conditions.

Survey Reaction Research Report 00-1, (Ottawa: DND Canada, Director Human Resources Research and Evaluation, 2000).

¹⁴⁵ Department of National Defence, *DRAFT - Chief Review Services DND Accommodation/Housing Issues and Canadian Forces Housing Agency (CFHA)*, (Ottawa: DND Canada, file 7053-50 (CRS), January 2001), 2.

The traditional nuclear family reached its apex in the 1950's, when most of our CF bases and MQs were built. Typifying this family unit was the model of Dad at work and Mom at home with the two or three kids.¹⁴⁶ CF married quarters were built to this model, as evidenced by the single car parking and the positioning of family housing around central tot lots. Since the 1950's, Canadian families have evolved to a much broader and more complex set of relationships. The definition of a family now ranges from the traditionally held notion of a nuclear family, to more diversified family forms such as blended, networked, same-sex, or sandwiched families, any of which may include non-institutional care givers of young or elderly in the household.¹⁴⁷ As CF researcher T. Wait discovered, studies have shown that these changes to family make up and the associated competing demands for time have all had implications on the degree of commitment of the employee and their ability to perform in the workplace.¹⁴⁸

Canadians have not just seen a change in family make up and how they live, but also in locations they have chosen to live in. Moving from a mainly agricultural lifestyle in the early development of Canada, the number of households went from 2.6 million in

¹⁴⁶ John F. Conway, *The Canadian Family in Crisis*, 3rd ed., (Toronto: James Lorimer & Company Ltd., Publishers, 1997), 15.

¹⁴⁷ T. Wait, *Canadian Demographics and Social Values at a Glance: Impact on Strategic HR Planning*, (Ottawa: DND Canada, ADM (Human Resources Military) Directorate of Strategic Human Resource Coordination DSHRC Research Note 2/02, January 2002), 2. For more information on the distribution of these various family types (and further definitions of each) see Statistics Canada, *Census 2001*; available at <http://www12.statcan.ca/english/census01/release/index.cfm> ; accessed 14 November 2003.

¹⁴⁸ Wait, *Canadian Demographics and Social Values at a Glance: Impact on Strategic HR Planning ...*, 32.

1941 to 9 million in 1986, most of which migrated to urban centres.¹⁴⁹ Today, Canada is a highly urban, industrial society, with seven out of every ten married couples earning dual incomes.¹⁵⁰ With this has come a very mobile workforce with a keen interest in their quality of life, one element of which is housing.¹⁵¹

This paper has already highlighted the more tangible QoL effects of housing such as affordability/cost and quality, but there are also other, more intangible QoL impacts of housing. More than simply a structure of bricks and mortar, housing represents important social and economic significance to CF members. Good quality, well maintained homes have a direct impact on the health of the individual and their subsequent quality of life.¹⁵² As discussed earlier, the MQ stock was built to, and still reflects the standards of the 1950 housing market; simply put, they are unacceptable for today's norms. Traditionally, housing on the economy undergoes a rapid deterioration after 30 years of use and then a regenerative process takes place where the houses are either torn down and rebuilt or units are restored to market quality. This has not happened in the military MQ enclaves

¹⁴⁹ John R. Miron, "On Progress in Housing Canadians", in *House, Home, and Community: Progress in Housing Canadians, 1945-1986*, ed. John R. Miron, (Kingston: McGill-Queen's University Press, 1993), 8.

¹⁵⁰ Wait, *Canadian Demographics and Social Values at a Glance: Impact on Strategic HR Planning...*, 3.

¹⁵¹ B. McKee, *Canadian Demographics and Social Trends*, (Ottawa: DND Canada, ADM(Human Resources-Military), Directorate of Strategic Human Resource Coordination DSHRC Research Note /02, August 2002), ii.

¹⁵² Canada Mortgage and Housing Corporation; available at web site <http://www.cmhc.ca>; accessed 30 October 2003.

of a base.¹⁵³ As the SCONDVA 1998 report indicates it has become quite clear that the MQs are in a sad state:

Military personnel who live on bases in Permanent Married Quarters (PMQs) must contend with old and deteriorating accommodations that are among the worst to be found in this country. Millions of dollars will be needed to repair or replace this housing and further delays in finding solutions will only make the problem worse.¹⁵⁴

As a result of this and other SCONDVA reports, a QoL project team was set up with housing as one its focuses. It was well recognized that housing “is among the critical socio-economic challenges facing CF members and their families.”¹⁵⁵ Research was conducted to try to determine the level of satisfaction with family housing but as Dupré and Fleming report;

... there is limited evidence of their [CF members] views on the quality of their housing. Even less information exists on the impact of housing and accommodation issues on valued CF employee/member organizational variables such as motivation, morale, satisfaction and commitment.. ...The available evidence [no primary research was done] indicates that the proportion of personnel expressing dissatisfaction with their CF housing or accommodations has almost doubled over the 1985 to 1997 period, to approximately 40%. The quality of CF housing and accommodations is significantly associated with overall military satisfaction experienced by personnel in their careers. However, this effect of quality of CF housing and accommodations on overall military satisfaction is slight, and is in the second-tier of impacts on the career satisfaction of members.¹⁵⁶

¹⁵³ Department of National Defence, *Final Report of the National Defence/Canada Mortgage and Housing Corporation Accommodation Working Group* ..., A3-8.

¹⁵⁴ “Chapter III – The Housing Crisis”, in *Moving Forward: A Strategic Plan for Quality of Life Improvements in the Canadian Forces*... .

¹⁵⁵ Dupré and Fleming, *An Overview of Housing and Accommodations in the Canadian Forces*..., ii.

¹⁵⁶ *Ibid*, ii.

Interestingly the research did show that some of the primary dissatisfiers with the MQ housing was that rent increases did not mean better housing, the housing units were too small, and the units lacked privacy.¹⁵⁷

Beyond the physical attributes of our homes, housing has important economic dimensions for both soldiers and Canadians alike. Whether owning or renting, costs for the basic need of shelter typically make up the largest part of the household budget. For most, the purchase of a home is a huge undertaking and will often represent the largest single capital expenditure made over a lifetime. Worldwide, housing is an indicator of the standard of living and forms an important part of consumer spending indices. Not simply a shelter from the harsh Canadian climate, housing is also important in the achievement of an individual's quality of life and the attainment of various social goals. Good housing yields other intangible QoL benefits such as providing equal opportunities, freedom of choice and enhancement of individual privacy, attributes that are not readily available in MQs. A house is a place to attend to our other basic needs such as sleeping and eating as well as nurturing our physical and emotional requirements. A home is a place for a family to interact and experience life; an oasis from the rest of the world, free from interference or scrutiny.¹⁵⁸

Those living in MQs experience a home, but under the social and economic control of the military. For some this is a source of satisfaction, much like the workers in the company towns of old. There are benefits of MQ enclaves; they are perceived as safe and orderly, well laid out communities and there are usually a number of support (both

¹⁵⁷ *Ibid*, iii.

formal and informal) programs in place for members to assist one another.¹⁵⁹ But a RAND study conducted on US military housing preferences is telling. As Kokocha reports:

There were no differences in how well those in military versus civilian housing thought their own neighbors [sic] look after their families when they are gone. Military neighbors [sic] were the least frequently cited reason for choosing to live on base and members believe their families are equally well supported on and off-base. Service members do not think living in military housing makes members more committed to the service or more productive at their military jobs. Instead, the majority of service members stated that military values were acquired in the workplace setting, rather than housing arrangements.¹⁶⁰

As it turns out, most members chose US military housing for the economic advantage (perceived or otherwise) they posed; an economic benefit that no longer exists in the case of MQs.

Living in military company towns and/or public housing also provides some drawbacks. The same RAND report examining US military housing preferences, discovered that the primary reasons people chose to live off base included avoiding rules, lack of privacy on base, the poor state of the housing, and economic motives (i.e. investment opportunities).¹⁶¹ From the renter's perspective, the MQ enclave creates social dependency instead of fostering self-reliance and creativity.¹⁶² Other research has

¹⁵⁸ Miron, "On Progress in Housing Canadians"..., 7.

¹⁵⁹ Martin and Twiss, "Conventional and Military Public Housing for Families"..., 254.

¹⁶⁰ Kokocha, "An Evaluation of Public and Private Sector Housing Alternatives for Military Families"..., 37.

¹⁶¹ *Ibid*, 36.

¹⁶² Hannley, "Substandard Housing"..., 206.

shown that an increase in homogeneity within a neighbourhood can also be associated with dramatic negative changes in QoL.¹⁶³

Living in a company town setting may pose inherent advantages for building a sense of military community, but living in close proximity to co-workers has privacy disadvantages, and negatively impacts the QoL of a family. In researching the importance of neighbours, Unger and Wandersman write:

... [I]nterpersonal influence may place a strain upon neighbors [sic]. In a review of research concerning local gossip and scandal... suggests neighboring [sic] is at times disruptive and judgmental, particularly in close-knit, morally homogeneous neighborhoods [sic] which have the potential for a collective response against specific neighbors [sic]. Persons most adversely affected are those who are socially and economically dependent upon each other and are strongly rooted in their neighborhoods such as working-class families.¹⁶⁴

This leads one to conclude that diversified neighbourhoods have an intangible benefit over more homogeneous neighbourhoods like those of the MQs on bases. MQs family members realize that the service member's career could actually be affected by any non-conforming activity, representing a further erosion of privacy, and negatively impacting the CF family's QoL.¹⁶⁵

Where there are no MQs available and families move into community neighbourhoods, research has shown that "military members will enjoy greater privacy

¹⁶³ Dupré and Flemming, *An Overview of Housing and Accommodations in the Canadian Forces...*, 15.

¹⁶⁴ Donald G. Unger and Abraham Wandersman, "The Importance of Neighbors: The Social, Cognitive, and Affective Components of Neighboring", in *American Journal of Community Psychology*, vol. 13, no. 2, 1985, 145.

¹⁶⁵ Segal, "The Nature of Work and Family Linkages: A Theoretical Perspective"... , 24.

and freedom from the perceived social controls associated with on-base residency.”¹⁶⁶ Moving into civilian communities provides a second advantage for those who chose to own their homes. There is the added benefit of the accumulation of equity in the house. Research shows that “home purchase for the typical household is an investment that is easily managed, highly leveraged, and usually has predictable cash flow requirements, a combination unmatched by other real investment options.”¹⁶⁷ For some, the regular payment of a mortgage represents a forced saving mechanism, and there are some potential tax benefits on things like capital gains on the home should it be sold.¹⁶⁸ In addition, homeowners can use tax-sheltered registered retirement savings plans to make down payments on their homes. Homeownership can be a long-term investment that helps maintain a certain standard of living over time.

The 50 percent of Canadian homeowners who have paid off their mortgages spend only 11 percent of their income on housing and therefore have more funds available for other investments. A large expensive house can also be traded for a smaller less expensive one to free up money, or a reverse mortgage can be negotiated to provide regular annuity payments to the owner.¹⁶⁹

Housing need is driven by a number of factors. Life cycle changes including age, marriage or divorce, the birth or departure of children, and the stage of one’s career (i.e. a junior member or a senior officer) all affect housing choice.¹⁷⁰ Housing preferences are

¹⁶⁶ Martin and Twiss, “Conventional and Military Public Housing for Families”..., 255.

¹⁶⁷ Steele, “Incomes, Prices, and Tenure Choice”..., 42.

¹⁶⁸ *Ibid*, 42.

¹⁶⁹ J. David Hutchanski, *Housing Policy for Tomorrow’s Cities*, (Canadian Policy Research Networks, December 2002), 6.

¹⁷⁰ Dupré and Flemming, *An Overview of Housing and Accommodations in the Canadian Forces...*, 15.

further influenced by economic factors such as income and market rates.¹⁷¹ CF Housing needs change as the overall composition of the Canadian Forces changes. While the housing requirement studies conducted by CFHA have focused on the current makeup of those renting at the current CF bases, there has been no in-depth examination of how the forces have evolved, what demographic factors may be impacting the continued requirement for housing, and what intangible influences are impacting housing choices.¹⁷² As the previous chapter showed, the CF population has declined and is older and more educated. Homeownership is on the increase and the variety of improved financial programs introduced in the 1990s is not likely to yield a decrease in this trend when coupled with the market rent concept applied to MQs of a 1950 vintage.

Looking at the United States example shows an interesting parallel to the current Canadian MQ situation. About two-thirds of US married personnel live in the private sector as there are not enough married quarters available for all members to occupy. The US is also facing a crisis with a stock of married quarters in a similar state of repairs and a similar budgetary climate. A Defense Science Board report conducting a review of overall US support issues recommended that “the DoD should get out of the housing business (wherever this is possible), relying on adequate housing allowances and market forces to provide the required housing. The result will be a better housing for military personnel at lower costs.”¹⁷³

¹⁷¹ Department of National Defence, Canadian Forces Housing Agency, *Housing Requirements Study Summary Report*, (Ottawa: DND Canada, April 2001), 2-6.

¹⁷² *Ibid*, 1-1.

¹⁷³ Office of the Undersecretary of Defense for Acquisition and Technology, *Summer Study on Achieving an Innovative Support Structure for 21st Century Military Superiority: Higher Performance at*

Is there still a need for the Canadian military company town? As the historical discussion shows, the only significant element left in the Canadian military company town of old is the housing. Where schools do remain, they are operated by local school boards and are no longer attended solely by the children of CF families. The gas stations and stores have all but disappeared and the local communities have built up significantly since the bases were originally constructed. At the same time, the CF demographics have changed over the years; our force is now smaller and older. Faced with competing budgetary issues, CF MQ housing maintenance has been neglected over the years, and now that a huge influx of funding is required to bring the MQs up to standard, it is time to revisit the need for MQs given today's mostly urban marketplace, current policies and the CF demographics. Does the provision of military housing remain a necessary part of the CF family QoL program or have other DND QoL policies and programs compensated for the original community/social and family support system that MQs provided, meaning the CF can discontinue general provision of MQs?

Getting out of the MQ Business

As the figure eleven Quality of Life –Evolution of Focus summary table showed in the previous chapter, the primary rationale for initial provision of MQs no longer stands. The remaining Canadian military bases are no longer isolated, the pay and compensation package has improved significantly, reducing affordability concerns, and there are a number of well-established family support programs now in place. These tangible QoL elements, combined with the intangibles such as the changing nature of families, current housing standards and the need for privacy and choice also discussed in

Lower Costs, (Washington, D.C: U.S. Government Printing Office, Report of the Defense Science Board,

this chapter, lead to the conclusion that it is time to devolve CF housing to the private sector and turn DND's focus to a model of the CF family housed in more of a diversified community.

Moving to a diversified community model will provide some distinct advantages. From a departmental perspective, a major investment of funds to keep the MQ portfolio sustainable will be avoided. As the DND Accommodation policy states: “[a]ny intervention by the CF to support accommodation must be predicated on a sustainment strategy”¹⁷⁴; reducing MQs would enable this. Reducing the MQs would also enable the CF to meet its 10% goal of reduction of infrastructure holdings as it struggles to pare down its financial obligations.

Integrating military people into local communities would also eliminate the current segregation of twenty percent of the CF population¹⁷⁵ from the rest of society, perhaps enhancing community relations and certainly enabling the average Canadian citizen to understand what members of the CF do. The diversified community model would have other intangible benefits, such as also helping to remove the “psychological barrier to the development of potentially supportive relationships between military families and members of the local civilian community,”¹⁷⁶ by integrating military members into the local area. This new diversified CF community model also has the

1996), I-73.

¹⁷⁴ Department of National Defence, *DND Accommodation Policy...*, 2.

¹⁷⁵ 2002 figures indicate that 10,250 CF families plus 1,500 CF singles live in MQs of a total CF population of 60,000; or a total of 20% of all CF members live in MQs. Guerin, *Presentation to HR Management Course...*

¹⁷⁶ Martin and Orthner, “The ‘Company Town’ in Transition: Rebuilding Military Communities”..., 167.

added benefit of putting military skills to work into the local community volunteer network as soldiers bring their “natural leadership talents with them,”¹⁷⁷ in their new chosen communities.

Moving to a diversified community model will shift the choice of housing from the current poor condition, 1950s era structure, to facilities offering freedom of personal choice in a modern community setting.¹⁷⁸ Living in a non-MQ community would also remove some of the restrictions currently placed on MQ occupants, such as the right to own and operate a home-based business. Encouraging home ownership, as pointed out earlier in this paper, makes transition to civilian life easier as the CF member builds up equity in his or her home.

The diversified community model also poses some concern. There is a fear on the part of some leaders within the military that devolution will mean a loss of cohesion, esprit de corps, loyalty and commitment to one another.¹⁷⁹ In other words, a fear of a loss of the military community. Research has shown however that a sense of community comes from three areas: attachment to people through social interactions and support mechanisms, attachment to fellow soldiers through work, and attachment to the organization and its ethos and values.¹⁸⁰ As one researcher writes: “[I]n reality, there is little current evidence that any protective sense of belonging among most military

¹⁷⁷ *Ibid*, 175.

¹⁷⁸ Kokocha, “An Evaluation of Public and Private Sector Housing Alternatives for Military Families” ..., 38.

¹⁷⁹ Martin and Orthner, “The ‘Company Town’ in Transition: Rebuilding Military Communities” ..., 166.

¹⁸⁰ RAND, *Improving Military Communities*, Research Brief RB-7528 (1999); available at <http://www.rand.org/publications/RB/RB7528/index.html>; accessed 30 October 2003.

members and their families exists as a result of the current company town system.”¹⁸¹

Although there are “anecdotal concerns about [loss of] acculturation to military service” associated with devolution of MQs, there is little research that proves that these social goals are actually attained through the provision of MQs.¹⁸²

One could argue that with only seventeen percent¹⁸³ of CF families currently occupying MQs, the sense of military community could not be diminished by much with a further reduction of the amount of families occupying MQs. With a number of support programs in place for both on and off-base personnel to access, and messes and physical fitness facilities widely accessible, there is a strong sense of belonging to the military community currently, regardless of whether one lives on or off-base. A RAND researcher writes:

... [e]ven when members are entrenched in a local civilian community, however, the presence of a non-military identity does not preclude the formation of a strong military identity. Research on group processes indicates that individuals can maintain multiple identifications and that these identifications can be made salient under different conditions and at different times....¹⁸⁴

Although living in MQs provides an advantage from a proximity point of view for accessing family support programs, with a diversified community model this is not an insurmountable challenge. Much as they have done in Valcartier, strategically located

¹⁸¹ Martin and Orthner, “The ‘Company Town’ in Transition: Rebuilding Military Communities”..., 168

¹⁸² Pamela C. Twiss and James A. Martin, “*Quality of Life and Shelter: An Overview of the History of Military Housing Policy and Initiatives Since the Adoption of the All-Volunteer Force Concept (1973-1996)*”, Military Family Institute Technical Report 97-3, (Scranton PA: September 1997), 41.

¹⁸³ 2002 figures indicate that 10,250 CF families live in MQs of a total CF population of 60,000; or a total of 17% of CF population that live in MQs. Guerin, *Presentation to HR Management Course...*

¹⁸⁴ Colette van Laar, *Increasing a Sense of Community in the Military The Role of Personnel Support Programs*, (Santa Monica, CA: RAND, 1999), 35.

satellite Military Family Resource Centres could be set up, tailoring the MFRC services to the client needs.¹⁸⁵ Similarly the Personnel Support Program (PSP) facilities, such as arenas and gymnasiums, currently taking advantage of the captive MQ after-hours clientele, would have to find alternative means to increase revenues, meaning some policy revision might be necessary to allow more open business practices.

A further intangible benefit to the diversified community model exists. The current MQ model poses an interesting challenge to Base or Wing Commanders serving as the leader of the community. Although a community council and mayoral system are set up, they are under the continual supervision of the Base leadership, and defacto, the Wing or Base Commander becomes a social welfare program manager spending a lot of time on personnel support and married quarter issues rather than on the operational issues for which they are better trained.¹⁸⁶

	MQ Retention - Company Town Model	Devolution - Diversified Community Model
Provides	Proximity to work Focused MFRC efforts Strong sense of community Ease transition to military life for new members	Budget funds released for other uses (Operational or perhaps reinvestment in other QoL programs) Encourages homeownership, easing later transitions to retirement with equity build up Mixes military with civilian society, eliminating the soldier

¹⁸⁵ House of Commons, *Moving Forward A Strategic Plan for Quality of Life Improvements in the Canadian Forces*, Standing Committee on National Defence and Veterans Affairs' Report tabled in the House of Commons, (Ottawa: Canada, October 1998), 62; available at http://www.dnd.ca/hr/scondva/engraph/response1_e.asp?cat=1; accessed 30 October 2003.

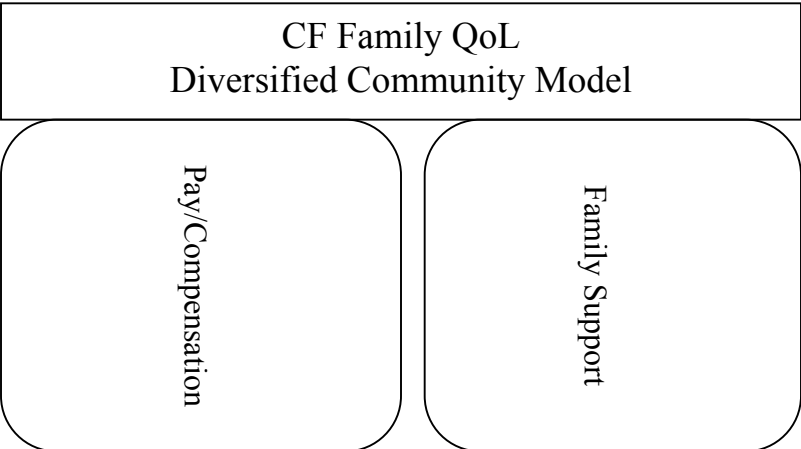
¹⁸⁶ Martin and Orthner, "The 'Company Town' in Transition: Rebuilding Military Communities"... , 166.

		myth, lessening the us/them mentality as integrated into society Freedom of choice Privacy Assist local market conditions
Limitations	Continued isolationism Reliance on paternalistic model Social controls Inequality of program as not enough units for all Large reinvestment required Sustainability of portfolio in question Changing, unpredictable need impacted by political base closures, personal preferences and changing demographics	Sell off phase/transition will require close management Some isolated locations (Goose Bay) will remain MFRC client and service adjustment required CFHA revised mandate required PSP policies need revamping to allow more open business policies after hours

Figure 12 – Summary of Issues for Devolution to a Diversified Community Model

As the summary table at figure 12 outlines, the diversified community model does pose both advantages and challenges. However, as this paper has shown, given the current CF configuration at mostly urban locations, the robust family support QoL programs, the modern pay package, and the current and changing CF demographic profile, there is no longer a continued QoL need for general provision of MQ units across Canada. Instead the CF should move to a more diversified community model to support its families in future QoL programs. This new CF family QoL model is illustrated in figure 13.

Figure 13 – CF Family QoL Diversified Community Model



As American researchers have found, Canada's volunteer military force needs not only a worthwhile work environment but also one that does not interfere overly with private and family life.¹⁸⁷ A more diversified community model is more suitable in today's Canadian military context. The transition from the MQ company town model will not be without its challenges as outlined above. But to remain with the status quo will continue to focus military leaders on non-operational issues and will continue the paternalistic model of control over the lives of the one fifth of the CF members who chose to live in MQs.¹⁸⁸ Writers on the US housing situation have reached similar conclusions:

... [a]s other industries have already realized, personnel and family independence, not dependence, is the proper route to success today. Unless this approach is undertaken, military leaders are encouraging a condition where military service becomes a semi-welfare system that is primarily attractive to individuals and families unable and/or unwilling to care for themselves.¹⁸⁹

There are a number of possible future scenarios for devolution to the community based model but these remain outside the scope of this paper and are possible avenues for future research. Included among these are the possibilities for CFHA to take on a rental agency for CF member owned homes, operating much like a rental pool, and/or CFHA to

¹⁸⁷ *Ibid*, 168.

¹⁸⁸ One fifth or twenty percent includes both single CF members and CF families who currently choose to rent MQs.

¹⁸⁹ *Ibid*, 173.

take on rental assistance or realtor roles.¹⁹⁰ Similarly, options to pursue could include even greater enhancements to homeownership incentives, perhaps in line with the homeowner loan program the United Kingdom military provides.¹⁹¹ Again outside the scope of this paper, further research must also be done to determine the extent and rate of any MQ devolution chosen, as there may be some locations (Goose Bay for example) where there exists a definable need for continued MQ provision due to local market availability. As the Chief of Review Services noted in a report about the CFHA and CF housing,

... [t]he DND/CF accommodation requirements, and the implications for housing demand... have not been sufficiently defined, substantiated and projected. ... To date, CFHA Requirement Studies have taken a snapshot of private-sector housing availability/supply in various regions. However, these studies have not evaluated the capacity of the private sector to respond to demand stimuli, including a variety of possible Crown interventions.¹⁹²

Any market studies done to date by CFHA have been predicated on existing demographics and traditional rental trends; what has been missing is a revised future

¹⁹⁰ House of Commons, “Chapter III – The Housing Crisis”, in *Moving Forward: A Strategic Plan for Quality of Life Improvements in the Canadian Forces*, Standing Committee on National Defence and Veterans Affairs’ Report tabled in the House of Commons, (Ottawa: Canada, October 1998); available at <http://www.parl.gc.ca/InfoComDoc/36/1/NDVA/Studies/Reports/ndvarp03/11-chap3-e.htm>; accessed 30 October 2003.

¹⁹¹ In the United Kingdom, Long Service Advance of Pay Scheme for House Purchase, or LSAP, is available for personnel over the age of 23 and serving on pensionable engagements/commissions who have not drawn any terminal benefits, given notice or applied to leave the service prematurely. The amount of advance to applicants who have not owned a house in the last 12 months is limited to the lowest of £8500; 182 days gross pay; difference between mortgage obtained and purchase price plus certain expenses. There are restrictions on applicants who are current home owners, or who have owned properties during the last 12 months, which will be dependent upon the cash realized from the sale of property. Interest free repayment is over a period of 10 years commencing 2 years after the date of the advance, but if an individual has less than 10 years to serve, repayment starts immediately with the balance recovered from Terminal Benefits (there are also other conditions). *Royal Navy & Royal Marines Family Support* web page, (United Kingdom, 2003); available at http://212.24.85.85/10/hous/hous_5.html; accessed 30 October 2003.

¹⁹² Department of National Defence, *Chief Review Services DND Accommodation/Housing Issues and Canadian Forces Housing Agency (CFHA) ...*, 2.

projection incorporating some of the latest financial incentives for homeownership and the changing demographic profile of the CF.¹⁹³ Regardless of what alternatives are implemented they must be done with a robust communications package to ensure that soldiers and their families feel they are being treated well and that a perceived loss of QoL is not achieved.¹⁹⁴

Conclusion

CF leadership has proposed that on-base living plays an important role in “enhancing leadership, unit cohesiveness, esprit de corps and morale – all of which are seen to be the prime movers of operational effectiveness.”¹⁹⁵ In the past, this has meant key personnel have been mandated to live on base to meet duty and social obligations, ensuring short notice availability and continual oversight in the military company town.¹⁹⁶ Although readily available CF personnel were crucial during the cold war nuclear threat era, today this is no longer the widespread case. When first constructed, the base community was touted as providing support for the young married member and spouse in adjusting to being away from the help of parents, assisting with cultural

¹⁹³ *Ibid*, 2.

¹⁹⁴ Twiss and Martin, “*Quality of Life and Shelter: An Overview of the History of Military Housing Policy and Initiatives Since the Adoption of the All-Volunteer Force Concept (1973-1996)*”..., 45.

¹⁹⁵ Department of National Defence, *Final Report of the National Defence/Canada Mortgage and Housing Corporation Accommodation Working Group*..., 9.

¹⁹⁶ *Ibid*, 9.

changes and easing in transitions upon deployment or posting.¹⁹⁷ But with such an emphasis on married quarters being geared towards maintaining operational effectiveness and the importance of cohesion building, one has to ask why more MQ units weren't built. The answer lies in the budget, as there was never enough money to build married quarters for everyone at all locations. In fact the most that was ever accommodated was about half of the married members.¹⁹⁸

Housing, a basic need of all Canadians, is of particular concern to CF members, who may be required to move to several different locations over the course of a military career. Both the Minister of National Defence and the Chief of the Defence Staff have stated on numerous occasions that improving the quality of life of CF personnel and their families is a priority of the Department and the CF.¹⁹⁹ Housing has been identified as an important factor in the quality of life of CF members and is one of the five elements of the CF quality of life program. Although CF members must find their own accommodation wherever they are posted, as the CFHA business plan states:

DND is committed to ensuring that CF members are able to secure suitable accommodation in a timely fashion at any location where duty demands. DND will pursue policies, plans and programs which encourage CF members to secure accommodation in the private sector marketplace in order to maximize freedom of choice. In those instances where the private cannot meet the needs of the CF member, DND will support Crown intervention. Intervention decisions will be site-specific and sustainable over time.²⁰⁰

¹⁹⁷ *Ibid*, Annex B. 8.

¹⁹⁸ *Ibid*, 11.

¹⁹⁹ Chief of the Defence Staff has stated "And my first priority remains people", in Department of National Defence, *A time for transformation: Annual Report of the Chief of the Defence Staff 2002-2003...*, III.

This policy is designed to ensure that there is access to accommodation at each CF site, including options such as MQs, private rentals or homes available for sale.²⁰¹

As this paper has demonstrated, over the years, MQ housing has played a key component of the CF quality of life program, provided in the form of military company towns. At first an in-kind benefit to CF families, living in MQ enclaves ensured that the CF family also had ready access to other goods and services including schooling and shopping, especially since most Bases were in isolated locations. Although there were affordability benefits, there were also drawbacks to living in MQs. Living in MQs meant loss of privacy and less housing choice; and being under the constant supervision of military leaders did not necessarily enhance family quality of life. In the civilian sector, the company towns have basically disappeared, as workers rebelled and the companies realized better pay and more autonomy were required for improved quality of life.²⁰² Despite the growth of cities and towns around most of the current base locations, as we have seen, the paternalistic concept of the company town has struggled to prevail in the military context.

As the Canadian military has progressed its view of quality of life requirements for CF families, the continued need for the company town model has diminished. Today's Bases no longer provide shopping and education facilities along with the housing and the locations are no longer the isolated communities they once were.

²⁰⁰ Department of National Defence, *Canadian Forces Housing Agency Business Plan 2002/2003 to 2004/2005* ..., 3.

²⁰¹ Department of National Defence, Canadian Forces Housing Agency, *Housing Requirements Study Summary Report*..., 1-1.

Alongside the changes to our force posture, there has also been a decrease in size and an aging of the CF population; all affecting the continued need for MQs. As there has been a definite increase in focus for the pay and compensation and family support pillars in the CF family QoL model used in this paper, there has also been a commensurate lessened requirement for continued emphasis on provision of MQs.

Much as the private sector has, for the most part, ceased the practice of providing company towns, the realities of the large amount of funding required to sustain the CF stock of MQs means DND should also question the continued practice, especially in light of the competing operational priorities for the limited dollars available. The conceptual model of a military company town is outdated and based on quality of life arguments, DND needs to move to a more diversified community model. The department should discontinue the widespread provision of Married Quarters.

²⁰² Martin and Orthner, “The ‘Company Town’ in Transition: Rebuilding Military Communities”..., 164.

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