



House of Commons  
CANADA

# Standing Committee on National Defence and Veterans Affairs

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NDDN • NUMBER 007 • 1st SESSION • 38th PARLIAMENT

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EVIDENCE

**Wednesday, November 3, 2004**

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**Chair**

**Mr. Pat O'Brien**

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## Standing Committee on National Defence and Veterans Affairs

Wednesday, November 3, 2004

• (1535)

[English]

**The Chair (Mr. Pat O'Brien (London—Fanshawe, Lib.)):** I would like to now call to order the seventh meeting of the Standing Committee on National Defence and Veterans Affairs.

We're very pleased to welcome to SCONDVA for the first time in his new capacity as Minister of National Defence the Honourable Bill Graham. Welcome, sir. Mr. Graham is accompanied by two gentlemen who don't need introduction, but I'll mention them anyway. They are General Raymond Henault, Chief of the Defence Staff—welcome again to you, General—and Mr. Ward P. Elcock, deputy minister. Welcome to you, sir.

I know the minister will have an opening statement for us. Just before we hear it, the formalities are that I will turn to the clerk and ask her to give us the reference for this discussion.

Madam Clerk.

**The Clerk of the Committee (Ms. Angela Crandall):** Pursuant to Standing Order 81(4), the main estimates for the fiscal year ending March 31, 2005, were deemed referred to the several standing committees of the House as follows: to the Standing Committee on National Defence and Veterans Affairs, Veterans Affairs votes 1, 5, 10, and 15 and National Defence votes 1, 5, 10, 15, and 20.

**The Chair:** Thank you very much.

Our clerk is Ms. Angela Crandall, and our two researchers are Mr. Koerner and Mr. Rossignol.

Now I will call vote 1, which is our reference point, and invite the minister to proceed with his opening comments.

Minister, welcome.

**Hon. Bill Graham (Minister of National Defence):** Thank you very much, Mr. Chairman and members of the committee.

And happy 25th, Mr. Blaikie.

**The Chair:** Yes, congratulations to Mr. Blaikie.

**Hon. Bill Graham:** May we wish you 25 more? Is that what we wish you on this committee? I don't know.

I'm very pleased, colleagues, to be with you. It's a privilege to be here for the first time before this committee as Minister of National Defence. I've had an opportunity since I've been minister to meet with many of you to discuss some of the key issues facing the Department of National Defence. I want to pay respect to the experience on this committee, your knowledge of defence. I've

certainly appreciated your advice and counsel over the past few months and look forward to having it as we move forward.

I believe Canadians would be impressed and even somewhat surprised by the level of cooperation that exists with our parties when it comes to supporting the men and women of our Canadian Forces. I know each one of you has much to contribute on defence issues, and I'm absolutely committed to working with you as we position the Canadian Forces to meet the challenges of the future.

Mr. Chairman, you introduced the deputy minister Mr. Elcock and General Henault, who, as you said, need no introduction. But in case we need further expertise, I'm also accompanied by some old friends of this committee: Mr. Williams is here, and Admiral MacLean, chief of the maritime staff, as well as Admiral Buck, and Mr. Rod Monette, who's the assistant deputy minister for finance and corporate services, if there are some technical questions you would like further elaboration on.

I'll be very pleased to answer questions, obviously, but first let me provide you with some cursory thoughts on where the Canadian Forces stand today and on where we are and, as a government, where we're headed in the future.

• (1540)

[Translation]

As members of this committee well know, it has been a challenging time for the Canadian Forces. In many ways, we are still dealing with the aftermath of the fires on board HMCS *Chicoutimi* and with the death of naval Lieutenant Chris Saunders.

I am sure the committee would join me in commending the crew of the *Chicoutimi* for their professionalism and unwavering courage. They truly represent the best of what it means to be a member of the Canadian Forces. I certainly told this to the crew when I met them in Faslane three weeks ago and I have to say that I was extremely impressed at their calm and determination to continue with their chosen profession: submarines. Of course, we are proud of every member of the Canadian Forces.

As Minister of National Defence, and before that as Minister of Foreign Affairs, I have had the privilege of visiting some of our deployed troops and I have seen their dedication, professionalism and courage firsthand. I have seen the real and significant impact they have on people in need in places like Afghanistan, Bosnia and Haiti. The Canadian Forces have truly been a force for good.

[English]

Colleagues, I can say without exaggeration the Canadian Forces are one of the most effective and capable armed forces in the world. They demonstrated this in Afghanistan in 2002 fighting al-Qaeda terrorists and the remnants of the Taliban regime. They also demonstrated this as part of the NATO-led international security assistance force. With some 2,000 Canadian Forces personnel in Kabul, we were the largest troop contributor, and through Lieutenant-General Rick Hillier's strong leadership we commanded the entire NATO force.

Mr. Chairman, let me make a suggestion to the committee. I had the opportunity of seeing a presentation by Lieutenant-General Hillier on what we've achieved in Afghanistan, but also the problems that are ahead about Afghanistan. I would make a strong recommendation, Mr. Chair, that you and maybe the foreign affairs committee might get together to see General Hillier's presentation. It gives you a very good understanding of the challenges we face there today. He's a very frank, honest person and he'll give you his honest concepts about what we need to do there.

I think these examples speak volumes about the capabilities of the Canadian Forces and about the high calibre of our men and women in uniform. Indeed, our allies would not entrust the safety and security of their personnel to a commander, or to a military he leads, that is not up to the task.

So we're moving forward. It's clear we have a solid base on which to build. But it's equally clear that the Canadian Forces, like all modern militaries in the world, must be adapted to meet new realities and new challenges.

I certainly don't need to remind this committee that we're confronted by significant new and evolving threats such as global terrorism, the proliferation of weapons of mass destruction, and the dangers caused by failed and failing states. Nor do I need to describe the changing nature of military operations or the impact modern technology is having on the battlefield. Members of this committee know all too well that today's operations are more complex, more dangerous, and more demanding, and are frequently taking place in regions where tensions are still high—or frankly, where there's very little peace to keep.

In confronting these realities, countries all over the world, including many of our NATO allies, are transforming their armed forces to respond to these new strategic imperatives. For example, the Dutch armed forces have recently adopted measures to increase their deployability and effectiveness and are strengthening capabilities that will be needed in the future, such as specialized forces and unmanned aerial vehicles.

The United Kingdom is no longer emphasizing numbers of platforms and people; rather, they're focusing instead on effects and outcomes and on the exploitation of the opportunities presented by new technologies and network-enabled capability.

This, Mr. Chairman, is our goal here in Canada as well, and I'm pleased to say we're making significant progress. For example, I'd like to reflect for a moment on the outstanding work being done to transform—and here I mean truly transform—Canada's army.

Over the past few years the army has embarked on a major effort to make itself more agile, more precise, and more effective. In fundamentally changing the way it operates, the army is focussing on leveraging technology and information systems so it can better sense what is going on, better analyse it, and better inform soldiers and commanders in the field. In short, the army is getting smarter.

A number of key pieces are already in place or on the way. For example, army transformation will see the introduction and modernization of new equipment, such as the mobile gun system. The army will also be opening a state-of-the-art training facility, the Canadian Manoeuvre Training Centre, in Wainwright, Alberta. Here, computers will be used to capture and record large exercises for detailed evaluation, thereby significantly improving combat readiness.

I believe it's true to say, General, that many of our allies look forward to participating with us in those training exercises and manoeuvres.

These examples are only a small sampling of the forward-looking work being done in the army. Of course, similar work is also underway in the navy and in the air force.

As we continue the process of transforming the Canadian Forces, this government is committed to providing our armed forces with the tools and resources they need to do their job now and in the future.

• (1545)

[Translation]

Since 1999, we have dedicated more than \$10 billion of new money to ensure that the Canadian Forces will remain relevant and effective in the 21st century.

We have also committed to more than \$7 billion in new equipment for the Canadian Forces since last December, including \$3 billion for maritime helicopters, more than \$2 billion for joint support ships, more than \$1 billion for search and rescue aircraft, and approximately \$700 million for mobile gun systems.

But as I said earlier, colleagues, we recognize that we can—and must—do more for the Canadian Forces.

In the most recent Speech from the Throne, we committed to increasing the size of the Canadian Forces by 5,000 Regular Force personnel in order to allow our military to assume an even greater role in bringing peace, security and democracy to troubled nations. We are also moving forward to increase the size of the Reserves by some 3,000 personnel.

Taken together, these are the most significant commitments to Defence in more than a decade. And they are a very clear demonstration of this government's commitment to modernizing and strengthening Canada's armed forces.

I would like to make one point very clear: expanding the size of the Canadian Forces will not be done at the expense of our existing capabilities. The additional troops will be funded through new investments by the government, and I am currently working to have these new resources featured in the next federal budget.

I hope that members of the committee will support this important initiative; I am certainly prepared to work with you to gain your support, because I believe that it is key to enhancing Canada's role in the world.

[English]

Finally, I think the committee will agree that one of our most important priorities in the coming months will be the completion of our defence policy review.

[Translation]

I know that Mr. Bachand is eagerly awaiting the outcome of the review.

[English]

This will be done, of course, in conjunction with the overall review of Canada's international policies and our place in the world. Through the review we'll establish Canada's defence priorities and determine what kind of armed forces we'll need in the 21st century.

One of our key focuses will be on improving the safety and security of Canadians within our borders. This process actually began last April, when the government adopted our national security policy, the first in Canada's history.

In moving forward, however, we'll have to answer some important questions: Should the reserves be given additional responsibilities here at home, and if so, what? And should the Canadian Forces do more in the Arctic, and if so, what and how?

Of course, now more than ever our security and protection must be viewed in a continental context. That's why we're examining new and innovative ways of working with the United States to defend North America from emerging threats.

Internationally, our review will build on the government's multidimensional, 3-D approach to foreign intervention—that is, the integration of defence, diplomacy, and development. As part of the review process, we're looking at how we can position the Canadian Forces to more effectively participate in a wide variety of international operations.

I have to say, from what I've learned in my position, and I haven't been there long, in talking to other countries—and colleagues, I hope you'll talk to other countries as we go around looking with the review—I think you'll be impressed by the fact that with our army and our navy and air force as well, but particularly as we conduct foreign operations, we are one of a very small handful of countries that can conduct special operations that can deal with what I call the three blocks of dealing with occupation: pacifying, occupying and dealing with the civilian population, and leading to development. It's rare that countries have that capacity, and I believe we represent the best of what Canadian character is about when they deliver on those three demands. That's why they're so respected for what they do.

These are fundamentally important issues that will define our defence policy for many years to come. I certainly look forward to hearing the committee's views on these and indeed on all issues surrounding the defence policy review.

I expect to conclude our review in the coming weeks, after which we'll seek the input of the committee. Given your track record of

providing innovative and forward-looking recommendations and your experience, as well as working in a non-partisan way to advance the interests of the Canadian Forces, I look forward to hearing your views on our work.

To conclude, colleagues, I'd just like to say that the government has placed defence at the forefront of its overall agenda over the next 12 months. We're absolutely committed to providing the department and the Canadian Forces with the policy guidance, people, equipment, and funding they need to meet the challenges of the future.

I personally could think of no more interesting and critical time to be at defence. We have made significant progress over the past nine months. I think we'd all agree around this table that we have more to do, and I look forward to working with the members of this committee as we position the Canadian Forces to meet the challenges of the next decade.

Also, Mr. Chairman, perhaps in second conclusion—since I already said “To conclude”—in light of the recognition in the House this afternoon to our veterans, I'd like to wish the committee well in its role as the committee responsible for veterans affairs. It's extremely important work. It's not only a question of keeping alive the memory of our veterans, but to make sure they are properly looked after. So I wish you well in that work as well.

Thank you, Mr. Chairman.

● (1550)

**The Chair:** Thank you very much, Minister.

We want to congratulate you, as a committee, on your appointment as Minister of National Defence. Certainly I think I can speak for all colleagues on both sides in saying we will vigorously attempt to help you achieve your goal of significant new funding for the Canadian Forces. I think we can say that with a unanimous voice.

You noted the non-partisan tone of the committee. That has been true in the past, and I can tell you there are very good indications that it is how the new committee is also proceeding.

I'll just remind you, colleagues, that there's a latitude in your questioning, but we're here first and foremost on estimates and on related topics. I'm going to just ask you, colleagues, to try to keep that in mind.

The committee rules call for a ten-minute round of questioning, for both the question and answer, I'll remind all colleagues on both sides. We want to give everybody an equal and fair opportunity.

We'll start the first round of questioning with Mr. O'Connor for ten minutes, please.

**Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC):** Thank you, Mr. Chairman.

Minister, I also want to say how pleased we are to have you here today to answer our questions, and also to reinforce what you said: that all members of this committee, regardless of their background, only want the very best for our men and women in service and for our veterans. I hope you take my questions in that light.

My first question relates to your document, "Departmental Performance Report". Early on, on page 4, it says:

When Defence completed its first self-assessment against the management accountability framework in December 2003, one of the key conclusions of the assessment is that Defence is well-managed.

Am I interpreting this to mean the department is setting its own performance standards and then it's evaluating itself?

**Hon. Bill Graham:** I wouldn't read that into it. What I read into it is that the department is setting standards to which it seeks to measure up, and then obviously it evaluates whether or not it's actually doing so. One of the reasons we put them in the performance review is to allow the committee and others to look at those standards. If you're not satisfied, of course, that's what we're here to discuss.

Since I've been at National Defence, I have discovered that there is, as you know from your previous career, a serious degree of evaluation going on all the time in the Canadian Forces, whether it's in terms of the equipment they have or in terms of their operating procedures.

• (1555)

**Mr. Gordon O'Connor:** It's just that when an organization sets its own standards and evaluates itself, it rarely ever says it failed to meet its own standards.

**Hon. Bill Graham:** But these are Treasury Board standards as well, Mr. O'Connor. These are the Treasury Board standards that have to be met, so we're evaluating in light of Treasury Board standards.

**Mr. Gordon O'Connor:** Does Treasury Board make the evaluation, or do you make the evaluation?

**Hon. Bill Graham:** This is a cooperative effort. Obviously we would do it, but believe you me, the Treasury Board, from my experience, leaves nothing to individual departments to completely make up. They would review that process.

**Mr. Gordon O'Connor:** I now have a few questions on reserves.

Why isn't the reserve rank structure shown in a table? I couldn't find the reserve rank structure. I see the regular force rank structure; it's all broken down. By your count, there are about 23,000 reserves, but I just don't see any rank structure. Is there a reason why we don't have it?

**Hon. Bill Graham:** I don't know why it wouldn't be.... The only notation that I understand from General Henault would be that the structure is the same as in the regular forces.

**Mr. Gordon O'Connor:** No, I mean how many generals, how many colonels, how many majors, how many lieutenants, how many privates.

**Hon. Bill Graham:** You don't mean the structure, you mean the actual numbers?

**Mr. Gordon O'Connor:** Rank structure, whatever.

**Hon. Bill Graham:** I'll get you that information, if you wish. I'll file that information with the clerk.

General Henault can also provide this.

**The Chair:** General Henault.

**General Raymond R. Henault (Chief of the Defence Staff, Department of National Defence):** Mr. Chair, if I could, the rank structure, if you like, is the same in the reserve force as it is in the regular force to the top levels. As we know, though, the reserve very seldom has gone beyond the two-star level, but that's just a function of the numbers in the reserve, and so on.

In terms of actual reservist numbers, we have a reservist structure that's relatively fluid. As you well know, for example, Mr. O'Connor, we're going from the 15,500 in the original land force reserve restructure component, up to a total of 18,500. As we flow through that increase, the rank structures then grow in a proportional way. At the moment, with the kind of increase that we're going through, the kind of evolution and changes that we're making, there is a plan. That plan is encompassed in the land force reserve restructure, as it is in the other two elements, but it's one that continually changes.

We could put representative numbers in there if you like, but that would be the only thing that would perhaps help to clarify what Mr. O'Connor is asking, Mr. Chair.

**The Chair:** Mr. O'Connor, you were requesting that....

**Mr. Gordon O'Connor:** What I'm looking for—maybe I'll use more generic words—is a table that outlines the reserves as best you can by kind, by rank, and by numbers of ranks, etc. I just want to have a sense of what the reserves look like.

**Hon. Bill Graham:** I know what you want. Out of the 15,000 present, you want to know how many colonels, captains, generals, etc.

**The Chair:** If you could table it with the committee.

**Hon. Bill Graham:** We'll get that for you.

**The Chair:** Thank you very much.

Mr. O'Connor.

**Mr. Gordon O'Connor:** Following along with reserves, do you have any idea how many reserve personnel were employed in the regular force headquarters?

**Gen Raymond R. Henault:** Here in the national capital region, Mr. O'Connor, there are about 2,200 reservists who are part of the national defence component, which is made up of three components really—the national defence headquarters, service delivery organizations, and larger units, for lack of a better term. Here, locally, there are about 2,200. In fact, I might have the exact number that I can give you if you'll just give me a minute. The exact number is 2,272 reservists here in Ottawa.

**Mr. Gordon O'Connor:** I want to be clear. I asked how many were being employed in headquarters. Are there 2,200 being employed in headquarters?

**Gen Raymond R. Henault:** I can give you that total as well, if you wish. In the national defence headquarters alone there are 325.

**Mr. Gordon O'Connor:** Does the pay for these 325 reservists employed in regular force positions come out of the reserve budget, or is it coming out of the regular budget?

**Gen Raymond R. Henault:** Mr. Chairman, I'm going to ask our ADM for finance and corporate services to confirm where that pay comes out of, but my understanding is if they are full-time positions, they come out of the regular force budget.

• (1600)

**The Chair:** Please identify yourself, sir, for the record please.

**Mr. Rodney Monette (Assistant Deputy Minister, Finance and Corporate Services, Department of National Defence):** My name is Rod Monette, Mr. Chair. I'm the assistant deputy minister for finance and corporate services.

Yes, I can confirm for you, Mr. O'Connor, it does come out of our regular budget.

**Mr. Gordon O'Connor:** What's the turnover rate in the reserves? I can use other terms—you recruit so many per year, you lose so many per year. What's the turnover rate?

**Gen Raymond R. Henault:** I would be guessing, Mr. Chairman, if I were to give you the exact turnover rate, because it fluctuates month by month and year by year. The turnover rates are different for the army, navy, air force, and the medical reserve, as well as the communications reserve. It's much too broad to give you an exact number, but around 15% to 25% would be my guess. Again, we can confirm that for you, but each one of them is different, so it's very hard to give you an exact figure.

**Mr. Gordon O'Connor:** The government and the department have had plans for a number of years to increase the reserves. It seems, as an outsider, that it's a very slow growth process. Why is the growth in the reserves so slow?

**Gen Raymond R. Henault:** Mr. Chairman, the growth of reserves is different in all three environments. We have a growth in the naval and air reserves, which is relatively constant and consistent. The employment of the naval reserve and the air reserve is different in its context. The navy has a very definitive assigned task for the naval reserve, which primarily is focused on coastal defence and also port security and so on, with a number of other reserve positions that help to augment and complement the regular force. The air force has a very integrated, if you like, reserve structure where the reserves are integrated into the regular force squadrons and units as part of their overall structure. The land force reserve of course has the reserve structure that I think Mr. O'Connor is very familiar with. The growth, though, especially in the land force reserve, is one that is based on funding availability, of course, and it's also based on recruiting capability and absorption within or into the reserve force units.

That ability to both recruit and absorb is one that fluctuates over time. I can tell you that over the last three years, starting in June 2001, we have had recruiting targets in the neighbourhood of 10,000 per year, and that includes both regular force and reserve. The targets have been met in each of our fiscal years, over those last three years or so since 2001, and this year are well on track to being successful as well.

What I can say is that the regular force and reserve mix, between the two, in the 10,000 figure, has fluctuated somewhat, but on average it's been somewhere between 4,000 and 6,000 regular force members and about the balance in reserve force numbers over that time. So it depends on the needs of the units, the ability of the reserves to actually fund that growth, and the overall requirements of the Canadian Forces again being the key overriding factor.

What I can say, though, is that recruiting has been very successful. It has helped us to go from a trained effective strength, which was very much in a nosedive in the 2000-2001 timeframe, to a point where we have now started to re-establish very effectively our trained effective strength in the regular force and we have now been very successful in increasing our reserve force, especially the land force reserve numbers, through to this 15,500 through 18,500 growth that we're in the process of undertaking.

**Hon. Bill Graham:** Maybe I could just add to that, Mr. Chairman.

**The Chair:** Minister Graham.

**Hon. Bill Graham:** I think, Mr. O'Connor, insofar as General Henault indicated, there are many factors that go into recruiting reserves, but clearly funding is a consideration. I want to reiterate what I said in the speech, that we're committed to increasing the reserves by 3,000 and there will be new funding to enable that. The army, navy, and air force are presently working through the recruitment on the basis that there will be fresh money to enable them to bring in these additional reserves. That is perhaps the key point, from my perspective. I think we have to deal with it.

**The Chair:** Thank you, Mr. O'Connor.

[Translation]

Mr. Bachand, you have 10 minutes.

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Chairman, allow me to also welcome our guests: the minister, the chief of defence staff, and their associates. We are very happy to have you here today.

I also want to thank you, Minister, for honouring me by saying in your opening remarks that defence policy was very important. However, I do not think that my name is in your official statement. So I might propose an amendment so that you could include the name Bachand in your presentation.

Do you agree with that?

• (1605)

**Hon. Bill Graham:** It will figure in the committee's minutes, as will my praise for your good self, Mr. Bachand!

**Mr. Claude Bachand:** Firstly, I would like to speak about the defence policy.

A few years ago, in 2001, I believe, my erstwhile colleague, David Price, chaired and sat with me on this committee. We discussed the army's state of readiness. We drew up a fairly substantial list of what we believed to be good for the army. I would encourage you to reread that report. At that time, the Bloc Québécois expressed a dissenting opinion to the effect that we should first establish a defence policy focused on Canadians and Quebecers' real needs, both internationally and domestically, in terms of peace missions, theatres of operations, combat and so forth. We feel that that is the best approach to adopt.

I have always been surprised to see that you do the exact opposite. I have just jotted down a few points to that effect here. Firstly, regarding the infamous submarines, I asked Mr. Williams how much money remained to be invested in the submarines. At the moment, they are all in berth. He told me that there were \$300 million remaining. The fact that they are in berth means that we can modernize them, Canadianize them, and move forward.

But will we still need submarines? Should we not first focus on the new policy? Do we want to have submarines? Why invest \$300 million and more while they are in berth, when in a few months time we may well have a policy which goes in the opposite direction? Unless, of course, the defence policy is based on the equipment that we currently have. That is my fear. Decisions are being made in that regard.

I also want to talk to you about the issue of the 5 000 servicemen and women and the 3 000 reservists. I've heard the opinion of all staff members on this subject. Naturally, people in the army are asking me for the breakdown of these 5 000 servicemen and women. Where are they going to go? Will that be up to headquarters? Let's say, for example, that our defence policy states that the army has to carry out peace missions. Does that mean that when recruiting the 5 000 servicemen and women and the 3 000 reservists, a greater number will go to the army. These are things that we have to know, but that's not what's happening. It's the exact opposite.

These are decisions. We keep on being told that the policy is nearly ready. I've been told that the policy is nearly ready for three years now. You may feel that I go on a bit about this, but I'm still waiting for the policy.

I would also like to talk about the Striker, the new reconnaissance vehicle and mobile gun. It's been decided that tanks are a thing of the past. That's a decision that's been made. Will that be stated in the defence policy? We no longer need tanks. Decisions are being made here that affect defence policy.

There is also the issue of the TOW missiles. We are going to buy 600 anti-tank TOW missiles and 400 Bunker Busters missiles. There are decisions to be made here. What will the margins be? Making all these purchases begs the question as to where you're planning on sending the army? To all of that I would add the Sikorsky, the new fixed wing aircraft, and the question of the anti-missile shield. Decisions are being made, yet the defence policy is not yet ready.

Do you not feel, as I do, that before making all of these purchases, we should first have crafted our defence policy. Then, once the policy has been determined, we could have purchased the necessary

equipment to meet policy needs. At the moment, I get the impression that we're doing the exact opposite.

**Hon. Bill Graham:** I agree with you that, in theory, it would be preferable to make sure that everything is in place before we do anything. Unfortunately, we live in a world where we cannot stop our activities. Last year, we sent 2,000 soldiers to Afghanistan. We also sent troops to Haiti. We did what was required to protect Canada.

We cannot expect our defence policy review to be completed before making any important decisions with respect to our armed forces. No decision with respect to the direction of our armed forces has been made as of yet. Therefore, the equipment we purchase was required by our armed forces to do the work requested by the government. We cannot currently afford not to do this work.

I do understand that there is a relationship between equipment purchase decisions and the role that our armed forces will play. When I come back, I hope that I will have an opportunity to discuss with you the type of purchases that we should be making in order to obtain the results we hope to see from our armed forces.

There is therefore a link. However, this link does not dictate that the armed forces put a stop to all activities. Our forces have an obligation, a mandate from the government to protect Canada, to cooperate with the United States to protect North America and to do what is required to protect Canada, in addition to foreign missions. The armed forces also have an obligation to follow the instructions of the government and, to do this, they need to be very well equipped. There are therefore two parallel processes.

No decision has been made with respect to the Bunker Busters, but they are one of the items that we are currently studying.

With respect to the submarines, the committee is currently studying the rationale for this purchase. Personally, I am convinced that if we want the Navy to be outfitted completely, it needs a tool like the submarines. We will have an opportunity to discuss this issue with the committee.

• (1610)

**Mr. Claude Bachand:** Am I mistaken or is the capital budget for the procurement of equipment approximately \$2 billion per year? Is that correct?

**Hon. Bill Graham:** More or less. Following my appointment as Minister of National Defence, we signed a contract for Marine helicopters. This was a significant purchase so I would imagine that there will be a surplus the year we pay for that. The same thing applies to transport ships. I have been told that they will cost approximately \$2 billion. This cost, however, may be somewhat higher or lower, depending on the circumstances.

**Mr. Claude Bachand:** With respect to all of the purchases made, to date, regardless of whether we are talking about the Sikorskys, the Strikers, or the retrofitting of the submarines, we fully realize that we are paying  $x$  amount of dollars per month that goes into a special account for Great Britain.



Are we not running a risk that the capital budget may be frozen for several years to come and that our defence policy will be based on the purchases made, and that, indeed, our defence policy will be aligned with the purchases made. We may say that we would like to do something else, but cannot because we will not have any capital budget to ensure that we are implementing our defence policy properly? That is the problem I have had since the beginning. You have not yet convinced me that these purchases will have no impact on defence policy. Consequently, instead of basing the policy on the real needs of Canadians and Quebeckers, it will be based on what we have in terms of military equipment. We may not be able to purchase other equipment, but we do need to establish a policy so as not to say that the submarines will be set aside, and so on and so forth. This must be taken into consideration.

I am still waiting for you to convince me about the relevance of all of these purchases before establishing the policy.

**Hon. Bill Graham:** You know as well as I do that the department has a capital expenditure plan that provides for future acquisitions in this area. However, things change with priorities, with new strategies, and with the way the world changes. The process is not static. However, this is a plan we could consider for the future.

In my opinion, the department is making every effort to plan acquisitions in this area. However, in the documents before us there is some lack of clarity in figures on operating costs associated with capital expenditure. For example, with respect to the submarines, we have the cost of purchase, but then we also have repair costs. So there is sometimes a lack of clarity in the figures, and this makes stringent analysis complicated.

I would be prepared to work with the committee. We are completely transparent and able to specify what should be under which...

• (1615)

**Mr. Claude Bachand:** Under which budget item.

**Hon. Bill Graham:** Exactly. Obviously, we all have to deal with government accounting practices, which are not exactly the same as other accounting practices. I will work with you to make everything as transparent as possible.

**The Chair:** Thank you, Mr. Bachand.

[English]

Now, in calling on Mr. Blaikie, I want to congratulate him on behalf of all colleagues for his 25 years' of unbroken service. Mr. Blaikie's perseverance is astonishing to many of us. Congratulations, Bill.

You now have ten minutes to fire away.

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Thank you, Mr. Chairman.

**Some hon. members:** Hear, hear!

**Hon. Bill Graham:** Don't encourage him.

**Some hon. members:** Oh, oh!

**Hon. Bill Blaikie:** It's just one of those things, Mr. Chairman. My 25th anniversary was actually in May, but the election got in the way, so my caucus decided to celebrate it today, and I appreciate that.

I do want to ask the minister some questions, though, because I know he'd be disappointed if I didn't.

First of all, I want to say that I welcome the commitment of the government to expand the reserves. I think this is long overdue. With all due respect to the CDS, I hope that you can finally overcome the resistance in the regular army to expanding the role of the reserves. The people I know in the reserves say it's not the political parties and the government who are the problem, because there has been agreement for years between the political parties that there needs to be an expanded role for the reserves. It's actually the regular force establishment that has resisted that over the years. So I wish the minister well in doing that, and the others who are engaged in this project.

I also hope there will be some modernization of some of the facilities at our armouries in this respect. I'm told that in some of our armouries, you can't even have target practice. Now, if you can imagine an army that can't have target practice because the ranges aren't up to scratch in terms of air quality, etc., and there aren't enough rounds to go around so that people can actually practise their skills in that regard....

I noticed that the minister said that the government is "examining new and innovative ways of working with the United States to defend North America from emerging threats". Now, because the minister didn't address the question of ballistic missile defence anywhere in his remarks, I want to know, is this code for BMD? If it's not, then perhaps you could give some explanation as to why it wasn't mentioned. Obviously, this is one of the decisions that's on the government's plate, so to speak, and it's probably even more so on the government's plate as a result of the election results yesterday. Had John Kerry been elected, there might have been a time for reflection in the United States about whether or not this was going to proceed; but clearly, George Bush is committed to this, and the request is already on the table.

I wonder if the minister could tell us what kind of timeline we are working on here. The government is also committed, through a motion in the House, to a vote in the House of Commons at some point. I think the motion is that all of the relevant public information be dealt with or be discussed. So I wonder what kind of process the minister has in mind for this. How does he see the process unfolding, and what kind of timeline would be attached to that process? When does he see the government making a decision on this question before it?

**Hon. Bill Graham:** First, very quickly, on expanding the reserves, I've heard it said before about the resistance between the regular forces and the reserves. Obviously, it's something that's talked about.

I think what is different in today's climate is that funding issues are being addressed, on the one hand. On the other hand, if you look at the national security policy, when I bring forward the defence review to you, we will be arguing that we should be looking at the way in which the reserves can contribute to the defence of North America, perhaps in aid of the civil power and in other ways, in increased ways that they haven't been doing up until now. It is not only a question of getting proper funding to the reserves to do their present job, it's also a question of recognizing that they could actually play an increased role.

When you look at something like the biological-chemical-nuclear contingent that we have, which is very difficult to man, I expect, Mr. Blaikie, we will be looking to universities and other places with tremendous expertise in these areas that we can draw on in our reserve contingents to enable us to deal with it—you know, specialists in this.

I do expect there will be a very serious recognition of the work and the importance the reserves can play in the new environment in which we exist. I know the chief is committed to that, and the armed forces are committed to that.

On BMD, I can't tell you a great deal more than what we discussed in the House the other night. Clearly, it's in a discussion phase. So in terms of the process, I can't give you any time deadlines, because it takes two to tango, and it's up to the Americans. Even though the election is over and it's the same administration, my guess would be similar to yours in terms of this administration won't be taking time to reflect on the program. They're committed to it, so the same principles stay there.

We will continue our negotiations with them to make sure, if we're going to go in, that Canada's objectives are met—those that I set out in the House—on no weaponization of space, and that we get a proper participation in it so that it contributes to our security.

In terms of the vote in the House, I would respectfully suggest to the House leaders that it wouldn't make sense to have a vote until such time as there was a deal one could vote on. Otherwise, we're only voting on a speculative process rather than on consideration of an actual agreement people could focus on. That's my comment on it.

When I talked about new and innovative ways to work with the U. S., I wasn't even thinking of BMD when I said that. I'm looking at NORAD. We're talking about the binational planning group in NORAD, maritime security, surveillance, and issues like that, where I think, quite apart from BMD, there are many ways in which we collaborate with our American friends. In the security end, for example, there's quite a bit of collaboration. We should be looking at ways we can secure Canadians by doing that.

• (1620)

**Hon. Bill Blaikie:** If I could follow up on the process, Mr. Chairman, what the minister is saying concerns me.

If you go through all the negotiations with the Americans and you arrive at a deal—to use your own word, I think—or an agreement, then it seems to me it puts the House and those who would be voting on this somewhat on the spot. You've already put the Americans through this negotiating process, you've come to an agreement, and

then you're going to have a process for Canadians to evaluate. Isn't there an ability to have a process before you get to those final stages? There are some principles involved here with respect to missile defence.

For instance, in the foreign affairs committee there was a move to have some public hearings. It didn't succeed in that committee, but is it something you would see as part of the process, either before an agreement was reached or after? How are we going to consult Canadians about this? It's not only a matter of having a vote.

**Hon. Bill Graham:** Certainly through the House we're consulting Canadians through their elected representatives. I hear what you're saying, and I was speaking for myself. That was the way I view it. House leaders might come to another decision on when it would be appropriate to have a vote. That's what they'll do, whatever my opinion is.

I think you can appreciate the reverse problem. If we're going to get into a situation where a government is negotiating an international agreement, and the House of Commons expresses what should or shouldn't be in the agreement before it goes out to negotiate, you can't possibly imagine a negotiation that way, because it can't function.

**Hon. Bill Blaikie:** You can't have a mandate—

**Hon. Bill Graham:** The government wouldn't be able to function.

**Hon. Bill Blaikie:** That's just my point.

**Hon. Bill Graham:** Can you imagine trade agreements if we said you can go but you can't talk about agriculture or you can't talk about this? We wouldn't get anywhere.

**Hon. Bill Blaikie:** Mr. Chairman, before he uses up all my time—

**Hon. Bill Graham:** You were doing a pretty good job yourself.

**Hon. Bill Blaikie:** You mentioned the trade agreement. When the trade agreement was negotiated, there was a motion in the House to give the government a mandate to negotiate the free trade agreement. Now, that passed and the government negotiated the free trade agreement, and then the free trade agreement came before the House. So what I'm talking about here is, does the minister envision a vote or some kind of process by which the government gets a mandate to negotiate in the first place?

I'm so glad you brought up the trade example, because actually it's exactly what I have in mind, that the House of Commons decide whether or not the government has a mandate to negotiate this or whether they find it *prima facie* to be an unacceptable concept they don't want to be part of. Why shouldn't the House have that kind of opportunity?

**Hon. Bill Graham:** As I said, the House leaders will have to decide on the timing for when they want to have the vote.

My view is that it would be unreasonably restraining the government in a parliamentary democracy from being able to do what it's charged to do, which is both to govern and to conduct international relations, which it has to do in terms of the light of the circumstances. You're virtually moving towards a kind of constitutional arrangement whereby the House will determine the authority, even the mandate, of a government to enter into certain international agreements. That's what the U.S. Congress does, but we're not a congressional system; we're a parliamentary system. Let's be careful where we go—

**Hon. Bill Blaikie:** We just want to be a democracy. We don't care what we call it.

**Hon. Bill Graham:** No, that's not the same. They're very different.

**Hon. Bill Blaikie:** Are you saying the United States isn't a democracy?

• (1625)

**Hon. Bill Graham:** No, I'm not saying that, but I'm saying it's a very different kind of democracy; congressional systems function under very different rules. We have to be very careful in this country—

**Hon. Bill Blaikie:** We can change our rules.

**Hon. Bill Graham:** —to preserve our rights and privileges as parliamentarians and the nature of our democracy so we don't fall into the trap of thinking that because other people do it that way, we should.

**The Chair:** Thank you.

It's an interesting discussion, but the time is up. I do know the minister has to leave a few minutes early, at about 5:25. At least, I'm so informed, unless there's other information.

We should have time for a second round, and colleagues will have another opportunity—or the parties will. It's up to them how they share the time.

Having said that, I have four Liberal members and there's ten minutes now for the government side.

Mr. Bagnell, please, for ten minutes.

**Hon. Larry Bagnell (Yukon, Lib.):** Mr. Chair, I assume I'll do my time and they'll get their time in other rounds. Is that how it works?

**The Chair:** Yes. That's up to you.

**Hon. Larry Bagnell:** Thank you.

As we're close to Remembrance Day, I'd like to pay tribute, as we did in the House, to veterans and those who have died or have been injured in service to Canada either in peacetime or in the many conflicts.

Welcome again, General Henault and Ward Elcock. It's great to see you again. Congratulations on your new job and the work you've done on foreign intelligence. Welcome to David Price.

It will come as no surprise to anybody here that my first questions will be on the northern half of Canada as I continue to defend that area and look for resources for it. Of course, if my colleagues across

the way are successful in increasing the reserves, the first spots I expect to see them are in the Yukon and Nunavut, which have none at the moment. As you know, I've been trying to get more resources in the north for a number of years.

I would just like to note that one of the main items of good management is, do you ask the right questions? I was delighted, Minister, that you asked the question in your opening remarks: are we doing enough in the north and what should we be doing? I'd just like you to comment on the resources available and on the estimates to do that.

I commend the department for the work they've done over the last year in that area. We've had five or six very exciting initiatives this year in the north, which I was very happy about.

Perhaps you could talk about any future resourcing and continued elements related to sovereignty in the north, in particular since our two major international boundary disputes are actually in Nunavut and the Yukon, where we have the least military resources.

**Hon. Bill Graham:** Well, I'm a little nervous after your last comment, given the fact that the boundary disputes are with the United States.

**Some hon. members:** Oh, oh!

**Hon. Bill Graham:** I hope you're not looking to military means of resolving them. I thought we had to resolve those boundary disputes largely through litigation or other more peaceful means. I'm not asking the general to get ready for a conflict in respect of those boundaries, but I certainly agree with you; they're very important.

I agree with your premise that we need to do more in the north. This of course is an environment, as you can appreciate, where it is expensive to operate. Obviously, I'm proud of the record the forces have in terms of search and rescue activities. I recently watched with interest the efforts that were made up north in terms of search and rescue. You also mentioned recent exercises, and Narwhal was clearly a learning experience for us.

For me and certainly from what I learned from the services, one of the important aspects of Narwhal was that it was a cross-cutting government exercise. It wasn't just the forces up there going on their own. They were working with the civilian authorities on resolving a series of scenarios that addressed the type of problem we're likely to see up north. We intend to expand those sorts of exercises, and they'll be of that nature as well; they won't be just the military. They'll be working with other responsible territorial and federal authorities.

We are looking at the use of new technology for surveillance, unmanned vehicles clearly being something we're looking at. Again, when the defence review comes, we'll be able to go into that in more detail.

We're dealing with the Saglek issue, for example, the PCB remediation. We're concerned about environmental damage in the north because of previous activities, and there's been some \$10 million set aside for environmental cleanup.

So there is a program in the north, but I expect that we will have an opportunity during the review to examine how we can be more effective and what resources we should be putting there.

• (1630)

**Hon. Larry Bagnell:** Thank you.

I'm glad you mentioned two points I wanted to continue on. One was the contaminated sites. As you know, Canada in the last budget announced \$3.5 billion for contaminated sites, the largest environmental program in the history of any government in Canada, of which 60% has to be spent in the north. I hope I would have your commitment that you will try to get some of that money to add to your \$10 million so we can quickly finish cleaning up DEW Line sites and other sites in the north. They don't involve huge remediation, but hopefully we'll be able to get that done as quickly as possible because some of them have been there for decades.

**Hon. Bill Graham:** That's a good point about the \$3.5 billion for a program for cleaning up contaminated sites. I would be aggressive in looking into what portion of that funding we can obtain for the north. Believe you me, the department is as anxious to deal with this as you are. We obviously deal with it as the resources are available to us.

Sometimes something comes to us for immediate remediation that has to be done, while others are done on a more long-term basis. I'm told that the present funding for contaminated sites generally is around \$23 million, a substantial amount, but obviously not all of those sites are in the north.

**Hon. Larry Bagnell:** I'm glad you also raised search and rescue. I understand there may be some study going on presently as to the location of search and rescue equipment, planes, etc., and I would just like to have your assurance that due consideration will be given to the north as a potential area to locate search and rescue aircraft.

**Hon. Bill Graham:** Well, I certainly understand your concern, and I've had a couple of meetings looking at this. As you know, no decisions have been made as to which aircraft to purchase. Until one knows the nature of the equipment, it's hard to know exactly where it will be based to be most effective.

But the air force, which would obviously be responsible for operating that equipment, has assured me they're going to make sure they cover the north. We certainly recognize that. It has to be accessible to the north, there's no question about it. Any plan has to be a plan that enables us to cover the north properly, just as we've been doing up till now. That's certainly a factor in the thinking, no doubt about it.

• (1635)

**Hon. Larry Bagnell:** For my last question, under your predecessor I visited Afghanistan, because as chair of our defence caucus I wanted to see if our troops were well equipped. The ones I talked to were very happy with their equipment. I just want to make sure you haven't been led to believe otherwise.

Perhaps you could outline a few of the examples of where our equipment is some of the best in the world. We have heard a lot about certain problems we might have had, but we certainly have world-class equipment in some areas, too, and I don't think people hear enough about that.

**Hon. Bill Graham:** The last time I was in Afghanistan was a year ago, and now, of course, we have quite a reduced presence—we've gone from 2,000 to 700—and the role we have there is different. I'm advised that the equipment we have for the role we're playing there is effective and good.

One piece of equipment we have there that's totally extraordinary is Camp Julien, which the forces constructed, which everybody looks at with a great deal of jealousy. It's an extraordinarily well put together thing.

I think the type of equipment we're seeing being used there, the Coyote, the LAV III—apart from the fact they're manufactured in Canada, which is great—is equipment that's regarded by other forces as being absolutely superlative, and actually there have been sales of it in other countries.

We're certainly moving forward at all times to make sure the individual equipment for our soldiers is top-flight as well.

It's obviously a work in progress. Every time there is a problem or changed condition, we improve the equipment; we get better.

My experience with the department and with the armed forces themselves is that the well-being of the men and women in the forces is their first concern, and it's always equipment first, to make sure it's both safe and gives them the protection they need.

**The Chair:** Thank you.

Thank you, Mr. Bagnell.

I want to repeat my invitation to the committee to come to London, Ontario, and my riding of London—Fanshawe, to the General Dynamics plant to see exactly where that outstanding LAV is built. We're ready to welcome you whenever you want to come and eyeball it, have a ride on the track and so on.

Thank you very much, colleagues. That completes the first round of ten minutes. Now we'll start a second round. The minister is giving us a good amount of his time, and we appreciate it.

The second round is five minutes. Again, it's for question and answers, so bear that in mind.

We'll start with Mr. MacKenzie, please, for five minutes.

**Mr. Dave MacKenzie (Oxford, CPC):** Thank you, Chair.

Minister, I'd just like to tell you that the members on this side certainly agree with the first line on page 2 of your introduction, because we believe that the importance of the Canadian military is really its men and women, and that's what makes up the military. The tools we give them to do the job are obviously very important also.

My concern, Minister, is that particularly in the last while I think it's come to the forefront about the substandard housing on the bases, the repair work that is perhaps behind schedule in being done. I think the other issue is that the rent structure is based on civilian rent structure, sometimes in relationship to communities that have far different amenities from what the bases have. I just wonder where we go with that.

**Hon. Bill Graham:** I think it's a very legitimate point that we have to be very conscious of the living conditions of the men and women serving in the forces, and that has to be a top priority of the department and of myself.

As you know, we've invested about \$400 million in the recent past to bring up the standard of housing on the bases, and there is a plan. It's being spent. Actually, right in the budget there is \$120 million over the next three years that will be spent rectifying, refitting, fixing up housing on bases. I hope that will go a long way to dealing with some of the stories we've been hearing that people are living in housing that is not of the standard we would like to feel they should get.

That said, I think the other issue that obviously has been to the fore recently is rental increases. There is a government-wide policy there—which makes sense—that when government property is being used by individuals, it has to be at comparable rates to what it would be in the private sector. Otherwise, the people are getting an advantage. This is a cross-government policy that makes sense.

However, I've raised this with the President of the Treasury Board and said this may make sense as a government-wide policy, but in terms of the quality of some of the housing on some of the bases, you may not be comparing apples with apples; you may be comparing apples with oranges. I want to make sure we can address this on an individual need for the forces.

He has given me his assurance—and the member for Esquimalt has been pushing him as well—that we will have a look at this from the Treasury Board perspective. So I welcome that initiative on behalf of the President of the Treasury Board, and we'll have a look at whether or not we can alleviate any problems that arise as a result of that comparison.

• (1640)

**Mr. Dave MacKenzie:** We just heard recently that the submarine purchase was not—as we were of the opinion—a barter, that in fact we've been paying for it. When would you have become aware of that change occurring?

**Hon. Bill Graham:** I think there were some assumptions about the submarine purchase that everyone just sort of went along with. Some people said it was a barter purchase. I was always aware of the fact that whether it was a barter or a purchase, there was no difference to the treasury of Canada, because what we were bartering for were services in Canada that the British would have been paying for when they came to use the bases anyway.

So whether they didn't pay us for the bases and we didn't pay them for the submarines, or whether they paid us for the bases and we paid them for the submarines, as long as the amount was the same, there was no difference to the treasury.

I think for me at least, the barter thing...it didn't focus until people said this was a barter. I went back and looked. If you go back into the public accounts—this is the performance report, for example, of 1999, which was approved by this committee—right in that report it shows \$811 million for the submarines. There's no suggestion in the public accounts.... And I'm not saying everybody goes through these things with a fine-toothed comb—I know; I've served on committees as well. But the government certainly filed documents with the

committee as early as 1999 clearly indicating this was a payment process rather than a barter, which was one of the two options that were available.

I'm sorry if there was a misapprehension or confusion, but I really would like to urge honourable members that there is no difference and there was no effort by anybody to try to create a misapprehension. The numbers are right there in the documents.

**Mr. Dave MacKenzie:** What will it cost to have the 5,000 new troops trained and outfitted, which you spoke about?

**Hon. Bill Graham:** I honestly couldn't give you an answer to that yet.

**Mr. Dave MacKenzie:** Is the money in the estimate?

**Hon. Bill Graham:** The money would have to be in the February budget. It's not in these estimates, and it won't be in the supplementary estimates. It will have to come in the future.

**Mr. Dave MacKenzie:** Are we looking at two or three years out?

**Hon. Bill Graham:** Again, we could speak at greater length on this when we talk about the review, but my understanding is that within the department itself we're having discussions as to how quick an absorption rate there could be for 5,000. How much per year you'd need would depend on that. So they're looking at this.

General Henault points out to me now that it will take around five or six years to do. There'll be some who would say maybe we could do it more quickly, so there'll be a discussion. The army and all the forces are currently looking at how we can achieve this goal.

As I said, it is fresh money, and the government has committed to that, but it will be by way of a budget rather than the estimates.

**The Chair:** Thank you, Mr. MacKenzie.

There are some very good questions, and as the minister noted, hopefully soon we'll be getting the paper over from DND and we can begin to do our full review as a committee. Some of these questions will be very excellent ones at that time, as well.

Now we'll go to the alternating format we've agreed on.

Ms. Longfield, please, for five minutes.

**Hon. Judi Longfield (Whitby—Oshawa, Lib.):** Thank you, Mr. Chair, and thank you, Minister and your deputy, and General. It's good to have you here.

Given that the key considerations of defence include security and the international review, at the table we have folks who have significant background in both those areas, so marrying that with defence is very good.

With respect to your presentation, you talked about the Canadian Manoeuvre Training Centre in Wainwright. When might we see that up and operational? Do we have allies who have already committed to take part?

• (1645)

**Hon. Bill Graham:** I'll ask General Henault.

**Gen Raymond R. Henault:** The Canadian Manoeuvre Training Centre in Wainwright is currently in the process of being established. We are in the process of putting in place infrastructure, the computer networks that are required to actually undertake the simulations and so on that are necessary, putting in place the whole wired infrastructure that becomes part of this manoeuvre training centre that will depend very significantly on technology and on the modern simulation techniques that we have to provide for training our army members.

**Hon. Judi Longfield:** So is that a year out?

**Gen Raymond R. Henault:** I would say that the manoeuvre training centre will start to take form over the next two to three years and start to undertake its operations. I can't give you the exact date it will open; I don't have that on the tip of my fingers, but my recollection is that in about 18 months to two years, we'll start to see the first real effects of the manoeuvre training centre. What I can tell you, though, is that we're already using Wainwright as a training facility; and as we're installing this new infrastructure, if you like, we're also using some of that training requirement to prove out some of our simulation technologies and techniques, and so on. So it's an evolving process, and it's one that's really starting to take hold now. But I would say that by about 2006-2007 we'll start to see the manoeuvre training centre paying off in fairly significant ways.

**Hon. Judi Longfield:** Thank you.

Minister, you mentioned increasing and enhancing the cooperation between Canada and the U.S. If you listened to the radio or if you listened to the opposition, one might get the feeling there has been very little cooperation. I was glad to see in the performance report a very full articulation of Canada and U.S. cooperation over the last 60 years, including the 80 treaty-level defence agreements, the 250 memoranda of understanding, and the close cooperation we've had with our American counterparts. One of them is the Permanent Joint Board on Defence, which has been going on for 60 years and which I have the great privilege of serving as the Canadian co-chair.

There's also the bilateral planning group. Minister, in the documentation you said that it was due to wind up in December 2004. Given that a lot of the work they were doing had to do with the renegotiation of NORAD and some other things, can you tell us what the status is of that bilateral planning group?

**Hon. Bill Graham:** My understanding is that both the United States government and our government wish to continue that group until 2006, and then of course it will be dealt with as a part of the overall NORAD discussions—not be subsumed into NORAD. I hope we can build on it. A lot of people don't understand what the planning group is; what it isn't is that it's not a kind of binational command of all sorts of forces. It is a group enabling us to plan for emergencies of a transborder nature, and it enables the military to plan how they would deal with the civilian element, who are often the first responders if there are natural disasters or other things, rather than a military attack. So I think it's a terrific initiative. The Americans appreciate it a great deal; we appreciate it. When you think back to the times there were forest fires in California, we sent down people from British Columbia; they came up when we had a problem; Quebec has gone to New York to help; and there was the ice storm.

So there's been that back and forth across our borders, because people want to help one another. The planning group is a way in which the military can make it work better, so I'm a strong proponent of looking at ways in which it could be expanded. I think, as you said, it's a good demonstration, along with your own board, for example, of the way in which we have a long tradition of working with the Americans on joint defence issues.

**The Chair:** Thank you, Mrs. Longfield.

Mr. Bachand, please, for five minutes.

[*Translation*]

**Mr. Claude Bachand:** Thank you, Mr. Chairman.

As you know, the Committee on National Defence and Veterans Affairs is currently studying the submarine issue. I would like to take advantage of your presence here to ask a few questions, particularly about budget items, because I think that is the primary reason for your presence here today.

I have found a great document—in my opinion, a gold mine. Once you read this, you wonder why the Canadian government bought these submarines in the first place. The document was prepared by the Chief, Review Services and it is dated May 2003. There's a great deal of information in it, but there is one item I would like to stress. In passing, I should point out that the Chief, Review Services reports directly to the deputy minister of Defence and the chief of staff, according to your organization chart. There is one aspect of capital expenditure that I would like to raise. This document states:

We estimate that the capital budget must be increased to at least \$897M to account for all costs which fall within its scope. Otherwise, other budgets will continue to absorb the costs of project-related expenditures...

This is followed by a list of budgets involved:

... principally the operating budgets of the Chief of Maritime Staff (CMS)...

who is here today

... and the Director General Maritime Engineering Program Management (DGMEPM).

I would like you to provide an overview of the budgetary structure. Earlier on, Minister, you were saying that one would almost need to be a chartered accountant or more to understand how money is collected and spent.

I would have a great many more questions for you on this report, because it contains a great deal of information, but I would at least like an overview. Is the capital budget now being exceeded? Are we dipping into the operating budget of the chief of maritime staff? If we are dipping into the CMS budget, the result might be that some ships will no longer be operational because we will not have an operating budget to keep them on the water. There will be no career development budgets for our soldiers. So I would like you to make me feel better by telling me whether this is in fact current practice. When the capital budget is insufficient, is it regular practice to dip into the other budgets? This could have a negative impact on vessel operation.

•(1650)

**Hon. Bill Graham:** I would be happy to give you a personal overview of these accounting practices, but I feel that in the interest of transparency and clarity, I will ask Mr. Williams to do so in my place. He is in a better position to answer these questions than I am. You know him already.

**Mr. Claude Bachand:** Yes, I know him.

[*English*]

**The Chair:** Thank you, Mr. Minister.

For the record, would you please introduce yourself?

**Mr. Alan Williams (Assistant Deputy Minister, (Materiel), Department of National Defence):** Thank you, Mr. Chairman.

My name is Alan Williams, and I'm the assistant deputy minister of materiel.

In response to the question, the report Mr. Bachand is referring to is an audit we had undertaken at our request last year, in order to ensure we were properly accounting for all the costs of the program. As we discussed last week, in terms of costs in particular, we made two major changes.

With regard to the capital program itself or the cost of acquiring the submarines, we noted there were about \$85 million worth of programs already costed and managed appropriately within the department. Openness and transparency ought to have been better reflected in the overall costs of this program. These would include, for example, the infrastructure we had to construct for this, including spares and specified tooling. If one were to be broad-minded and inclusive, these kinds of expenditures should have been reflected.

We did that, and if you were to look at the current year's estimates, you would see the numbers we're now forecasting to spend have risen by \$85 million, or close to it, to the \$897 million you discussed.

The other aspect deals with how much it is going to cost to sustain, now that we've bought the submarines. As we discussed last week, the initial estimates done in the late nineties suggested that the Oberon class, the previous class, was costing us approximately \$30 million a year, and \$90 million in total. We surmised at that time, in part because the size of the crew was going to be smaller, that the costs of sustaining these might also be smaller. In fact, not surprisingly, it turned out that we were overly optimistic. In fact, we're now suggesting that the cost of the new Upholder class will be similar in cost, at roughly \$30 million each—and now we've upped it by 25% to \$120 million. As I also suggested, it's quite likely and probable that the ongoing cost might be even larger than that as we continue to determine the cost of the submarines.

•(1655)

[*Translation*]

**Mr. Claude Bachand:** That is not the question I asked, Mr. Chairman.

At present, are we taking money from the operating budget of the chief of maritime staff, who is sitting here today? This is what the report I am holding says.

[*English*]

**Mr. Alan Williams:** No, the costs we transferred were essentially capital expenditures, by and large, for infrastructure, but located elsewhere. The costs we're putting here are not infringing upon the costs to run the navy.

[*Translation*]

**Hon. Bill Graham:** That was the question.

[*English*]

**The Chair:** Mr. Rota, please, five minutes.

**Mr. Anthony Rota (Nipissing—Timiskaming, Lib.):** I have a question for the minister. Thank you for joining us here today.

When choosing different armaments or different items for the military when it comes to large capital goods—just to clarify our understanding of what the minister's relationship is with the navy and what the decision-making process is within DND—can you outline how the military decides on its equipment needs and its priorities?

What role does the Minister of Defence play in both guiding the choice of the priorities made by DND and obtaining the approval of capital projects by the cabinet? I know you have to go to the Treasury Board for part of that, but maybe you could just clarify that for me. I'd appreciate that.

**Hon. Bill Graham:** I'll take an initial and personal cut at it, then turn it over to Mr. Williams, who actually manages this process in the department.

On my experience, when I first became minister we had to look at the maritime helicopter purchase. I'll tell you, I came to it, and you may recall the cabinet dealt with that pretty quickly after I became minister. It was based on the advice we had from the experts in the department on both the civilian side and the military side. It was what they wanted. This was the helicopter, for the right price, that we were getting.

I looked at whether the process and the evaluation were correct. I was then able to recommend it to cabinet. It had to become a cabinet decision. But as you said, before that there was a whole host of other issues. It had to be taken to Treasury Board and examined. It had to go through a bunch of other processes—and I can let Mr. Williams describe that.

But I can tell you that from my perspective, at least, as Minister of National Defence, I believe it's my role to make sure we're buying equipment that the military is saying it needs to do its job. We have to decide, the government has to decide, whether to purchase it and take the responsibility for purchasing it. My job is to make sure it's the right equipment from the perspective of the best advice we can get from the experts on that equipment. Of course, Public Works gets into this too.

I'll turn it over to Mr. Williams now.

**Mr. Alan Williams:** Perhaps, because the front end of the process is actually in the military's domain, General Henault can start, and I'll follow up from him.

**Gen Raymond R. Henault:** Let me say, Mr. Chair, this is very much a collaborative process between the department and the Canadian Forces; therefore the deputy minister and I are very much involved in the overall approval process, or the top-level approval process, for the capital equipment program. That program is continually evolving. It's based on the overall requirements of the force, looking out about 15 years, basing our overall equipment purchases on life cycles, needs to replace, and all of the factors that go into renewing and replacing equipment to ensure it doesn't rust out.

We do that through a process called the Joint Capabilities Requirements Board, which is chaired by the vice-chief of defence. Its members include all the level ones—that is, the three stars and the equivalents, the ADMs—and those who are at level one in the department. They consolidate, coordinate, and agree upon the long-term capability requirements of the organization.

That is fed up the line to the deputy minister and me, and ultimately to the minister for endorsement. We have a strategic capability investment plan that is endorsed departmentally, which allows us to look out 15 years and make these recommendations on purchases.

There are all the other processes that have to be followed, including memoranda to cabinet, Treasury Board approvals, and so on, but I'll let Mr. Williams cover that part of it. That's the technical aspect of it, and it ultimately ends up in the deputy minister's office for consideration and approval by his financial authorities. It then goes up the line to Treasury Board for ultimate approval.

Alan.

• (1700)

**Mr. Alan Williams:** Thank you.

As the general said, once the military has done its prioritization it is then transferred over to my organization on a project-by-project basis. It is our job to take it from the requirements definitions, translate those into detailed specifications, work with industry collaboratively to try to figure out the best approach to follow, and then undertake the competitive process with support from our colleagues in Public Works and Government Services Canada, as well as Industry Canada.

As General Henault mentioned, going through this process requires periodic approvals by Treasury Board at the outset to let us get going, and then later on to really continue through the implementation stage.

**The Chair:** Thank you, Mr. Rota. Your time is up.

We now come to the other side.

Ms. Hinton, please, for five minutes.

**Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC):** Thank you.

We'll do this rather rapid-fire, Mr. Minister. If I could go back to the estimates, please, on page 4, the management accountability framework—

**Hon. Bill Graham:** Are you looking at the estimates document or the performance report?

**Mrs. Betty Hinton:** The document merely says what DND did, it doesn't say whether what DND did was effective. A true performance report would be produced by people outside of the department. I suppose this is more of a statement than anything else.

**The Chair:** Be sure to stick to five minutes.

**Mrs. Betty Hinton:** Okay.

I come from a business background, and this strikes me as being more of an advertisement than it is a report on how things have actually been done.

There are two other questions, but I'll stay with the estimates for a bit.

There are 107 civilian executives in DND, not counting the 14 transferred to the public safety department. Over the last few years, has there been a growth in these positions? If so, what justifies it?

There are 71 general officers and 313 colonels in the regular force, for a total senior military management of 384. How are these rank levels justified in the small military force that we have today? That's the first part of the question. The second part is, are ranks being used as a means of pay compensation?

And my final part comes from your statement this morning. On page 4, you said, "Since 1999, we have dedicated more than ten billion dollars of new money to ensure that the Canadian Forces will remain relevant and effective in the 21st century." You've used a five-year window. I would like to ask you, sir, how many billion you cut in the five years prior to that, from 1994 to 1999?

**The Chair:** You're asking these of the minister, obviously.

Minister, do you want to account for all past sins of defence cutting?

**Hon. Bill Graham:** I obviously couldn't answer that off the top of my head. We would have to give you an answer to that question in writing. I understand the question, but I would suggest that the problem with the question is that it's not so much the cuts, it's what you give. Anyway, we'll see what we can do with that.

On the general officers and colonels and the balance in the forces, I'm going to ask General Henault to speak to that.

To go back to your first question, I asked you if it was page 4 of the estimates, but I think it's page 4 of the performance report. I'm trying to understand what document you're referring to. I have two documents; one is called the estimates, and one is called "Departmental Performance Report". I think the one Mr. O'Connor referred to was the performance report.

**Mrs. Betty Hinton:** Sorry, I may have written it down wrong. I thought it was in the estimates.

**The Chair:** Mr. O'Connor was referring to the performance report, but the sidebar here is also the estimates.

**Hon. Bill Graham:** I know, but one says "Departmental Performance Report", the other one says "Estimates". I'm just trying to understand what page I should be looking at, and in what document. I understand now.



It's the same question, basically. As I answered before, the Treasury Board is, if you like, the outside review process. It's not everybody sitting around navel-gazing inside the organization and preparing a report and then the Treasury Board comes along and reviews this.

I have to tell you that Treasury Board is pretty vigorous—and I had better be careful here. I was going to say they're not nice people to deal with, but I didn't mean that. They're very professional in their approach, and they're not necessarily always entirely friendly, if you like, to everything you go into. They're pretty tough.

● (1705)

**Mrs. Betty Hinton:** But they are kissing cousins, sir.

**Hon. Bill Graham:** Well, I've discovered that sometimes between different bureaucracies in this town the kiss might be a kiss of death rather than a kissing cousin, so I'm not so sure you can make that assumption. The government has a lot of checks and balances in it that make sure very qualified people who have very different perspectives on things look at it and bring those different perspectives to bear. That's certainly been our experience in the military. We work with the Department of Finance. We've worked with Treasury Board. They all have their independent people and are quite stern about the way in which they apply their criteria.

Perhaps on the colonels and the generals, that's an important impression to deal with, and—

**The Chair:** I know the time is just about up, but I want to give a bit of latitude. This is an important question, which, frankly, we hear frequently. The general must hear it frequently. So I do want to invite you, sir, to answer that, and then I'll go to the next member.

Thank you.

**Gen Raymond R. Henault:** Thank you, Mr. Chair.

First of all, the Canadian Forces, especially in the senior management structure, is a fairly lean and mean organization. It's one that has gone through significant downsizing over the years, through the mid-1980s and 1990s, through to current time.

If we look back to the report by then Minister Doug Young to the Prime Minister on the size of the senior cadre of the Canadian Forces, that level was set at roughly 65 general and flag officers, plus a certain number in addition to that to take advantage of opportunities, which puts us at about, as mentioned by the honourable member, 71 general and flag officers.

We have been at that level since the mid-1990s, at the very least, so we have not seen any growth in that general and flag officer cadre, yet we have taken on responsibilities globally in a number of ways. So you can see that the effectiveness and efficiency of that organization at that level is certainly very, very high.

In terms of the senior cadre of colonels, I would mention that, again, that has gone through a significant downsizing and we are somewhere in the neighbourhood of the numbers you mentioned, in the 380 or 400 range. That's not the entire picture, though, because if I reflect both the general and flag officer corps and the colonel and navy captain level, there is an equivalent level in the public service. There are a number of civilians that also complement that number. So even in that respect, those are the numbers required to satisfy the

operational requirement and to do the jobs that we have both in Canada and outside Canada.

I would certainly venture that the numbers are not exorbitant, because as we look across some other forces, the Australians, for example, who have a similar force size to ours, have somewhere in the neighbourhood of 125 general and flag officers. Therefore, I think we do fairly well with the numbers we have, and that's what we certainly have worked with and will continue to work with for the foreseeable future.

In terms of measuring our effectiveness, we consider our profit margin, if you like, to be operational capability, and I think we've proven that time and again. I don't know how you better measure it than what you do on both the domestic and international scales, and we have done exceedingly well. That's measured by outputs, and those outputs are very highly recognized by other very senior members, including the NATO Secretary General and other allied senior members, who have very positively reflected on what the Canadian Forces does outside the country.

I would also note, though, that in the estimates and in the performance measurement and performance management portion of what we do, we're not the only ones who are reflecting on whether or not we succeed in how we do business. That's also reflected by Auditor General reports and other reports that are done to measure how well we are doing business, and by and large, that has been very positive.

Thank you, Mr. Chairman.

**The Chair:** Thank you, General, for that explanation; and thank you, Mrs. Hinton.

I wonder if I could make a request as a member. If colleagues endorse it, fine. Can you give us some comparative on this very question? It comes up a lot, and I'd like a little more information and I think others would as well.

You mentioned the Australian comparison. When someone has a moment, could you do a bit of a comparative chart for us and table that with the committee for future reference? The defence review is coming up, and it's a valid question and it will surface again. So the more information we have on it...

I'd appreciate that information.

● (1710)

**Gen Raymond R. Henault:** By all means, Mr. Chairman. We have comparative analyses that we've done for a number of other similar-sized and like-minded nations, just to provide comparators to indicate to you what you're getting for what you're paying.

**The Chair:** But I meant specifically in terms of the senior ranks and the ratio.

**Gen Raymond R. Henault:** Yes, we will.

**The Chair:** Thank you very much.

Now it's Mr. Martin's turn, for five minutes, please.

**Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.):** Minister, General Henault, Mr. Elcock, and Mr. Williams, thank you for being here today.

We know if we look at the globe that one of the most intractable and difficult problems that we see is the large numbers of internecine conflicts that occur, and one of the challenges we have is in the post-conflict reconstruction period. One of the things that we do well as the Canadian Forces is in dealing with those security issues in particular and training a competent domestic armed forces that is professional, which is essential to establishing security on the ground so that countries can begin to rebuild after that difficult period of time. We do the training aspect of those armed forces very well.

My question, Minister, is where do the resources come from when we decide to go and use our armed forces to train a professional, competent military in some of these countries that are trying to get back on their feet? Is it your budget, or is it the budget of CIDA or another source?

**Hon. Bill Graham:** I'll let General Henault flesh out the details on this. That said, we do have a line in our budget for MTAP, which is the training program. It's in our budget. It's a wonderful way to help, as you say, in these circumstances, and also to bring up the professional qualifications of other forces.

The Prime Minister, as you may have noticed, has been speaking of the need for training soldiers in Africa, as a result of conversations he's had with the leader of the African Union, Mr. Obasanjo. It may well be, as we look forward, that we'll be seeing whether we shouldn't be expanding that type of program. It's a very interesting program, and it's quite important.

General, perhaps you would speak for a moment about the program.

**Gen Raymond R. Henault:** Thank you, Minister.

Mr. Chairman, we are very much involved in training on a number of different levels. More specifically, we are well recognized for the calibre of our training, as are many other nations—the United Kingdom, the U.S., France, and others—who have very effective and very well-grounded training systems. For that reason, we're often sought out by allies and by new NATO nations, for example, or other countries, including African countries, to help them to either train or professionalize their forces as they evolve and as they transform themselves.

We do a number of things with the military training assistance program, as mentioned by the minister. We do things like language training. We do peacekeeping training in Cornwallis, peace support training in Kingston, and a number of things, both inside the country and outside the country, to help other forces, especially new developing armies, navies, and air forces, to become more professional in what they do.

That MTAP funding is departmental funding, but other funds are applied to training as well. We have training commitments, for example, in Sierra Leone, where we help to train the Sierra Leone army, in concert with our British allies and others. That money is incremental funding provided to us by the department to assist in that respect.

We have a number of other training opportunities outside the country, which we take advantage of. Again, these help to professionalize the forces out there.

The African Union training, as mentioned by the minister, is one that we are certainly very involved in. We're doing a very concrete plan in that respect to help train the African Union to develop its quick reaction force and to become that much more capable of solving problems within its own continent.

We are already training, at this point in time, through MTAP and other mechanisms, somewhere in the neighbourhood of 160 to 175 African military members on an annual basis. We are looking to expand that in order to respond to and support the Prime Minister's intent to increase our training capability for Africa.

All of those things together, along with the other training opportunities we have, both binationally with the Americans and multinationally with our allies, in a number of different ways, army, navy, and air force, are very important in terms of how we do our business and how we are a good international citizen.

● (1715)

**Hon. Keith Martin:** It's really quite extraordinary; it is so critical to the security phase in countries in the post-conflict reconstruction phase, and the Canadian Forces, with few people, do an absolutely extraordinary job of enabling those countries to get to a stage where aid development can occur. It's actually the training that our forces do in those countries that enables this to happen.

In the 2004-05 estimates, it's estimated that our cost for international operations is going to decline quite substantially, from \$1.7 billion down to \$988 million. I just wonder if those savings are going to be applied to equipment, training, or other needs for our armed forces.

**Hon. Bill Graham:** There are two dimensions to this. First, the costs are going down. As we pointed out, we've had a very high operational tempo over the last five years or more. It is time for us to bring our tremendous forces home to retrain and to regroup, to make sure they have the best training to enable them to go forward. So this is definitely a policy of the department at this time.

Two years ago, it was the navy's turn. They went through this period, as you know. It's now the army's turn to go through this very important part.

Naturally, as a result, our expenses in international are presently less. Afghanistan is an obvious example. We're down from almost 2,000 troops there to 700. We're withdrawing from Bosnia. We'll be down to 80 by Christmas. So we're withdrawing and regrouping in order to go back out and do better as we go out.

Just bear in mind, though, that from the estimates perspective, when we engage in an international operation, the department gets incremental funding, additional funding, for that operation in terms of the incremental cost to it of doing that operation. So if keeping the soldiers at home would cost  $x$  but having them abroad would cost  $y$ , we'd get the difference between  $x$  and  $y$ . Or we hope to get all the difference between  $x$  and  $y$ ; maybe that's the way we should put it. We have to deal with these friendly "cousins", as Madam Hinton referred to them, in making sure we do get our fair share back.

**The Chair:** Thank you.

Mrs. Gallant, five minutes, please.

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

One of the problems with the amount allocated by Parliament to the defence budget involves the non-defence related expenditures. In the case of the military, health care is a \$450 million line item, yet it's accounted for as federal health care spending, and is used by the federal government to reduce the amount it transfers to the provinces for health care spending.

The federal government cannot have it both ways. It's either health care spending or it's military spending.

To make matters worse, even though the military personnel are specifically excluded from the definition of "insured person" by the Canada Health Act, they are charged the Ontario health care premium—a service they cannot use.

What is the minister doing on behalf of Canadian Forces personnel who live in Ontario and who are being charged the health care premium tax? And what is the minister doing to have the non-defence expenditures removed from the defence budget to give Canadians a true dollar figure on what is actually being spent on our national defence?

**Hon. Bill Graham:** Obviously, the purpose of this exercise, and what we're trying to do, is to get transparency and get a full understanding of what is being spent on defence.

I don't know the specific item you're looking at, Ms. Gallant, but my understanding is that in fact the department spends \$700 million on health care, not \$400 million. It's more in the \$700 million range. That allows it to provide health services for our personnel.

I'll have to ask an expert why the Ontario health care premium tax would apply. Whether it's just a matter of provincial law, and everybody in the province pays it, regardless of whether you get health care or not, I honestly don't know. It may well be a matter of provincial law. It may be like sales tax; you may have to pay it under provincial law, whether you're under OHIP or not.

I'm guessing here, so don't hold me to it. We'll get back to you with an answer on that.

**Mrs. Cheryl Gallant:** They're exempt in British Columbia and Alberta.

• (1720)

**Hon. Bill Graham:** We should probably raise that, then; if you're correct, I personally would undertake to raise that with the provincial treasurer and say that this is totally unfair, because they're not being exposed to the services.

So I accept what you're telling me.

**Mrs. Cheryl Gallant:** Yes. It violates both the Constitution and the Canada Health Act.

They'll appreciate that.

According to the National Defence website—and that is where I got the \$450 million figure on health care spending—there are other items. For example, although the program for cadets is very important, we spend \$250 million annually on the different air, sea,

and land cadets. That is taken from the defence budget. So that we can more accurately compare with other countries, we would like to see what is actually being spent on our nation's defence.

In audit and evaluation, we'd like to know why the internal audit of the Department of National Defence did not pick up the misuse of funds involved in the Hewlett-Packard support contract until the \$178 million had already gone missing.

**Hon. Bill Graham:** I think the important thing to note about the Hewlett-Packard matter, which we treat very seriously, is that we did recover \$170 million from Hewlett-Packard. That's a complete indication by that corporation that this was a matter where they owed us the money because of the way in which these invoices had been treated.

There is a criminal investigation going on....

I keep getting different numbers up here. It's \$146 million we got back from Hewlett-Packard; sorry if I misspoke myself earlier.

As you know, there is a criminal investigation, so I won't comment on that individual matter. I do want to assure the committee and members that the departmental ordering processes, accounting procedures, and purchasing practices have been substantially amended and changed to take account of what happened in that case and to make sure it doesn't happen again. The Auditor General is certainly aware of this, and we're most aware of the fact that we have to ensure that this type of thing doesn't happen again.

**The Chair:** A last brief question to you, Mrs. Gallant.

**Mrs. Cheryl Gallant:** What is the legal status of the office of the ombudsman, and why is the office not identified in the National Defence Act?

**Hon. Bill Graham:** The ombudsman has been established by, as I understand it, a decision of the Chief of the Defence Staff and by regulation. The ombudsman is not a statutory body under the laws of Canada, but rather a body that has been set up by the Department of National Defence at the initiative of the Chief of the Defence Staff to make sure that our Canadian Forces personnel have a complaints bureau to go to.

I've met with the ombudsman. It's an organization that has grown over the past few years. It obviously takes a very active role in ensuring that Canadian Forces' members have access to someone they can take a problem to if they're not getting recourse in the regular channels. I think it performs an extremely valuable role, but I don't know that it's necessary to put it into a statute and frame it that way. It seems to be doing its job quite well. We are looking at other ways in which it should be organized. It was established under Minister Eggleton as a ministerial direction.

**The Chair:** Thank you, and thank you, Mrs. Gallant.

Minister, I'm told you have a commitment and you have to leave at 5:25. We're pretty much at that time, so maybe the chairman can just have one question.

I hope you can give us a guesstimate, if not a direct answer, about the much anticipated review by this committee of our defence policy. I think we all understand the reality that the government has bitten off quite a chunk here with a full foreign policy review, as you would appreciate as the former minister. There is that in the hopper, as well as the defence review that would flow from that or go in tandem with that. What is your best guesstimate, if you could, on when this committee might actually be seized with that paper and begin to hold our review and some of our public sessions?

I would anticipate our committee, subject to our whips' approval, is probably going to want to do some travelling in the country. All wisdom does not repose here in Ottawa, as we all know. Could you give us some idea when we might have a chance to have at it?

• (1725)

**Hon. Bill Graham:** I might have had a better opportunity to give you that complete answer as a result of where I'm going now, which is to a meeting to discuss exactly how we're proceeding on the review. As you said, this is the international policy review, in which defence is a component, but at the same time we are doing our own review, so this has been an extensive set of discussions, inter-departmental discussions, to make sure that we have it right when we bring it to the committees.

I want to assure you that we're going to bring it forward. My engagement with you is to bring it forward as quickly as I possibly can. I would hesitate to give you a date at this particular time, but I can assure you the department is looking at it. We want to make sure that it will contain within it such information that you will know fully where we're going and our roles, as I say, both for Canada and North America, and the world. We'll have an opportunity for extensive discussions of those.

In a sense, I'm finding, of course, as I talk more about the international policy review itself, that in fact our review will have that dimension of this department's obligations, with respect to Canada and the defence of Canada and North America, that sets it somewhat apart from the other process, because our operations in the world will be part of that. But in fact our obligations to the defence of Canada fit more into the envelope of the national security policy in a respect than in the international policy review. So I'm trying to work out that dimension.

**The Chair:** Thank you very much for that, Minister. We look forward to getting into that work.

We have one or two quick business items for colleagues just before we adjourn.

Thank you again, Minister, and General Henault and deputies.

• (1730)

**Hon. Bill Graham:** Thank you, Mr. Chairman.

Having sat in your place, I think you've been extraordinarily restrained. I always asked more questions than that.

**The Chair:** Thank you, Mr. Minister.

Colleagues, we have the amended schedule of meetings for November. As per the suggestions of the committee, you can see that on November 15 the clerk informs me we will have former ADM Materiel Mr. Raymond Sturgeon and retired Brigadier-General Darrell Dean. They will be before the committee on November 15, the Monday we come back.

The trip to Halifax to eyeball one of the subs and be briefed on site is subject to House approval. The best-case scenario is this would go to liaison committee for their blessing tomorrow and we might get House approval on Friday. If not, we would have to seek that House approval on Monday, November 15, the Monday before we go. But we'll just proceed as if that trip is on.

You have the schedule in front of you, so you can see the future witnesses lined up for the rest of the month. On Monday, November 22, we have Pierre Lagueux and R.N. Fischer, former ADMs Materiel. Then on the Wednesday we change direction a bit and have the Minister of Veterans Affairs on her estimates—I'm sure the topic of the 60th anniversary of the end of the Second World War is going to come up—and former Minister of Defence Art Eggleton on Monday, November 29.

That's just to bring colleagues up to date about some of the efforts by the clerk to line up witnesses.

I would just request colleagues from all parties to lobby with their whips to approve our trip to Halifax. I think it's going to take all-party cooperation to give us permission to go, and we'll be out of the House. I want to go back. I know I'm going to get huge push-back from the government whip unless there are at least as many opposition members on that trip.

**Mr. Gordon O'Connor:** I was saying the same thing on my side.

**The Chair:** Okay, very good.

**Mr. Gordon O'Connor:** We'll have to go in shackles.

**The Chair:** That's right. We'll pair up, literally, Gord, with shackles.

If we want to travel in this minority Parliament, I think we have to have that trust with each other that when a group goes on a trip, it goes on a trip and it comes back together. If that's broken, I don't think we'll get the approval to go to Kanata to see Gord's riding.

That's the business I wanted to bring to your attention. With that, thank you, colleagues.

The meeting is adjourned. Have a good week in your ridings next week.







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