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• (1550)

[*English*]

The Chair (Hon. John McKay (Scarborough—Guildwood, Lib.)): I call this meeting to order.

A number of us, including the minister and General Eyre, were at the Sam Sharpe Breakfast this morning. It was a deeply moving event. I just thought I'd give the minister a minute or two to reflect on that event, and then we'll launch into your five minutes of presentations.

Minister, you have a word or two.

Hon. Anita Anand (Minister of National Defence): Mr. Chair, members of the Standing Committee on National Defence, I am very pleased to be here with you today.

To begin with the Sam Sharpe Breakfast this morning, this was my second year in attendance as Minister of National Defence. It was the tenth anniversary of the Sam Sharpe Breakfast. Erin O'Toole and Roméo Dallaire need to be thanked, not only for their service to our country, but also for memorializing the legacy of Sam Sharpe and his service to Canada during the First World War.

In particular, Sam Sharpe did incredible work on the battlefield in leading his troops, including at Passchendaele, but when he returned home to Montreal he committed suicide, a fact speaks volumes to the work that we need to continue to do to address mental health issues and concerns.

As MP Erin O'Toole explained this morning, Sam Sharpe's legacy was really hidden for a very long time until a bust was erected and this breakfast was started.

With regard to my own personal reflections, I kind of go back to when I was young when discussions about mental health and the study of mental health were not on the agenda, either in school or in our activities, or even at home around the dinner table. In fact, mental health, I believe, probably was addressed by your parents telling you to go outside and play or do some sports or something like that.

In other words, we have come a long way in the Canadian Armed Forces in ensuring that there are supports available 24-7 to those who need supports via a hotline or other organizations. We work closely with Veterans Affairs Canada for the establishment and perpetuation of these supports.

I don't for a moment want to give the impression that we're resting on these programs as though they were sufficient. I think that we need to keep ensuring that every member of our armed forces is

protected and respected when they put on a uniform in service of this country, and part of that includes ensuring that mental health issues are addressed and can be addressed by the members themselves, should they choose to seek assistance.

I'll just say that more work needs to be done, but it's a very meaningful moment for all of us around the table. As I said this morning, one of the most impactful things about the Sam Sharpe Breakfast is that we leave politics at the door, and all of us in the room pull in the same direction for the safety and security of families, troops and veterans, as well as specifically stressing the importance of their mental health.

Thank you, Mr. Chair, for giving me an opportunity to express my feelings.

The Chair: Thank you, Minister.

We now look forward to your five-minute statement.

Hon. Anita Anand: I said that I'm pleased to join you today. In particular, I understand that we're going to be receiving questions on the main estimates for DND, the armed forces and the Communications Security Establishment.

To be clear, we are at a pivotal moment in our institutions. Across the globe, we have seen authoritarianism take hold and emerge with a new vigour.

Let's take a look at Russia, where we are continuing to see its full-scale brutal and unjustifiable invasion of Ukraine, a people who want nothing more than to live in peace and security.

China is also a disruptive regional and global power, increasingly disregarding international rules and norms, including in the Asia-Pacific vis-à-vis our RCAF pilots and crews.

• (1555)

[*Translation*]

In this changing world, we must double down on our efforts to protect our country and its people, while continuing to support our allies and partners. The \$26.5 billion we are requesting for the Department of National Defence, DND, and the Canadian Armed Forces, CAF—including \$1.7 billion in statutory authorities—will allow us to sustain our current operations, while putting us on track to meet our international obligations for years to come.

[English]

Breaking these down in terms of the total funding requested for National Defence, almost \$18 billion is allocated to our operating expenditures.

[Translation]

As I said, this funding sustains day-to-day operations, including supporting our people, ensuring their operational readiness, and keeping our equipment and facilities in good shape.

Similarly, the entirety of the requested funding for the Communications Security Establishment, or CSE, is for program expenditures, which include day-to-day operating expenses along with smaller capital investments.

[English]

The remaining funding for DND includes \$319.8 million in grants and contributions, transfer payments to other orders of government, international organizations, individuals and third parties.

There's \$46.7 million towards the long-term disability and life insurance plan for forces members, and almost \$6.1 billion in capital expenditures, those being longer-term investments in our military's capabilities.

Throughout this estimates process, we're providing funding for several specific initiatives. You have heard me, in fact, discuss these a number of times at committee. They are the NORAD modernization plan, the North Warning System, the IM/IT modernization program, Canadian Forces health care, and culture change in the Canadian Armed Forces.

This is a broad range of investments, Mr. Chair. That is why you are seeing the amount of requests in the main estimates, and that is why you will continue to see us work to help protect our country during an era of uncertainty and instability. We do recognize that we need to keep moving forward. We need to do this quickly, but we also need to be deliberate and systematic about it.

In terms of our defence policy, you know that the governing policy is "Strong, Secure, Engaged". The expenditures we are putting forward are under our defence policy put forward in 2017. At the same time, we are undertaking a defence policy update, and we are making sure we are taking into account the new and emerging threat environment in the area of cyber, and emerging global conflicts, including in Ukraine.

Throughout our defence policy expenditures under "Strong, Secure, Engaged", you are seeing our defence expenditures increased by 70% over the nine-year period beginning in 2017. We recognize that we have more work to do, but I want to be clear that our defence spending is on an upward trajectory.

In the meantime, the funding requests I'm putting forward today will enable us to deliver on our critical commitments. They will allow us to sustain our military as we begin to chart a course forward in the short, medium and long-term with the defence policy update.

I so look forward to discussing these plans with you here today.

Thank you so much.

• (1600)

The Chair: Thank you, Minister.

We have Mr. Bezan for six minutes, please.

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Thank you, Mr. Chair, and thank you, Minister Anand, for being with us. General Eyre and everyone at the end of the table, thanks for joining us.

I appreciate the comments about the Sam Sharpe Breakfast. It was very well attended. It's one of the best ones I've been at over the last decade.

I, too, want to extend my thanks to retired senator, Lieutenant-General Roméo Dallaire, as well as my soon to retire colleague, the Hon. Erin O'Toole, a retired captain of the air force. I want to thank them for their work, and I'm looking forward to seeing it being handed off to two of our colleagues, retired Admiral Rebecca Patterson, who is now a senator, as well as our colleague in the House of Commons, Alex Ruff, a retired colonel. I know they will continue with the great tradition of monitoring our military and those in service and their families, as well as all of our first responders and police officers out there who are suffering with mental health and operational stress injuries.

Minister, I want to start with the crisis in Sudan. As was reported yesterday in the newspaper, your Liberal government seems to have a habit, when it came to Afghanistan and now in Sudan, to be the last ones in and the first ones out. Prof. Christian Leuprecht said that we simply don't have the capacity, we don't have people, or we don't have the political will. Which is it?

Hon. Anita Anand: Thank you for the comments from my honourable colleague, Mr. Chair.

I don't agree with the comments that were made in that regard. In fact, we put six flights into the Wadi Seidna airport and we removed 550 people. We also ensured the evacuation of our diplomats in coordination with our allies, so—

Mr. James Bezan: There are still 230 Canadians left behind that we need to get as well. If we had started earlier, we may have been able to get them before things degraded even worse.

Hon. Anita Anand: The clarification there is that there are approximately 200 Canadians still asking for help. That is being quickly and expeditiously monitored by Global Affairs Canada, and there are still a number of options for exiting the country through Port Sudan, as we do know that commercial flights are still leaving from there. We have two ships in the harbour, and we also have Canadian Armed Forces and Global Affairs Canada in the region.

Mr. James Bezan: Thank you.

I've only got six minutes. I want to switch gears a bit and get back to the estimates.

Last year, you said on TV that you were going to “personally” bring “forward aggressive options” that would see Canada “potentially, exceed...the two per cent level, hitting the two per cent level” or come in “below the two per cent level”.

Based upon NATO numbers, this year we're sliding from 1.34% of GDP down to 1.29%. In your last expenditures, if I look at lapsed spending, you would make even your predecessor blush, in that you lapsed \$2.5 billion in military spending.

How did that happen? I thought you were committed to getting us to the 2%. Is it because Prime Minister Trudeau has told our allies that we'll never get there?

Hon. Anita Anand: There are many parts to this question, so let me start with defence spending itself.

I already indicated how we are increasing our defence spending by 70% under “Strong, Secure, Engaged”. In addition, we committed \$8 billion under budget 2022 and, in addition to that, we have committed almost \$40 billion for NORAD modernization and continental defence.

My point is that our defence spending is on an incline, and that is unlike the Conservatives, who let defence spending fall below 1% while they were in power.

Mr. James Bezan: I'm sorry, but I just want to remind the minister that when we were government, we had the Afghanistan wrap-up, so there wasn't the cash outflow after we came home. Secondly, we did get all the kit bought that we needed: new C-17s, new Hercules, new Leopard tanks and new Chinook helicopters. We got stuff done. We didn't commit to the 2% until 2014, and we had a 10-year plan to get to 10%.

Now, you're seeing spending lapse under your watch by \$2.5 billion. You can go out there and make a bunch of promises, but if you don't deliver...and that's what last year was about—not delivering. How are we ever going to get to our NATO standard of 2% when you're allowing a \$2.5-billion lapse in one year?

Hon. Anita Anand: I beg to differ in terms of not providing results. We have Arctic offshore patrol ships, for example, in the water, one of which has circumnavigated the North American continent, and we have signed—unlike the previous government—a contract for the provision of 88 F-35s for the RCAF.

To get to the point about lapsed funding—

Mr. James Bezan: I do thank you for buying them after the Prime Minister said he'd never buy them: I think it was actually a very good purchase.

• (1605)

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): I have a point of order.

The Chair: Okay. I suspect that point of order is to let the minister answer the question—

Ms. Jennifer O'Connell: Yes.

The Chair: —and I think that's a fair point of order.

Let me give you a minute and 15 seconds to answer the questions.

Hon. Anita Anand: On lapsed funding, I agree: We need to spend allocated funding and we need to get projects out the door.

I believe strongly in the fact that with the allocated funding, under the envelopes that I have already identified in my response, our department needs to continue to put their shoulders to the wheel in terms of procurement and make sure that we are delivering on the items that have been contemplated already in Strong, Secure, Engaged and in NORAD modernization, and that's what we are working very hard to do.

Mr. James Bezan: Minister, the Pentagon papers that were released on the Discord app said that the Prime Minister told NATO that we'd never hit the NATO target of 2%. This has strained our relationship with our allies, particularly in NATO and in the United States.

Can you comment on how that is impacting upon your ability to do your job as the Canadian Minister of National Defence at the NATO table?

The Chair: Comment very briefly, please.

Hon. Anita Anand: Our commitment to NATO has been strong as a founding member and will continue to be strong. We are recognized as a leading country in NATO and in terms of aid to Ukraine by the secretary general, as well as the defence minister of Ukraine and President Zelenskyy himself.

In terms of NATO and our allies, we meet monthly around the table of the defense contact group. That's NATO countries and at least 20 more countries. The feeling in the room is unified and one relating to collective action for Ukraine and for European security—

The Chair: We're going to have to leave it there.

Hon. Anita Anand: —so the alliance is strong and Canada's contribution is also strong.

Thank you.

The Chair: Mr. Sousa, six minutes.

Mr. Charles Sousa (Mississauga—Lakeshore, Lib.): Thank you, Mr. Chair.

Thank you, Minister, for attending, and also acknowledging the fact that over the last number of years there has been increased spending, there has been increased modernization and an increased understanding and awareness of the requirement to modernize our supports, increasing in our operations, as well as enhancing and improving the cultural aspects of the armed forces. I commend you on those two counts.

For my first question, let's start with the health investments made by the Canadian Armed Forces. You can appreciate that we're talking a lot about health in our committees now with regard to what it means, particularly for women and advancing the workplace and safety of the environment. Could you comment on those aspects, please?

Hon. Anita Anand: Thank you, Mr. Chair, for the question of my honourable colleague.

I want to say that from the very moment I was appointed, my top priority has been to address issues relating to culture in the Canadian Armed Forces, to ensure that we are building an institution where everyone in our country feels welcome, regardless of their race, their ethnicity, their religion, their sexual orientation and disability.

The key is that institutional change takes time, but what we are doing is ensuring that we have a plan, which is why in December 2022 I accepted all 48 recommendations of Madame Arbour and set forward a road map for the implementation of those recommendations. That was somewhat unprecedented in the way our government responds to reports, because what I wanted to do is to say to the House of Commons that we're serious about this and this is our plan.

In terms of allocated spending, in budget 2022 we announced \$144 million over five years and \$31 million ongoing to expand health services, to expand physical fitness programs, to be more responsive to women and gender-diverse members; and we're continuing to advance initiatives to meet clinical, occupational and deployment needs.

As a racialized woman myself, I want to stress that I feel very deeply about issues relating to discrimination, sexual harassment, sexual misconduct, inclusivity and diversity. Some people may call that woke; for me, it's just my actual everyday life. I will continue working on that with my team, with the chief of the defence staff and with the deputy minister for as long as it takes, because this is crucial.

We are modernizing the Canadian Armed Forces, and we are making sure everybody feels welcome. It's going to take time, but we have a plan.

Thank you.

● (1610)

Mr. Charles Sousa: There are some items in these estimates that also make reference to the purchase of the next generation of fighter jets. I was wondering if you could provide some detail as to how these funds are necessarily being used.

Hon. Anita Anand: First of all, I want to note that the contract we signed is thanks to a rigorous, open and transparent competition that this government conducted free from political interference. National Defence is seeking \$19.8 million to commence implementation activities in these estimates, and F-35 deliveries will begin in 2026, and they will support initial training that will be conducted in the United States.

We have to, however, prepare for the arrival of these jets here in this country, so we've already taken steps to prepare for the con-

struction of fighter squadron facilities in Bagotville and in Cold Lake, which I know is good news for those bases.

We're also seeking \$154 million to advance construction on forces bases across this country so that we can make sure we're using the newest infrastructure, modernizing and recapitalizing existing infrastructure. One of the greatest things about the F-35s is that they're going to allow us to be interoperable with our allies. But in order for that interoperability to take hold, we have to have the technology on the ground in the bases so that we are operating on the same footing as our allies, and that's the work we are doing right now at National Defence.

Thank you.

The Chair: You have a little bit more than a minute.

Mr. Charles Sousa: Can we talk a little bit about the cultural change? I see a lot of effort with regard to our infrastructure and we're doing great procurement, we're advancing the cause with our jurisdictions around the world and we're trying to ensure we stay ahead, or at least maintain strong presence and collaboration. How is that collaboration happening inside and the cultural...? We've had some challenges there, and since you've been there, some great, positive things have been happening, so can you clarify a little bit about that?

Hon. Anita Anand: As I mentioned, institutional change of this sort is difficult, but not impossible. However, what is required is collaboration from leadership, which we have here around the table and throughout the organization, so that we're all pulling in the same direction. It is not enough for the Minister of National Defence to say that she's against discrimination and in favour of inclusivity and diversity. At all levels throughout our country, we need to ensure that we are all on the same page to modernize the Canadian Armed Forces.

One of my priorities as Minister of National Defence is to visit bases across this country, to speak with the forces members themselves and to hear what they care about and what they want. More often than not, women, especially, on those bases will pull me aside and whisper in my ear to say, "Thank you for the work you're doing on culture change."

Those aren't the people who are in the media every day. Those are the people who are seeing meaningful change on the ground.

To all forces members who are working so hard to reform this institution, I want to say thank you.

The Chair: Okay, we're going to have to—

Hon. Anita Anand: To all forces members who see the need for this change, I want to say thank you.

The Chair: Thank you.

Thank you, Mr. Sousa.

[*Translation*]

Over to you, Ms. Normandin, for six minutes.

Ms. Christine Normandin (Saint-Jean, BQ): Thank you.

Thank you to the minister, General Eyre and the senior officials for being here today. It's always a pleasure to have them.

I'm going to preface my first question with a comment. There's a fairly strong consensus around the table on the support we should be providing to Ukraine, and we're glad to receive requests that we can accommodate. It is, however, legitimate to ask questions about the way in which those requests are fulfilled. The case that comes to mind involves 200 light armoured vehicles that were sent to Ukraine after the untendered contract for the equipment was awarded to Roshel. The issue is back in the news.

At the time, questions were raised about the fact that the contract had been awarded without a call for tenders. Now we are learning that bribery and financial pressure may have been why the contract was awarded on a sole-source basis, possibly costing Canadian taxpayers more than a contract with another supplier. It's reported that it may have cost 35% more to procure the Roshel Senator armoured vehicles.

At the time, the government's reason for awarding the sole-sourced contract was that Ukraine's defence minister, Mr. Reznikov, had requested those armoured vehicles specifically. We later found out that President Zelenskyy had threatened to fire Mr. Reznikov over allegations of collusion.

Should DND review its criteria for awarding a contract in response to a request from Ukraine?

● (1615)

Hon. Anita Anand: Thank you for your question.

It's important to keep in mind that Ukraine is at war and desperately needs military assistance. It needs that assistance now, and that's why Minister Reznikov asked me for specific equipment for Ukraine, including the armoured vehicles. The contract is the product of a conversation with, and letters from, the Ukrainian government regarding the equipment it needed at the time. The most important thing was making sure that Ukraine had the equipment it needed at that time.

By the same token, contract integrity is very important. We will always ensure the integrity of our contracts. That means contracts are subject to a rigorous review process and due diligence before being awarded. We continue to support Ukraine in accordance with the law.

Ms. Christine Normandin: Unfortunately, Minister, it's expected that the conflict will be ongoing, that it will grind on, and that Ukraine will make more requests.

I'll phrase my question another way. Will the fact that a request for military equipment comes from Ukraine always be the only consideration in awarding that contract, even though we now know collusion took place and could therefore take place again? The government did not engage at all with the rest of the industry to determine whether another product might be competitive. Did the Roshel equipment cost 35% more—\$100,000 per vehicle—as compared with the cost of similar products available from other industry manufacturers?

Hon. Anita Anand: I have two points to raise.

First, we initiated an audit, and we inspected all the numbers, records and documents related to the contract in place.

Second, the allegations were not proven. A decision was made to resume full production while the audit was being conducted. It's important to keep in mind that we have to follow a process. We have to ensure the integrity of all our contracts and all suppliers that have contracts with the Government of Canada. I'd like to talk about the process now.

In the future, if there are suppliers in your riding, my department can speak with them. You are right that the war could go on for quite some time, so we should make sure that all our suppliers have an opportunity to share in the economic benefits.

Ms. Christine Normandin: The problem in this case is that suppliers weren't aware that equipment was needed because there wasn't a call for tenders. Am I to understand that you are open to the idea of establishing an expedited tendering process to deal with urgent requests, instead of routinely signing mutually agreeable contracts?

[English]

Hon. Anita Anand: I will say that our top priority, each and every time, is to ensure we get high-quality equipment in the hands of the Ukrainian armed forces, while ensuring the integrity of contracting within the balance of our law.

● (1620)

The Chair: Thank you, Madame Normandin.

Ms. Mathysen, you have six minutes.

Ms. Lindsay Mathysen (London—Fanshawe, NDP): Thank you, Minister, General and officials for coming today. I appreciate your time.

At the 2017 United Nations peacekeeping defence ministerial conference, the government promised a 200-member quick-reaction force by March 2020. That's now been pushed back twice. We're now looking at a deadline of March 2026. In order for the United Nations to be able to plan and do what they need to do, they need to know they can rely upon those peacekeepers from Canada. It's something Canadians have come to identify with, in terms of our contributions around the world. The international community is relying upon that.

How are you going to ensure we meet that new, recent timeline?

Hon. Anita Anand: Let me start off by saying, first of all, thank you for the question.

We are committed to supporting peace, stability and security, and that's why we have a range of support for peace operations around the world. In fact, Canada is one of the top 10 financial contributors to the United Nations peacekeeping operations.

What our Canadian armed forces are doing is providing tailored and specialized military contributions to ongoing UN peace support operations, including in the area of training on the role of women peacekeepers in UN operations. We recently renewed our commitment to provide tactical airlift support to UN peace operations in Africa.

In terms of the question, we are continuing to look for ways to contribute to UN operations.

I will ask General Eyre whether he has anything further on the question.

General Wayne D. Eyre (Chief of the Defence Staff, Canadian Armed Forces, Department of National Defence): Thank you, Minister.

Mr. Chair, we have to remember that a quick-reaction force is only employed when the situation is very bad. It has to be prepared to fight. Before we put a 200-person quick-reaction force anywhere, we need to make sure that the enablers are in place that go around that—the casualty evacuation, the intelligence, the fire support and the line of communication logistics required to ensure that element is set up for success.

I've been on a UN peacekeeping mission where that was not in place and where we ended up being over-matched by one of the sides. We had some pretty intense combat because we were put into a situation where we did not have those enablers. We have to make sure that, wherever we send Canadian troops, we give them the tools that are necessary.

Ms. Lindsay Mathysen: I wouldn't deny that we want our people to be ready for what they have to go into, absolutely.

Why would you set a deadline for March 2022—another deadline that was missed—and now 2026, when you weren't able to meet it in the first place?

Hon. Anita Anand: What Canada does is regularly engage with UN officials to assess where and when a quick-reaction force may be required. Any deployment of a QRF would follow a specific decision by the Government of Canada to do so in support of a specific UN mission within clearly defined parameters, building on chief of the defence staff's comments just now.

It is an iterative process of examining the global situation and the requests that we receive from the United Nations, understanding our other missions and operations in the same context.

Ms. Lindsay Mathysen: I am going to switch gears. We have been waiting for you to come for a while, so I have a lot of questions.

Of course, I am happy to see that a tentative deal has been reached with the PSAC. That was a long time coming, but there are these workers who work for the Union of National Defence Employees. They serve and support our troops. They're doing essential work for the Department of National Defence.

Can you tell us, Minister, how many times you've met directly with Union of National Defence Employees since becoming the minister?

Hon. Anita Anand: I will ask my deputy minister to take all questions relating to the strike, but I will say that I am extremely pleased that a negotiated solution was found so that we can continue doing the important work to serve the population of our country.

Ms. Lindsay Mathysen: I am glad, but my direct question was how many times you yourself have met directly with the union that works for DND.

Hon. Anita Anand: I have not had the opportunity, but would welcome it.

Ms. Lindsay Mathysen: Can you explain why, in the entire time you've been minister, you have not once met with the union?

Hon. Anita Anand: As I said, I would welcome an opportunity to meet with them.

Ms. Lindsay Mathysen: Could you provide an explanation as to why you haven't met with them yet? It's been quite a while. One would expect that one of the first people you would meet with would be the president of such a large group of people who work directly under you who serve our troops. Is that correct?

• (1625)

Hon. Anita Anand: I meet with a large range of stakeholders, including defence employees, and I'll continue to be welcoming and have my open-door policy for those meetings.

Thank you.

Ms. Lindsay Mathysen: The union votes on a president, their representative, just as the people in your riding vote for you as their representative. Don't you think that it would be important to build those relations and to understand what those employees are dealing with?

A lot has been said about sexual misconduct, and some of the issues that employees within Defence itself and the department deal with as well, not just within the CAF. I'd think that you would want to hear about those issues directly from their main representative, the president of that union.

Hon. Anita Anand: I most definitely—

The Chair: That may be an important question, but—

Hon. Anita Anand: —do want to hear from them, and I have met with hundreds of employees across our country.

The Chair: —the time is up.

With that, colleagues, I take note that the minister has to leave.

I think we can get in a full round.

Madam Kramp-Neuman, you have five minutes.

Mrs. Shelby Kramp-Neuman (Hastings—Lennox and Addington, CPC): Thank you, Minister, General and officials, for coming.

A letter signed by 60 of Canada's top former military leaders stated:

...the recent federal budget was largely a summary of previous announcements without any acknowledgement that the Government must accelerate program spending, and make significant additional funding available to address the long-standing deficiencies....

Given the multi-partisanship and the genuine concern expressed in this letter, Minister, how are you going to ensure that the budget allocates the necessary funding to deal with the existing deficiencies?

Hon. Anita Anand: I agree that we need to continue to examine our spending, how we ensure that allocated spending gets out the door and allocate additional spending to new and emerging threats.

On that latter point, what we are undertaking now is a defence policy update. What is driving that update are the current and future needs of the Canadian Armed Forces in the current threat environment, which has changed since 2017 and our defence policy of “Strong, Secure, Engaged”.

The unjustifiable, illegal war in Ukraine by Russia is just one example. Cyber-threats are another example. The increasing tensions in the Indo-Pacific are another example. All of these global situations are ones that did not necessarily exist in the same way in 2017 when we put forth our “Strong, Secure, Engaged” policy.

The defence policy update, where we consult with hundreds and hundreds of stakeholders, is part of the next phase of growing the Canadian Armed Forces.

Mrs. Shelby Kramp-Neuman: Thank you for that.

The CDA Institute has stated that “even our critical Five-Eyes relationships require that we invest sufficiently to earn our seat at the table.”

Given the emergence of AUKUS, is Canada being left out of the conversation and intelligence-sharing networks with our allies?

Hon. Anita Anand: Canada has very strong relationships with our Five Eyes allies. On a range of topics, I meet regularly with those Five Eyes allies, in particular on issues relating to intelligence-sharing, relating to providing military aid to Ukraine and relating to our co-operation in the Indo-Pacific. Our close friends and Five Eyes allies...in terms of a partnership, it remains very strong.

Through our Indo-Pacific strategy, for example, we're investing approximately \$500 million in four defence initiatives to boost our military presence in the region. Through NORAD, we are working very closely with the United States. As I said, I am in frequent contact with our Five Eyes counterparts. We will continue to work with them to keep Canadians safe.

Mrs. Shelby Kramp-Neuman: With regard to the United States, former Canadian ambassador to NATO Kerry Buck has been quoted emphasizing the impact that shortfalls have on Canada's international reputation and our reputation with our U.S. partners.

In concert with what you were just suggesting, can you speak to the continued reliance on the U.S. and the international tensions that are continuing to rise?

Is Canada prepared to not only defend itself, but to actually be an effective partner with the United States?

• (1630)

Hon. Anita Anand: Thank you for the question.

Most definitely, yes. We are partnering very closely with the United States on NORAD modernization and continental defence. For example, there's almost \$40 billion that we, as a government, have put on the table to modernize our continental defence. Part and parcel of that process is my strong relationship with Secretary Austin.

All the way through our teams in defence, we are seeing a very close working relationship. This was emphasized by President Biden when he visited the House of Commons, for example. It was also emphasized and underlined recently, when we co-operated under the binational command of NORAD regarding the suspected balloons.

This is work that we'll continue to do together with the United States.

Mrs. Shelby Kramp-Neuman: Perfect. Thank you for that.

You suggested the additional spending. It's always additional spending and additional announcements. Going back to that open letter I spoke to earlier, it talks of how years of restraint, cost-cutting, downsizing and deferred investments have meant that Canada's defence capabilities have atrophied.

How is the feedback being received? Are officials changing the operations and approach taken by the ministry?

The Chair: Again, asking a question with only 15 seconds left is never going to get us through this agenda.

You have five minutes, Mr. Fisher.

Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.): Thank you very much, Mr. Chair.

Thank you, Minister, for being here with your team. Thank you for coming out to Nova Scotia. I know you and your associate minister there love getting back home.

We had an opportunity, as you know, to visit the defence research and development command, the DRDC. I think about the way they partner with the private sector. They partner with industry. So many of the partners that the DRDC is using are located right in Dartmouth—Cole Harbour. Many of them are Canadian-focused as well.

We've heard an awful lot at this committee that new and emerging technologies are challenging the security environment. We need to invest to keep pace and to adjust to the threats of these technologies, while also ensuring that we're working with industry to develop our own capacity in Canada.

Can you walk us through how National Defence is working to address these challenges?

Hon. Anita Anand: Thank you. I'm glad you mentioned DRDC, Defence Research and Development Canada, because it ties into the last question that was asked about our Five Eyes allies. At DRDC last week, we discussed projects that they are undertaking with Five Eyes allies in research and subsurface capabilities.

In terms of intelligence gathering with our Five Eyes allies, the chief of the CSE, Caroline Xavier, is here today—and every single day she and her team are in touch with these allies. This is an ongoing and very strong relationship with our Five Eyes partners. We witnessed it at DRDC last week again.

Regarding your question about ensuring that we are technologically advancing, I want to stress that we will continue to work with industry to develop our own capacity in Canada. We know that the pace of technological development is presenting new security challenges, as your question suggests. We are continually making sure that we can take advantage of, and defend against, emerging defence capabilities and threats.

I'll just give you a couple of examples of the types of things we're undertaking to ensure that we are ready, that we are maintaining the priority of innovation in advancing the defence agenda. For example, in main estimates, we are requesting \$19 million to fund research in areas critical to future defence and security needs. We're also requesting \$5 million in grant money that's going to be used for contest prizes, including things like advancing robotics and integrated systems for relocatable, temporary camps. We have programs called IDEaS and MINDS, which stimulate innovation by bringing solutions from the community at large back to DND to enhance defence capabilities. In addition, we're requesting \$2.25 million in contribution money to support ongoing collaboration with multidisciplinary networks of experts in addressing key policy issues of the day.

All of that is in response to your question. Innovation, technological development, in conjunction with industry and the greatest minds in our country, is a top priority for us.

• (1635)

Mr. Darren Fisher: In that regard, it's interesting that we also talked about the techies, the young people coming up with all those skills, possibly helping with retention and recruiting down the road.

Minister, I'm interested in your thoughts on the importance of investing in our naval capabilities. This morning I met with shipbuilders from Unifor Marine Workers Federation Local 1. I have to tell you that the sense of pride in the room was absolutely incredible. They're just so proud to be providing ships for Canada's military. I'm interested in your thoughts on that.

I want to give a quick shout-out as well to both Adams and Shannon, actual shipbuilders who visited me today in Ottawa. Again, they're so proud of what they do for the Canadian government.

Do you have any thoughts on the investment in our naval capabilities?

The Chair: You have about 30 seconds, please.

Hon. Anita Anand: I'm so glad you asked the question, Mr. Chair, primarily because this year is the 100th anniversary of the naval reserve. We should definitely be celebrating Canada's naval

contributions, and certainly Nova Scotia's naval contributions as well.

In shipbuilding, we are seeing marked success in the projects under the national shipbuilding strategy. I want to point to the Arctic offshore patrol ships, for example. In these estimates, we're requesting \$345 million to continue construction of the three remaining ships. That means there are three ships in the water, which are incredibly important for maintaining a naval presence.

We are also requesting funding for the Canadian surface combatants, 15 ships, to support shipyard and other infrastructure initiatives.

The Chair: Unfortunately, we're going to have to leave it there.

You have two and half minutes, Madame Normandin.

[*Translation*]

Ms. Christine Normandin: Thank you, Mr. Chair.

Minister, I'm going to come back to the issue of procurement. You said that the urgency of a request could warrant the signing of a mutually agreeable contract. That urgency does not exist in all cases, however—the replacement of the CP-140 Auroras, for instance. According to the government's timeline, the project won't get under way until 2027-28, and the first delivery isn't expected until 2032-33.

Why wasn't there a call for tenders, given what we recently found out about the production problems and delays at Boeing, the company the government seems to be eyeing to replace the fleet? Why wasn't there a call for tenders for such a major project? It's a fair question.

Hon. Anita Anand: First of all, no decision has been made yet.

Second of all, it's important to keep in mind that we have to take steps to carefully examine all the options, not just the option you're talking about. We will make sure the Canadian Armed Forces has the equipment it needs when it's needed to do the tough jobs we ask of CAF members. That is why we will examine that option.

Ms. Christine Normandin: One of the things Bombardier has criticized is the fact that the department moved up the dates it had originally set, preventing the company from providing an effective product. Will the department commit to sticking to its original schedule, according to which, the project would not get under way until 2027-28 at the earliest?

Hon. Anita Anand: We have to keep in mind that, through ongoing engagement with the industry and our allies, we have determined that the P-8 Poseidon is the only reconnaissance aircraft currently available that meets the requirements of the Royal Canadian Air Force.

Does the deputy minister have anything to add?

[*English*]

The Chair: Unfortunately, Ms. Normandin, you are way beyond your time. Maybe you can work that in during the second hour.

Ms. Mathysen, you have two and a half minutes.

• (1640)

Ms. Lindsay Mathysen: Thank you.

In this committee, we just started a study on the health services provided to our armed forces and then on transition services.

In 2017, the government signed a \$1 billion deal with Calian to outsource the provision of health care workers in the armed forces. At that time, Calian's CEO said that it was too early for Calian to be hiring anymore staff.

We've repeatedly heard in this committee about the need for medical professionals and doctors to be provided and available to CAF members. In fact, General Eyre was at this committee talking exactly about that need to provide health care professionals.

With regard to this huge contract that Calian is making quite a lot of profit from—taking profit away from the provision of health care professionals—wouldn't it be more beneficial to hire more medical professionals directly, bringing them back in-house to service our CAF?

Hon. Anita Anand: I'm going to ask the deputy minister whether he can take this question. Thank you.

Mr. Bill Matthews (Deputy Minister, Department of National Defence): Certainly, Mr. Chair.

There are two points here. It's a blended approach. Yes, there's a contract with Calian, and yes, there are contracted resources for health care services available on bases. They can serve two purposes: One is a stopgap, where there is a shortage amongst employees; and two is a longer-term delivery model where there are no employees available in the foreseeable future.

That's not to say that there are no employees giving health care services on bases. Across the country, it's a mixed model. Where there are delays in staffing or we cannot find the appropriate qualified employees to deliver the services, Calian provides a useful backup.

As you know, military members do not use the provincial health care system unless there are special circumstances.

Ms. Lindsay Mathysen: Part of the budget this year, as well as the PSCC's recent negotiations, was a promise to cut that outsourcing by 15%. Would this be one of those deals that you would look at?

Mr. Bill Matthews: Mr. Chair, when we're looking at health care services, the first thing is that we need the services available. Where the staff can be found—and there's an ongoing challenge in

health care services—our priority is to staff those positions. Where there are delays in staffing, absolutely, we have to rely on other means to provide the services.

The Chair: Ms. Gallant, you have five minutes.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Thank you.

It's great to hear that our Arctic patrol ships that we ordered when we were government are so well appreciated.

Minister, you said that the updated SSE is reacting to threats we face today.

This committee learned about threats to our Arctic, in particular below the water surface. Can you tell us where in the estimates this is reflected, for example, even for the beginning of research into a submarine that can be used by the Canadian Forces that will stay under the water longer than our diesel engines?

Hon. Anita Anand: Thank you, Mr. Chair, for this question.

First of all, we have our Victoria-class modernization project for four submarines contemplated in these main estimates. We're asking for \$3.3 million to enhance capabilities, conditions and operation of subs through the mid-2030s.

In addition, our Royal Canadian Navy is examining conventional options that would be available for a potential submarine replacement class. That's going to include gathering information and conducting an analysis of submarines that would meet the requirements, some of which the honourable member outlined.

Our defence policy update is currently under way; public consultations are ongoing. We look forward to releasing the defence policy update in the near future.

Mrs. Cheryl Gallant: Thank you.

Given the degree to which we had to rely on the United States during the challenges with balloon overflights earlier this year, has Canada had any concrete progress in increasing its surveillance capabilities?

Hon. Anita Anand: Actually, I disagree with the premise of the question that we had to rely on the United States. In fact, it was the binational command through NORAD that detected and shot down the suspected balloon over Yukon in February.

In other words, it was Canada and the United States acting jointly with NORAD. It was NORAD doing what NORAD does best, which is controlling our skies.

Mrs. Cheryl Gallant: How close are we to getting the sensors, so that we, ourselves, can detect when we have intrusions into our air space?

Hon. Anita Anand: We're continuing to work on our aerospace surveillance by maintaining the North Warning System with a contract with Nasittuq Corporation for about \$600 million, as well as through NORAD modernization by establishing over-the-horizon radar from a polar and an Arctic perspective.

Mrs. Cheryl Gallant: Minister, when will that be up and running? How long do we have to wait?

Hon. Anita Anand: On our website, we have outlined 19 projects that will be undertaken as part of the \$38 billion that we are contemplating for NORAD modernization.

This is a process. Establishing air surveillance systems is going to take time. While we're establishing the new northern approaches surveillance system, we're also maintaining our North Warning System to ensure the safety and security of our skies through NORAD.

Mrs. Cheryl Gallant: Will budget 2023 provide our troops with the needed materials to properly defend democracy here and abroad?

Hon. Anita Anand: As a general matter, our defence spending is on an upward trajectory through various continued additions to our spending through budget 2022, through our defence policy in 2017 and through our NORAD modernization, which was announced in June 2022.

There are a number of envelopes on the table that have allocated money for increased defence spending. We have the sixth largest defence budget in NATO and our defence spending is on an upward trajectory.

• (1645)

Mrs. Cheryl Gallant: Let's talk about NATO.

Hon. Anita Anand: Yes, we have more work to do, but we are doing it.

Mrs. Cheryl Gallant: Thank you, Minister.

With respect to reporting on the defence spending for NATO, Canada includes spending made directly to veterans, peacekeeping, humanitarian operations, the Coast Guard and transfer payments to security agencies—both international and domestic. Those are new additions to make it look like we're investing more in the military than we are.

Given that we learned that the Prime Minister has no intention of even attempting to aspire to the 2%, what's going to happen when the 2% goal becomes the floor and it's no longer just an aspirational goal? What happens when it becomes the floor at which we're supposed to be spending on defence from the beginning?

Hon. Anita Anand: I think it's important to remember that we can't simply place large sums of money in front of the Department of National Defence without a plan for the spending of that money. The work we're doing with the defence policy update is just that: It's to establish a plan to ensure that we are allocating funding to the needs we have from a defence perspective. That's what we did in 2017 as well. It's to make sure we are putting funding where the threat needs exist.

I want to stress to you all that at Defence, we are looking at allocated funding and also at why it was allocated. As the previous

question suggested, we need to get out the door the money that has already been allocated to us, either in SSE or in NORAD modernization.

That's the work we have to do...as well as in the defence policy update.

The Chair: We're going to have to leave the answer there.

We'll go to Ms. O'Connell for five minutes.

Hon. Anita Anand: Mr. Chair, I think I have been here for an hour and I do have to go, so could you let me know—

The Chair: Yes. We are running to ten minutes to five. After Ms. O'Connell, it's over.

Hon. Anita Anand: Thank you.

Ms. Jennifer O'Connell: Thank you, Mr. Chair.

Thank you, Minister, for being here with your team.

I want to follow up on the 2% spending because earlier in the questioning you were cut off.

You mentioned just now about the plan that is necessary, obviously. It's not about just hitting a goal of 2%. It's about making sure that the investments with Canadian taxpayers' dollars are, at the end of the day, going to investments to support CAF and to support our defence here and around the world.

You started to mention, in response to Mr. Bezan, that the previous government had spent less than 1%. He suggested that there was some plan to get there. However, that's not the case. You can't rewrite history. If, as Ms. Gallant has pointed out, 2% might be the floor, they couldn't even get to 1%.

Can you perhaps finish your answer from before you were cut off.

Hon. Anita Anand: Thank you for the question.

I want to start where you ended and say: Make no mistake, when the Conservatives were in power, defence spending dipped below 1%. That's a fact. Under our government, we are continuing to increase defence spending by 70% under "Strong, Secure, Engaged" over a nine-year period. That is \$8 billion in budget 2022 and \$38 billion under NORAD modernization.

Mr. Chair, those are tangible additions to our defence spending. Our defence spending is on an upward trajectory, and we will continue to do the work necessary to spend allocated funding and get projects out the door.

I want to point to the urgent operational requirement procurements that I announced earlier this year. We are investing in portable anti-tank missile systems, counter uncrewed aircraft systems and air defence systems. As we build to brigade level in Latvia, we are going to need these systems. We initiated the process to procure these items to enhance our capabilities there. That's what I'm talking about—ensuring that we are utilizing allocated funding for the benefit of our defence and collective defence, as well as our NATO contributions.

• (1650)

Ms. Jennifer O'Connell: Thank you.

To follow up on that, actually, my next question is about procurement, obviously defence procurement. We always hear that procurement moves too slowly. Successive governments hear that. You mentioned the fact that we actually signed contracts, so the Conservatives can talk about something they wanted to do or talked about doing, but we are actually moving forward on this work.

Mr. Chair, I'm hearing a lot of heckling when I'm speaking. Perhaps the members opposite can wait their turn.

Can you, Minister, talk about procurement and the plan to not only procure what CAF needs but actually also be able to deliver on what we are procuring?

Hon. Anita Anand: Thank you so much.

Streamlined and flexible procurement is necessary for the successful and timely delivery of modern capabilities. We have more work to do to create a more efficient and more effective procurement process. What I have asked of my department is that we continue to do that work to make sure we are expending existing allocated funding and that we contemplate what might be necessary in the defence policy update in terms of human resources, because we need to grow as the Canadian Armed Forces and in our capabilities.

What you are seeing is deliverables from the Department of National Defence. The Arctic offshore patrol ships are an example. The signing of the contract for 88 future fighters is an example. The procurement of urgent operational requirements that I just outlined is another example. Moving forward on the design of the Canadian service combatants is another example.

These large procurements take time. They also require individuals who have expertise in procurement. What we are seeing is a growing need for more and more experts in procurement so that we can move multiple projects forward at the same time, and that is what the department is working on as we speak.

The Chair: Thank you. That brings our first hour to a close.

As you can see, Minister, your presence here has been greeted with varying levels of enthusiasm. We're going to suspend for a moment while you leave.

Ms. Anita Anand: Thank you, Mr. Chair and committee members.

The Chair: We are suspended and will re-empanel as quickly as we can.

• (1650) _____ (Pause) _____

• (1655)

The Chair: We are back.

I want to welcome General Eyre and his colleagues. I'm assuming there is no further five-minute statement.

With that, we'll go to Mr. Kelly for the first six minutes.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you, Mr. Chair. I'm glad we turned this panel around quickly.

The minister spoke about NORAD modernization and assured the committee that, although it takes time, we will have all of the

kit we need. Will the RADARSAT system be replaced before the current system fails or reaches its functional obsolescence?

Mr. Bill Matthews: Thank you, Mr. Chair.

At this stage, we are still working through options to replace RADARSAT, so I cannot give you a firm date in terms of when the replacement capability will be online, and also looking at other ways to mitigate in cases like that—

Mr. Pat Kelly: How many years until the RADARSAT fails?

Mr. Bill Matthews: I can't project when a satellite will fail. We know that it's approaching its—

Mr. Pat Kelly: I think we were told about seven years.

Mr. Bill Matthews: We know it's approaching its useful life and we have a date in mind, so we're planning around that date. Sometimes assets last longer than forecast, sometimes less, so we—

Mr. Pat Kelly: Surely our policy is not just hoping that this one lasts longer—

The Chair: Excuse me, Pat, for a second.

I think if you pulled yourself a little closer to the microphone everyone might hear you a little better.

Mr. Bill Matthews: My apologies.

The Chair: I'm sure Mr. Kelly won't interrupt any further.

Mr. Pat Kelly: I can't promise that because we need to have our questions answered.

The Chair: Okay. Repeat your question, and then Mr. Matthews can respond.

Mr. Pat Kelly: No, I'll let Mr. Matthews go ahead.

Mr. Bill Matthews: The planning is under way for potential replacement, but also mitigation measures to fill the gap should the new capability not be ready when RADARSAT comes to the end of its useful life.

Mr. Pat Kelly: So we don't know how it's going to be replaced, but we do know that these replacements take significant lengths of time and we know the existing system is coming to the end of its operational life.

Mr. Bill Matthews: What I would say on this, Mr. Chair—and it's a really important question the member is asking, because it is an important capability—is that there are dedicated satellites one can launch with the capability, but the satellite industry itself is also launching satellites into orbit on a daily basis. When we look at possible mitigation measures, there are also scenarios in which we utilize satellites that are already in orbit or will be launched soon. So don't just assume that it will be a bespoke Canadian satellite that fills this gap in advance of RADARSAT. There are other options being examined.

Mr. Pat Kelly: On the surface combatants, how much of the fund was spent to date on that project?

Mr. Bill Matthews: I'm not sure I can give you a quick answer to that one, Mr. Chair. We are still finalizing the design, and that is almost done.

I'm looking at my colleague, Mr. Crosby. If he does not know, we can get back to you in terms of spending to date.

Mr. Pat Kelly: Okay. How much has been spent to date? That was the question.

What's the completion date?

Mr. Bill Matthews: In terms of providing the eventual 15 surface combatants, we are looking at the first ship to be ready in the early 2030s. The most important next milestone one should focus on is the finalization of design. We are planning on low production starting in 2024. You don't jump into a program like that full board.

Mr. Pat Kelly: Sure. What's the funding in these estimates?

Mr. Bill Matthews: Give me one second here, Mr. Chair, unless Troy, our CFO, has the answer. I have \$90 million in my head, but just give me a moment to confirm that.

Mr. Pat Kelly: Okay.

Mr. Bill Matthews: Troy tells me I've got it right.

Mr. Pat Kelly: All right. Thank you.

Mr. Bill Matthews: Troy tells me he is going to correct me. I'm sorry, Mr. Chair.

Mr. Troy Crosby (Assistant Deputy Minister, Materiel Group, Department of National Defence): I wouldn't do that, Deputy.

Mr. Chair, in the estimates this year for the Canadian surface combatant, there's approximately \$1.1 billion earmarked for the ongoing acquisition of long-lead items, a continuation of the design, and work on associated infrastructure.

Mr. Pat Kelly: Thank you for that correction.

The minister talked about the Victoria class submarines. She said it was \$3 million, but I presume she meant \$3 billion is earmarked for the modernization and operation of the Victoria class submarines.

Mr. Bill Matthews: I think the minister may have been referring to the amounts in these estimates. The actual project itself has a rough budget of around a billion dollars to modernize, so I think in this—

Mr. Pat Kelly: Okay. One billion dollars to modernize and \$3 million in these estimates.

Mr. Bill Matthews: Others may be able to give you an amount that's in these estimates.

Troy says you have it right, so that's correct.

• (1700)

Mr. Pat Kelly: These estimates have less than 1% of the amount necessary to complete that project.

Mr. Bill Matthews: Correct, Mr. Chair, because remember that when we're dealing with estimates, we're dealing with the forecasted spend for this year, so this is really the pace at which industry is able to expend resources.

Mr. Pat Kelly: All right.

What's the funding in these estimates on the Arctic patrol ships?

Mr. Bill Matthews: On the Arctic offshore patrol ship, there are three remaining ships. I will have to check. I know the total budget of this project, but I have in my head a number of about \$345 million this year, Mr. Chair.

Troy again is giving a thumbs up.

Mr. Pat Kelly: Okay. While he is checking that, what's the completion date?

Mr. Bill Matthews: He has just confirmed that the \$345 million is correct.

Mr. Pat Kelly: Okay. Good.

Mr. Bill Matthews: When you think about the AOPS, think about a rhythm of one ship per year. There will be another one launched toward the end of the summer 2023, one in 2024 and one in 2025. That will bring the six for National Defence, the Royal Canadian Navy, online. Then there are two follow-on ones that are being built for the Coast Guard.

The Chair: You have about 30 seconds.

Mr. Pat Kelly: Okay. How about the funding for ground-based air defence systems in these estimates?

Mr. Troy Crosby: Mr. Chair, at this point the ground-based air defence is in a phase where we're developing the request for proposal—so it's essentially salaries. We see the release of a draft invitation to qualify to industry being released later this year.

Mr. Pat Kelly: So zero, is that the correct...?

The Chair: Thank you, Mr. Kelly.

Colleagues, it works better if you give the respondent an opportunity to catch their breath and respond.

With that, I know Madame Lambropoulos will give you all kinds of time to respond to her questions.

Ms. Emmanuela Lambropoulos (Saint-Laurent, Lib.): Thank you for being with us to answer our questions today, and I'm going to ask questions specifically about recruitment and retention.

Of course, it's been a challenge for the armed forces as it's been for all industries and across the country. I'm looking for other reasons besides the labour shortage. Can you tell us about some of the main issues and challenges you've had in recruiting and retaining members of the armed forces that have to do with the culture specifically?

Gen Wayne D. Eyre: Mr. Chair, I'll take this one.

Recruiting and retention are at the top of our priority list. We're calling it reconstitution as we rebuild our numbers.

The honourable member is absolutely correct. This is a very tight labour market, and like every other industry out there, we're seeing what has been called the "great resignation" as people move off to different employment.

When compared with our allies, we're facing many of the same challenges they are as well. Indeed, our attrition rate is lower than that of many of our closest allies. In the last statistics I saw, we're sitting at 9% attrition. Normally, we're between 7% and 8%, so we're seeing slightly elevated attrition rates.

On the recruiting side, what other reasons are out there? There's the military lifestyle, for one. We have to take a look at the makeup of our country. Right now, most of our population is urban and most of our operational bases are in rural locations. This poses a challenge. For example, for somebody growing up in downtown Toronto and who is posted to Wainwright, Alberta, that itself poses a bit of an impediment. So we have to look at ways to incentivize movement to some of these different locations where individuals may not be inclined to go to to start off with.

The challenge of evolving our culture is out there, as well. We need to be an organization that can attract and retain talent from all segments of Canadian society, where all members of this country can feel welcome in our ranks and can see themselves. That work is continuing. I said this recently, and I'll say it here to this committee: You'll be hard-pressed to find another organization in this country that is putting as much effort into that aspect of making ourselves a better place.

Ms. Emmanuella Lambropoulos: On that, the minister mentioned that there is specific funding for specific initiatives, including culture change. I'm wondering if there's anything that you have on the docket, any plans for making the armed forces more attractive to women and members from diverse communities?

Mr. Bill Matthews: I can start, Mr. Chair. I'm sure the chief will chime in.

There are a couple of things worth flagging. The new approach of character-based leadership assessments is being rolled out, so there's money in these estimates for those.

If you think specifically about measures to make the Canadian Armed Forces and the department on the civilian side a more inclusive place, we have diversity advisory groups in place. We also have measures specific to women's health and for providing women more functional clothing, whether they be just for regular duty or if they're pregnant, and a space of nursing, etc. All of those measures together are a broad suite to make it a more inclusive workplace.

• (1705)

Gen Wayne D. Eyre: Mr. Chair, if I may add, we're in the process of implementing all of the recommendations from the independent external comprehensive review, so those 48 recommendations are in progress.

We are adjusting many aspects of the institution. We've recently published our new military ethos "Trusted to Serve". Many have asked what's different this time? It's a values-based approach. Rise to your values, not sink to the level of regulation. So that is being put into place.

There are changes in our leadership training, evolving with the times how we lead, with a much more humble, emotionally intelligent approach, understanding the importance of inclusivity. Let's face it, as the face of our society is changing, the cookie-cutter solution that we have used over decades and generations is not as applicable, and we must have a much more inclusive, individualized approach as our team members change.

There are many initiatives, both top-down and just as importantly, bottom-up, from a grassroots level that are going to make this a changed, more fit-for-purpose organization.

Ms. Emmanuella Lambropoulos: Thank you very much.

You mentioned earlier in your first answer how we are ranking well compared to our allies or that they are also dealing with similar issues. Can you give some specific examples?

In terms of the initiatives you've just spoken of, how do we compare to our allies? Is anybody doing it better? Are there examples to follow elsewhere?

The Chair: You have about 30 seconds.

Gen Wayne D. Eyre: Mr. Chair, we are in constant communication with our allies with regard to the sharing of best practices. In fact, there is a Five Eyes group focused on personnel—human resources issues, recruiting, retention. It meets fairly regularly. When I meet with my NATO allies, we discuss these issues.

Many are watching us with much interest because they see their own reckoning coming as well. With many of the initiatives that we have under way, all of which it's far too early to claim success on, they are quite curious about because they also need to change.

The Chair: Thank you, Ms. Lambropoulos.

[*Translation*]

Go ahead, Ms. Normandin. You have six minutes.

Ms. Christine Normandin: Thank you, Mr. Chair.

Turning to the witnesses, I'd like to pick up my conversation with the minister regarding the replacement of the Lockheed CP-140 Aurora aircraft. She said that the Boeing P-8A Poseidon was the only patrol aircraft with the required capability to replace the Aurora.

Does that decision have to be made now? According to the original schedule, the project was to be defined in 2023-24 and implementation was to begin in 2027-28, with the first delivery set for 2032-33. Is that still the schedule? If so, there's time to see whether other options would be available in a couple of years.

Mr. Bill Matthews: Thank you for your question.

We have already received information indicating that the Boeing P-8A Poseidon is the only aircraft that currently meets all of the air force's requirements. Is it possible that other companies might develop a useful plane in the future? Yes, that's possible. However, the question we have to consider is whether we should take the risk and wait or whether we would be better off buying the equipment that is available now. As the minister mentioned, no decision has been made yet, but that's the question we have to consider.

Ms. Christine Normandin: The original schedule didn't include a good rationale for making a decision right now. Why did that change? Does it have to do with the fact that Boeing said that, if the government didn't submit its order, the P-8s might be no more? Did Boeing pressure the department to change the original timeline?

Mr. Bill Matthews: Since Boeing will be ending production of the P-8As in the future, it's a good idea to look at the aircraft now. It's the one our allies are currently using, so we have a meaningful opportunity to look at our options.

• (1710)

Ms. Christine Normandin: Basically, I gather that it really has to do with Boeing saying that it could halt production if it didn't get any more orders. That's why the government decided to revise its schedule and move up the dates.

Mr. Bill Matthews: That's not exactly the reason. It has more to do with taking advantage of an opportunity. When circumstances change, we have to re-evaluate our approach. As I mentioned, our research shows that the P-8A is the only aircraft that currently meets all of the Canadian Armed Forces's requirements. The government will make its decision in the future.

Ms. Christine Normandin: I'm going to rephrase my question. The industry made certain things known, which we've heard, and that is why the government moved up the timeline and revised its schedule, a schedule that wasn't originally designed around the industry. Is that right?

Mr. Bill Matthews: No. As I said, it's simply about paying attention to changes in the industry so we can plan out our options better. That's what we are doing right now.

Ms. Christine Normandin: Switching gears, I'm going to piggyback on Ms. Lambropoulos's questions about the shortage of personnel.

We recently learned that members of the military weren't entirely happy about the post living differential being replaced by the new housing differential. Media reports indicate that this move to replace the benefit will save the Canadian Armed Forces \$30 million. Is that correct?

Mr. Bill Matthews: I'll answer first, and then I'll have General Eyre provide more information. The purpose of the move is to update a really old rule, a policy that we have been looking to improve for years.

Gen Wayne D. Eyre: Mr. Chair, I'm going to answer in English to make sure I get the terms right.

[English]

The post-living differential was brought in in 2008, and it had not been changed since. It was based on market differences. In the 14 or 15 years since that policy was brought in and last updated, there have been changes in markets, so many were getting the benefit where others weren't.

The housing differential was brought in to address our most vulnerable at the lower band of pay to ensure that they could afford to live. We have heard from many of the tens of thousands who are now collecting this benefit that they are quite content.

There were a number of others who were collecting this benefit. Had it been changed earlier, they would not have been in receipt of the benefits they received over the last number of years.

The work on this continued. In terms of the exact number, prior to this we were authorized \$110 million. We were spending above

that. This moved our authorization up to \$150 million, so it's an expansion.

Our team has done the best it could within that \$150-million envelope to provide that benefit where it is most needed, based on data, based on science.

The Chair: You have six minutes, Ms. Mathysen.

Ms. Lindsay Mathysen: I'd like an update on the progress of the [*Inaudible—Editor*] recommendations in terms of the external comprehensive review implementation committee and the duty to report working group. Can you tell us where these organizations are with the transfer of cases to civilian courts?

Mr. Bill Matthews: There are three things in there, Mr. Chair.

With regard to the review of the colleges, we are currently under way in finding the people who will do that work. Stay tuned on that front.

On the cases and their transfers to provinces, we have set up a federal-provincial-territorial working group that includes justice departments, policing organizations, etc. We were reviewing the details or obstacles to transferring, because there are always complexities. There is a consultation paper that has been shared, so that work continues.

On the duty to report, I will have to turn to the chief for an update there.

• (1715)

Gen Wayne D. Eyre: Mr. Chair, we're getting very close on the duty to report. I believe I talked to you two years ago at this committee that this was something we needed to move on.

I have signed off on it. I believe it's making its way up about addressing this and making some very fundamental changes to that policy.

Ms. Lindsay Mathysen: I heard some previous news reports about systemic harassment of civilian workers on bases. The PSAC and UNDE unions have spoken out about the issues, specifically ones in fire halls on bases. Civilian firefighters have faced a lot of barriers, and there is a lot of violence in that workplace. There have been complaints. Senior leadership has been involved, and there has been enforcement about harassment policies and so on.

Can you talk to us about the department's plan to work through the backlog of those workplace-specific investigations?

General Eyre, I asked the minister before about her meeting with the union leadership. Can you talk to me about the last time you were in touch with union leadership to discuss those specific workplace incidents?

Mr. Bill Matthews: I have a couple of thoughts, Mr. Chair, before I turn to the chief.

On the workplace, it is an integrated workplace. Civilians and military members are side by side. When we talk about culture, we do have to talk about both, both in terms of who might be behaving inappropriately and those who are the recipients of that behaviour. It can be civilian and/or military.

When we meet with union leadership at our regular meetings, we talk about workplace initiatives and education, and also the backlog or the slowness in responding to some of those grievances.

When I've gone to bases and held town halls, there probably isn't a great understanding amongst all of how the system works. I would flag that the first thing we have to do with all inside the department is to make sure that everyone is more aware of the responsibilities of hearing these grievances. They're often resolved at the lower levels, but I think people have a model in mind where everything rockets up the list to the chief or me. The vast majority can get resolved at the lower level.

We're not as good as we can be in communicating the status of those grievances. That's a frequent topic.

Ms. Lindsay Mathysen: I'm sorry, it's just that a lot of the problems with the backlog is that fact that the people who are potentially creating the problems in the first place are continuing on in their workplace. So, those problems are continuing as the backlog is not being addressed. I didn't really hear an answer for addressing that backlog.

Mr. Bill Matthews: I would distinguish between the grievances that happen and serious enough allegations that have formal investigations. Employees can take advantage of one or both of those. They also sometimes go outside the department, because there are mechanisms for recourse there.

What I'm saying is that, when there is a complaint launched, the department needs to do better in communicating the status of the action back to the employee, whether it's a grievance or an investigation. If things are serious enough in the workplace environment, we can remove people from the workplace. Again, that is only an option you would exercise once you've seen evidence of wrongdoing.

Gen Wayne D. Eyre: Mr. Chair, I'll answer the specific question.

The office of the CDS does not get terribly involved in labour relations. That being said, as the commander of the army, I was very involved and had routine meetings with union representatives. It was a very cordial relationship, with an open door and a willingness to connect between those meetings if there was an issue to be addressed.

Specifically, you talked about fire halls. I'm aware of one case in particular. There's one location that is still undergoing resolution, so I can't speak to the details of that.

The Chair: Mrs. Kramp-Neuman, you have five minutes.

Mrs. Shelby Kramp-Neuman: Thank you.

On retention and recruitment, let's talk about the post-living differential. I understand that we've needed to find some creative ways to recruit. We certainly need some rapid political reaction.

You noted that a lot of members are quite content with the changes that have been made to the post-living differential. However, that's completely contrary to what I'm hearing in my office.

Being in the middle of not only a recruitment crisis but also a retention crisis, did your office or Treasury Board take into account the extremely negative impact the changes will have on retention?

• (1720)

Gen Wayne D. Eyre: Mr. Chair, this was a difficult decision. It is a benefit that has needed fixing for a long time. We took the difficult decision of fixing that as a first step in revamping our other compensation and benefits that are in dire need of updating. There's more to come on this.

However, as I travel around the country and talk to our members, indeed I'm also thanked for bringing it in for the tens of thousands who are now getting a benefit and who truly needed it.

Given the nature of some of these negotiations that are ongoing, we are limited in what can be communicated beforehand. They are subject to being protected.

Mrs. Shelby Kramp-Neuman: That's fair enough.

Do you think you could commit to re-establishing the benefits to those CAF members who are losing out on the new CFHD? Perhaps there could be some sort of grandfathering clause.

Mr. Bill Matthews: On this question, Mr. Chair, this isn't something that we can commit to. We don't have that authority. This is something that requires engagement with other departments, so I can't say anything more on that.

Mrs. Shelby Kramp-Neuman: That's fair enough.

Why does the CFHD ignore the cost of living when calculated in the benefits?

Gen Wayne D. Eyre: Mr. Chair, as the team looked at options to deal with this, the overall cost of goods was roughly the same across the country. There are pockets of difference, but the main differentiator is housing. That was the fundamental change of going to a housing differential. It's based on 25% of a member's salary. It's a maximum of 25%, and anything over that toward housing would be reimbursed based on a certain size of accommodation.

In those calculations, we're going back every couple of years to update the rate based on changing market conditions as well.

That is a difference between the new housing differential and the former post-living differential.

Mrs. Shelby Kramp-Neuman: Could you elaborate on that with regard to the seven-year limit on the CFHD? It has also garnered a tremendous amount of criticism.

Why was it included, especially when it adversely affects people in certain cities, particularly our sailors at CFB Halifax and CFB Esquimalt?

Gen Wayne D. Eyre: Mr. Chair, this was all part of the negotiation with central agencies as to what we could get through and what we couldn't and what was landed on. Now that's not to say it's going to end at seven years. Seven years is a long time away. There will be a reassessment that goes in over the next few years to look at the impact. The sense is that, after seven years in one location, you're going to be established. You're going to be able to get into a more established lifestyle, more established accommodations, but reassessment will be required in a number of years.

Mrs. Shelby Kramp-Neuman: Is it you, or is it the Treasury Board?

Gen Wayne D. Eyre: This is a negotiation between our staff and the Treasury Board.

Mrs. Shelby Kramp-Neuman: Thank you.

Moving on.... We've routinely heard that the recruitment process needs to be restructured and simplified—including from Justice Arbour. What is the status on that?

Gen Wayne D. Eyre: Mr. Chair, I'm happy to report that our recruiting modernization team is making good progress. It is advancing on three lines of effort. The first is on attraction, getting more applicants in the door to sign up. The good news is that I was just informed last week that our applicant numbers are above historic norms—and that's putting the new permanent-resident policy aside. There is some light that showing. The challenge now is to convert those applications to enrolment. That's the first one.

The second line of effort is to streamline the recruiting process. This means getting a digital online portal to ease the process. It means putting our Canadian Armed Forces aptitude test, unproctored, online and addressing a number of the systemic barriers that are in there, such as the security clearance.

The third one, the third line of effort, is the medical requirements. Currently, 70% of our applicants require a second level of medical review. It speaks to the medical challenges in our society, the mental health, the medication, etc. Many times when we ask them to go back, we need notes from their family doctors or specialists. In our society, as you're well aware, there's a shortage of those types of clinicians, so we're looking at innovative ways to deal with that challenge, as well.

At the same time, our common—

• (1725)

The Chair: Unfortunately, Ms. Kramp-Neuman's time is over, but I'm sure you'll have an opportunity to expand.

Mr. Sousa, you have five minutes.

Mr. Charles Sousa: I appreciate the deliberations and so forth, and the difficulty at times when it comes to operating such a huge and substantive organization as you do. When I look at the estimates, I'm seeing the increases that have occurred with regard to the operational pieces and the parts with now the uniqueness of some of the programs that are being put forward. Do you have a concern as to where it stands right now?

Mr. Bill Matthews: The department as a whole?

Mr. Charles Sousa: In terms of the estimates, yes.

Mr. Bill Matthews: No. Mr. Chair, the main estimates, generally speaking, year over year, as you've seen...a 2% increase.... We've talked about some of the challenges in terms of getting dollars out the door and moving projects along with our partners in industry at the pace we would like. However, do I have concern with the main estimates right now? The increase is understandable. I'm sure you will hear from us later on this year on supplementary estimates, but there's nothing to flag for the committee.

Mr. Charles Sousa: Specifically, I'm looking at some of the challenges in Canada as result of the transfer for Operation Unifier

training with the Ukraine and the United States and Poland. How is that training progressing? How is that proceeding?

Gen Wayne D. Eyre: Mr. Chair, just for clarification.... Are you asking how our training of Ukrainian armed forces is proceeding?

Mr. Charles Sousa: Yes, and is it being put to use by the Ukrainian armed forces?

Gen Wayne D. Eyre: The training we provide to the Ukrainian armed forces is highly valued. I believe I spoke to this committee after my trip to Ukraine two months ago. The commander of our joint operations command came back from meeting counterparts in Ukraine a week and a half ago, and we had the same message: the training we are delivering is of incredible benefit.

In the U.K., as we train Ukrainian recruits, a five-week program of instruction continues to go very well. We're going to carry on with that for the rest of the year. As we speak, we have 400, soon to be 800, Ukrainian recruits under instruction. Our training of engineers in Poland, likewise, goes extremely well. We've trained hundreds of Ukrainian sappers to deal with issues like mine clearance, obstacle removal and the like. We have recently started the training of Ukrainian medical personnel in battlefield medicine—tactical combat casualty care—which is proving to be extremely successful, and the personnel have asked us to do more.

We were looking at opportunities to expand leadership training in Ukraine. One of the competitive advantages the armed forces of Ukraine have is the quality of their leaders, both at the NCO and officer levels. They've really embraced what we call “mission command”, so that empowerment. War is not kind on junior leaders, and junior leaders suffer a disproportionate number of casualties, so helping the Ukrainian armed forces reconstitute that leadership cadre is an important allied effort, as well.

The training we've done on the tanks that we've donated has been greatly appreciated, and I'll share what I shared before. These have been some of the most valuable experiences our own soldiers have had in their own lives when training Ukrainians. Just two weeks ago, I was in Germany, and met with some of our members who are providing the organizational support for the sustainment and the training, and they, likewise, told me this is the most meaningful thing they've done in their lives.

This continues to be a very valued endeavour, and useful for the future of the rules-based international order.

Mr. Charles Sousa: Returning to the estimates and the planned increases, I was concerned about the cyber capability, the increased supports you've been putting forward with respect to that, particularly your ability to defend that critical infrastructure from cyber-attacks. Is it helping?

I'm trying to understand if what we've done to provide estimates and to provide the support is giving you what you need.

Mr. Bill Matthews: I think there are two things. We should turn to our colleagues from CSE, as they are the true experts here; but, yes, defence has a cyber capability, and protecting our assets and communications in an increasingly complex world is part of the core job. There's lots of research going on in this area, as well.

Perhaps Caroline would wish to add something from a CSE perspective.

• (1730)

Ms. Caroline Xavier (Chief, Communications Security Establishment): I'm happy to say that the main estimates did provide an injection of funds, in particular with regard to Operation Unifier. That's in addition to the budget funding that was provided to us in 2022, to proceed with foreign cyber operations, and support what we need to do. We do have quite a bit as a result of the law that was modified in 2019, which provided us with...foreign cyber operations to undertake both defensive as well as active cyber operations.

One of the things we do with Ukraine, in particular, is to provide a lot of cyber-advice. We learned a lot from the war in Ukraine in recognizing the threat to critical infrastructure. We had already stated this as part of our "National Cyber Threat Assessment" which was done last fall.

In addition to what we're witnessing in the war in Ukraine, we have also been actively warning industry in critical infrastructure sectors to be aware of the fact they could be possible targets of cyber-attacks.

The Chair: We're going to have to leave the answer there. I'm sorry about that.

Madame Normandin, you have two and a half minutes.

[*Translation*]

Ms. Christine Normandin: Thank you, Mr. Chair.

Mr. Matthews, in relation to the replacement of the post living differential with the housing differential, General Eyre said earlier that the negotiations with Treasury Board were difficult. Can you confirm that, at the end of the day, the total budget for the new benefit being provided to members of the military—albeit in a different way—is less than the previous budget?

We've also heard that members of the military are complaining that the 10% salary increase over four years, which is retroactive to 2021, is not enough. Does the Treasury Board realize how important it is for the armed forces to be competitive with private sector employers, given the labour shortage?

Mr. Bill Matthews: When we decide to update a policy, we have discussions with the central agencies, of course, but we also provide data, which is even more important. We did a lot of economic modelling to account for each option, and we worked with our counterparts at the Treasury Board Secretariat to identify the best model to implement.

As for the salary increase, I can't comment on where my counterparts at the Treasury Board Secretariat stand on the matter.

Ms. Christine Normandin: In that case, I'm going to put the question to all the witnesses. Does a 10% salary increase over four years make the Canadian Armed Forces a competitive employer as

compared with the private sector, in the context of a labour shortage?

Gen Wayne D. Eyre: Mr. Chair, I wish I could give every member of the armed forces more than a 10% salary increase, but that's not the current policy.

[*English*]

The Chair: I'd like to get one, too.

Next is Ms. Mathysen for two and a half minutes.

Ms. Lindsay Mathysen: I talked before about the fact that, as part of the budget and then the promises to PSAC strikers to come to a tentative deal, the government promised to cut outsourcing by 15%. Obviously, this is a huge issue to the union in terms of seeing a lot of their work being contracted out. Of course, this is a big deal to the government as we see a lot of big contracts, big numbers, going out to private corporations.

Can you confirm that going forward, as part of this review and this new deal, that will also put limitations on the salary wage envelope and those spending caps that limit the size of DND, which ultimately forces those in command to do a lot of that outsourcing? That ultimately costs a lot more money in the long run.

Mr. Bill Matthews: There are a couple of things here.

Number one, the deal is pretty fresh, Mr. Chair, so we will certainly engage with the centre in terms of expectations on honouring the commitments that were made as part of that deal.

Contracting out, outsourcing, is always a hot topic when we meet with our union leadership. I would suggest that, on the defence side, our public service numbers are growing, and we make use of contracting dollars as well. I would not see this as a case of the department having outsourced public sector employees' jobs, because we have been in growth mode. When you cannot find employees in a timely manner to fill gaps, there's a question of how you do that. I think contracting is always a viable temporary fix.

With regard to the last part of the question on the salary wage envelope, one can move money between salary and wages and other envelopes for consulting dollars. People don't necessarily understand how that is done, but I would tell you it is not a limiting factor. What is a limiting factor, in many cases when I speak to base commanders, is the availability of employees to do the work. That tends to be why they drift that way. It should not be a limiting factor in terms of those decisions.

• (1735)

The Chair: Next is Mr. Bezan for five minutes.

Mr. James Bezan: Mr. Chair, I want to run through this pretty quickly. On the Australian fighter jets, how many of the old F-18s that we bought have been put into operation? Have they been completely modernized?

Mr. Bill Matthews: I think I'll pass that one to Mr. Crosby.

Mr. Troy Crosby: Mr. Chair, there are currently 12 jets in service. The 13th one, and the last that we'll be modifying, will be delivered this summer.

Mr. James Bezan: There's a total of 18 we bought plus seven for parts. Are we cannibalizing those seven other jets to get these ones flying or are we also pulling parts off those old seven F-18s to go on our fleet?

Mr. Troy Crosby: Mr. Chair, the remaining aircraft will either be turned into parts that we can employ or in some cases, we may look at turning them into training aids.

Mr. James Bezan: Thanks.

Out of Montreal, we have an ammunition plant owned by General Dynamics OTS. Can you confirm that the American government military contacted Canada to start building the 155 millimetre rounds for the M777 howitzers?

Mr. Bill Matthews: We're in contact with our allies and industry on ammunition, because the 155 millimetre is a hot commodity these days. With our allies we are working together to try to figure out the best way to maximize industry capability there.

Mr. James Bezan: Can I confirm that at the Montreal ammo plant they can build the 155-millimetre rounds?

Mr. Bill Matthews: There are different variants there. I see the chief and Mr. Crosby both want to jump in.

Go ahead, Chief.

Gen Wayne D. Eyre: Mr. Chair, I had the opportunity to visit that ammunition plant, and also the one in Valleyfield, back in the fall. That plant produces the M107 variant, which has a shorter range than what we would like them to produce, which is the M795 variant. Work is ongoing for that.

Mr. Troy Crosby: I would add that we are in conversation with our colleagues in the U.S. to ensure that our investments and their investments are aligned. It is quite an integrated supply chain.

Mr. James Bezan: Can we build the leading-edge technology that's required on the ammo that is requested by the Americans, our NATO allies and Ukraine?

Mr. Bill Matthews: Canadian industry can, with some investment. You can view—

Mr. James Bezan: Can you view the investment in the estimates?

Mr. Bill Matthews: You can view investment as long-term contracts or direct investment. Those discussions are under way. We would like them to produce that ammunition, and we would like them to produce it quickly. Time is not our friend on this one.

I think the other one I would flag for you, Mr. Chair, is to keep watch for a "future ideas" challenge on ammunition. The speed to scale up industry and replenish ammunition stocks is something Canada and all of our allies are worried about.

Mr. James Bezan: We need the ammo now. It's getting burnt through pretty quickly in the war on Ukraine.

In the budget there was very little in here for Ukraine, especially from a defence standpoint. There was \$200 million in the budget for, I guess, paying National Defence back for the eight Leopard tanks that were already donated.

How is that \$200 million going to get used? Are we going to buy new tanks to replace the eight that we donated? Are we going to invest them back into the existing fleet? Are we going to get the 70 or so other tanks, which are right now sitting and waiting for maintenance and overhaul, up to operational capability?

Mr. Bill Matthews: The money referenced in the budget was a catch-up adjustment because of the capital cost of those things that were donated.

In terms of how to best ensure that the tank fleet is maintained, really interesting discussions are happening with the manufacturers on spare parts. Spare parts and an ability to access those is a real challenge, both for the tanks that we own and also for the ones donated to Ukraine. Those discussions are ongoing.

• (1740)

Mr. James Bezan: We have definitely learned from the war in Ukraine that it is a tank war.

Is there any discussion around investing in a new fleet of tanks for our Canadian Armed Forces?

Mr. Bill Matthews: There are indeed discussions. I'll turn to the chief, because he's an army guy who can probably give you a better answer than I could.

Gen Wayne D. Eyre: Mr. Chair, many, at the beginning of this second round of the invasion of Ukraine, said the era of the tank was over. I think it's instructive to see arguably the most successful and most experienced army in conventional war in the 21st century asking for tanks. The era of the tank is not over. It's fundamental to close combat. It's fundamental to provide the shock action through fire power, manoeuvre and protection. So yes, we need to continue to invest in this capability, until there's something else that provides that shock action.

Mr. James Bezan: Thank you.

The Chair: We have Mr. Fisher for five minutes.

Mr. Darren Fisher: Thank you, Mr. Chair.

Thank you to you and your team for being here for the second hour.

General Eyre, you may not remember this, because it probably wasn't a highlight for you, but you and I had a conversation during the Halifax International Security Forum with the NATO supreme allied commander. We were talking about the incredible opportunity for Halifax with DIANA. He was there to announce it the day before with the minister. We talked about Canada's contribution to NATO being the sixth largest of all NATO nations.

I think it speaks to Canada's place in NATO and its level of importance in NATO. I remember the conversation being very positive, being very pro Canada. I don't think many people, and maybe even some of the people on this committee, know much about DIANA and what an opportunity it is, and what exactly it is.

I thought maybe I would ask if you could describe what DIANA is. Perhaps you feel that it's the deputy minister's spot to do so.

What does it say about Canada's place in NATO to be chosen for DIANA? I'm thinking about Nova Scotia a little bit, and how important it is for Halifax to have DIANA.

Gen Wayne D. Eyre: Mr. Chair, I'll say a few words and then turn it over to the deputy minister for the real answer.

I remember that conversation well. It was with Admiral Rob Bauer, the chair of the military committee for NATO.

The importance of this speaks to the changes we see in the security environment. We're seeing technological acceleration like we haven't seen in human history. Our adversaries are putting tremendous investments into these game-changing technologies, including artificial intelligence, robotics, hypersonics, quantum computing, human machine interface. To remain competitive, we have to stay abreast of these developments and be armed with the latest. I firmly believe Canada has a place to do this

Mr. Bill Matthews: I have a couple of points here, Mr. Chair.

Number one, just to build on the chief's answer, NATO leadership recognizes the need to maintain a technological advantage; hence, the DIANA initiative. There is a European headquarters to this in London, U.K., and in Estonia. The North American headquarters will be in Halifax—although that still has to be officially blessed through NATO governance. This really provides an opportunity for Canadian industry to step up and play a role in cutting-edge research.

The idea here is to engage industry in research and also to provide access to accelerators and test centres and really engage the full power of departmental scientists, NATO researchers, etc., with industry and universities to make sure that the cutting-edge technological advantage is maintained by the West and its allies.

There's more to come on this one, but it presents a really great opportunity not just for Canada but for Halifax in particular to be the centre, and there will be benefits for all of Canada.

The Chair: You have two minutes.

Mr. Darren Fisher: Oftentimes on this side of the room, we have a different perspective on being kind, a different perspective from what we might have from our Conservative colleagues.

Ms. Gallant talked about a reliance on the U.S. during the passage of the Chinese weather balloon. I see it a little bit differently, and I think the minister touched on it very quickly. It seems to me—I'd be looking for your thoughts on this—that it was exactly what NORAD was supposed to do and that the co-operation between Canada and the United States was seamless.

I'm interested in your thoughts on that. Could you describe to the committee that it worked how it's supposed to work in this incredible and very important relationship that we have?

• (1745)

Gen Wayne D. Eyre: Mr. Chair, this unfolded exactly the way we trained for it. We train often for cross-border use of each other's assets, so, as this incident unfolded, I was in close communication with the commander at NORAD. I talked to the U.S. chairman of the Joint Chiefs of Staff. We briefed the Prime Minister, and the decision-making process was validated. It validated the process that we have in place for making these decisions, so we are very happy with the way it occurred.

The Chair: Thank you, Mr. Fisher.

With that, I want to thank General Eyre, Deputy Minister Matthews and your colleagues for your presence here today. It was very helpful.

Before I adjourn, colleagues, we have votes. Shall the following votes carry?

COMMUNICATIONS SECURITY ESTABLISHMENT

Vote 1—Program expenditures.....\$906,759,081

(Vote 1 agreed to)

DEPARTMENT OF NATIONAL DEFENCE

Vote 1—Operating expenditures.....\$17,912,761,663

Vote 5—Capital expenditures.....\$6,076,583,477

Vote 10—Grants and contributions.....\$319,808,513

Vote 15—Payments in Respect of the Long-Term Disability and Life Insurance Plan for Members of the Canadian Forces.....\$446,727,532

(Votes 1, 5, 10 and 15 agreed to)

MILITARY GRIEVANCES EXTERNAL REVIEW COMMITTEE

Vote 1—Program expenditures.....\$6,430,370

(Vote 1 agreed to)

MILITARY POLICE COMPLAINTS COMMISSION

Vote 1—Program expenditures.....\$4,408,587

(Vote 1 agreed to)

OFFICE OF THE INTELLIGENCE COMMISSIONER

Vote 1—Program expenditures.....\$2,384,034

(Vote 1 agreed to)

The Chair: Shall I report these votes to the House?

Some hon. members: Agreed on division.

The Chair: That's on division, I should imagine. Okay. All I was hearing was silence.

An hon. member: Silence means consent.

The Chair: Yes, silence is consent. Okay, with that, I think we have all the votes that we need, on division or otherwise.

Some hon. members: Oh, oh!

The Chair: Thank you for that, and again, thank you, colleagues, for your contribution. The meeting is adjourned.

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