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Chair

The Honourable Maxime Bernier

Standing Committee on National Defence

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• (1605)

[*Translation*]

The Chair (Hon. Maxime Bernier (Beauce, CPC)): Good afternoon everyone.

Welcome to the 54th meeting of the Standing Committee on National Defence.

Further to the orders of the day, we will start off the meeting with committee business. We have a motion from the Hon. Bryon Wilfert.

[*English*]

Mr. Wilfert, I'll give you the floor on your motion.

Hon. Bryon Wilfert (Richmond Hill, Lib.): Thank you, Mr. President.

My motion reads as follows:

That the committee request that the Department of National Defence provide it with passenger manifests for all travel on Challenger aircraft by the Honourable Jason Kenney since January 1, 2007, and that this information be provided to the committee in electronic form within five calendar days.

After we deal with that, can I ask you a question, Mr. President?

The Chair: Yes.

Hon. Bryon Wilfert: Thank you.

The Chair: Mr. Hawn.

Hon. Laurie Hawn (Edmonton Centre, CPC): Thank you, Mr. Chair.

We fundamentally don't have an objection to that.

On the five calendar days, I'm not sure. The manifests are probably kept by the squadron. You might ask Admiral Donaldson that. It depends on where the manifests are and where the records are. Five calendar days could certainly be what they would aim at, but I just don't know how they keep their records or how easy they would be to pull out for the last four years.

But we have no fundamental objection to the question.

The Chair: Thank you.

Yes, Minister MacKay.

Hon. Peter MacKay (Minister of National Defence): Thank you, Mr. Chair.

Just in response to Mr. Wilfert, we of course keep detailed records of the manifests of all of the flights on the Challengers. We'll

certainly undertake to have that information to the member as soon as possible.

The Chair: Thank you, Minister.

Yes, Mr. Wilfert.

Hon. Bryon Wilfert: I have a quick question while the minister is here.

Given our current operations in Libya, I'm wondering whether this committee, after we finish Bill C-41—on Wednesday, hopefully—could get a briefing on the operation in Libya. I think it would be helpful to the members.

I'm not asking that it be the minister, but if someone could appear, we would certainly appreciate that, I'm sure.

The Chair: Okay. We'll come back to the committee on that request.

Hon. Bryon Wilfert: Merci.

The Chair: Did you want to add something to your motion?

Hon. Bryon Wilfert: No, that's it. I move it.

The Chair: Okay.

(Motion agreed to)

[*Translation*]

The Chair: And now for the second part of our agenda.

Pursuant to Standing Order 81(5), we will be studying Supplementary Estimates (C) 2010-2011. We will examine votes 1c and 5c under National Defence, referred to the committee on Tuesday, February 8, 2011.

[*English*]

We have with us the Honourable Peter MacKay, Minister of National Defence.

[*Translation*]

We also have with us Kevin Lindsey, Assistant Deputy Minister and Chief Financial Officer.

Welcome.

[*English*]

We have Mr. Robert Fonberg, Deputy Minister, and we have Vice-Admiral Bruce Donaldson, Vice-Chief of the Defence Staff.

Thank you for being with us.

Minister, I'll give you the floor for ten minutes. Thank you very much for being with the committee this afternoon.

Hon. Peter MacKay: Thank you very much, Mr. Chair and colleagues. I'm pleased to be with you again and to be accompanied by representatives from both the civilian and military sides of the defence department.

I'm here, as you know, to discuss the Department of National Defence supplementary estimates (C), at your request, for the fiscal year 2010-11.

You're all aware that the Canadian Forces are coming off arguably their busiest year in decades. The eyes of the world were on Canada twice in the year 2010, first at the Vancouver Winter Olympic Games and Paralympic Games and then for the G-8 and G-20 summits in Ontario. These, to say the least, were major events that demanded significant deployment of security and military forces. We were working closely with other agencies, most notably the RCMP and civilian and provincial police forces.

• (1610)

[Translation]

Abroad, operations in Afghanistan continued to require considerable efforts on the part of our men and women in uniform.

On top of this, we were able to deliver a quick and effective response in the aftermath of the earthquake in Haiti, to conduct counter-piracy and counter-narcotics operations, and to contribute to several other missions worldwide.

[English]

Mr. Chair, the Canadian Forces certainly performed well over the last year. They've provided excellence in the defence of our country and have also been the de facto face of Canadian leadership on the world stage in many instances. Our military's high operational tempo was reflected in spending authorities that were requested for the Department of National Defence in supplementary estimates (C) for the year 2009-10.

When I was here to discuss spending with you almost exactly one year ago today, I mentioned spending requests for our operations to help secure the Vancouver Olympic Games sites, and for our operations in preparation for the G-8 and G-20, which I just mentioned, and of course the unexpected but critical relief efforts that occurred in Haiti, which were unbudgeted at the time.

[Translation]

The adjustments required this year as part of the supplementary estimates are not as considerable in terms of the amount of funds involved. They are, however, important, and I would like to briefly address what they consist of.

[English]

Mr. Chair and colleagues, the Department of National Defence requires \$422,000 to enhance our ongoing maritime operation efforts in Southeast Asia. These efforts were meant to deter and to prevent known human smuggling venues, and ventures that are believed to be destined for Canada. This will be sourced from spending authorities already available within the defence appropriation.

Second, a series of transfers between departments in support of various initiatives will also take place, resulting in a net decrease—I repeat, a net decrease—of \$294,000 in defence spending authorities. These transfers reflect a number of important defence- and security-related initiatives undertaken by the Department of National Defence together with other departments. They include marine security operation centres, which help improve Canada's capacity to respond to seaborne threats; a chemical, biological, radiological, nuclear, and explosives research and technology initiative in collaboration with other agencies, such as the RCMP, Health Canada, and Environment Canada; and the Halifax International Security Forum, organized jointly with the Atlantic Canada Opportunities Agency, or ACOA. This forum is an event that brings together leaders from around the world to discuss and to contemplate defence and security issues of mutual interest.

[Translation]

Mr. Chair and colleagues, there are many lessons that can be drawn from National Defence and the Canadian Forces' high operational tempo in the past year. One of them is that our military is likely to remain busy in the foreseeable future. Events in Libya and Japan are the latest demonstration that the Canadian Forces need to stand ready for all eventualities.

[English]

Clearly, Mr. Chair, the unexpected, tragic, and sometimes horrifying events that we've seen unfolding on our televisions on the nightly news were unexpected. Given Canada's role in the world, there is a certain expectation that we will participate and will come to the aid of people in need.

In the case of Libya, our military has once again responded with remarkable promptness and agility. Early in the unrest, our air force aircraft were used to evacuate Canadians and other nationals out of a dangerous situation. From Halifax, the Canadian navy deployed a frigate that is an important component of NATO's efforts to monitor developments in the Mediterranean Sea and North Africa.

On Friday of this past week, we deployed six CF-18 fighter jets to enforce the no-fly zone over Libyan airspace in accordance with the United Nations Security Council's resolution 1973. This deployment consists of 140 personnel, in addition to the 240 Canadian Forces members who are aboard HMCS *Charlottetown*, which is also in the region in the Mediterranean.

We've also ensured that we have Canadian Forces assets on standby to assist with relief efforts in Japan and have already dug deep within the department to cooperate with the Department of Foreign Affairs to find any and all assistance that we can make available to the people of Japan. That includes such things as chemical, biological, radiological, and nuclear technical expertise, emergency medical and engineering capabilities, strategic airlift, and additional personnel, all ready to contribute to helping our Japanese friends.

Also, of course, the government remains determined to provide the Canadian Forces with the capabilities they need to tackle the very complex 21st century security environment.

In conclusion, Mr. Chair, in the current fiscal situation, we dedicate continuous efforts to do all that we can while ensuring that the money is spent in a responsible, transparent, and effective way. We have a long-term plan for the modernization of the Canadian Forces, as you know, the Canada First defence strategy, which has been the subject of much discussion and debate of this committee and others. We will continue to demonstrate commitment to that plan and, most importantly, will continue to ensure, with your assistance, that the men and women of the Canadian Forces, their families, and those who serve with them have the tools they need to do the important tasks we ask of them, both at home and abroad.

I thank you for this opportunity. I look forward to your questions.

•(1615)

[*Translation*]

The Chair: Thank you very much, minister.

I will now put budget allocations 1c and 5c before the committee for consideration.

I will hand the floor over to Mr. LeBlanc.

Hon. Dominic LeBlanc: Thank you, Mr. Chair.

I will begin with a question for the minister. Then I believe my colleague Bryon Wilfert will continue, if there is still time.

[*English*]

Minister, thank you for your appearance today. Thank you also for your comments in the House. Half an hour ago I watched your speech. I thought you said a lot of what many of us were thinking when we saw those events in Libya, so I commend your comments in the House half an hour ago.

My question, Minister—no surprise—will be not about the F-35 purchase. I want to ask about an issue close to your heart and mine—shipbuilding. I noticed your government has made a number of announcements, including a rather large one last summer, around a very major procurement strategy to modernize Canada's navy.

Hon. Laurie Hawn: Point of order, Mr. Chair.

The Chair: Yes, Mr. Hawn.

Hon. Laurie Hawn: Not to get too fine a point, and the minister can clearly defend himself—not that this is an attack question—but we are here to talk about supplementary estimates (C). That's the purpose of the minister's visit to the committee. I would just ask members to bear that in mind.

[*Translation*]

The Chair: Point of order admissible.

Indeed, Mr. LeBlanc, I would ask that you keep your questions to the budget allocations.

[*English*]

Hon. Dominic LeBlanc: Mr. Chairman, yes, I felt Laurie would correct something I've said. He's got a good habit of doing that. He sort of corrected something. Around estimates, the committee traditionally has been quite flexible. It is a spending item, and I think it's a good-news story—certainly a good-news story for our navy, and it's a good-news story for the men and women who work in shipyards around the country—so I was hoping to give the minister a

chance to offer us an infomercial about his government's investment in shipbuilding.

But more seriously, Mr. Chairman, the minister perhaps could give us a sense of the timeline. I know that a lot of workers in the shipbuilding sector around the country are interested in when we could expect to see specific announcements around the designation process of different shipyards. Could the minister reassure us that in fact the timelines are on track, that he doesn't expect any slippage with respect to the procurement process?

Finally, could the minister reassure all of us that the report that some of the procurement may take place as part of a joint venture or an agreement with another country—for example the United Kingdom—is in fact speculation, and these ships would be built by Canadian workers, in Canadian yards?

Hon. Peter MacKay: Yes, thank you, Mr. Chair.

I thank my colleague from Beauséjour for the question. I know he has a long-abiding interest in this matter and in all matters related to defence.

Yes, in fact the beginnings and the bare bones of the Canada First defence strategy as it pertains to shipbuilding sets out in some detail the number of ships that we intend to build. And I'm quick to add that those new vessels coming to Canada will be built in Canadian shipyards. They go through an itemized account of the priority we place, starting with the joint support ships. There was, as the member will know, some difficulty in the early stages of that particular procurement that caused a pause and a reset. We're now back on track.

I would also be quick to add that we've undertaken already the FELEX, which is the frigate life extension program. That work is well under way at the Irving shipyard, a company I know the member is very familiar with. That work is being done predominantly in Halifax shipyards. We've had I believe three frigates already go through the FELEX program.

Is that right, Admiral?

•(1620)

Vadm Bruce Donaldson (Vice-Chief of the Defence Staff, Department of National Defence): One is deeply in it. The other one, I think, is just going in.

Hon. Peter MacKay: There's another just about to come into the shipyard.

We also have under way the submarine project, which is to ensure the long-term sustainability, viability, of those vessels.

Then we come to the building of essentially new ships, frigates, our destroyers, the supply ships that I've mentioned. There also is a number of ships being built for Arctic patrol. We have an icebreaker in the queue. Similarly, there are Department of Fisheries and Oceans vessels that will be built as part of the national shipbuilding plan.

So the shipbuilding plan is in the slipstream, if you will, of the Canada First defence strategy as it pertains to shipbuilding in Canada. This will be the largest single injection of resources, both human and financial, in shipbuilding in several decades. We'll see the revitalization, in my view, of the Canadian shipbuilding industry coast to coast to coast. There will be work for shipyards large and small.

To speak to the process in further detail, I would suggest that we can bring to the table Dan Ross, the assistant deputy minister of materiel.

It's done in conjunction with the public works department and the industry department. This process will be competitive. It will be merit-based. It will be done in such a way that the shipyards will have an opportunity to present themselves for consideration. A competitive process will determine whether and if these shipyards can meet the criteria. Then they will be invited to make a particular proposal.

The member will know, and has alluded to the fact, that this is very important to shipyard workers, employees, labour unions across the country. We're very confident that it is moving forward. The process is well under way. It's been—pardon the pun—launched.

We are now in a process of six to nine months to determine where the centres of excellence will be—that is, determining who will build the surface combatants, the large vessels, and who in turn will be tasked and requested to build the smaller of the vessels, including some of the coast guard vessels, the fisheries and oceans vessels that I referred to, that are part of the overall package.

We're looking at somewhere in the range of \$35 billion to \$40 billion injected into shipbuilding, to build in excess of 100 ships, large and small. Depending on the capability of the shipyards, depending on the timing that we can get through this process in an open and transparent and fair way, I'm very confident that we are going to see a revitalization of the Canadian navy and the continued proud traditions, coming on 100 years, of what the Canadian navy has done for our country, that will allow us to protect our coastline and project Canadian interests well into the future.

Hon. Dominic LeBlanc: Thank you, Mr. Chairman.

Did that run out all our time?

The Chair: One second left; that's it.

Hon. Peter MacKay: You asked for an infomercial.

Hon. Dominic LeBlanc: There we go.

The Chair: I think you had what you asked for.

Hon. Dominic LeBlanc: Well, we got the infomercial. Maybe in the next round....

Bryon has some cutting and aggressive questions, so maybe he'll....

Voices: Oh, oh!

The Chair: Now I will give the floor to Monsieur Bachand.

Do you have another nice question like that?

Mr. Claude Bachand (Saint-Jean, BQ): Another nice question?

The Chair: Yes.

Mr. Claude Bachand: I always have nice questions.

[*Translation*]

Mr. Chair, my question pertains to vote 10b and the closing of Camp Mirage. It says that amounts may be allocated to recipients, to people for—

The Chair: Mr. Bachand, I would remind you that we are discussing votes 1c and 5c.

Mr. Claude Bachand: Only?

The Chair: I may be able to interpret it in a much broader sense. If you could ask more general questions without referring to that vote specifically, it might be acceptable.

I am being told that that item has already been agreed to, in any case.

Mr. Claude Bachand: Item 10b?

• (1625)

The Chair: Yes.

Mr. Claude Bachand: Fine. In that case, may I do the same as Mr. LeBlanc and ask the minister a question for information purposes?

The Chair: Yes.

Mr. Claude Bachand: That is very kind of you. Thank you.

Mr. Minister, the vote refers to goods, services and the use of facilities.

Are the costs related to moving and closing Camp Mirage included in vote 10b? If not, where can I find that information?

[*English*]

Hon. Peter MacKay: You're right, they're in vote 10b. We're here to discuss 10c, so I would point you back to the document you're reading from. You'll find there the costs associated with the close-out of Camp Mirage.

Mr. Claude Bachand: Is it 10b or 10c?

Hon. Peter MacKay: What is your specific question—where you can find...?

[*Translation*]

Mr. Claude Bachand: Vote 10b talks about the “use of facilities”. I was under the impression that the costs associated with closing Camp Mirage would be included in that.

Otherwise, where can I find those costs?

[*English*]

Hon. Peter MacKay: Perhaps I'll let my colleague respond to the question.

[*Translation*]

Mr. Kevin Lindsey (Assistant Deputy Minister and Chief Financial Officer, Finance and Corporate Services, Department of National Defence): Thank you, Mr. Chair.

Mr. Bachand, I can assure you that these estimates do not contain a single appropriation or amount associated with the closing of Camp Mirage.

Mr. Claude Bachand: Where can I find those amounts? I figured they were supplementary estimates given that there were no plans to shut down Camp Mirage until the dispute with the United Arab Emirates arose.

I thought a supplementary estimate would be necessary to move Camp Mirage. Am I mistaken?

[*English*]

The Chair: Do you have an answer? Go ahead.

[*Translation*]

Mr. Kevin Lindsey: Thank you, Mr. Chair.

The costs were absorbed under another existing appropriation, Mr. Bachand. The department is not looking for any additional funds for the closing of Camp Mirage.

The Chair: Do you have another question?

Mr. Claude Bachand: Yes. I would like you to give me a bit more clarification. Are you telling me that I cannot ask questions about the Grievance Board or the Office of the Communications Security Establishment Commissioner, either?

The Chair: Supplementary estimates (B) were voted on in December. Now we are studying the votes in supplementary estimates (C).

Mr. Claude Bachand: Since I am not quite ready, I will stop now and resume in the second round. Perhaps Mr. Bouchard would like to continue.

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): I will continue, yes. Thank you, Mr. Chair.

Good afternoon, minister. Thank you for being here. I also want to thank the officials who are here with you.

Minister, since 2006, you and your predecessor have both made numerous announcements involving projects at CFB Bagotville, including the expeditionary squadron, Hangar 2 and the radar system. And yet, very little tangible infrastructure has been put in place.

Are there any estimates for that? Will we see anything tangible happening in the next few months as far as the Bagotville base and your project announcements go?

Hon. Peter MacKay: As was just mentioned, we have made numerous investments in CFB Bagotville, especially with respect to the new hangars for the fighter aircraft and the other necessary infrastructure, such as base runways.

It is always a matter of setting priorities for all of our bases across the country. Understanding which investments are the most critical to carrying out Canada's defence efforts and to supporting personnel is key. That is our department's priority. That is my personal priority.

We remain on track with the plan I mentioned a little while ago, in other words, the Canada First defence strategy, in order to set our investment priorities.

• (1630)

Mr. Robert Bouchard: Mr. Minister, I have one other quick question. The strategic—

The Chair: You have one minute left to ask your question, but I would ask that you please limit yourself to vote 1c, Mr. Bachand.

Mr. Robert Bouchard: Yes, I know. I may go slightly off course, but not much.

The Department of National Defence's strategic review was supposed to be completed by the end of 2010 and then tabled. That is according to emails I saw, and you are well aware of that, I believe. It resulted in a moratorium on the expeditionary squadron in Bagotville.

Has that moratorium been lifted? Has the strategic review been completed?

Hon. Peter MacKay: There is no moratorium.

[*English*]

The strategic review has occurred, but there's no moratorium. We, as I mentioned, are following the Canada First defence strategy—

[*Translation*]

Mr. Robert Bouchard: There was a moratorium before the strategic review was to be submitted.

[*English*]

Hon. Peter MacKay: If I could finish, we're looking at all of our infrastructure across the country with a mind to determining where we have to make the most important strategic investments. Some of this infrastructure is in excess of 50 or 60 years old.

We've made considerable investments in Bagotville, as you're aware. You've supported those investments—I thank you for that—and we'll continue to ensure that across all of the pillars of defence: the infrastructure, the personnel most importantly, our equipment, and our readiness. So it is a constant balancing act.

We've been fortunate at the Department of National Defence to have received significant government funding, but also to include in the defence strategy an escalator clause that will see our department receive more money in this year's budget than in last year's, and that has been the case since we've taken office.

[*Translation*]

The Chair: Thank you very much.

[*English*]

I will give the floor to Mr. Allen.

I will just remind you that we are on supplementary estimates (C), on page 37, and we are on votes 1c and 5c.

You have the floor, Mr. Allen.

[*Translation*]

Mr. Malcolm Allen (Welland, NDP): Thank you.

[*English*]

Mr. Chair, hopefully I'll be able to keep myself to vote 1c, as you have suggested, but then I am the new guy, so we'll see what we can do.

Thank you, Minister, for being here.

Let me actually go to vote 1c and talk about an amount of money that went unused—\$60,830—and is being returned from Environment Canada to the Department of National Defence as “unused funds for investments in search and rescue coordination initiatives across Canada”.

As you know and are fully aware of, Minister, this committee did undertake a study of search and rescue response times. We do know that search and rescue activities are delivered by a number of different departments. Clearly there is a multitude of folks involved, and we appreciate all of the hard work they do, but ultimately the responsibility does stop with the department.

So in view of the facts of what we've seen, especially on our coasts, when it comes to search and rescue, and the nature of that study, I guess there are three questions that come from the fact that this money went unused. What was the intent for this money that had been transferred to Environment Canada in the first place? Why wasn't the full amount used? How much of the money they received was actually used in the first place? If you could address those questions, I'd appreciate it.

Hon. Peter MacKay: Thank you, Mr. Allen.

You're certainly correct in stating that the primary responsibility for search and rescue in Canada does in fact fall to the responsibility of the Department of National Defence. But you're also right in pointing out that in many cases we share those responsibilities and work very closely with other departments.

On this issue of the return of funds for search and rescue purposes, it was in essence a transfer back to the department from the Department of the Environment for unused funds for participation in the search and rescue new initiatives fund. There was an earmarking of funding.

Since 1988 the federal government has been funding search and rescue new initiative funding, which provides this annual funding budget of \$8.1 million for new projects, new projects that relate to the national search and rescue program and search and rescue responsibilities managed by the National Search and Rescue Secretariat.

Funding within DND's reference levels—and that is the annual budget with respect to national search and rescue programs, in partnership with all of the participating partners, including Environment Canada—essentially is shared. In some cases, it's shared with provincial and territorial organizations.

In 2007-08, for example, the annual reference level for Environment Canada received \$475,000 in search and rescue new initiatives, all of which went to enhance humidity and temperature measurement for weather forecasting. The money we're talking about here was for weather prediction capability. It was used to enhance information and to provide information flow to the departments so they could respond and try to have, as accurately as possible, predictability over weather patterns and therefore determine the type of equipment, and the type of response that we would make, in search and rescue missions.

This transfer of roughly \$60,000 represents the unspent portion of the Environment Canada budget that was approved for this project. Due to an economic downturn that severely impacted the aerial

mechanical services they were providing, they were unable to produce a full, stand-alone, and low-cost weather-sensing package for small aircraft operating in remote areas. That was the purpose of the project. They were not able to fully deliver it. As a result, they transferred that money back to the Department of National Defence.

• (1635)

Mr. Malcolm Allen: I appreciate the fulsomeness of the response, but based on the sensitivity of what this committee heard—I didn't have the opportunity to actually be with them, but I read some of the accounts.... I know, Minister, you are from that part of the world, so I know you have an intimate knowledge about how folks feel about search and rescue on the coast.

We talked to someone at committee who was on the *Melina Keith* and who recounted what happened to him and two of his fellow sailors who perished at sea. He had intimate knowledge of the ability to find out where people were, and he knew that DFO knew how to find out where they were, but the response time was lacking because the folks who were going to go out didn't know that DFO had the information. This gentleman was in the sea watching his colleagues drown and was asking, where are they?

You look at the fact that this unspent money, which was for search and rescue, goes back, relaying that sensitivity, in the sense that folks are saying wait a minute, if we didn't know about all of the pieces you just articulated, someone could do this, this, and that....

Here we had a gap, where DFO specifically had information about how to find people, but unfortunately SARS didn't have this particular piece of information that would have got them there sooner. We don't know what the outcome would have been. Had it been a half hour sooner or 20 minutes sooner, or even 15 minutes sooner, the outcome could have been different for those two individuals.

When folks are looking at money going back, could we not say we need to redirect it to the appropriate place to make sure that information sharing actually happens, so we don't see those types of tragedies again?

Hon. Peter MacKay: Thank you, Mr. Allen.

Mr. Chair, colleagues, I think it's fair to say that this particular amount—the transfer that occurred here—was specific to a weather system and the prediction of weather patterns, which was set up in a way to relay information about weather from remote areas of the country.

Mr. Allen, I don't take issue with the fact that our department—and all departments involved in search and rescue—is tasked with a very difficult lifesaving task each and every day. You would be aware that we have the largest coastline, the greatest square kilometres of land responsibility for any search and rescue organization in the world. We respond to thousands of calls of distress, and we save thousands of lives each and every year as a result of the heroic efforts of our SAR techs, pilots, our ground crew—everybody working in concert. There is no question that there is an urgent need for information sharing, an urgent need at all times to relay information as accurately and quickly as possible. That is the goal each and every day.

To be honest with you, this particular transfer of money back to the department is specific to a weather prediction system. It is not simply a matter of transferring it into another area of responsibility in terms of equipment or communications or another area. There is a budget specific to all of those areas and more when it comes to search and rescue. This is simply an amount of funding that lapsed and came back to the department. For that reason, it is not germane to suggest that this money would have saved lives.

•(1640)

The Chair: Thank you, Minister.

Thank you, Mr. Allen.

Now I will give the floor to Mr. Hawn, and I know that you will be sharing your time with Mr. Braid.

Hon. Laurie Hawn: Thank you, Mr. Chair. Yes, I will be sharing with Mr. Braid.

I thank our witnesses for coming.

First of all, I want to make one point. This always happens, of course—we always get off track—but the meeting was called to discuss supplementary estimates votes 1c and 5c. That's the agenda of the meeting.

I know it's customary to get off track, but I want to remind folks that it does make it difficult sometimes, because people ask questions on areas that aren't on the agenda of the meeting. I would ask people who have questions for the minister to bear that in mind.

[*Translation*]

Mr. Claude Bachand: Point of order, Mr. Chair.

I would just like to point out to Mr. Hawn that we expected the minister to appear when we were discussing the period covered by supplementary estimates (B), in other words, September to December. But he did not come and meet with us. Is there a way we could ask the minister about the period covered by supplementary estimates (B), given that he did not appear before the committee on that matter?

Normally, he should have come before the committee. Unfortunately, he was too busy.

The Chair: That is impossible because those credits have already been dealt with. It is done. Now, we really have to focus on supplementary estimates (C).

Mr. Claude Bachand: Very well.

[*English*]

Hon. Laurie Hawn: Add a minute back on, if you don't mind.

I'm not making a big deal of it. I'm just saying that's what causes problems. That's all. People need to be aware of that.

With respect to the topic we just talked about, Minister, notwithstanding where it was used or not used, that amount of money represents 0.75% of the original \$8.1 million that went to Environment Canada. How many departments do you know of from your experience in government that can plan and do things and execute programs to that fine a tolerance? Frankly, I don't think 0.75% is much to comment on.

Hon. Peter MacKay: I know of very few. I'm not suggesting for a minute that \$60,000 is not a lot of money. That's a lot of money to any working Canadian, to any Canadian. But to be able to predict to a nicety within a \$60,000 price range, as you mentioned, is a very precise and demanding expectation. It would be like trying to land a jet airplane on a dime sitting on the runway—which you may have done.

Hon. Laurie Hawn: You can do that once.

I'll pass it to Mr. Braid.

Mr. Peter Braid (Kitchener—Waterloo, CPC): Thank you.

Thank you, Minister and officials, for being here this afternoon.

I have a couple of questions pertaining to supplementary estimates (C), if you'll permit me.

First of all, Minister, as we know, Canada hosted both the G-8 and the G-20 summits last year. These were the largest and most extensive security events in Canadian history. As we know, G-8 and G-20 leaders and their rather sizable delegations were able to visit Canada to do business here and do business in a safe and secure environment. That was certainly no small task.

How much did the Department of National Defence contribute to the overall government effort to ensure that these events were secure?

Hon. Peter MacKay: That's a very good question, and I thank you. It gives me an opportunity to highlight what a lot of Canadians wouldn't have seen, and that is the work done by the Department of National Defence behind the scenes.

At many of the venues in Vancouver and also in Whistler, most Canadians, most athletes, and those participating in the training would not have known that there were literally thousands of Canadian Forces members working in concert with police, both municipal and RCMP, behind the scenes providing security, in many cases camping outdoors in the woods, participating in patrols on both skis and Ski-Doos, given the weather conditions at the time, and also doing a lot of marine patrols around Vancouver harbour along with the air patrols performed by CF-18s, refuellers, and other aircraft.

It really was a classic example of a whole-of-government effort in which the Department of National Defence had a supporting role for the police and the Department of Public Safety, which had the primary responsibility for security. There were a lot of lessons learned, a lot of new initiatives that have come about with respect to winter training, and I would even call it a reinvigoration or an awakening of the necessity to do more of this type of activity as it pertains to the Arctic.

So we've taken some of those lessons learned already. We participated just this past winter in a number of exercises with our Canadian Rangers north of 60 in a number of Arctic communities. We benefit exponentially from the experience of the rangers and the ranger program. We also have this capacity to work in concert with other departments—not just on the public safety side—in support of search and rescue, as we were speaking of earlier, and in support of the presentation of these large international events.

Just looking at a calendar, you would see that we literally rolled from the games in Vancouver, both the winter games and the paralympic games, right into the preparation and the execution of the G-8 and G-20 summit. That was again a multi-venued event that required a great deal of effort on the part of the Canadian Forces. There were thousands of them in a low-key, low-visibility role in support of police, and in most cases they were living outdoors, living in tents around the venues, working very much in concert to ensure the security of those participants and those world leaders who were there, and working very hard to see that they dissuaded anyone who wanted to cause harm to or to disrupt these important international events that were taking place in our country.

• (1645)

Mr. Peter Braid: Minister, as well, in your presentation you mentioned important efforts of the Canadian government, of the Department of National Defence, to help combat human smuggling in Southeast Asia. Could you please elaborate on the funding that's allocated to do that and perhaps comment a little more on that important effort?

Hon. Peter MacKay: Sure, and thank you very much again for the question.

Human smuggling, as we all know, has been in the news a great deal lately and poses a significant challenge across a number of government departments. With respect to the funding in the supplementary estimates (C) that has been designated here, the amount of \$422,000, which is a net employee benefit plan, and costs of \$36,000 are being requested on behalf of the Communications Security Establishment Canada.

As you're aware, the details of specific CSEC operations are of a very sensitive and classified nature. We don't want to create a situation where we would be assisting any of Canada's adversaries by talking too openly about this, but this is a one-time request to cover year-end costs associated with enhancing their operational capacity; that is, monitoring certain communications to ensure we are protecting Canada's interests, and this is in keeping with that effort. These enhancements are very much about maintenance costs in support of our efforts specifically to deter human smuggling that could bring illegal migrants to our shores.

The Chair: Thank you, Mr. Braid, and thank you, Mr. Minister.

We'll now give the floor to the Honourable Bryon Wilfert from the Liberal Party.

Hon. Bryon Wilfert: Thank you, Mr. Chair, and thank you, gentlemen, for coming.

Minister, on capital spending, it appears that we maybe overprogrammed some things and we're slowing down, which is creating a bit of a surplus that could be lost this year. My question to you is what happens if we don't shift this from vote 5 to vote 1?

Hon. Peter MacKay: Money that isn't spent or specifically allotted in this fiscal year goes back to the crown, so it's unused budget. We have a certain carry-over amount that we can take forward and use in the next fiscal year. But specific to your question, money that is beyond that carry-over amount goes back to the crown. It will have to.

Hon. Bryon Wilfert: Minister, my understanding is that we have about 12,000 in basic training and they need money to train and obviously for ammunition, etc. Are we able to cover that?

• (1650)

Hon. Peter MacKay: Absolutely.

Hon. Bryon Wilfert: Mr. Minister, I understand that on the civilian side DND has increased personnel by 5,000 individuals. That obviously is a concern, given the fact that we seem to be creating more ADMs, etc. Can you briefly explain to us the need for this creation, and is this taking away from those personnel in uniform, who obviously should be and I know are our first priority?

Hon. Peter MacKay: Well, Mr. Wilfert, you will know that the plan as outlined in the Canada First defence strategy is to grow the personnel of the Canadian Forces to 100,000: that is 70,000 regular force, 30,000 reservists. We're currently exceeding recruiting targets in both of the areas.

As a result of a shift in tempo in Afghanistan, we now have sufficient numbers of reservists, many of whom will be coming back, having participated in the mission in Afghanistan. So some of those individuals will be required either to go to a different status in the reserves or to join the regular force.

All this effort is being worked out to see that we strike the right balance; that is, to keep the pillars of both recruiting and building the personnel side in concert with our equipment and infrastructure capabilities—where they live, where they train, where their families are housed—and the readiness component.

With respect to growth on the civilian side, ADMs, as you've indicated, that is separate. That is a different budget. It doesn't reflect or negate the efforts we're making to build the size of those in uniform. And we are, as I said, on pace. In fact, we've actually been ahead of pace with respect to growing the size of the personnel of the Canadian Forces.

Hon. Bryon Wilfert: I appreciate that, Mr. Minister.

In 1998 we did the quality-of-life study. One of my major concerns is that we need to, as a committee, revisit the issue of quality of life, making sure we don't cut back on any benefits for our personnel. We need to make sure that after ten years we really review putting the money where it needs to be, and that is in the quality of life for our service personnel.

I'm just wondering if you could comment on that, as hopefully we will embark on that review at some point.

Hon. Peter MacKay: Mr. Wilfert, I would encourage any and all input from this honourable committee in any studies you undertake. I agree with you that the priority has to remain the men and women in uniform, and the services provided to them.

I was proud this weekend to announce another of the joint personnel support units, which I know you're familiar with. They are really designed to bring together all of the various support services and programs available to the men and women in uniform, veterans, and their families, and make them more accessible, more readily available, and more easily understood, and to also increase things such as mental health care professionals. We still have a goal to double the number of mental health care professionals. This is particularly challenging, as you can appreciate, in certain remote areas where we have smaller Canadian Forces stations and bases. We want to try to have a standard of care that is available to all.

We've made significant investments in the care and treatment of grievously injured veterans as well. This remains a focal point of the Department of Veterans Affairs, but we naturally work very closely with the department.

I'd like to take this opportunity to share with you another initiative that we hope to have in place very soon. It is to allow for, and in fact encourage, the continued service of those who have been injured in combat and in the line of duty. I've undertaken quite extensive discussions with the assistant deputy of personnel, as well as the Chief of the Defence Staff and others.

I would share with committee members the very poignant and quite humbling experience of having seen two of our injured soldiers who have returned to Afghanistan with the Van Doos regiment. Both of them suffered very serious injuries, yet they are serving actively in Afghanistan. The Chief of the Defence Staff and Chief Warrant Officer of the Canadian Forces promoted them while they are serving in Afghanistan, just this past week. It was certainly a very emotional and morale-boosting experience for the troops present to see this happen, and to see the absolute courage and conviction of these soldiers to return to Afghanistan after having suffered grievous injuries there on previous tours.

We hope to institutionalize that, by the way, to make sure that members are encouraged and embraced, should they choose to stay in uniform after having suffered those injuries.

• (1655)

Hon. Bryon Wilfert: We know that you received our post-traumatic stress disorder study very well. We appreciate that, because with increasing numbers of veterans coming home, I think that's another area where resources are going to be increasingly needed.

Thank you.

The Chair: Thank you.

I will now give the floor to Ms. Gallant. After that it will be Mr. Bachand. Then we'll have to close the debate.

Ms. Gallant.

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

Under the explanation of requirements in transfers we have transfers from Environment Canada; return of unused funds relating to chemical, biological, radiological, nuclear research and technology initiatives; as well as the transfer below relating those items to the Royal Canadian Mounted Police, Natural Resources, etc.

Would you explain to the committee what those initiatives were about and why the money transfers occurred?

Hon. Peter MacKay: Environment Canada received that funding in the amount of \$630,000—for chemical, biological, radiological initiatives. It was to be used through the supplementary estimates of the same fiscal year, and Environment Canada is returning an amount of about \$136,000. This came about as a result of the transfer from other government departments in the budget in 2010-11. In order to require funding for these other government departments, the money went back to the participants in the program—RCMP, Natural Resources, National Research Council, and Health Canada.

The funds were used to develop and maintain laboratory services across these partner departments. This was to enhance our capability in responding to emergencies, environmental spills, biological release, chemicals, explosive research, and radiological nuclear research. In the current context of what we're seeing unfold in Japan, the more knowledge that we can garner from various departments, experiments, and laboratory work, the better we will be as we work to improve cooperation and information sharing. This program is a whole-of-government effort. It has a mandate that ran for five years from 2002. The program was renewed in the first year of our government in 2006, and the program is all about enhancing Canada's capability to work with other departments in the face of a chemical, biological, or nuclear explosive event. We need to make investments in this area, to collaborate, and to conduct research. In the overall scheme of things, \$5 million per year is a small amount relative to the overall budget, and it will not affect next year's funding within the same areas of research.

Mrs. Cheryl Gallant: That had nothing to do with the atomic veterans recognition program?

Hon. Peter MacKay: Nothing whatsoever.

Mrs. Cheryl Gallant: All right.

Could you elaborate on the funding allocated to combat human smuggling?

Hon. Peter MacKay: The human smuggling piece is an area that goes across a number of government departments, including Immigration. We work with other countries to try to predict where migrants may be coming from and what efforts may be made. We saw this recently with the *Sun Sea*, which showed up on the west coast of Canada. We're trying to ensure that we're covering the operating and the maintenance budget of all these government departments. This includes the efforts that we make to gather information on where these illegal migrants are coming from, with a view to addressing the situation at its source.

So the money allocated here was for information gathering. You can appreciate the sensitivity of the process that we go about in gathering this information.

• (1700)

[Translation]

The Chair: Thank you very much.

It is now over to Mr. Bachand.

Mr. Claude Bachand: Thank you, Mr. Chair.

Vote 1c has to do with transferring funds, mainly from transport and the Atlantic Canada Opportunities Agency. The amount in question is \$482,000. My question has to do with the Atlantic Canada Opportunities Agency. Is it for the Halifax International Security Forum?

There is also another \$60,830 for the environment vote. Can you tell me which programs will be affected?

[English]

Hon. Peter MacKay: To answer your first question...

[Translation]

First of all, the funds for ACOA are indeed intended for the Halifax International Security Forum. A significant portion will go to promotion and advertising for the forum. So the funds will not be used this year.

[English]

That money therefore came back to the Department of National Defence. It was in fact a refund. As a result, there is a budget from both ACOA and the Department of National Defence that is used for this particular forum. That came from ACOA. That's why it might appear unusual that we would see money coming back from a source like ACOA, but it was used for the advertising, the promoting, and some of the literature that came out of that security forum in Halifax.

The second amount you're referring to—if you'll just give me a moment—I believe this \$60,830 is again the reference to the Environment Canada piece that came back for the specific gathering of weather information in remote stations. That amount lapsed. It wasn't used out of the \$8.1 million for new projects in this fiscal year. That amount then comes back to the Department of National Defence in the form of unused funds.

[Translation]

Mr. Claude Bachand: Did you give an answer regarding the \$482,800 from the transport vote?

[English]

Hon. Peter MacKay: The \$475,000 amount?

Mr. Claude Bachand: Yes. The \$482,800 for transport.

Did you answer that?

Hon. Peter MacKay: Similarly, it was money that was transferred from Transport Canada. It came back. It was money that was used

for public safety initiatives under Transport Canada, and it relates to the unused funds for marine security operation centres, that \$482,000. It was returned because Transport Canada was unable to staff several positions at the coastal marine security operations centre in this fiscal year, and there was a surplus of funds then for those unfilled positions, if you will. It's about 10% of what Transport Canada receives, a \$4.4 million allotment specific to that marine security operations centre.

[Translation]

The Chair: Great. Thank you very much, Mr. Bachand.

Now, if I have the committee members' permission, I will put Supplementary Estimates (C) 2010-2011 to a vote.

Shall item 1c carry?

NATIONAL DEFENCE

Department

Item 1c—To authorize the transfer of \$482,800 from Transport Vote 1, \$327,685 from Atlantic Canada Opportunities Agency Vote 5 and \$60,830 from Environment Vote 1.....\$1

(Item 1c agreed to)

[English]

The Chair: Shall item 5c carry?

NATIONAL DEFENCE

Department

Vote 5c—Capital expenditures to authorize the transfer of \$136,692 from Environment Vote 5.....\$1

(Vote 5c agreed to)

The Chair: Shall I report the supplementary estimates (C) for 2010-2011 to the House?

Some hon. members: Agreed.

The Chair: Thank you very much. What we're going to do right now is suspend for two minutes and come back in an in camera meeting.

[Proceedings continue in camera]

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