

Derek H. Burney: The CAE's Not-So-Secret Weapon

Derek Burney spent thirty years in Canada's foreign service. Since the Canadian government's foreign affairs bureau is joined securely at the hip with government efforts to promote corporate interests (within the aptly-named, Department of Foreign Affairs and International Trade), it was a natural transition for Burney to parlay his government experience into a lucrative career promoting large, Canadian export businesses.

While working as Prime Minister Brian Mulroney's influential chief of staff between March 1987 and January 1989, Burney "was directly involved in negotiating the Canada-U.S. Free Trade Agreement."⁵

Then, in 1989, Mulroney made Burney the ambassador to the U.S., the most powerful foreign posting in the Canadian diplomatic service. During that time, Burney was awarded the Public Service of Canada's Outstanding Achievement Award (1992) and he became an Officer of the Order of Canada (1993).⁶

In a promotional blurb on Burney's book, *Getting It Done: A Memoir*, the deputy secretary of Treasury under President Reagan says that Burney "played a pivotal role in managing the complex, vital relationship between Canada and the U.S. for more than a decade."⁷

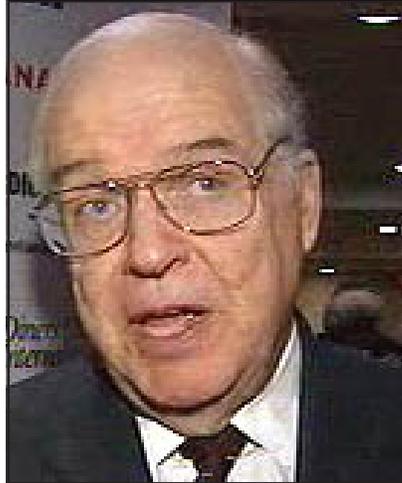
Mulroney also assigned Burney to be his "personal representative" in preparations for Canada's role in the economic summits of the "Group of 7" top industrial nations, held in Houston (1990), London (1991) and Munich (1992).⁸

When Burney left the Canadian embassy in 1993, he became the chair and chief executive officer (CEO) of Bell Canada International, a job he held until 1999.⁹

Although he had no apparent scientific or technical knowledge of any relevance to CAE Inc.'s simulation business, Burney became the company's top executive in October 1999. Presumably his many powerful contacts within the Canadian and U.S. governments were his top assets. During his tenure at CAE, Burney also demonstrated a profound commitment to promoting Canada's role as a major contributor to the U.S. military-industrial complex. He used his position to deliver speeches to large, influential Canadian business associations, warning them about the urgent need for government to spend billions more on Canada's military. He was particularly keen on the military's acquisition of high-tech equipment and increasing Canada's role in U.S. weapons-development programs, like so-called "missile defense."

Burney retained his position as CAE president and CEO until August 2004. As revealed by the CAE's "Notice of Annual and Special Meeting of Shareholders,"¹⁰ Burney, who in 2003 held 160,220 common shares in CAE, was paid very handsomely for his services. His salary and bonuses between 2001-2003 were over US\$4.75 million

Burney has taken to his role as a top executive and works closely with the Canadian Council of Chief Executives



While CEO of CAE, this former Canadian Ambassador to the U.S., and former chief of staff to Prime Minister Mulroney, used his time promoting CAE and lobbying for "missile defense" and increased military spending.

Year	Salary (\$)	Bonus (\$)	Securities under options granted (\$)	3-year growth achievement plan bonus (\$)
2003	750,000	—	450,000	—
2002	625,000	720,000	376,000	430,200
2001	525,000	678,900	200,000	—
Totals	1,900,000	1,398,900	1,026,000	430,200

(CCCE), which was formerly known as the Business Council on National Issues. The CCCE, Canada's most powerful big-business lobby group, "represents the CEOs of 150 leading Canadian corporations... that administer in excess of \$2.1 trillion in assets." Besides being vice chairmen of the CCCE's Executive Committee, he is also the co-chair of its "North American Policy Committee" and a key member of its "CEO Action Group on North American Security and Prosperity."¹¹

Burney is also associated with another right-wing interest group, namely the Canadian Defence and Foreign Affairs Institute (CDFAI), which describes itself as being "dedicated to enhancing Canada's role in the world by helping to stimulate awareness and debate amongst Canadians about their nation's defence and foreign policies and the instruments that serve them."¹²

The CDFAI brings together well-heeled Canadians from military, corporate, media and academic backgrounds to promote pro-business foreign policies. Another of its "fellows," Dr. Jim Fergusson, is Canada's leading academic cheerleader for the "missile defense" weapons program. He is a University of Manitoba Political Studies professor and the deputy director of that university's Centre for Defence and Security Studies, which receives generous government funding through the Department of National Defence.¹³

Burney keeps busy these days as:

- ◆ a business advisor to IDELIX, a Vancouver-based "digital imaging, computer aided design, modeling and simulation" company with military contracts,¹⁴
- ◆ an Adjunct Professor and Senior Distinguished Fellow, at Carleton University,
- ◆ the Board chairman, New Brunswick Power Group of Companies (a crown corporation), and
- ◆ a board member of the following corporations:

Quotations from Derek Burney

"One development of significant long term potential is [CAE's] new strategic arrangement with Boeing to collaborate on the development of Ballistic Missile Defence technology. Boeing plans to use our proprietary modelling and simulation software tools *to evaluate and develop a variety of systems related to air and missile threats.*"
Speech to CAE Investors, Nov. 6, 2002.¹

"We expect Boeing will use our simulation software and capabilities *to design and test ballistic missile defence systems* that could one day deflect incoming missiles away from North American cities."
Speech to Montreal Board of Trade, Mar. 18, 2003.²

"Boeing expects to use our software to *test and design* components of its ballistic missile defence systems. *(It is encouraging to see that some in our government now recognize the utility of Canada's involvement in this program.)*"
Speech, AGM, TD Harbour Capital, May 14, 2003.³

"Canada should do more on defence in order to participate more effectively in preserving its own national security. That is...the ultimate assertion of sovereignty. When combined with an enhanced intelligence effort, it would send a strong signal that Canada recognizes the global terrorist threat as real and continuing. It is also a matter of morality and ethics. If we are unwilling to provide our soldiers with proper equipment, we should not place them in harm's way. Instead, we should increase defence spending in the next budget and...spend those increased resources in a way that enables our armed forces to be a more effective instrument of Canadian security and Canadian foreign policy. *Procrastination on issues like missile defence does not help.* It is always easier to abstain or postpone on tough issues than to take a stand.... We faced that kind of choice on the issue of cruise missile tests years ago.*"

Speech to the Canadian Chamber of Commerce, Oct. 30, 2003.⁴

* Editor's Note: In 1983, Liberal Prime Minister Pierre Trudeau signed an unpopular, weapons-testing agreement that allowed the U.S. to test cruise missiles in Canadian airspace.

- ◆ Quebecor World Inc.,
- ◆ Shell Canada Ltd. and
- ◆ CanWest Global Communications Corp.¹⁵

CanWest Global owns a considerable portion of Canada's mass media, including the country's leading, right-wing newspaper, the *National Post*. It has criticised Stephen Harper and his newly-forged Conservative Party for not being right wing enough. Canwest is owned by the Asper family, of which Winnipeg's Israel (Izzy) was the patriarch. Izzy, who died in 2003, led Manitoba's *Liberal Party* in the 1970s, and was also "a close friend of many of Canada's prominent political and business elite, including Jean Chrétien and Paul Martin."¹⁶

The Canwest media empire includes the following ma-

ior daily newspapers: *Montreal Gazette, Ottawa Citizen, Windsor Star, Regina Leader-Post, Saskatoon StarPhoenix, Calgary Herald, Edmonton Journal, Vancouver Sun, Vancouver Province* and *Victoria Times-Colonist*.¹⁷ CanWest also gets its corporate-friendly message out to Canadians through "over 120 daily and weekly newspapers in smaller communities across Canada."¹⁸

As if that was not enough, Canwest also owns the Global TV Network with its eleven TV stations, and thereby "reaches 94% of English-speaking Canada." Canwest also owns several specialty cable TV channels as well as major TV stations in Australia, New Zealand (NZ) and Ireland. Canwest's radio broadcasting business includes stations in Canada as well as a large network of stations in NZ.¹⁹

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