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Chair: Mr. Robert Kitchen



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• (1535)

[English]

The Chair (Mr. Robert Kitchen (Souris—Moose Mountain, CPC)): I call the meeting to order.

Welcome to meeting number 13 of the House of Commons Standing Committee on Government Operations and Estimates.

Today the committee will be continuing its study on air defence procurement projects and its study on the national shipbuilding strategy.

The committee will be considering each study separately. The study of air defence procurement projects will be discussed during the first hour, and the study of the national shipbuilding strategy will be discussed during the second hour.

Those witnesses discussing air defence procurement projects will make an opening statement of three minutes maximum at the start of the first hour. After that, the rest of the hour will be taken up with questions from the members.

Those witnesses appearing as part of the national shipbuilding strategy will make an opening statement of three minutes maximum at the start of the second hour. After that, the rest of the hour will be taken up with questions from the members.

The committee has expectations that all witnesses will be open about any potential conflict of interest they may have. This is to ensure that the committee can fully understand the context of the testimony it is about to receive. If you feel that your testimony may be coloured by a previous or current interest, I invite you to disclose this during the opening statement.

Today's meeting is taking place in a hybrid format pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely via Zoom. Regarding the speaking list, the committee clerk and I will do our best to maintain a consolidated order of speaking for all members, whether they are participating virtually or in person. I would also like to take this opportunity to remind all participants at this meeting that screenshots or taking photos of your screen is not permitted.

Given the ongoing pandemic situation and in light of the recommendations from public health authorities, as well as the directive of the Board of Internal Economy on October 19, 2021, to remain healthy and safe the following is recommended.

Anyone with symptoms should participate by Zoom and not attend the meeting in person. Everyone must maintain two-metre

physical distancing, whether seated or standing. Everyone must wear a non-medical mask when circulating in the room. It is recommended in the strongest possible terms that members wear their masks at all times, including when seated. Non-medical masks, which provide better clarity over cloth masks, are available in the room. Everyone present in the meeting must maintain proper hand hygiene by using the hand sanitizer at the room entrance. Committee rooms are cleaned before and after each meeting. To maintain this, everyone is encouraged to clean the surfaces such as their desks, their microphones and their chairs with the provided disinfectant wipes when vacating or taking a seat.

As the chair, I will be enforcing these measures for the duration of the meeting, and I thank members in advance for your co-operation.

We will continue our study on air defence procurement projects.

I would like to welcome the witnesses and invite them to make their opening statements. We will start with Mr. Huebert and then hear from Mr. Nossal and then Mr. Shimooka.

Go ahead, Mr. Huebert.

Dr. Robert Huebert (Associate Professor, Department of Political Science, University of Calgary, As an Individual): Thank you very much. It's indeed my privilege to be here before the committee to talk about a critical issue.

The first point I would like to leave with the committee is the fact that we are heading into a new security environment in which air power is going to be increasingly important. We are leaving behind the type of environment in which we were able to have us operate in areas of air superiority. We will probably be fighting with enemies that match us or in fact have superiority. That, then, makes it implicit that we have a procurement policy and a capability that go beyond just simply providing the forces with the capabilities they need; they also must have the capability of being able to replace that capability, as it probably will be facing losses going into the future.

The second point I would like to introduce into our considerations is the fact of understanding the overall procurement policies of Canada. We have at least two major pathologies that we have not yet been able to deal with.

The first pathology relates to the lack of information. There is so much of the process that is closed to outside observation, of course, that it's very difficult for us to make intelligent observations and corrections in terms of any types of difficulties in it. There are life-long exclusions from sharing of information, and this makes a critical evaluation or an ability to compare to what our allies do very difficult for the outside observer.

The second point is that our air procurement process is dominated by political decisions. As we have seen from the issues surrounding the Sea Kings, the F-35s and the C-17s, the involvement of the Prime Minister and his highest level of governance to influence the overall determination of these decisions ultimately is, for many outside observers, the major determinant of whether or not a project is done fast, as was the case of the C-17s, or is done agonizingly slowly, as we saw with the example of the Sea Kings.

I would end my comments by just observing that the period in which we had the luxury of basically having an air capability that we bought in 1982, and then not thinking about it in serious methods until 2022, is over. We will need to think nimbly, we will need to be thinking fast and we will be needing to think in terms of the greater international security environment.

Thank you.

The Chair: Thank you very much.

Now we'll go to Mr. Nossal.

Professor Kim Nossal (Professor Emeritus, Queen's University, As an Individual): Thank you very much, Mr. Chair.

Thank you for inviting me to discuss the question of defence procurement objectives, and in particular the inefficiencies in the defence procurement process in Canada. In my short three minutes, I want to talk about one factor that Professor Huebert has already referenced, and that is politicization—the efforts of a political party, in government or in opposition, to use a defence procurement project for purely partisan political purposes, to score political points for themselves or against their opponents.

In my view, there's no better example of the corrosive effects of politicization at work than the 25-year process that's been used to replace the CF-18 Hornet fleet. I don't propose to rehearse that sad story here, although, if you'd like, I'd be happy to submit a formal account to the committee. Suffice it to say that the games that were played with the CF-18 replacement over the years were deeply embarrassing. They were paradoxical in the sense that MPs seem to believe that votes will follow their gamesmanship on defence procurement, but every piece of evidence we have is that Canadians will never cast their votes as though defence acquisition matters.

The games were certainly self-defeating, in the sense that playing political games with defence procurement guarantees that what you sow in one Parliament, you're going to reap in a subsequent Parliament.

Finally, they were costly. Playing games always increases not only the financial costs but also other costs. They diminish our defence capabilities, they diminish our reputation and they do a disservice to taxpayers.

When I look at the 25-year process to replace the CF-18s, there are a number of recommendations. First, follow defence procurement rules. They're generally sound and they're flexible enough. Second, be completely honest about costs. Try to explain to ordinary Canadians how a full life-cycle costing in defence works and why it's so difficult. Third, explain as fully as possible the government's thinking about a weapons systems. Finally and most importantly, resist the temptation to play political games with defence procurement.

One of my first research projects, after I was appointed a professor at McMaster in 1976, was a study with Mike Atkinson. It was on the process by which the Liberal government of Pierre Elliott Trudeau chose the CF-18 Hornet to be Canada's fighter. Fast-forward 44 years: When I retired from Queen's University in 2020, the RCAF was still flying those Hornets. The process remains unfinished, partly because of the political games.

In sum, then, I'm hoping that you as a committee will take a critical look at the CF-18 replacement process and recommend to your colleagues that we need to change the norms about the acceptability of politicizing defence procurement projects in Canada.

Thank you. I look forward to the questions of the committee.

• (1540)

The Chair: Thank you, Mr. Nossal.

Now we'll go to Mr. Shimooka.

Mr. Richard Shimooka (Senior Fellow, MacDonald-Laurier Institute, As an Individual): Thank you very much for having me. I really appreciate the opportunity to testify on these two studies, which are of vital importance for the national security of our country.

My personal area of research is understanding the nexus between strategy, procurement and politics, not just in Canada but also internationally, and that will be reflected in my remarks. In my view, one of the major issues facing Canada is that we are far too beholden to our own context and we fail to look beyond our borders to see threats or to learn from the experience of our allies.

This past decade has underlined the importance of air power and modern warfare, including in the Azerbaijan-Armenian conflict, as well as the ongoing war in Ukraine. They underline the need for the air force's likely acquisition of the F-35 and the army's ground-based air defence program, or GBAD.

The latter is essential to protect our soldiers from air threats on the battlefield, such as unmanned aerial vehicles, which have proven so deadly in modern conflicts such as the one in Ukraine. However, it will likely take eight years or more for Canada to field a response. By comparison, the United States developed and fielded several systems to address this threat, including one in under three years' time.

GBAD is part of our country's underwhelming track record for responding to major threats in a timely manner.

Canada's approach to defence procurement has tended to be very platform-centric, which seems to supersede other considerations, including changes to the strategic or technological environment. This is particularly problematic, given the challenges facing program delivery. This means that Canada will often prepare systems that will have limited utility for newer challenges that may emerge.

In addition, many of the public debates around defence do not correspond to a military reality. Much of the public and political discourse over the CF-18 replacement revolved around issues that are more than decades old. Most modern western militaries have long since settled such debates and are addressing much more relevant and current challenges.

The platform-centric approach also means that Canada is highly focused on single capabilities to deal with multi-faceted challenges. That approach may have worked in the past, but is less effective in the new technological and threat environment that emphasizes multiple systems operating synergistically.

Defining features of military platforms today are their sensors, data processing and connectivity, which reflect the changes to how our society now organizes itself. Our military procurement approaches need to better address this reality. For something like the army's GBAD program, how we address the air threat should start to focus on foundational enablers, such as networking and data links, before addressing sensors and missiles.

I'll cut off my comments here. I look forward to your questions, and I'm willing to go into any specific area in much more detail.

Thank you.

• (1545)

The Chair: Thank you very much.

I appreciate all of you being so precise and quick in your comments.

We are now going to questioning, and we're going to start our first round of six minutes with Mr. Paul-Hus.

[*Translation*]

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Thank you, Mr. Chair.

Good afternoon, gentlemen. Thank you for joining us today to discuss this very important topic.

My first question will be for Mr. Shimooka.

We are now talking about the F-35 file, and the government is saying that a dialogue is currently being established with Lockheed Martin.

Can you tell us how you think that dialogue will unfold? What is your view of that?

[*English*]

Mr. Richard Shimooka: There are two basic possibilities for where this can go. The most likely of the two, which is what hap-

pens with virtually every single program at this stage, is that the negotiations with the U.S. government.... I should be very clear here, we don't negotiate with Lockheed Martin. We negotiate with the U.S. government, because the way the structure for the joint strike fighter program operates is that the U.S. government operates the program and we negotiate with them the delivery time and cost. Our costs are the same as what the U.S. government would pay, so the U.S. government in some ways acts as an agent in this scenario.

We do not negotiate with Lockheed Martin. That is a pretty critical point.

In this path, the Canadian government will negotiate with the U.S. government. We will then identify when our deliveries and other aspects of the program will start to occur. This should not be a very long process, given that the U.S. government is very tight about what it can offer. It will then start deliveries, or the program will proceed. We'll have a finalized contract.

[*Translation*]

Mr. Pierre Paul-Hus: So you're saying that there are currently negotiations with the government and that technical details are not being assessed. So for example, there are no discussions currently about whether it is a standard block IV aircraft or not. The discussions are not there yet.

Is that step already done?

[*English*]

Mr. Richard Shimooka: There's limited capacity in this sense because basically we are one of many partners and the path by which we can acquire the aircraft is very much determined by what is available. There's very little room for us to negotiate. The costing is basically set unless we do some modifications to the aircraft, and we're not really looking at major ones and that's okay. We're going to get block IV aircraft in this case because there is no block III aircraft remaining, or there are no slots to procure the aircraft at this time as a block III. It's now block IV going forward.

Mr. Pierre Paul-Hus: Okay.

Mr. Richard Shimooka: There's a second possibility. I think this is what the Minister of PSPC highlighted, which is highly unusual and very unlikely but it should be raised: if negotiations do not pan out we would go to the second bidder. This has never happened before for a major defence project, and is of concern among many, because that would basically push us to go to the second bidder, which was Saab, and commence negotiations there.

This would be highly unusual. I think that raises significant concerns, given what we know of how the assessment for selecting the F-35 within Canada went, and what we know from other countries as well.

• (1550)

[*Translation*]

Mr. Pierre Paul-Hus: Thank you very much Mr. Shimooka.

Mr. Huebert, my next question is for you.

Is the Strong, Secure, Engaged defence policy adapted to hypersonic missiles?

[*English*]

Dr. Robert Huebert: The answer is no. You can go through what they're talking about in terms of NORAD modernization. That's the major effort that we see in terms of trying to respond to the entire northern missile threat, which is predicated on responding to an ICBM threat not a hypersonic. Hypersonic requires a different set of sensor capabilities. It also requires a different type of response capability from anything that is mentioned within "Strong, Secure, Engaged".

"Strong, Secure, Engaged" goes as far as to recognize that the geopolitical environment is changing and particularly changing in the northern aspect, but beyond that, in terms of any direction that it provides for any negotiations in terms of this capability, it's not included.

[*Translation*]

Mr. Pierre Paul-Hus: Thank you, Mr. Huebert.

I now come back to you, Mr. Shimooka. You said Canada had the worst possible procurement system. Can you explain why that is?

You also said that the Americans were better than us in that area. In what way are they better?

I ask that you give a brief answer, as I have less than a minute of my time left.

[*English*]

Mr. Richard Shimooka: Absolutely.

When I made that statement in a Hill Times piece, my view was that Canada often takes an inordinate amount of time to deliver major systems. The part I think is really problematic is the time that we take compared to our allies, the United States being one. Oftentimes, they're comparable but you have to realize that we're often acquiring off-the-shelf systems, systems that have already been completed. They require minimal modifications in order to get them into Canadian service, whereas if you look at our allies, the United Kingdom or the United States, they take the same amount of time but they're often basically developing systems right off the ground. A system does not exist, and they're basically developing it, feeling it, testing, evaluating and putting it into service in the same amount of time.

A good example was what I was talking about before with the army's air defence program. It's going to take eight years from 2017 to 2025 for Canada to field an air defence system. By comparison the American government in 2015 realized that air defence threats were a major threat towards their soldiers and they put in a program called M-SHORAD. That took three years from the identification

of the threat, to development, to the fielding of that capability and putting it into service.

If you look at the range of Canadian procurement programs this is a common thread: it takes us much longer just to acquire systems that already exist, that are already in service and are ready to go.

The Chair: Thank you, Mr. Shimooka, I really appreciate that. If you have anything further that you would like to add, please put that in writing and submit that to the clerk. We will distribute that among the committee members.

We will now go to Mr. Bains for six minutes.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair.

Thank you to our guests for joining us today. My first question will go to Mr. Huebert.

Russia's war against Ukraine now creates new security concerns for Canada's Arctic territory. When asked about the capacity for the F-35s to operate in Arctic conditions, a recent witness told the committee that several other Arctic nations are currently using them for Arctic missions. Do you have any concerns about the F-35's Arctic capacities?

Dr. Robert Huebert: None whatsoever. Where we can learn, clearly, is the theatre in which the Norwegians began to operate. Norway was one of the very first countries to go with the F-35. Richard can correct me, but I believe it was either block I or block II. That was acquired by the Norwegians, and they have had complete success. There have been no reports of any difficulties in terms of Arctic conditions. They had to do certain modifications in terms of running on ice-covered runways and technical aspects. These are all issues that can be shared with us.

Other countries, of course, have looked at it in terms of gathering the F-35. The Danes took about two years to decide. They actually weren't going to go for a fixed-wing fighter. After the Ukrainian war started in 2014, they decided that, yes, they needed to go to fixed-wing. They took about a one-year or one-year-and-a-half process to decide on the F-35s. They will be preparing to be able to operate off Greenland at a future date.

Of course, the most recent of our northern friends that went for the F-35s are the Finns. Once again, it took about two or two and a half years for them to decide. They've co-operated closely with the Norwegians to ensure that any of the difficulties of operating in cold environments, of being able to ensure that you can take off and land on ice-covered runways, are taken care of. The expectation, and what all three of our friends and allies tell us, is that there's absolutely no problem that is not solvable.

• (1555)

Mr. Parm Bains: Thank you for that.

I'm going to switch over to you, Mr. Nossal. On July 16, 2010, the Harper government announced that it would spend \$9 billion to acquire a new fleet of 65 F-35s in an untendered, sole-sourced contract. Upon being elected in 2015, our government decided to commit to a new competitive bidding process. Do you think this was the right decision?

Prof. Kim Nossal: I think the problem for the sole-source decision of the Conservative government was that it wasn't really explained very well. A number of other of our allies have gone sole-source. The Australians, of course, went sole-source. That was largely because of a decision made by the United States back in the mid-1990s. The decision was that essentially the United States would operate only one fighter aircraft in the 20s and 30s, and that would be whoever won the JSF. That was, of course, the F-35.

There was a logic behind the Conservative government's choice of the F-35 as a sole-source. I personally think they got it wrong in the sense that they never fully explained to Canadians why sole-source made such sense. The Liberal government, or the Liberal leader during the 2015 election campaign, promised that the government would, in fact, not buy the F-35.

The process since 2015 has been, in my humble estimation, a nice reflection of the games that have been played. My proposal to the committee is essentially to take a look at that process, with the possibility of trying to avoid gamesmanship in the future.

Mr. Parm Bains: Just in terms of fairness, was that new process fair to the applicants?

Prof. Kim Nossal: I suppose so, in the sense that there's a huge logic, as most of the witnesses who have appeared before this committee have suggested. There's a real logic to the F-35, and thus an illogic to some of the other contenders. That's one of the reasons that so many of the other contenders simply said that they were not going to be part of this process.

Mr. Parm Bains: In a recent CTV news article, you expressed that one benefit of the past 12-year process has been to reduce the level of political interference in military procurement. Can you tell us a little bit about that?

Prof. Kim Nossal: I think that the proof will be in the pudding, as they say. I don't know whether or not, in future procurements, we're going to see a reduction of the political games.

I'm not here, by the way, talking about political interference. As our colleague Jim Fergusson said to you, all procurement is political. I'm talking about turning a defence procurement project into a political football. Let's put it this way: We'll see whether or not future generations of politicians will be able and willing to avoid the temptation of transforming this into football.

Mr. Parm Bains: Finally, I'd like to get some of your thoughts on the F-35 and its improvements. Do you have any insight on how they may have improved and what that would mean for their capability?

• (1600)

The Chair: Excuse me for interrupting, Mr. Bains. The time has actually ended.

Mr. Nossal, if you got that question, it was a great question. If you could provide an answer to us in writing, it would be greatly appreciated.

Thank you very much.

We'll now go to Ms. Vignola for six minutes.

[*Translation*]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you very much, Mr. Chair.

Mr. Huebert and Mr. Nossal, my first question is for you.

You have both emphasized how harmful the politicization of defence procurement has been, and still is, both to national security and to financial security. You also talked about how Canadians' and Quebecers' taxes are being used.

I would like you to tell me what a non-politicized and completely neutral procurement process would look like. I would like each of you to answer my question within a minute. I know that is very little time for such a huge task.

[*English*]

Prof. Kim Nossal: If you want a really good example of a process that was free of this kind of politicking, look back in history to the time when the Government of Canada replaced a number of fleets of jet fighters with the CF-18 Hornet. The Liberal government of Pierre Elliott Trudeau managed that particular process excellently, and it was not at all politicized except right at the very end when the Parti Québécois government of René Lévesque was involved. Essentially, I think that still remains, after all of these years, an excellent example of a depoliticized process.

Dr. Robert Huebert: If we're looking for a process, the identification of a threat has to be central. Once again, on something that Richard said, the manner in which we look for platforms is also part of the problem. That gives further temptation of the politicization.

What we need to understand is that when we talk about the replacement for the F-18s, we're talking about providing for Canadian security in an increasingly dangerous aerospace environment. I think that you have an educational process. This is not about making jobs. This is about giving security, and that has to be something that is constantly rammed home, again and again.

The second process is, of course—and we saw this, to a certain degree, with the creation of the shipbuilding strategy, which we'll talk about in the next hour—that you create independent capability of your experts. Basically, you have the politicians' promise that we set the parameters of what you have to do, come back and tell us, and make sure that what they tell is of course shared publicly, so that there is no suspicion in terms of “the fix is in” on it.

Once you have that decided upon, and once you make the decision on the platform that you are buying, you take a lesson from what the Finns have done and what the Danes have done, and that is to simply say, “Okay, we will now let our air force go and negotiate with the Americans”, or whomever you are negotiating with. You have to have the product. It has to come back, and it has to present into the Canadian security.

If you educate, if you set up the rules of the game and if you have openness in terms of the processes that do not have to be kept secret for security reasons, then you can have a very depoliticized process.

[Translation]

Mrs. Julie Vignola: Thank you very much, Mr. Huebert.

Mr. Shimooka, like your colleagues, you are an expert on defence procurement. Concerning the future fighter capability program, do you feel that Canada's evaluation criteria were fair and equitable for all potential suppliers, that they have been so in the past and still are now?

I would like Mr. Shimooka to answer. Mr. Nossal and Mr. Huebert could then comment.

[English]

Mr. Richard Shimooka: It's good that you point out the word "fair", because that's a really difficult part to parse.

The problem is that this can't be almost an equitable competition. As Mr. Nossal pointed out, the joint strike fighter program is much newer than many of the other options, except for the Gripen. It's significantly more capable. Basically, Canada's participation within the joint strike partnership industrial benefits program should have given it a very large leg-up on all the other options.

What you saw in 2010 was that when the initial evaluation was done by the Department of National Defence and the government, the understanding was that because it's much more capable and significantly less costly, and the industrial benefits were so much more skewed to the F-35, there was no competition required. It would waste taxpayers' dollars to undertake a competition at that time.

Now we fast-forward to 2015 and the current FFCP process. At that time, they had to change the evaluation criteria in order to give other options the ability to compete. There was no way for them to compete fairly in a lot of capability areas or in the industrial benefits aspects, or to at least let them have a plausible chance of winning.

When you say "fair", it's a very difficult challenge to make a competition when one capability is significantly more capable, less costly and whatnot, so that others can have the chance to compete.

• (1605)

Dr. Robert Huebert: I'm going to jump in very quickly here. "Fair" has nothing to do with it when we're talking about the security of Canadians. The aerospace industry has fundamentally transformed itself since the 1970s, when, in fact, we could have different airframes competing.

We misuse the term "fairness". You're really talking about competitiveness.

The reality is that we have a focus on construction. We need to have that long-term understanding. These are all the types of efforts that the Americans put into creation.

When you talk about protecting Canadians from the rising geopolitical threat that is coming from the Russians and the Chinese, and when we start talking about fairness and the time and money that it wastes, which diverts from what we should be focusing on, I have problems with that, to be perfectly honest.

The Chair: Thank you, Mr. Huebert.

We'll now go to Mr. Johns for six minutes.

Mr. Gord Johns (Courtenay—Alberni, NDP): Thank you.

I'm going to go right back to you, Mr. Huebert. You talked, too, about the geopolitical threats and how they have changed. This process started over a decade ago, so the needs and everything have shifted.

Can you talk about the flaws in our procurement process right now?

Also, in terms of level 3 partners, I think you identified Denmark as having a somewhat better process than we have. Can you speak about where there are good processes in procurement? Where can we look at those models? What can we do to update ours, so that we're not in as bad a situation as we are right now?

Dr. Robert Huebert: I'll start off with a point that Richard raised, and that is the reality that aerospace threats today are a system of threats. In other words, we have to get out of this mindset that somehow dogfights and individual capabilities of the airframe we're talking about is what is going to give us security as we engage with the enemies we will be engaging with in the future.

We need to have the ability to converse with all sensor capabilities. In other words, if the fighter can actually see the enemy that it is trying to take out, in today's warfare environment it's probably too late. You're probably already dead at that point in time, given what missile technology, surveillance and sensors are now doing.

In other words, it's all about having that domain awareness. That's the strength that the F-35 brings to the fight, and this is why people like the Finns are going for the F-35 rather than the traditional Griffins or the Swedes' materiel that they go to. You have to know that in terms of the ability to win in an aerospace fight, you need to be able to anticipate what your enemy is doing, and that means you also have to have missiles that can reach that range—you start talking about a system—and you need to be able to keep your aircraft airborne. One of the things we haven't talked about is the fact that modern-day air-fighting requires tankers to a degree that we always forget about; it's the unglamorous part of air power that we need for the procurement system.

Once again, when we look at the Danes and at the Finns, what they both started with in their processes was not so much "what's the airframe?", because, to be frank, the Finns wanted to stay with the Swedes—they like that relationship—but that they recognized the growing aerospace threat the Russians are bringing with their hypersonics, with their fifth-generation fighter capabilities that they bring to the battle, so they in fact had to have a system that was based on the pure protection of Finland and Denmark.

You get that solved—that you are in fact responding to a threat—and that speeds the system and focuses the mind incredibly. We don't seem to see indications of the political interference once that decision is made. Now, of course, what we see is that there is even more urgency for them to acquire this capability.

• (1610)

Mr. Gord Johns: Thank you.

Mr. Nossal, in a 2016 publication, you argued that due to Canada's geopolitical position and voters' poor appetite for defence spending, Canada should focus on specialized military capabilities instead of developing all possible capabilities. Can you talk about which specialized air capabilities Canada should focus on? Also, has your position changed on those specialized capabilities since that publication? If so, how?

Prof. Kim Nossal: On the first question about what kind of air capabilities, I have a very different view on this one than Professor Huebert. There's only one question for me, and that is, what are the Americans flying?

Because of the crucial importance of the air defence of North America, still, after all these years, for me there's only one question to be asked and answered, and that is, what are the Americans flying in the defence of North America and what, then, are we going to be flying? They won't let us fly F-22s, but they're going to be flying F-22s and F-35s, so we need to be flying F-35s as well. From that point of view, that's the reason why, in response to Madame Vinola's question, it really wasn't fair, but that's another issue.

On the question of going after niche, the one thing that hasn't changed since I wrote *Charlie Foxtrot* in 2016 is that Canadians have not grown any less cheap about defence expenditures. They may be willing to increase the defence budget in the shorter term, given what's happening in the world, but the essence is that Canadians are still extremely cheap, and therefore we need to tailor our military along the lines of what actually Canadians will agree to purchase.

Mr. Gord Johns: Mr. Shimooka, you were talking about how there are different processes internationally. Can you point to a country that has a good procurement process Canada should look to?

Mr. Richard Shimooka: That's a complex question.

I think there are segments of procurement processes that we see internationally where we can see that it worked. The United Kingdom has had some successes. The Australians have as well. The United States is another country, and also France.

I would specifically look at some programs that have actually achieved their cost targets, capability targets and also industrial or technology development. An example I've raised before was the M-SHORAD program in the United States. There are also the examples that Mr. Huebert discussed of how Finland or even Switzerland have identified selecting the F-35. It really depends on what you're looking at.

One of the biggest challenges we're seeing right now is basically trying to get software-enabled capabilities, which is this next generation of capabilities that are really critical for situational awareness, and identifying and prosecuting targets. Those are big challenges.

The United States has made some really big steps in trying to get those capabilities faster and deliver them to their war fighters quicker and on cost. I'd probably look at those efforts there.

The Chair: Thank you.

We will now go to our second round of questions.

We will go to Mr. McCauley for four minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Gentlemen, thanks very much.

I'm going to ask the same question of the three of you. I'll just ask if you can each take about a minute and a half to respond, starting with you, Mr. Huebert, and then Dr. Nossal and Mr. Shimooka.

There's the issue of "the buck stops here" responsibility with procurement. How do you see it best set up for Canada? We repeatedly see departments and ministers come before us and there's never a straight answer of who's responsible for a decision.

Our system is very clearly broken. How do you see us tackling that as a country?

• (1615)

Dr. Robert Huebert: It gets even worse because we've allowed almost no room for failure within the individual departments. In other words, look at the penalty of what happens if someone has been delayed. In terms of the individuality within, for example, DND, we'll see the accusations. You can talk to the individuals involved. It often freezes activity.

Then we get to the very top aspect and once again, because of the diffused nature and the way so much of what is happening is hidden from view, we can't see who the political leader is who said that we will delay on this decision, that we will go forward or that we will ultimately make it happen. There is an increasing inability to understand that and that means—

Mr. Kelly McCauley: How do we tackle that, then?

I'll give you an example. A couple of weeks ago we had PSPC in. We were asking about the potential delay of another year for the F-35 decision. We asked who made this decision. The answer was that we, as a government, did.

Well, who was it? It's just passing the potential blame around.

Dr. Robert Huebert: We can take a little bit of a lesson from the Japanese. They're the one example we haven't talked about at this point. In terms of their major procurement, they have bipartisan acceptance. Part of it is because they have a shared view. It doesn't matter if it's the liberal democrats or the socialist party, there is the recognition of the growing Chinese threat. Their submarine program probably stands out as one of the very best of procurements that we could talk about. I know that's for the second hour.

It goes to the heart of what Dr. Nossal was saying about political gamesmanship. If we can create a norm within the Canadian government that this is not about Liberals, Conservatives, NDP or Bloc Québécois coming ahead or showing that they're getting their individual ridings, but it's in fact for the security of—

Mr. Kelly McCauley: I'm going to interrupt you briefly to give Dr. Nossal a chance.

Mr. Shimooka, I'll get you on my next round.

Dr. Nossal, do you want to chime in?

Prof. Kim Nossal: Yes, thank you.

I think there's always a tendency to want to follow the Australians here because they tried an experiment with creating a separate department of defence procurement. They've abandoned that, and they've essentially put their defence procurement back under the authority of the Minister for Defence.

When we think about changes that we could make, my own view is that we need to get rid of this tripartite view of procurement, industry and national defence, and recognize that what we're talking about here is a national defence expenditure. That means that, ideally, the Minister of National Defence should have that authority.

That's what I would be inclined to do.

Mr. Kelly McCauley: That's perfect. Thanks, gentlemen.

The Chair: We will go to Mr. Housefather for four minutes.

Mr. Anthony Housefather (Mount Royal, Lib.): Thank you very much, gentlemen. I really appreciate all the witnesses being before us today.

I think, from all sides, we agree that defence procurement should not be politicized. I don't think that is something that would be in doubt and all of us on all sides have to live up to that. I'm in complete agreement with that.

You talk about transparency and a lot of what you're saying is right. The more people understand where things are in the process, the more people have a factual basis for understanding why decisions are made and the more concretely they'll understand decisions. That's on the understanding, of course, that a lot of negotiation is confidential between suppliers and the government. Pricing and many other issues are proprietary, and you have to be careful.

In order to improve transparency, whatever the government in place, what are the steps within the procurement process where you feel that transparency can be improved? Take in the other considerations that may be involved, such as confidentiality in the customer-supplier relationship.

I'll start with either Mr. Nossal or Mr. Huebert, because you both mentioned that.

• (1620)

Prof. Kim Nossal: Let me suggest that one of the ways has already been mentioned by Professor Huebert. That is the idea of creating, at the parliamentary level, committees where individual MPs of all parties would essentially be bound by the kind of confidentiality requirements that you refer to. It seems to me that that would be one way you could increase the transparency so that you don't get the kind of frustration that Mr. McCauley felt when confronting Simon Page.

It seems to me that that's one of the key ways of doing [*Technical difficulty—Editor*].

Dr. Robert Huebert: The other thing that has to be brought in is that we have inversed the role of secrecy. Instead of demanding that we prove what needs to be kept secret, the assumption is we need to prove what can be released. Part of the process would be better served if, as we go through all those issues that you say have a requirement for secrecy, you need to demonstrate where the secrecy is required and then you assume that everything else is open.

Once again, we go back to the one example of the creation of shipbuilding strategy. Remember, that is a rarity in which the document by which the decision was ultimately formulated was released publicly. In other words, there was an ability and a recognition among those who were tasked with coming up with the strategy to be able to defend their positions without betraying any of the secrecy requirements.

There are techniques by which we can make sure that real information is shared and secrecy is protected, but only if we have the political will to do it. Once again, we're left with that horrible reality that all of this is possible, but it has to have the buy-in of the Prime Minister.

Mr. Anthony Housefather: First of all, thank you, both, for those answers. I think we're in a government where the Prime Minister is not by himself. It's a cabinet-style government, so cabinet needs to consider how to be more transparent. All cabinets do, across the world and in Canada too.

The last thing I wanted to say—it's come up before—is to remind everybody that if you don't have a fair procurement process, you can have complaints filed at the CITT that would delay the purchase of equipment even longer than if you had a fair process. We always have to weigh all of these different factors. There's no perfect answer, but you've got to get the best marriage possible.

I really appreciate all of your testimony.

Thank you.

The Chair: Thank you, Mr. Housefather.

We will now go to Ms. Vignola, for two minutes.

[*Translation*]

Mrs. Julie Vignola: Thank you very much.

Mr. Huebert, I will address you.

For several weeks, we have been hearing about how obsolete radars are and how we lack a ground-based air defence system.

I feel—and this is very personal—that those factors are especially important for protecting Canada's huge Arctic northern territory.

We cannot change the past. However, I would like to hear you comment on what technologies would be more effective for protecting Canada's north.

What would those technologies be and how many devices should we purchase? You can also add any other comments you feel would be relevant.

Thank you.

[English]

Dr. Robert Huebert: Well, we can say immediately, of course, that we do have to update the existing architecture of the north warning system. In other words, the Russians are in the process of modernizing not only their nuclear war-fighting tactical capabilities that we see with the Gazelle missiles and other types; they're also modernizing their ICBMs. We have to continue to have that capability to monitor that threat. That means that the RADARSAT systems have to be updated.

We also need to have the ability, however, to be able to detect the Gazelles, the hypersonics. That requires, of course, a system such as the over-the-horizon radar, but it also requires a mobility. In other words, the Arctic is so large that you are not going to be able to have the old-fashioned DEW line system where you can string a set of radar sites across and have a high degree of confidence that you're going to catch everything. You've got to be able to have an anticipation. That then means that you also have to be developing new space-based systems.

The only way we're going to have a proper surveillance capability of being able to anticipate what the Russians are doing in terms of aerospace—I would add the Chinese as well, going to into a little bit longer future—is to have radar sensors. Now, that means, obviously, that we have to tie ourselves much closer with the American space weapons systems, which will be problematic for some people on a political basis.

There's another part, though. You also need to have the ability to respond. It's not just simply having these three-layered sensor systems. We also have to be talking about what it means in terms of ABM capabilities and what it means in terms of being able to take out these hypersonics. That's another layer of anti-ballistic missile. We're also going to have to do anti-missile systems unless we're willing to have the Americans simply bring us around and do it entirely for us.

• (1625)

The Chair: Thank you, Mr. Huebert.

We'll now go to Mr. Johns for two minutes.

Mr. Gord Johns: I'm going to expand on that. We know that the F-35 has an operational range of about 1,100 kilometres, which suggests the need for refuelling capabilities. You just talked about some of the infrastructure we might need.

What other additional infrastructure do you think is required to support fighter jets in the far north year round? Should Canada be making these investments now, given that we're heading into this? Also, do you think we should be purchasing specialized refuelling planes?

I'll go back to you, Mr. Huebert.

Dr. Robert Huebert: Absolutely. I mean, once again, because of the difficulty of getting information, there are suggestions that have appeared in some media reports that in fact our ability, a spur-of-the-moment capability, to actually deploy our aircraft into the hangars, particularly in the middle of winter, is problematic. There are issues associated with sort of bread-and-butter issues. We have issues on whether or not the runways of our four forward operating

bases can actually provide the ability for all aircraft...including the Americans'. Of course, we have that shared aerospace under NO-RAD. If the Americans are sending in their very largest refuellers, can they in fact operate out of the forward operating bases? I don't have the answer for that.

We need to have the four forward operating bases, but if we actually start putting in the over-the-horizon radar, that means going to the northern tips of our Arctic archipelago, which means having some facility beyond Resolute and Eureka to be able to resupply, particularly on the western part of the Arctic.

All of that infrastructure has to be worked out and brought forward.

Mr. Gord Johns: In terms of the critical path to getting there and ensuring that these aircraft have the equipment, pilots and maintenance, how are we doing on that front, on the human resource side? Do you see us having challenges there?

Dr. Robert Huebert: We are getting media reports that we are losing pilots and that we are not able to sustain. It goes back to a point that I was raising earlier. Not only do we need to have pilots who can fly the existing fleets; we need to have a surplus.

We have to assume, going into the future, that if we move from this environment that was relatively low-conflict and definitely low-tech in terms of any capability, then we will also need, and this is part of the procurement issue that we have not dealt with at all, to replace pilots who are lost in combat or wounded in combat. At this point in time, I don't think we have any flexibility in that.

The Chair: Thank you.

We'll now go to Mr. Lobb for four minutes.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you very much, Mr. Chair.

I've appreciated everybody's comments today. I'm relatively new to this committee, but for many years, I have felt that there's just way too much politics in everything, and especially in procurement.

What is so wrong with having a committee put together of experienced members of Parliament that would ensure that taxpayers' dollars are protected, and that we're getting the right equipment for the Canadian military? Is it such a far-off thought that we could do our jobs?

Dr. Nossal, or Dr. Huebert, do you want to comment on that?

Dr. Robert Huebert: First of all, I'll remind the committee that in days of yore, House of Common committees provided some of the most cutting-edge information to understand the international system around us. Bill Graham, when he was head of the foreign policy committee, produced a report that I still make students read on understanding the future of security in the Arctic regions. The committee system in Canada has the ability to bring along some of the very best minds to produce this.

We've seen a manner by which committee systems can oversee things, such as intelligence within CSIS. There is no difficulty in saying that there has to be a certain secrecy requirement, which all MPs have shown in the past that they are mature enough to be able to accept. Once again, it then creates that bipartisan understanding that we can all agree that we are dealing with a threat in such a way that, ultimately, has to protect Canadians.

I think that the sense of loyalty of anyone who wants to become an MP in the first place would be very well situated for such a creation.

• (1630)

Mr. Ben Lobb: That's my estimation.

I think back to the time of the F-35 over a decade ago. I think if we had had a committee with all political parties involved in the spirit of goodwill to try to do the right thing, we would have realized that if the U.S. was going with F-35s, Canada was going with F-35s. We would have worked out a way to make sure that the taxpayers were protected, as well as getting the best fighter jet for Canadians and for the military.

Maybe it's not lost on us yet that we can make some changes going into the future.

The other thing was touched on by Mr. McCauley as well. The secrecy is very frustrating. When different civil servants come here—I'm sure they're all great people—you get no answers on anything. There's no transparency. You have decisions costing billions of dollars, and maybe one or two cabinet ministers know exactly what's going on. It's maybe one or maybe two.

In the public service, how many know exactly? It's way too much power and way too much secrecy for that kind of money getting spent.

Are there any thoughts on that? Anybody can answer that one.

Mr. Richard Shimooka: I'll take a quick stab at it.

I wouldn't mind if I could respond later to Mr. McCauley's question directly.

This is a challenge. Part of the problem is that each department that is involved within the procurement process has its own perspectives and objectives. It is not purely the delivery of a capability alone. It is getting costs.... The process is a major focus of PSPC.... There are the industrial benefits.

When you get into the defence procurement process with all of these groups together, that's when you start getting this issue of a lack of transparency. None of the individuals in that process are willing to stand up and say in testimony, "What's the issue?" or "Where is the problem with the process?". They have to operate within the collegial format.

That is a major issue that you're seeing in your discussions.

Mr. Ben Lobb: Thank you.

The chair says that I have five minutes left. I'll cede my time.

Thank you.

The Chair: Thank you, Mr. Shimooka.

We will now go to Mr. Jowhari for four minutes.

Mr. Shimooka, perhaps in the next hour while you're here, you might be able to address that with Mr. McCauley, when he gets the chance to question you.

Go ahead, Mr. Jowhari.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses.

I'm going to start with Dr. Huebert.

When discussing NORAD modernization, you've indicated that the popular metaphor for the objective of this modernization is that we need to enhance both the shield and the sword. NORAD, as a system, is referred to as a system of systems. There is a very active dialogue going on between an upgrade, and an upgrade and expansion.

If you can expand on the shield and sword, what areas of the shield do we need to enhance? What areas of the sword do we need to look at enhancing? There's also the interoperability that's needed within the NATO allies, especially in NORAD.

Could you close by highlighting where in the procurement process we need to make sure that we enhance and optimize the process so we don't get...? We don't have another seven years.

Dr. Robert Huebert: Wow. Do I have more than four minutes?

It's a brilliant question. It really gets to the heart of why we are talking procurement. We're talking procurement because we have a new geopolitical security environment.

Traditionally, we've mainly needed this shield because that was the essence of deterrence. As long as the Soviet Union knew that we would know when they launched the missiles—so the Americans could then launch their missiles and we could all die in mutual suicide—the deterrent of...actual nuclear war was stopped. Once the bomber threat faded and we moved into the missile age, we needed the shield. That's why we had the emphasis on the DEW line and then subsequently on the north warning system.

We now need the sword because we are dealing with systems that are directed towards tactical nuclear war. They are of a speed and a stealth capability that simply letting the Russians know that we know that they have one of their Tupolev Tu-95s armed with a nuclear-tipped Kinzhal hypersonic missile that is ready to fire is no longer deterrent enough. We need to convince the Russians, and I suspect the Chinese going into the longer term, that we can in fact shoot them down.

That's where we need both the shield and the sword in this context. We need that surveillance. We need all that we talked about earlier, including RADARSAT, over-the-horizon radar and these satellite assets with our American allies, but we will also need the capability of what the F-35s—with refuellers—will bring us to be able to shoot down incoming threats.

We haven't even talked about the maritime side, but that's the next hour, I suppose. At the same time, when the Russians sell their Sarmat ICBMs, we need to be able to say, "Okay, we know you fired them, so let's commit mutual suicide".

All of that is expensive. It's difficult to actually comprehend, but it's about deterring and deterring by being able to fight. That's something new in terms of our thinking about procurement.

• (1635)

Mr. Majid Jowhari: I have about 30 seconds left.

Now that we are focusing on our shipbuilding, on modernizing NORAD, as well as on supplementing it with the proper air defence, which is being negotiated, are we moving toward the very secure, safe and strong commitment that we had made?

Dr. Robert Huebert: More so, but once again we haven't talked about the submarine threat. We haven't talked about underwater autonomous vehicles. We haven't talked about whatever the Russians and Chinese come up with that we haven't anticipated.

Once again, the Kinzhal missile surprised people, even though they've been developing it for a long time.

What is in the current arsenal that the Chinese and Russians are developing now that we have not anticipated and that we need to respond to? We need to be bringing that dynamic thinking to the entire procurement process.

Mr. Majid Jowhari: Thank you.

The Chair: Thank you, Mr. Huebert and Mr. Jowhari.

That brings us to the end of our air defence procurement hour. We're now going to suspend briefly.

Before we do, I want to thank you, Mr. Nossal, for your testimony and your participation today. You are welcome to stay logged in to the meeting, although you won't be participating in the next hour. We do appreciate your comments.

With that said, we're going to briefly suspend while we bring in one more witness.

I declare the meeting suspended.

• (1635)

(Pause)

• (1635)

The Chair: I'd like to welcome Ms. Sloan to our meeting.

We have with us Ms. Sloan, Mr. Shimooka and Mr. Huebert. We're just going to have some opening statements. The witnesses will start and they'll have three minutes, please.

This is on national shipbuilding. We'll start with Mr. Huebert.

• (1640)

Dr. Robert Huebert: Thank you very much.

I want to reiterate a point, because I can't make it enough. We're heading into a new security environment that is increasingly going to put pressures on Canadian maritime security. This maritime security, of course, faces a threat from the ongoing battles that we see occurring in the Ukrainian war but also in terms of the Asia-Pacific region, which is increasingly going to become an area of conflict. As a result, we need to ensure that we have as nimble and as capable a procurement for naval capabilities as possible.

The second point I would like to make once again reflects what we talked about in the first session. We have an almost perverse desire to focus on platforms rather than understanding that what we need to have, in terms of responding to the development of Chinese and Russian naval threats that are now developing, is a system of systems. We can't simply talk about the development of an AOPS, a submarine or a surface combatant. We have to talk about what this ultimately gives us in effect and the ability to fight, as the future environment will obviously put pressure on us.

In terms of the types of challenges that we face concerning how we meet this future threat, we of course had a very good start with what was the Canadian shipbuilding strategy, in an effort to try to introduce a certain rationality in terms of how we approach these particular issues.

One would dare say that, once again, we are seeing a certain element of politicization as the issue of whether or not we should have two yards or three yards has arisen, but we've also seen other types of difficulties, where we are only focused on what the costs and cost difficulties are, rather than asking how we are able to fight, how we are able to resupply and how are we able to repair.

I will end my comments by saying that it is a good start to see the AOPS actually coming into operation. I will be happier when we start seeing actual construction on the future surface combatant so that they're actual surface combatants. We are going to have to address the issue of submarines sooner rather than later.

Thank you very much.

The Chair: Thank you, Mr. Huebert.

We'll now go to Mr. Shimooka.

Mr. Richard Shimooka: Thank you again.

My views on shipbuilding and specifically the Canadian surface combatant program are largely derived from my paper on this topic, released several months ago. In it, I went through the history of the program and identified key factors and objectives that guided the CSC program, three of which I find particularly relevant for this discussion. These are the desire to recreate a sustainable domestic Canadian government shipbuilding industry, the need to acquire highly capable vessels for the Royal Canadian Navy that can seamlessly operate alongside allied navies, and the lack of project management and design capacity within the Government of Canada resulting from cutbacks to the procurement workforce in the 1990s and 2000s.

The first two are policy choices the government may be able to alter, but the third is a capacity and experience issue that cannot be easily addressed. It must be rebuilt over time and at a significant cost, which has helped to determine how the program has unfolded. It led to the umbrella agreements in which the shipyards took on a much more significant role in the production and management of the CSC.

My study did not suggest that the CSC is an optimal outcome. Like many other major government programs, it is the product of a less than ideal set of compromises, circumstances and intents. Still, it is difficult to challenge the program's outcome unless the government is prepared to modify either its desire to build these ships in Canada or to accept a significantly less capable vessel. To put it bluntly, there are no free lunches in defence procurement.

The CSC experience is not totally out of line with our allies' experiences with their own programs. For example, the recent U.S. budget submission suggested that the cost of the first Constellation class vessel, a very rough comparison to our CSC, has gone up by over 30% in the past two years, from \$900 million U.S. to \$1.3 billion U.S., with the Congressional Budget Office suggesting they go as high as \$1.6 billion U.S. Good factual comparisons and understanding the challenges of establishing a shipbuilding industry are essential.

I do not believe there is an easy approach to finding major cost savings on the CSC program as it is currently constituted, even with a different ship design. There might be opportunities to curtail some costs by reusing the existing hull design to produce a less capable vessel, but even that brings a whole host of other challenges and may not result in cost savings.

I'd be happy to discuss this further in questions.

• (1645)

The Chair: Thank you, Mr. Shimooka.

Now we will go to Ms. Sloan, for three minutes, please.

Dr. Elinor Sloan (Professor, Department of Political Science, Carleton University, As an Individual): Thanks very much.

I'll start by saying that I agree fully with what Mr. Shimooka and Mr. Huebert just said.

Thanks very much for the opportunity to speak here today.

In the past 10 years, since the government signed umbrella agreements with Irving and Seaspan to be strategic partners in building combat and non-combat vessels, as we know, the projected costs have escalated and the timelines have continually expanded. A key contributing factor from the outset, in my view, has been the lack of an appropriate governance structure for shipbuilding in Canada. An interdepartmental committee of deputy ministers, chaired by the DM of PSPC, governs the shipbuilding strategy, as everyone here knows. With decision-making shared among DND, PSPC and Innovation, Science and Economic Development Canada, responsibility for moving the shipbuilding strategy forward lies everywhere and nowhere.

Britain has recognized the problem with a committee approach to government activity as complex as naval shipbuilding. Like

Canada, Britain has faced significant cost overruns and delays in building its naval vessels. In its 2017 national shipbuilding strategy, Britain announced a new shipbuilding governance arrangement. It created a cross-government sponsor group chaired by the deputy chief of the defence staff, with representation from many ministries. This group owned the national shipbuilding strategy.

Just two years later an independent review of progress in implementing Britain's shipbuilding strategy found that the sponsor group did not appear to be strong nor effective, and was primarily used to share information. Another independent review into national shipbuilding governance structures found that "activity across Departments was fragmented with a lack of alignment and empowerment and without clear lines of [authority]."

The British Prime Minister responded to this in the fall of 2019 and appointed the Secretary of State for Defence, the equivalent of our Minister of National Defence, to be the government's "shipbuilding czar". This term has been assigned formally. The Secretary of State for Defence and shipbuilding czar, as he introduces himself, is the single ministerial-level appointment responsible for implementing the national shipbuilding strategy in Britain. It brings together input from other government departments. A national shipbuilding strategy refresh that came out of Britain about a month ago went still further and created the National Shipbuilding Office, which reports directly to the shipbuilding czar. It's led by a rear admiral who has been appointed chief executive, and the office is responsible for driving forward the shipbuilding strategy.

There are many concerns surrounding the ships of Canada's national shipbuilding strategy, including costs, timelines and, in the case of the CSC, the Canadian surface combatant, possible performance issues around weight, for example. In my view, a fundamental underlying factor behind many of these issues is the lack of an appropriate governance structure that assigns accountability for progressing Canada's national shipbuilding strategy to a single government minister.

The Chair: Thank you, Ms. Sloan.

For the witnesses, just so you are aware—and as you've probably assumed—we have distributed the documents you provided to us to our committee members, so they have them in advance and are aware of things. If you missed something in your opening remarks, they will have seen that.

We'll now go to questions, and we will start with Mr. McCauley for six minutes.

Mr. Kelly McCauley: Great. Thanks very much.

Mr. Shimooka, I'll tell you quickly that I was googling you, and when I put in your name this comes up: "Is Shimooka alive?" I think I can answer that one.

Voices: Oh, oh!

Mr. Kelly McCauley: Mr. Shimooka, I want to ask you, quickly, how you think we best build up, in the short lead time, better project management. Then maybe the two others can answer that. We obviously have a shortage. Do we contract it out to our partners or allies in the States? How do we build this up so that generations from now we're not repeating the sins of today?

Mr. Richard Shimooka: I think what we've done in the past couple of years here—and I know you've had Mr. Perry discuss this as well to some degree—there has been a significant push to increase the procurement workforce, and we've accelerated a significant number of individuals. Basically, we've promoted them.

I would look to the United States and also the United Kingdom, and utilize some of their educational institutions. The United States has the Defense Acquisition University. There are various courses within the United Kingdom that can help us accelerate the development of that knowledge.

I would suggest maybe looking at the Canadian Forces College or other areas and developing an institution that has the expertise to teach individuals within our government to better operate within this environment and really evolve that. If you look at other countries, they have people who move up the system who have decades of experience in how to undertake procurement. They have MBAs and whatnot that give them real management knowledge and capacity. We don't really have a similar situation in Canada, and I think that really hurts us.

• (1650)

Mr. Kelly McCauley: Is there anything you can think of in the real short term—next year, in two years, in three years—that we can do to address this? Obviously this is longer term.

Mr. Richard Shimooka: This is a longer-term problem.

It's similar in businesses in the private sector as well. You can't create somebody who can operate a \$100-million or \$1-billion program and manage that. It takes time to develop that capacity. Maybe we can hire people from the private sector. That might be a possibility. That would require significant changes to how we administer the human resources within the departments and within government. That might be possible, but that's also fraught with challenges as well.

Mr. Kelly McCauley: Ms. Sloan, do you want to chime in?

Dr. Elinor Sloan: Sure.

I appreciate that it's a challenge. It's a long-term process, and it needs to start now. The starting piece is appointing that one person who's in charge, who can then develop the workforce—it will obviously be over several years—to rebuild that project management capability that was decimated in the mid-1990s.

The starting point needs to be now. It starts with one person and then rebuilding in that manner. It won't be easy. It will take time. Yesterday would have been better, but today is the best time to do it.

Mr. Kelly McCauley: Great.

Dr. Huebert.

Dr. Robert Huebert: First of all, I agree with everything that Richard and Elinor are saying.

I want to stress to the committee that building a naval ship is a very difficult challenge. The Americans are just about to literally junk an entire new class of vessels. Their Freedom-class littoral ships were supposed to be like Corvettes. They can't make them work. They've spent billions, and they will be scrapping them. They've spent probably about \$2 billion extra on getting their Ford aircraft carrier class working.

We have to appreciate that this is a long-term, very difficult challenge, so we need someone at the top who will benefit, who will gain. Give them a political payoff for doing the job well and also hold them responsible.

There's a point that Elinor raised. We need to constantly have systems by which we review what is happening. The success of the British system is that they were willing to look at what they'd tried, and then they had an independent capability ask the question, "Is it working, or is it not working?"

We tend to say that we will create the means to make it work, and then we never come back to it. There has to be the acceptance that this is dynamic, and there has to be the acceptance that of course there is a fair system of review, to see if in fact we have the problem the British ran into or if we're actually solving it. That's a mindset that also has to come forward.

Mr. Kelly McCauley: We have to accept and be open to the fact that things could fail and might fail.

Just quickly—

Dr. Robert Huebert: They actually do fail very badly. Let's be very clear, naval construction.... The French built an aircraft carrier that could not land their largest aircraft. They had to put the *De Gaulle* back in after she was out for about.... They took her out for the first tryouts and discovered their anti-submarine aircraft could take off, but they couldn't land it. You sit there and ask, "How did you get that so wrong?" This is the challenge of shipbuilding in a modern era.

• (1655)

Mr. Kelly McCauley: I think we have to be ready to walk away from something that's not working rather than pour money into it.

The Chair: Thank you.

We'll now go to Mr. Kusmierczyk for six minutes.

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): Thank you, Mr. Chair.

I'm excited to ask a question of Professor Sloan, as a Carleton University grad myself.

You co-authored, Professor, a paper on agile procurement: "Toward Agile Procurement for National Defence: Matching the Pace of Technological Change". Recently I came across a terrific quote from a former air force chief of staff, General David Goldfein. When he was talking about fighter jet procurement in the United States, he said, "I grew up flying fighters, and I will tell you, when I see the F-35, I don't see a fighter. I see a computer that happens to fly."

The challenge of technological change applies to warships as it does to fighter jets, so Professor, I want to ask if you can comment on the role of agile procurement in the national shipbuilding strategy. What role does it play?

As to my second question, I know you're currently undertaking a study that is funded by SSHRC. It's a research project on naval shipbuilding that compares the U.K., Australia and Canada. What are the differences in how different shipbuilding programs around the world keep pace with the fast pace of technological change? Are there lessons that can be learned from some other countries? Where is Canada at in terms of being able to keep pace with technological change?

Dr. Elinor Sloan: Thanks very much for those questions.

In terms of agile procurement, really we're talking about applying a business model to government procurement, which can be very difficult. Of course, in the business world things turn around very quickly. If you were to create, let's say, a shipbuilding czar in Canada in the form of the Minister of National Defence, then that person could drive the rebuild of procurement officers. As I understand it, there were 1,200 or 1,500 procurement officers working on the Canadian patrol frigate back in the early 1990s. We don't have that capability right now. That's the part you need on the government side. That office could also drive the business plans and business methods to bring agile procurement capabilities into the shipbuilding strategy. All of that would be driven from the top by the shipbuilding champion, so yes, it is absolutely a key role because technology changes so quickly.

In terms of the three different countries, all countries have problems with shipbuilding. Canada has its problems, Australia has had lots of problems and the U.K. has problems.

The U.K. I would say is responding most quickly to the problems it has had. The problem it had was that one big shipyard built its ships and got very behind, so they decided to break it up into several shipyards that would build different vessels. Also, they adopted an export strategy, which is another whole conversation. They are building in agile procurement and complex technologies through the process of breaking up the different locations into hull builders and technology components. A warship is about 80% computer and

20% hull. It's much different, let's say, from the AOPS or a Coast Guard vessel.

Australia has had a number of things it's learned in terms of how to build a ship, which are other things we can possibly apply here in Canada. One of the things that Australia learned was not to build modules in different locations and try to bring them together into one location, because they had trouble with that with their Hobart-class air warfare destroyer.

Britain is going in the opposite direction. It's building modules in different places around the country. I think Canada would want to take note of the solution that Australia found. Britain, of course, is a small country and can build things in different locations. I don't think Canada would want to do that. We're building our modules, let's say, at Seaspan and putting them together at Seaspan, and I think that's a good idea.

There are different learnings from the different countries. I'm not sure if I've answered your question.

• (1700)

Mr. Irek Kusmierczyk: Would you say that Canada does a good job in its system in terms of bringing in innovation and adapting to technological changes as it designs and implements and builds these ships? Are we able to keep up to the really fast technological changes that are taking place every single day on the software side, on the computer systems side? As you said yourself, 80% of a warship is a computer now, a software system.

Are we doing a good job in terms of keeping up with those technological changes, relative to other countries?

Dr. Elinor Sloan: Really, that's a company question. Lockheed Martin is doing a very good job in keeping up in the technology changes that are.... I apologize. I think my dog's barking.

As the combat systems integrator, Lockheed Martin is doing a very good job in adapting to technology needs in Canadian surface combatants, but there are other aspects within Canada that are lagging because of the lack of capacity in national defence headquarters in ADM materiel to truly drive all of this. It's a capacity issue in terms of many of the elements in the shipbuilding strategy.

The Chair: Thank you, Ms. Sloan.

I didn't let your dog cut into your time.

Voices: Oh, oh!

Dr. Elinor Sloan: Yes. I apologize for that.

The Chair: With that said, we'll now go to Ms. Vignola for six minutes.

[*Translation*]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Ms. Sloan, in your presentation, you mentioned the lack of governance in relation to shipbuilding. You also described the process Great Britain went through to improve its governance.

Have Great Britain's decisions had the desired results? Could those decisions be applied here? What country would have the best example of governance in shipbuilding?

We know that all countries are currently experiencing difficulties, as shipbuilding is not easy. What would be the best kind of governance to ensure that the decisions are made quickly and correctly and that taxpayers' money is being used properly?

[English]

Dr. Elinor Sloan: Thanks very much for that question.

As I understand it, Germany does a very good job, but I have not studied Germany so I can't answer along that line. In terms of the U.K., Australia and Canada, the three countries I have looked at, basically nobody does a good job. Everybody has trouble. That's why all three countries have been looking at possible solutions.

In terms of the transferable lessons, I think the modular one is transferable to Canada. As I mentioned, I would not build in different locations and bring things together into one location. Australia learned that the hard way.

In terms of whether or not Britain's new top-down shipbuilding czar is working, it's only been two and a half years, and already they've decided to centralize it still more with this National Shipbuilding Office. However, there have been some successes in the British system. One of the successes is Britain's documentation, for example, with the national shipbuilding strategy refresh that was released about a month ago. It talks about export success. One of the export successes it talks about is exporting the Type 26 to Canada and Australia and the Type 31 to Portugal and Indonesia.

Some of the ways in which they're doing things are starting to have traction. Britain has experimented with a number of different things over the past 10 years, and this is where they've arrived. They have seen problems and have tried to adapt to the problems.

I would say that, in our case, we see problems but we have not changed our defence procurement strategy since 2014, since the committee of the deputy ministers, and we haven't seen any progress. I think it's time to relook at that.

• (1705)

[Translation]

Mrs. Julie Vignola: Thank you, Ms. Sloan.

Mr. Shimooka, in a report published in 2021, you said that Canada should go ahead even if its selected surface combatant is imperfect. What are the risks associated with the model and how could we decrease those risks, both for the builder and, as always, for Canadian taxpayers?

[English]

Mr. Richard Shimooka: Thank you for the question.

One of the challenges we have to realize is that we've already invested quite a bit of time and effort into the CSC as it currently stands, and any further delays to the delivery of these vessels will

also incur significant costs because we'll have to modernize the existing Halifax-class vessels in order to serve well beyond their original life expectancy.

I think that's a dynamic that currently exists, and if we try to backtrack or make a different decision at this time, we will certainly incur further costs.

Dr. Sloan's comments about centralizing the governance structure, providing better reporting and understanding where we are in the process are very helpful and very useful to deliver better outcomes in this case. We're also at a very crucial stage within the program. Some of the most complex aspects of integration are being undertaken, specifically the radar on the vessel and modifying the design.

At this stage, in the coming months and in the coming year, I think we'll have a much better understanding of what the costs of the program are and what the value for money is. It's just that at this specific stage there are a lot of challenges. It's fraught. We don't know exactly where it's going to go.

The Chair: Thank you, and thank you, Ms. Vignola.

We'll now go to Mr. Johns for six minutes.

Mr. Gord Johns: Thank you all again for your important testimony.

I live in Port Alberni, British Columbia. There's been no government program to build a dry dock. Transport Canada doesn't have a program in existence. The port authority there has been trying to build a dry dock, and they have the only deep-sea port on the west coast of Vancouver Island. We have a great company called Canadian Maritime Engineering. They have all the ingredients to take on this work.

I was at the Pacific NorthWest Economic Region conference, and we heard loud and clear that there's very little to no dry dock space between Oregon and Alaska. Companies are even booking dry dock space, even though it's not going to be utilized, just to reserve it, to make sure they have a space available to them.

I really appreciate Ms. Sloan talking about having a shipbuilding czar because clearly Transport Canada isn't talking to procurement. We heard from the PBO that shipbuilding costs are really high because of the lack of shipbuilding in Canada, and that there were a lot of shipbuilding capabilities lost over the last few decades.

I'd love to get your take on it. I know that B.C. Ferries wrote a letter in support of our floating dry dock, saying that they're going to make three and a half to four billion dollars' worth of infrastructure and new vessel purchases within the next 12 years, and they're spending \$150 million in annual ship repair. They said that the biggest constraint is the scarcity of dry dock space.

These other yards actually impact the bigger yards, as you know, in terms of capacity.

Ms. Sloan, would you speak a little bit to that and what other countries are doing in terms of their strategies? We're losing out to Poland and Turkey, as we know, and Norway has created a strategy where they're developing capacity even in rural coastal communities. We have the longest coastline in the world.

Can you speak about that? I'll let others chime in as well.

Dr. Elinor Sloan: The core element of the national shipbuilding strategy is the idea that there can't be too many shipyards. It's meant to be a long-term thing with ships continuously over the years.

I've looked at shipbuilding since about World War I, actually. We've had many shipyards, upwards of 40 yards running at the same time. You can't have too many in Canada, so one of the core elements of the national shipbuilding strategy was to have fewer yards and a long-term plan. The fact that we're not churning out a whole bunch of ships right away is almost good because that's the whole point. It's supposed to be over the long term. That said—

• (1710)

Mr. Gord Johns: I'm sorry to interrupt. Maybe you can help me better understand. On the west coast, for example, B.C. Ferries has cited that one of their biggest constraints is getting dry dock space to meet their needs. They're doing a lot of work in other countries.

I worry about our not having a strategy to deal with the needs and demands right now of many of the different companies. We heard from the PBO that it is actually critical in terms of labour costs as well to have more shipyards. We're getting two different arguments. They say we should be concentrated in those markets, but the markets that we're concentrated in have some of the highest costs of living in the country. Housing has gone through the roof. We know that the cost of living is massive.

Would you not think that it makes sense to develop more capacity to help lower the burden on those big yards?

Dr. Elinor Sloan: You have me thinking about this and the national shipbuilding strategy refresh I mentioned that was released March 10 in Britain. A big element of that refresh was to look at not just naval vessels, which are what I've looked at—naval vessels and the big Coast Guard—but also the whole marine industry. That shipbuilding czar is now looking at the full capacity within Britain, not just naval vessels. What you're talking about would be a refresh of our national shipbuilding strategy to take into account those other dimensions.

Mr. Gord Johns: Does anyone else want to speak to some of the concerns and issues I'm raising, especially when it comes to the smaller-class vessels?

Dr. Robert Huebert: It's not so much the smaller-class vessels, but you're talking about dry dock. You're talking about the support facilities that are associated with them. Once again, the shipbuilding strategy is about a specific set of platforms—the Coast Guard, the navy. It's basically about what types of ships are to be built in that, but it doesn't deal with the supporting infrastructure.

This goes back to a point that Elinor was raising. If, in fact, we extended this to say that it's not just about building the ships but

about going beyond, which gets back to some of the earlier discussion we had in terms of runways and airports, we'd need to break the system where we only look at the construction of a ship and only look at the construction of the AOPS. We have to be thinking about the system.

Obviously a dry dock is part of the system in terms of the overall maintenance, and this is of course always kept separate. That's why you've run into the political problem of not being able to get the funding necessary to proceed. I'm not saying necessarily that you would get the funding in such a system, but if we extend the overall parameters placed under the czar that Elinor talks about and say that the parameters are not only for the ship but also for how we sustain it, I think that would go a long way to at least giving you an avenue for being able to bring such proposals forward with a hope of having them supported.

Mr. Gord Johns: Thank you.

The Chair: Thank you, Dr. Huebert.

We'll now go into our second round.

We'll go with four minutes for Mr. Paul-Hus.

[*Translation*]

Mr. Pierre Paul-Hus: Thank you, Mr. Chair.

I will begin with Mr. Huebert on the topic of submarines.

We are talking a lot about aircraft and surface combatants, but we are not talking much about submarines.

I know that information is difficult to obtain for you, as you said at the beginning of the meeting, but do you have any information about advancement in submarine procurement?

[*English*]

Dr. Robert Huebert: I can tell you that we're definitely not talking with our American, Australian and British allies as they move forward with the consideration of Australia's next submarines. When we didn't have submarines, as in the period between the O class and the Upholders, we lost control of Canadian maritime sovereignty because we didn't know whose submarines were coming into our waters and near our waters. That information, even from our friends, is not shared, and we absolutely need it.

Because submarines are expensive, because they are complex.... When they succeed, they are out of the political discourse, and if you're not hearing about them, if they're not grounding and if they're not running into issues, everybody thinks they're not important. I can assure you that they are completely essential to Canadian maritime security, particularly on the west coast coming into the future.

It astounds me that at this point in time we seem to be having some discussions, with the navy at least trying to drive the agenda, but from the political side—and we keep bringing up this issue in terms of the political interest—we don't seem to see any mobilization of the recognition that we shouldn't just be talking about subs today. We should have a plan to have the next generation, just as the Australians are doing or as the Japanese are doing, or any of the other countries that know you need them for security against the Chinese threat.

• (1715)

[Translation]

Mr. Pierre Paul-Hus: Thank you, Mr. Huebert.

I had an opportunity to go in a submarine, three or four years ago. I invite my colleagues to do that if they have an opportunity. We have a completely different perception when we spend 24 hours in a submarine at the bottom of the water. The vision we have of that is different. That's just a quick personal comment.

Ms. Sloan, I would like to know whether you agree that, as long as we don't have a minister responsible for military procurement, it will be difficult, even impossible, to implement performance measures [*inaudible*].

[English]

Dr. Elinor Sloan: It would be impossible to move forward...? I'm guessing that was the question.

[Translation]

Mr. Pierre Paul-Hus: Yes.

We definitely think it is essential to have a minister who is solely responsible for military procurement.

On the other hand, as far as responsibility goes, I would like to know what you think about the fact that the private sector often decides what process to use.

Can that be one of the reasons behind the increases and, more importantly, the cost over-runs in various projects?

[English]

Dr. Elinor Sloan: Once again it comes back to a capacity issue. If you don't have a minister in charge and the staff working within that organization to support the minister on this particular file, on shipbuilding and on submarines, then somebody else is going to do it. This is probably how Irving ended up being prime. There wasn't government capacity to be prime for the CSC, so Irving ended up being prime. You'll see this in any of the military procurements. If government doesn't have the capacity, if government can't move forward, then industry starts to fill the gaps. That's when you'll see industry sort of taking over and having cost increases, which you mentioned.

Once again, it comes down to that capacity issue.

The Chair: Thank you, Ms. Sloan.

We'll now go to Mr. Bains for four minutes.

Mr. Parm Bains: Thank you, Mr. Chair.

My question is around recruitment. Mr. Shimooka, in a recent article by Global News you commented that extra spending should go towards recruitment. I want know, in terms of our academic institutions especially here in British Columbia, in Richmond, we have the British Columbia Institute of Technology. They have a world-class aerospace campus. They also train for shipbuilding.

What does this all mean for these academic institutions? What can they do to support the strategy in Canada?

Mr. Richard Shimooka: Thank you for the question.

I think that they are trying to some degree, but at the same time, I think the employment opportunities for the Canadian Armed Forces and also the government writ large aren't as well known, especially out on the west coast, because we do not have large government institutions like in Ontario or in other areas.

I think it's an incredibly critical area. This goes back to the nature of warfare that we are now witnessing develop. We see cyber-capabilities, the ability to bring in large amounts of data and sort of fuse it into a usable intelligence picture that we can actually undertake operations with. Those require the really technical abilities of individuals who are sought after by social media companies and by tech companies.

There's a large competition for those recruits who are coming out of those universities. As a result, DND often loses out. If there's a person who's able to do very large data analysis and devise algorithms to put it all together, that person is highly sought after by Facebook. Then there's the Canadian government out there, which cannot offer a salary that's close to what a Facebook engineer can earn. As a result, we often don't get the best and often we don't even get looked at because these people are....

We have to maybe look at what the remuneration is for some of these very specific roles, but also show off some of the benefits of working for the Canadian government. A lot of people do want to work for the government, because they think it's important to protect our country and whatnot.

It's a much larger conversation that obviously we can't get into here, but I think it's really critical.

• (1720)

Mr. Parm Bains: Thank you for that.

My next question is for Ms. Sloan.

Past procurement problems have fostered distrust, which produces more oversights that then reduce efficiency. You've written that it will be necessary to build trust back up by "accepting a trade-off between risk and results, and by accepting that failure is part of the learning process, not a reason to stop moving forward."

What would this look like? Do you have any suggestions?

Dr. Elinor Sloan: It would look like less bureaucratic paperwork and fewer levels of check-off in terms of things going through the government system. I think that's what I was referring to. There is such a risk-averse culture, if you like, within the military procurement system in Canada that things just get progressively tied up.

It's more of a bureaucratic paperwork system that needs to be reduced so that we can move forward more quickly on projects.

The Chair: Thank you.

Thank you, Mr. Bains.

We'll now go to Ms. Vignola for two minutes.

[*Translation*]

Mrs. Julie Vignola: Thank you very much, Mr. Chair.

My question is for Mr. Huebert.

We have talked about the fact that ship prices were skyrocketing. One of the reasons behind that is availability and the increase in the cost of steel.

What could Canada do to become less dependent on fluctuations in the price of steel?

[*English*]

Dr. Robert Huebert: It's a bit of a silly answer, but it still is true: Expand Baffin Island. Baffin Island has probably one of the world's largest deposits of iron ore. If we were producing it and actually refining it here rather than sending it to the Germans to be refined, that would be one way.

The reality is that we are going to be completely at the control of the international market for steel. We've been that way since the Chinese entered into the market, buying up so much of the steel. I don't know, short of having a national policy of patrolling of resources—

[*Translation*]

Mrs. Julie Vignola: You probably know that, in Quebec, one of the large iron mines also refines that ore. The iron comes from Fermont, but the pellets are produced in Port-Cartier. Unfortunately, those pellets are essentially exported. We should keep our resources and process them here. That way, we would be less dependent on resources from China, which are a bit less reliable owing to carbon levels.

Have I understood correctly?

[*English*]

Dr. Robert Huebert: I don't know, given the globalization, our participation in a free trading system particularly for natural resources, how we manage that. Look at the difficulty we had in just trying to deal with the attempt of the Chinese to buy the gold mine in terms of any type of instrumentation that we have.

It is an ongoing problem, but it goes back to something that Elinor was saying, in that the real cost of warships is in terms of the computers and the technical side. The steel tends to be a relatively minimal part of any of the hull that you're going to be buying.

I don't have a good answer for you. I'm sorry.

• (1725)

The Chair: Thank you.

We'll go to Mr. Johns for two minutes.

Mr. Gord Johns: Thank you.

I want to go back to Mr. Huebert about the lack of system in place here. We talked about maintenance and we clearly know there's a big issue on capacity issues.

B.C. Ferries says this is their top issue, the scarcity of dry dock space. For the ship-breaking, even end of life of vessels, we don't have a plan. Typically Canada ships a lot of our vessels to Bangladesh and other countries to deal with ship-breaking.

We need to be more responsible, whether it be environmentally or on human rights issues. We know when we send those vessels overseas there have been child labour and human rights issues related to that. Also, it's about building capacity. The PBO identified that there could be cost savings if we expand our sector. Other countries have implemented tariffs. Even Canada had one, a 25% tariff on building ferries in Canada, which they removed. That was \$118 million a year that could have been invested in supporting our shipyards.

Maybe you could speak a bit about policy, about the need for coordination between departments so that we have a strong sector with skilled workers and reduce costs overall if we want to have a robust shipbuilding sector in years to come.

Dr. Robert Huebert: The simple answer is that Canada is a maritime country, but we have what's called seawater blindness. The central agencies, particularly the political elites, do not understand how much of the maritime domain of Canada is actually at the heart of both our security and our prosperity.

It takes a political decision to turn around and come up with a type of creation of an overview. Once again, it could be put under the czar that Elinor talked about. We need to break this political blindness to know how important the oceans and the oceans' resources are to Canada. I'm getting to be old at this, but I'm always shocked at how much Canadians, particularly central Canadians, forget the importance that we have and, therefore, are not willing to engage in the type of study that would establish the type of structure we would then need. The Japanese do it pretty easily. The Americans do it, and the British do it in a much more expanded way. I don't know why we can't.

The Chair: Thank you, Mr. Huebert, and thank you, Mr. Johns.

We'll now go to Mr. Paul-Hus for four minutes.

[*Translation*]

Mr. Pierre Paul-Hus: Thank you, Mr. Chair.

I would also like to thank our guests today. I hope they will come back to see us very soon because their knowledge of their files makes them indispensable to all parliamentarians around this table.

I would now like to move the following motion, of which I gave notice last week:

That the committee order the production, by no later than Friday, April 8, 2022, of a copy of all documents, signed or unsigned, related to the negotiation of the coalition agreement between the Liberal Party of Canada and the New Democratic Party, or what the Prime Minister refers to as a “supply and confidence agreement”, including any documents which record or demonstrate an understanding between the parties as to how the coalition commitments will be interpreted, and that the committee report these documents to the House.

I feel an obligation to move my motion given the way the events of March 22 unfolded, when the Prime Minister told Canadians about his alliance with the NDP. That alliance will push the government to engage in expenditures the extent of which we cannot even imagine.

As parliamentarians and members of the Standing Committee on Government Operations and Estimates, we have a duty to ensure that government contracts, procurement and expenditures are appropriate. That is part of the committee's mandate. That is why I humbly move this motion, hoping that my colleagues will support it fully.

• (1730)

[*English*]

The Chair: Thank you for that, Mr. Paul-Hus.

Before we start debate on this issue, when I look at the time frame that we're in right now, I would like to thank the witnesses for being with us. I will dismiss them at this point in time, because we're running out of time.

Thank you, Ms. Sloan, Mr. Huebert and Mr. Shimooka, for attending and for your testimony today. We greatly appreciate it.

With that said, I will dismiss you from the meeting.

I would like to indicate to the committee that, when we receive these motions that have been put before us, I always look at them one by one to make certain they are acceptable or admissible to what we're doing, and I will usually discuss that with the clerk. I will research it myself, after I've talked to speakers and others I know about these issues.

With that said, I've looked at the Standing Orders on this particular motion, and, basically, Standing Order 108(3)(c) sets out the mandate of the government operations and estimates committee, including under subparagraph (i), which I will quote: “the review of and report on the effectiveness, management and operation, together with operational and expenditure plans of the central departments and agencies”.

The Prime Minister's Office is the most powerful of the central agencies and is supported by the Privy Council Office, which is the most powerful central agency within the government. It was suggested throughout by some people whom I discussed this with that it might be a political motion. I would answer that with the press release announcing the agreement between the Liberals and the NDP on March 22, distributed using Government of Canada resources and posted on the Prime Minister's departmental website. If this is a political party matter and not a Government of Canada matter, that announcement and press release would have been posted on the Liberal Party of Canada's website and distributed by the Liberal Party of Canada.

Further, this agreement includes a commitment from the Prime Minister that his office and his government will pursue specific policies and legislation as part of the agreement, which will require management from the Government of Canada to implement, will be part of the operations of central agencies and will require the expenditure of funds to achieve the agreement upon policies.

Subparagraph (vii) of Standing Order 108(3)(c) states, “the review of and report on the process for considering the estimates and supply, including the format and content of all estimates documents”. Whereas this agreement is titled “supply and confidence agreement”, this agreement falls under the business of supply. Therefore, I would consider this under the mandate of the committee for review.

With that said, I will consider this as admissible. At this point, we're open for debate.

Mr. Paul-Hus.

[*Translation*]

Mr. Pierre Paul-Hus: Thank you, Mr. Chair.

As I was saying when I proposed the motion, it seems to me fairly clear that we need to get the documents related to this coalition agreement between the two parties, signed or not. That agreement will significantly impact many upcoming expenditures and the work of parliamentarians and of our committee. I think the exercise to shed light on that is a pretty simple democratic exercise. That is why the motion is not intended to provoke. It is simply intended to obtain information, as is our right.

My respected NDP colleague does not agree with me, but this is an agreement concluded between the the NDP leader and Canada's Prime Minister, who decided to establish a game plan for the coming years. That's their choice, but we just want to know what the state of the negotiations is, what those negotiations covered and what documents have been signed in relation to that supply and confidence agreement. As I said, this is a pretty simple request by the official opposition. I think the Bloc Québécois will also agree in saying that this kind of an agreement must be concluded transparently. That is simply in the interest of all Canadians.

• (1735)

[English]

The Chair: Thank you, Mr. Paul-Hus.

I see that Mr. Johns' hand is up.

Mr. Johns.

Mr. Gord Johns: First of all, not to provoke...? This is extremely provoking. It's frivolous. I believe it's outside the scope of this committee, Mr. Chair.

We have been completely transparent. Our agreement is public. Our leader has spoken publicly about it. I think the Conservatives should actually stop playing games. Instead, they should be trying to help people.

What we're doing here is trying to help Canadians. We did that through COVID, the whole time, and that's what this deal is about. It was the Conservatives who complained about an early election, Mr. Chair. They complained every day about an early, unnecessary, unfair election. Now we want to make sure that we have stability to get people the help they need, and if the NDP is the big bad boogeyman because we want to help people get their teeth fixed, so be it.

I'll tell you, children need help. Seniors need help. People living in poverty need their teeth fixed. They need access to medicine. They need a place to live, and we need to truly move forward with reconciliation and climate action. That's what we doing here.

I'm absolutely blown away that we lost an opportunity to ask more questions of witnesses and to do what we're supposed to do here at this committee. It's absolutely appalling that, instead of getting help to Canadians, another motion like this comes forward. It's absolutely disgraceful. I will be voting against this motion. That member can go online and see the agreement himself. It's there. It's public. It's publicly there because we want people to know that we are here to help people, not to play politics.

The Chair: Thank you, Mr. Johns.

I see Mr. Housefather.

Mr. Anthony Housefather: Thank you, Mr. Chairman.

I also believe that this motion is out of the scope of the committee, but out of respect for the Chair, I did not challenge you on that point. I think we can just defeat this motion.

I do want to say that I have always hoped that this committee would work together in harmony and would work together across party lines.

[Translation]

We have had an opportunity to work together on many important files. I have lost my opportunity to ask questions, as I was meant to do so after Mr. Paul-Hus.

[English]

There was no discussion.... If Mr. Paul-Hus was really trying to get this motion adopted, he has had no discussion with anybody on this side to try to gain support for his motion, to explain to us his motion, and in the end, it's inherently political. Parties in this House

negotiate and discuss things with each other all the time on House strategy and many other things. If people want to start going after some documents, others on this committee can start going after a lot of other documents and spend all of our time in frivolous games as opposed to actually moving forward with really important stuff, which, by the way, is the study that you guys put forward on air defence and the national shipbuilding strategy. It wasn't us. We delayed our studies to hear this one.

In any case, I will be voting against. I hope we don't have this happen too many times because I think it will, in the end, create more friction than it's worth.

Thank you, Mr. Chair.

The Chair: Thank you.

It's Mr. Kusmierczyk, and then Mr. Paul-Hus.

Mr. Irek Kusmierczyk: Thank you so much, Mr. Chair.

I just wanted to echo the comments that were made by my colleague, as well as my colleague across the table.

We're studying two of the most important defence procurements in our country's history, and the situation that we're seeing unfolding in Ukraine only adds to the urgency of this work. This was a study that we agreed upon. This was put forward by Conservative colleagues because we understood how important the study was. We had today three really important witnesses before us that had incredible, remarkable expertise and experience that they were sharing with this committee, including a graduate of the Royal Military College of Canada, someone who had spent six years in the Department of Defence and is now an expert in her field. Of course, I'm talking about Professor Sloan. It's concerning to me and it's disappointing that my Conservative colleagues grew bored of their testimony, so much so that we cut their testimony and their appearance before this committee short. That is information that is important in this critical study.

I felt it important to put that on the record. I think it's unfortunate that my colleagues on the other side of the aisle decided that they wanted to play games at this incredibly important, pivotal time in terms of defence procurement and in terms of geopolitics.

• (1740)

The Chair: Thank you, Mr. Kusmierczyk.

Mr. Paul-Hus.

[Translation]

Mr. Pierre Paul-Hus: Thank you, Mr. Chair.

We can play those little games. I personally waited for the end of the meeting to move this motion, and I used my speaking time to do so. Okay, perhaps I used three or four minutes of Mr. Housefather's time. I just want to remind the committee of the premise of that agreement with the NDP.

When this was announced, on March 22, the Prime Minister said there was a problem, that Parliament was operating poorly and that committee is were not working. Yet, as far as I remember, once we returned after the election, the Standing Committee on Government Operations and Estimates started by coming up with a work plan. There was no fighting, we cooperated, and everything was going very well.

The political decision is the agreement concluded between the Prime Minister and the NDP leader. That is what is currently causing our committee problems. Before that, everything was going well. We had the same will to advance defence procurement in Canada, among other considerations.

Don't blame us for making this request today because, ultimately, the political game occurred between the Liberal Party leader and the NDP leader. We have not taken part in any political games. I would even say that, in general, we the Conservatives have been pretty cooperative in all House committees. We have been working on advancing Canada's interests.

I think our motion is normal, given the circumstances. As I said, I waited until the end of the meeting to move my motion, so that we would not spend two hours discussing it and miss the opportunity to hear from important witnesses who were here today.

Once again, let's remember the premise of that agreement. The Prime Minister was saying there was a problem with the operations of the House and of the committees, whereas I think we have done our best to work in a spirit of collegiality with everyone.

Thank you.

[English]

The Chair: Thank you, Mr. Paul-Hus.

We now have Mr. McCauley, followed by Ms. Vignola and then Mr. Johns.

Mr. Kelly McCauley: Thanks, Mr. Chair.

I just wanted to address a couple of points. Yes, I understand that our NDP and Liberal colleagues disagree with this motion. That's fine. I wish that they would stick to the facts and end the faux outrage. We were at the end of time. We were not going to have any more witnesses. As someone who has had the pleasure of sitting on this committee now for six and a half years, I can state that January 2016 was when I put forward the first motion to study this. To sit and hear my Liberal colleagues go on about, "Oh my God, we're delaying an important study." For six years and four months, the Liberals have delayed and pushed back this study.

Again, I disagree. We can get on to stuff, vote and get back to work, but let's end the fake outrage and the bending of the truth about some of the stuff that we have been doing here.

Thanks.

The Chair: Thank you, Mr. McCauley.

Just to reiterate, I would ask that everybody be respectful of each other. I know you are. Just realize that when tempers get heated they sometimes get away, so please be respectful of that throughout.

Ms. Vignola.

[Translation]

Mrs. Julie Vignola: Thank you.

To my knowledge, the agreement is public. It has been published on the Prime Minister's website, unless I am mistaken. So, if it is already public, why move this motion? Are you concerned that some aspects of the agreement are concealed from the public?

I always need to understand. Yet, in this case, I don't understand, as the agreement is public.

[English]

The Chair: Mr. Johns, I know you're up next. Do you mind if I get Mr. Paul-Hus to answer that question before we go to you?

Thank you.

Go ahead, Mr. Paul-Hus.

[Translation]

Mr. Pierre Paul-Hus: I thank the member for her question.

Yes, the outcome of the agreement has been published, and we know all the areas on which the NDP has made requests to the Liberal government. However, there are things we do not know. In addition, this is a supply and confidence agreement—in other words, the confidence established between two parties, the government party and one of the three opposition parties. The Bloc Québécois and the Conservative Party are left completely out of it. The Conservative Party was never asked whether it would like to participate in an agreement to achieve common objectives, and neither was the Bloc Québécois. That party has been shortchanged in all this, as it has been completely relegated to the back.

We want to understand where this agreement came from and how it was negotiated to get to what is now public. What is this agreement? Has the NDP leader signed an official document with the Prime Minister to seal the agreement? Is there an official document that ensures there would be no election between now and 2025?

Of course, the details and texts have been published, but what we want to know is everything behind that. The same goes for vaccines: we know there are vaccines, but we have never seen the contracts. The principle is very similar.

• (1745)

[English]

The Chair: Thank you, Mr. Paul-Hus.

Mr. Johns.

Mr. Gord Johns: I have a couple of things.

First, Mr. McCauley, I just got on this committee. We listened to what the Conservatives wanted. They put forward two studies and a bunch of witnesses. We prioritized them—they're the official opposition—and made sure they got to do what they wanted to do, and next was the Bloc. I thought that was fair, the way the election played out. The government isn't even getting priority. They're actually behind.

I thought this committee was working pretty well, for the Conservatives especially. Now they bring forward this motion, and I have a lot of concerns with this motion.

Mr. Kelly McCauley: Just vote no.

Mr. Gord Johns: I will vote no. I can assure you of that.

I think the big problem I have is that this is on the website. It's very clear. There are limited items in the agreement. They're vague. There is no fine print on it.

An hon. member: Let's just adjourn....

Mr. Gord Johns: No, I'm not just going to adjourn this meeting. You want to bring us here. You want to bring forward a motion like this. We're going to sit here and maybe have a conversation. I have no problem with that—no problem at all. I have a lot to say about this.

We are here to help people. We came here to help people. The Bloc has voted with the Liberals before on issues that we haven't. They've negotiated. They did that throughout COVID. We saw that happen.

The Conservatives had every opportunity to approach the Prime Minister and try to make an arrangement on certain items, to pass the budget or whatever issues. That was up to the Conservatives. They decided not to do that. We decided to help Canadians. We went to the table and brought forward some items that we thought would benefit Canadians. Listening to what Canadians said, we were going to make sure that we didn't have another unfair election. We wanted to make sure we got help for Canadians. That was our top priority.

That's what we're here to do, and that's what we're going to keep doing. If you look at our motions in the House of Commons, they are motions to help Canadians, not to create partisan politics and not to play games. I don't come here to play games with any of you. We come here to help people, to create jobs for Canadians, a better way of life, a better environment, reconciliation, helping people who need help, not forgetting about communities that are forgotten. That's why we're here. We're here to help people, to work together.

Motions like this don't bring us together. They are not designed to help people.

Our agreement is online. There's nothing more to it. That's it.

I'm happy to have this conversation. We can sit here all day. I'll sit here all night. We can talk about what's missing in this country, how many other motions we could have brought forward tonight to talk about. I'm happy to have that conversation anytime. On ways that we can help Canadians, I will talk all day about the ways we can help Canadians and the more work that we all need to do together, not just this agreement. This agreement is a starting place between two parties. We need to do more together, all of us. We have an obligation.

I'm done.

The Chair: Thank you, Mr. Johns.

I'm looking around the room and I do not see any more hands up. With that, I assume the debate is done.

I will ask if you would like to call for a recorded vote.

Some hon. members: Yes.

(Motion negatived: nays 6; yeas 3)

The Chair: Thank you, Madam Clerk.

With that said, we are at the end of the meeting. I would like to first of all thank the interpreters and the technicians for staying with us and for the great work they do, as well as our analysts.

I would also like to point out to members of the committee that you will notice the clerk today is Mrs. Burke. Miriam is going to be filling in from time to time for our clerk, Paul. Please thank her for the great work she's doing.

Some hon. members: Hear, hear!

The Chair: She brings a lot of experience to the committee.

Thank you everybody, and I declare the meeting adjourned.

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