



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## **Standing Committee on National Defence**

---

NDDN • NUMBER 027 • 1st SESSION • 41st PARLIAMENT

---

**EVIDENCE**

**Thursday, February 16, 2012**

—  
**Chair**

**Mr. James Bezan**



## Standing Committee on National Defence

Thursday, February 16, 2012

• (1105)

[English]

**The Chair (Mr. James Bezan (Selkirk—Interlake, CPC)):** Good morning, everyone.

We're going to continue our study on readiness. It is the top of the hour, so we're going to get going.

We only have one witness today. We have Professor Philippe Lagassé, from the Graduate School of Public and International Affairs at the University of Ottawa.

Mr. Lagassé, I welcome you to the committee. If you can bring us your opening comments and keep them within ten minutes, we would appreciate that.

[Translation]

**Dr. Philippe Lagassé (Assistant Professor, Graduate School of Public and International Affairs, University of Ottawa):** Thank you, Mr. Chair.

I also want to thank the members of the committee and your clerk for inviting me to appear before you today.

You are currently studying the challenges Canadian Forces will face in the future. More specifically, you are looking into the Canadian Forces' operational capability and the obstacles that could complicate or even prevent deployment of armed forces and reduce their capacities during various missions.

I want to identify four issues that could potentially reduce the capabilities of the Canadian Forces. I will also discuss how the government could manage those issues in order to maintain a force that will be able to meet its obligations here, in Canada, on the North American continent, while at the same time taking on certain foreign missions as part of UN or NATO operations.

In brief, the four challenges are: the cost of staff and the Canadian Forces; the infrastructure and military bases; the structure of the operational command and the National Defence Headquarters; and, finally, the equipment budget and decreased capabilities of the Canadian Forces.

[English]

The 2008 Canada First defence strategy put forth a bold and ambitious plan to revitalize the Canadian Forces. CFDS sought to renew the CF's major fleets, as well as augment the military's capabilities in key areas such as Arctic patrol and air- and sealift. As well, the strategy sought to increase the size of the regular force to

70,000, while repairing and modernizing defence department and military infrastructure.

To fund these programs, the Conservative government pledged to maintain the defence funding increases introduced by the Liberal Party in 2005, invest additional dollars, and provide DND-CF with steady and predictable annual funding increases over the coming decades.

But however well intentioned, CFDS quickly proved unrealistic. The strategy was over-optimistic about the costs of replacing the CF's major fleets and maintaining a general purpose force able to undertake operations on land, at sea, in the air across Canada, within North America, and throughout the world.

Indeed, as a number of delayed procurements indicates, the strategy tended to underestimate the cost of new equipment, particularly when industry is asked to meet the specific needs of the Canadian military and defence-specific inflation is taken into account. It also ignored how increasing the size of the forces would put a strain on the defence budget and threaten the department's ability to provide for future capabilities.

Similarly, the strategy did not tackle the evident problems that had emerged with respect to the military's expanded command structure, nor did it acknowledge that the current constellation of bases, installations, and buildings represents an inefficient use of scarce resources.

Exacerbating these difficulties were a large increase in the number of civilian employees at DND, prohibitive service contracts, and sizable consultancy fees, which have helped push overall personnel costs to nearly 60% of the defence budget, 10% more than envisaged by CFDS. As all of you know, details of these various costs were carefully dissected in Lieutenant-General Andrew Leslie's report on transformation.

Taken together, these problems have meant that CFDS left Canada with an unsustainable set of defence programs and policies. Unless defence expenditures are markedly increased, which is an impalpable option for the foreseeable future, and serious efforts are made to make the department and armed forces more efficient, DND-CF will experience a gradual reduction in capabilities, be constrained when trying to operate effectively in new environments or when attempting to address new threats, and may be forced to make unpleasant choices about what it would like to do and what it can actually afford to do.

Permit me to elaborate a little here. Unless they are reduced, high personnel costs will likely siphon resources away from current operations and readiness, or from investments in future capabilities. The military's headquarters and infrastructural burdens will pose similar challenges as they continue to draw resources away from training, deployable units, and the capital equipment budget. As well, even if these challenges are surmounted, it is still unlikely that planned capital expenditures will be sufficient to recapitalize the CF's existing force structure.

Successive governments have sought to retain a general purpose military, one trained and equipped to field a flexible set of capabilities that can be adapted to various missions and operations. The advantages of maintaining this type of force are considerable, and the government's and CF's desire to continue pursuing this policy are completely understandable.

I am not in any way advocating that this approach be abandoned lightly or on a whim, yet as many of Canada's NATO allies have realized, most countries can no longer sensibly afford to field modern general purpose forces. They must either accept an increasingly less capable and less technologically advanced general purpose force or they must embrace what NATO's Secretary General has called "smart defence".

So what do we mean by smart defence? Smart defence involves pooling resources and sharing capabilities among allies. It asks allies to develop various complementary niche capabilities that can work together as a single multinational force on operations overseas. At a time when NATO members are faced with austerity measures and rising defence costs, this pooling of resources and sharing of capabilities may be necessary to preserve the alliance's overall ability to undertake high-intensity operations in the coming decades.

Canada is no exception here. It too must choose between a gradual—and likely ad hoc—capability reduction or a planned move toward complementary niched forces as it enters a period of fiscal austerity. Now is the time, the ideal time, in fact, to make this choice. The process of replacing the military's major platforms has only just begun, meaning that there is still time to reconsider what equipment a honed CF would require.

• (1110)

At a minimum, of course, the CF must be able to protect Canadians and Canadian sovereignty and work alongside the United States to defend North America. Successfully completing these missions must be the highest defence policy priorities of the government, but beyond these domestic and continental missions, defence planners should have careful discussions about what expeditionary, land, naval, air, and special force capabilities the CF might focus on in the future. Unlike domestic and continental missions, expeditionary operations allow for a great deal of flexibility and selectivity. Canada is not expected to do everything and be everywhere.

Hence, as budgets tighten and trade-offs are considered, it is worthwhile to ask what capabilities the CF should focus on as part of a larger multilateral smart defence effort. As we look to the CF's future readiness, this is a discussion that should take place, whether or not Canada ultimately embraces the idea of smart defence.

[*Translation*]

In short, the Canadian government will face some significant challenges in national defence over the next few years. The Department of National Defence will have to absorb very high costs in terms of staff and reduce expenditures in terms of human resources. The government will also have to decrease its infrastructure spending. In addition to reducing the number of buildings, it is time to see whether the number of military bases can be reduced in order to enhance the efficiency of the Canadian Forces and free up resources. The same principle should be applied to the operational command. The current structure is not affordable and could be reformed.

Finally, the government should begin a study on the capabilities of the Canadian Forces in light of the budget cuts its NATO allies have made and use a cooperative approach in allied forces planning in the future. The government will also have to ask itself the following question. What kind of a role should Canadian Forces play abroad during a period of smart defence? Does Canada have the means or even the willingness required to maintain an armed force that is structured to participate in various types of missions? Or should we think about working with our allies to create a more specialized force? I think it's time to ask that question.

Thank you very much.

• (1115)

[*English*]

**The Chair:** Thank you, Professor.

We're going to start off with our seven-minute round.

Mr. Christopherson, you have the floor.

**Mr. David Christopherson (Hamilton Centre, NDP):** Thank you very much, Chair.

Thank you very much, Professor. I very much appreciate it, and it comes at the right time, because we've been dealing with a lot of the micro aspects of all of this and some of us are a little readier now, pardon the pun, to be looking at this from a macro view, 30,000 feet. I think that's what you've given us, that strategic discussion.

The first thing that crossed my mind when you were talking about smart defence and niche forces, especially as a result of the tour we've just completed, was it was really helpful. That was really good. I got a lot out of it, being fairly new to this file.

It was interesting to listen to, as they called themselves, the sharp end of our foreign and defence policy, the sharp end of the stick being the first division, and about what their understanding of readiness is in terms of expeditionary capabilities. From what I'm hearing, what it boils down to is whatever you guys want us to do, we'll do. Right now you want us to do everything, so we're ready to do everything, and it comes back to us in terms of what we want us to be ready for.

When you were talking about the niche forces, both in terms of effectiveness and cost-effectiveness, the nod test made a whole lot of sense. That made sense, but what struck me was everybody is in agreement that the primary focus of our defence is to protect our sovereignty, and that's pretty straightforward. When we get into the expeditionary capabilities it starts to get really complex, and the first thing that strikes me is that if we were going to reduce and be a niche and part of a whole, the first example of how well that worked, or the most recent one, would be Afghanistan, notwithstanding the politics around that and where we all are policy-wise. The reality is that the NATO partners weren't there in equal capacity, and that has caused a lot of strain within NATO. It has NATO looking at itself now and asking some fundamental questions. The Americans, of course, are constantly looking at their role within NATO.

Assuming we still maintain the sovereign ability to protect our own three coasts and our border to the extent that we believe appropriate, in terms of anything beyond that, it would require this cooperation. Yet the example we have right now is that cooperation looks good on paper, but as soon as the raw politics of everybody's domestic reality kicks in, some are there, some are not, some have caveats, some don't.

In that kind of a world, how would you achieve a level of certainty that when the Canadian government, the Canadian people, felt it was necessary to do something and we were a part of that.... What sort of guarantee would we have that those parts would all be there to move at the same time in the way they are supposed to, given that in the recent example of Afghanistan, the exact opposite happened?

Could we have some of your thoughts, Professor?

**Dr. Philippe Lagassé:** I fully acknowledge the problem you describe, namely, the problem of caveats as part of local NATO operations. This is one of the underlying reasons that maintaining a general-purpose force is always attractive, precisely because you never know who you can rely on for these types of operations.

Unfortunately, you have to look at this in light of the resources you have. It's tempting to say we're going to preserve a general-purpose force that can do everything it needs to do, but if that force's capability is gradually declining, you will necessarily become dependent on others at some point. So the idea that you could preserve some kind of independent deployable capacity is already problematic, at least in a Canadian context, and we see this happening across the board within NATO.

My basic answer to that problem is to have a more honest assessment of who you would work with and under what conditions. The government has the ability to negotiate memoranda of understanding and other agreements with key partners on how they might use their forces and in what context. I think we can safely assume that certain partners we've worked with in the past and

depended on consistently would be the types of allies with whom we would negotiate these types of agreements.

Knowing the particularities of German or French domestic politics could lead us to shy away from negotiating sharing agreements with those allies. On the other hand, when we look to the United States, Great Britain, the Dutch, or the Danes, we see a certain continuity of deployment and willingness to share resources. Those might be allies with whom we can try to arrive at some arrangements. We see this consistently on the naval side, and we see it on the air side with the United States and other NATO allies. For instance, NATO has always cooperated on strategic airlifts.

The question then centres on the capabilities that Canada feels it could contribute alongside certain allies in order to pool resources. This could take many different shapes and is something we need to bear in mind. It doesn't necessarily have to be front-line forces. Canada can provide different types of capabilities with other allies filling other niches that may be more sensitive.

We see the United States moving in this direction in its latest defence strategy, along with Great Britain and France. We also see some of our other allies cutting into their planned defence procurements in the future. If all allies begin cutting capabilities and attempt to maintain some kind of general-purpose force, the ability of the alliance to operate without cooperating will be far more problematic. We need to have this discussion and see if certain allies are willing to commit in solid agreements to certain types of arrangements with Canada.

• (1120)

**Mr. David Christopherson:** Would your response be that if all the partners aren't there it could be problematic, but no more so than our inability to do all the general-purpose expeditionary things we feel we should?

**Dr. Philippe Lagassé:** Right. To be frank, the Canadian Forces deployed to Kandahar with a capacity that wasn't commensurate with what was required. When we requested greater assistance, it took many years for it to actually be provided.

Having agreements with others and being obliged to deploy with others can be a means of preventing that type of situation. You know other allies are committed to the operation. If you don't have them on board, then that should make you question whether or not you should even be deploying on this mission. If you can't get your allies to cooperate with you on these types of operations or to deploy to certain theatres, does Canada have the capacity to do that itself? You really need to ask yourselves that question.

**Mr. David Christopherson:** That was really good, thank you.

**The Chair:** Your time has expired.

Mr. Strahl.

**Mr. Mark Strahl (Chilliwack—Fraser Canyon, CPC):** Thank you very much, Mr. Chair. To the witness, thank you for your presentation.

We have a new shipbuilding procurement strategy. We have a need for new fighter aircraft. And there is a need for an army, as well. Often the people who react very strongly to a new procurement because they don't believe we should be spending those dollars on that equipment are the same people who say that we need to protect Canadian sovereignty at all costs. The two positions, to me, are kind of mutually exclusive. They say on the one hand that they don't want to put the money into, say, 65 new F-35s, but on the other hand, God forbid if the Americans had sovereignty over our airspace or if the U. S. Navy were patrolling our coast.

How do we reconcile those two if we're going into niche capabilities? Are you talking only about expeditionary forces? Would we maintain the ability to patrol our own land, sea, and air? Or are we talking about reducing our capacity such that we're relying on our allies to do that fundamental job?

• (1125)

**Dr. Philippe Lagassé:** I should be very clear that what I'm speaking of specifically is expeditionary capability. That therefore leaves you with a core capability to perform the functions the CF is required to do domestically, in cooperation with the United States, on the continent.

There is an important point to make here, though. What is it about military equipment that tends to really increase the cost and make it very prohibitive? It tends to be more about the specific weapons systems and technologies needed to maintain a certain level of war-fighting capability and interoperability with key allies.

Let's say you look at coastal defence requirements. If we look at our actual coastal defence requirements versus the types of equipment and capabilities we put on warships dedicated to expeditionary operations, the costs are really quite different. If you look at, for example, the Arctic offshore patrol vessel and what it will be equipped to do for domestic purposes, and contrast that with what we intend or hope to find on this single-service combatant, those are very different types of equipment with very different capabilities.

Of course, one will be far more expensive than the others simply because the types of capabilities you need, let's say, to be part of a carrier battle group in the Persian Gulf and to do your part and defend the fleet and so forth versus the types of capabilities you would need to patrol the Canadian coasts are very different. Similarly, when you look at the types of capabilities you would require of your air force to contribute to Canada's NORAD obligations versus its ability to interoperate in an offensive operation overseas alongside your allies, you could find some substantial cost savings there.

I'm not sure that they're as night and day as we make them out to be. There is a middle ground. You can buy equipment more specifically tailored to your domestic and continental requirements that ends up being less expensive than what might be required for an expeditionary focus.

If we accept that premise, the question then becomes where we find savings. Must we do everything in terms of expeditionary capabilities? Do we need to have a navy that has the capacity to operate as part of a carrier battle group engaged in offensive operations? Do we also, if we have that need, need an air force that can do the same? Do we also, on top of that, need an army that can do that? We may answer yes, because we want to maintain maximum flexibility. But then the question becomes whether we're willing to pay for it. When I look at the current budget projections, it doesn't appear that we are.

Overall, then, you end up cutting down on the number of forces you have and you reduce the overall capability to act. That is the concern we have.

**Mr. Mark Strahl:** Last week we heard from Steven Staples of the Rideau Institute. He was advocating a budget cut of between 30% and 40%. What sorts of reductions would you advocate? Do you believe it's possible, with the cuts you would project, that the Canadian Forces could carry out the six core missions outlined in the CFDS simultaneously, as we've done in the last couple of years?

**Dr. Philippe Lagassé:** At the very outset, let me say that I'm not actually advocating any cuts—quite the opposite. I'm saying that assuming the budget stays at its current level, we still need to make these choices. That's the difficulty I see.

If we assume that we follow the CFDS funding formula, and that is not meeting defence-specific inflation... Already right at the outset when CFDS was released, it became very clear quite quickly that it could not afford the equipment it hoped to buy. So the need to move towards niche capabilities is simply a function of the money that's being allocated already.

It's not that I'm advocating a cut in order to go towards niche capabilities, but what I'm saying is that when we look at the amount of money that's already planned for the DND CF over the next 20 years, some capability reduction will happen regardless of whether we go for niche or not, simply because we can't afford to recapitalize all the fleets under the current model.

So already those six missions, given the funding envelope that exists, don't seem to be sustainable. That's my concern.

**Mr. Mark Strahl:** We heard—and I hope I'm recalling this correctly—from the principal at Royal Military College, who indicated that, looking to the future, it's always a difficult thing for people who examine defence issues. But he indicated that he believed Canada still would have an army, navy, and air force and what would be required would be not to abandon expeditionary missions but to go where we know we can do the job with what we have. Is that how you see the future unfolding as well, that we are still going to participate in expeditionary missions with our allies but they might not be on the same scale as currently?

• (1130)

**Dr. Philippe Lagassé:** I would agree with Principal Sokolsky on that issue. There is no doubt in my mind that we will maintain some army, navy, and air force capability.

The question is whether each of the branches will have the same level of expeditionary capability it has now, and that's the policy choice we have before us. Do we accept an overall reduction in expeditionary capability across the board in order to afford the programs we have now, or on the contrary do we say that Canada's larger contribution will be in one of these three areas internationally alongside our allies and focus on that one—so either on a land force, a higher-end naval capability, or a higher-end air force capability—and invest the funds required to maintain that particular expeditionary capability at the highest level possible? That would be my take on the situation. Canada can contribute something very important to future allied operations, but in order to maintain its highest capability possible it should select one of those areas where it can specialize and do the most good.

**The Chair:** Thank you.

Your time has expired.

Mr. McKay, it's your turn.

**Hon. John McKay (Scarborough—Guildwood, Lib.):** Thank you, Chair.

Thank you, Professor Lagassé, for a very thoughtful presentation. As Mr. Christopherson said, it's very helpful.

I take your general point, which is that you either choose now or choose later, but that one way or another you're going to have to choose between having a general ability or a more specialized ability; that's what it boils down to.

I suppose I could argue that this is actually happening through the back door—that over the last five or ten years those choices have been made and that we are not all things to all people at all times and don't have as much of a capability.

We are actually having a kind of mini-conversation around two of the procurements that are in the news these days, for the F-35s and the subs. If I listen to the Prime Minister and the ministers involved—always a dangerous proposition—the \$9 billion figure on the F-35s is basically a hard figure, while the military is saying we have to have 65 airplanes. Those two things don't live in the same universe. The government's argument is that by the time we get to it, eventually the price will be down to where we can actually squeeze out 65 airplanes.

It seems to me that this is a kind of mini-conversation on your overall global view that the Canadian military is going to have to decide what it's capable of doing and why it's capable. The big thing that seems to drive this conversation is the stealth capacity. The Rideau folks made the point that we've never actually been at the pointy end of any attack: it's usually been done by others. We've followed up with other things. You can go back through several wars. It seems to me that this is in some respects a bit of a case study for the issues that you are raising.

Similarly with the submarines, the argument is that we need to have them because of the long coastline and all that sort of stuff, but the way the conversation seems to be working out is that if we're going to stay in the sub business, this is all we can essentially afford, and we're going to have to fix these things, regardless of fires and

regardless of whether we prang them from time to time on some rock.

I'd be interested in seeing whether you could bring your thinking down from the \$35,000 fee to those two specific issues, because in some respects they are case studies of the decisions that this government is going to have to make.

**Dr. Philippe Lagassé:** I think the F-35 is a good example here. It is clear that the air force requires a certain number of aircraft, and, as you say, the indications from the government currently are that there is a fixed figure for how much will be spent on the next-generation aircraft. I think we need to add a little bit more nuance to that conversation in the following way.

To date, the message that's been sent out is that come 2020, the CF-18s will no longer operate. That's not actually quite true. We could find ourselves in a situation where \$9 billion buys you, let's say, 50 or 40 F-35s and therefore the government, in order to backfill the capability that it's no longer having, needs to maintain the CF-18s in service for an extended period of time. So we should not be under any illusions. The air force will have the number of aircraft it requires to do all sorts of missions. The question is, will they all be F-35s, or will the government be forced to maintain some CF-18s to do various other operations?

That's a short-term solution simply because the cost of maintaining those CF-18s over the long term is going to be extremely prohibitive. The idea, I think, in the air force's mind is that we can wait and wait until new funding finally comes in and then replace all those additional aircraft. So \$9 billion may be the amount we're planning to spend on the F-35s within the next decade, but how many we actually buy over the next two or three decades in order to eventually replace all our aircraft is an open question.

It gets back to your point. I disagree slightly with the Rideau Institute, in that we've never been at the front end of bombardment campaigns—we had been in Libya, I think is a good example, and Kosovo is another—where if you choose to have that capability, if you believe it is important for Canada to have fighter aircraft capable of taking part in front-line operations alongside the United States, Great Britain, and France, then that is a capability that you want to maintain and to procure. That is ultimately a policy question. Is that a significant pillar of Canadian defence policy or not? Is that something that we absolutely believe the Canadian Forces need to be able to do?

There is no objective answer to that, really. It's a question of what priorities you see for the Canadian Forces in the future. That's exactly the kind of conversation I hope this government and others will have; namely, what can we afford and what do we actually want to be able to do? Because if you don't think that's an absolutely necessary role for the Canadian Forces in the next 50 years, then you might select another aircraft or a less capable aircraft.

• (1135)

**Hon. John McKay:** I slightly mischaracterized what the Rideau Institute was saying; namely, I think their point was first-in capability, and we haven't generally been first in, Libya being the example where we used missiles and stuff like that instead. I take your point.

**Dr. Philippe Lagassé:** That's the issue. Do you believe you need to be the first in or not, and are you willing to pay the money necessary to ensure that?

It's a similar issue with the subs. The underlying issue with the submarines is that you need to maintain a submarine capability in order to share in NATO's submarine intelligence. If you need to know what submarines are operating in your waters, then you need to have a submarine capability. Regardless of whether those submarines are operational on a regular basis, having them ensures that you know what other submarines are in your waters. That is the logic ultimately behind maintaining that capability, but again, I fear that the navy's point of view is simply as you say: they know that new funds for new boats are not going to arrive any time soon, so the hope and the aim is to maintain this capability until at some point new funding comes in. I'm sympathetic to that position.

**Hon. John McKay:** Almost, in effect, we have backdoor decisions based on those issues.

**The Chair:** You're actually out of time. I'll give you one very brief question.

**Hon. John McKay:** You're very generous, Chair. I thank you for that.

Just a quick one on cyberspace. If anything came out of our little tour, it's something that we don't.... What we're thinking about seems to be so low-level that either there's higher-level thinking going on and they are not telling us, or we're way behind the curve on this. That puts it in the context of the Chinese stealing Nortel's secrets for the last ten years, or that apparently the Chinese have penetrated Lockheed Martin and may have contributed to some of the delays in the development of the F-35.

I'm interested in your thoughts.

• (1140)

**Dr. Philippe Lagassé:** I think cyberspace is a perfect example of the type of pooling of capabilities and capacities referred to by smart defence. It actually goes beyond simply working with allies. It also involves the need to seriously consider, in the area of national defence and national security, public-private partnerships. Because this is not something a government is able to do on its own, and this is something no country will be able to do on its own. Therefore, this is definitely one area where a far greater multilateral approach to this is required, under the envelope of smart defence, by working with the United States, Great Britain, and other allies. But equally important is working with the private sector.

**The Chair:** Thank you.

Mr. Norlock.

**Mr. Rick Norlock (Northumberland—Quinte West, CPC):** Thank you very much, Mr. Chair. And thank you to the witness.

We're studying readiness. It's all-encompassing: predictability and unpredictability. I'm going to go with the latter. Based on our ability to predict things like the Arab Spring, or Libya, or disasters like Haiti, etc., how important do you think it is to strategically plan for the future, in acquiring new and modern capabilities, developing contingencies, etc.?

I know you referred to wanting our Canadian Forces to be ready for anything, any time. They have told us they are. And then we're stuck with the reality: in order to do that, we need to maintain some rather expensive infrastructure, with the unforeseeable future.

You talked about F-35s, F-18s, those types of things. I'll just deviate a little bit and say this. I come from a paramilitary organization, where the wages and benefits eat up about 90% of the budget. You referred to General Leslie saying it's 60%, and we heard it could be 50%, so let's say it's somewhere in the middle. Things are expensive. The tools necessary to do the job can't be equated with the police force or even a fire department.

I wonder if you could just talk about predictability, readiness, and then what Canadians expect in a shrinking globe, where anything that happens anywhere does affect you, whether it's a bank going down, a very small country, a small economy going down. That type of thing affects everybody. How does that relate to the military and readiness?

**Dr. Philippe Lagassé:** The best example that we have of what armed forces are ultimately is an insurance policy. Ultimately, then, you choose to evaluate your future risk. As you say, it's very unpredictable. You can have a general sense of what kinds of dangers you face and what you might want to be able to do, but there's no real means of being able to predict exactly what you need to do. I would be very careful when it comes to future analysis and predicting where the world is going to be. Generally speaking, we get it wrong, and we tend to need to then be able to adapt to different circumstances.

But I think you can make certain basic judgments. I will just give you an anecdote. One of the most expensive things that you can get, as many of you may know, in terms of home insurance in Canada, is earthquake insurance. Now, you may choose to get it, you may choose to pay for that, but in all likelihood you may not need it. Therefore, you make a calculation based on what you think you may need and think you may be able to acquire. If you are very risk-averse you will pay for it, and therefore you feel protected to the degree that you can.

It's very similar with the capabilities that you invest in your armed forces. In principle, we could say you never know who might attack Canada with a nuclear weapon, so should we build a nuclear deterrent? But we've made the calculation, looking at our allies and looking at the nuclear umbrella under which we exist, that this is not a capability we require.

Similarly, we may arrive at the conclusion that there are other capabilities that we do not require. That really is an assessment of the international security environment as it exists and what your fundamental priorities are—the defence of Canada and the defence of North America.



But then looking overseas, as much as we are affected by events that happen internationally, we also need to be realistic to what degree we can actually affect those events versus our larger allies. If our larger allies tell us that we would be a much better resource to help them in X, Y, and Z, then why do we also insist on maintaining capabilities to do A, B, and C internationally? So this is what is involved with speaking to your allies about what they need from you, in terms of larger cooperation, instead of taking it for granted that the world is a dangerous place, so we need to be able to do everything.

For a country like Canada, that is really prohibitive and it's not really in keeping with a calculated risk assessment and a calculated assessment of how Canada works internationally—namely, with allies, and much larger allies that have the capacity to affect events much more than we do.

• (1145)

**Mr. Rick Norlock:** Thank you.

You have three units to the Canadian armed forces. Are you suggesting that we make a determination whether we want to be good at marine types of engagements, since we have probably one of the longest coastlines on the face of the earth? Should we then look at a concentration on air capability because we have one of the largest land masses in the world? I was even somewhat surprised, but then looked at the map and said yes, the distance between Pelee Island and the North Pole.... So we need an air force. Then we've seen and we've heard from other people who talk about the need for an armed forces, because you need bodies to do something if you want to be engaged in any way, shape, or form. What are you suggesting?

Are you suggesting that we concentrate on one or two areas of the three major areas in the Canadian armed forces, or that we have a more selective, more nimble force, and with that selection and agility comes the need to be able to get to places quickly and to be sort of the initial response—

**The Chair:** Mr. Norlock, your time has expired by quite a bit.

Professor, if you can give us a brief response, we'd appreciate that.

**Dr. Philippe Lagassé:** Very quickly, what I'm advocating is that you maintain a baseline capability for domestic and continental missions. Then, when it comes to selecting what you do internationally alongside your partners, you can be far more selective in the capabilities that you maintain. Yes, you need a navy. The question becomes do you need a navy that has the ability to guard the coasts and is able to engage in conventional naval warfare against the Chinese in the future, or can you say safely that we don't need that capability, we'll maintain the coasts? You need an air force to maintain North American airspace, but do you also need an air force that's able to engage in a first-run bombing campaign against Iran? You can make that decision as well. Similarly with the army, you may say that we want an army that can provide aid to the civil power in Canada, but should that army also have the capability to engage in mechanized warfare against an opponent? You can also make that choice.

You may decide that one of those is absolutely important for Canada in the future and that you're willing to pay for it, or you may decide that all of them are important. Under the current budget

envelope, we are by default making the decision that we can't do it all. Therefore, you can say that you want to do all of these different missions and you want to maintain these capabilities, but as it stands, we're not actually paying the money required to do that.

My reaction to that, then, is to say should we not be asking what we actually want the Canadian Forces to do in the future, internationally?

**The Chair:** Thank you.

Madam Moore.

[*Translation*]

**Ms. Christine Moore (Abitibi—Témiscamingue, NDP):** Thank you, Mr. Chair.

In one of the articles you co-authored with Mr. Dallaire, you promote the idea of striking a parliamentary committee that would have access to information classified as secret. That would help members and parliamentarians do their job better. One aspect of their job consists in being able to follow the developments within National Defence more closely. The idea is to make the government more accountable. For instance, we have never had access to the statement of operational requirements for the F-35 aircraft, or to the full results of the original invitation to tender for R & D. The methodology was also not published.

If we wanted to do a study on operational readiness, which is rather complex, do you think the committee should have access to classified information on those situations in order to understand them better? Of course, members would have to undergo security screening and agree not to disclose information.

• (1150)

**Dr. Philippe Lagassé:** I think that is the case, since those are exactly the types of issues on which the committee should be able to obtain all the data it needs to come to a decision.

When the time comes to discuss the future capabilities of the Canadian Forces, it would be nice to have access to risk and threat analyses developed by the government's executive branch. That way, without being able to make this information public, we would at least be able to ask the government questions. We could say, for instance, that its own analyses indicate that the Canadian Forces won't have to participate in a naval war in the Pacific in the future. Therefore, we could ask why the government would spend \$40 billion on that capability. That's one question we could ask.

Of course, having that information and being able to discuss threats in camera—studies have been conducted on threats and on the capabilities the Canadian Forces need—would be of value to members and senators.

**Ms. Christine Moore:** A study is currently being conducted on operational readiness. Do you think we now have all the information we need to conduct that study properly, or are we missing certain information classified as secret, meaning that our study will not necessarily be complete?

**Dr. Philippe Lagassé:** Once again, my answer is yes. We have to recognize the fact that, for instance, General Leslie's report was kept secret for a long time. The report was made public only thanks to a few people within the department.

That report certainly gives us a better idea of the department's financial situation. However, other studies and analyses are being and have probably already been conducted on capabilities and equipment. The government is surely making its decisions based on those studies and analyses.

I think it would be preferable for members to also have access to that information so that they can make a decision regarding the Canadian Forces and the capabilities they will need going forward.

**Ms. Christine Moore:** I have a question about the F-35s.

Those aircraft are more useful as part of an integrated defence strategy with allies. From a purely Canadian perspective, the F-35 does not seem to necessarily be the best option for defending Arctic sovereignty, especially because it is a bit slower.

If we are talking exclusively about defending Arctic sovereignty—which the government often mentions to justify choosing those airplanes—don't you think using that argument is a bit strange? We know the F-35 is most useful for bombing foreign countries.

The government is compromising on the best option for defending Arctic sovereignty, if I may say so, by choosing a plane that is better equipped for foreign missions. Therefore, we are giving foreign operations priority over Canadian ones.

Could you comment on that?

**Dr. Philippe Lagassé:** If you read the Canadian Forces' statement of operational requirements, which the department has made public, it is very clear that the F-35 could beat out, for instance, the F-18 E/F thanks to three characteristics.

First, the ability to transmit data between 5th generation aircraft is important.

Second, the aircraft survival rate has to be considered. In other words, the plane has to be stealthy.

Finally, interoperability also has to be considered.

Clearly, those three characteristics would make the F-35 the ideal choice for the Canadian Forces only in overseas operations.

That does not mean the F-35 option is not legitimate. It simply means that aircraft has nothing to do with the capability required to defend Canada's airspace. The F-35 is really built for foreign missions with allies. That's obvious, even based on the government's operational requirements analysis.

• (1155)

[English]

**The Chair:** Merci.

Mr. Chisu, it's your turn.

**Mr. Corneliu Chisu (Pickering—Scarborough East, CPC):** Thank you very much, Mr. Chair.

Thank you very much, Professor Lagassé, for your presentation.

I would like to take the issue that you raised about the general-purpose forces. We are the second-largest country in the world by territory, and we have a population of 33 million, 34 million people. We share a continent with the largest military power in the world. So

in your opinion, is it a good idea to maintain this general-purpose force, or do you see something else happening in this scenario?

I want to avoid issues like the DEW line, for example. We didn't have much input on establishing the North American defence, but if there had been a general-purpose force, not necessarily a super big one, we could have had a different approach to these issues and we would have avoided environmental disasters and all that.

When you are speaking about cooperation with our allies on an international operation, it is a well-known and well-publicized idea that the other allies didn't step up to the plate in Afghanistan. In my opinion, that is not true, because we withdrew in 2003 from Afghanistan, and when we came back to Afghanistan, only the province of Kandahar was left for us. Other forces, like those of Italy or Germany, had 4,000 people deployed in different areas of operation. So when you are speaking about cooperation with other allies, we have all the junior NATO members, such as Romania, Hungary, Poland, and I don't think we cooperated according to our difference to the other nations. The U.K. used the Estonians, the U. K. worked with the Poles, and all the other allies tried to capitalize on these new NATO members as a force multiplier.

So we had 2,500 people deployed first in the province of Kandahar. We were not able to cover it and that was the birthplace of the Taliban.

If you recall, in 2010 we handed over command of the province of Kandahar to the U.S. force and we maintained command of two districts, Panjwai and Zhari, and we were able to make significant changes in that area; we also lost fewer personnel than when we covered the entire province of Kandahar. If you go to one place and then withdraw, it's reoccupied by the forces.

**Dr. Philippe Lagassé:** In terms of the first question, there's no doubt in my mind that we need to maintain those capabilities that are sufficient to deal with the defence of Canadian waters, Canadian airspace, and Canadian territory. The question then becomes, given the threat environment we're in, which is fairly benign, at least in terms of conventional threats, do we also need to maintain the ability to fight wars at the high end internationally across all three services? That's what interests me. In terms of war-fighting capability at the higher end of the spectrum, does Canada either have the means or the willingness or the interest in maintaining high-end war-fighting capability across all three services?

What the numbers tell me now is although rhetorically we say we do, in practice we don't have that willingness. So to my mind it's time to start making those choices.

In terms of cooperation with the allies, I agree with you. Most NATO allies were in theatre. The issue is the number of caveats that were attached to the use of their forces. And while other countries were able to leverage certain smaller countries, we faced a great deal of frustration in trying to convince some of these other allies to let go of the caveats that were attached to the use of their forces, which would have enabled them to help us in a more significant fashion.

I also take your point that certainly starting in 2010, when we did have another country come in and provide significant assistance, that changed the dynamic quite significantly for the Canadian Forces, and rightly so. But that begs the question, then: Should that not have been how Canada approached the problem to begin with? And I worry that sometimes, in our enthusiasm to do good and take on very significant missions, we overestimate what our armed forces can do or what we're asking of them. As admirable as that may be, and as willing as the CF are to say they can do this, we sometimes need to be a little more critical about whether they have the capacity to do what we're asking them to do.

• (1200)

**The Chair:** Thank you.

**Mr. Corneliu Chisu:** Do I have another question?

**The Chair:** No, your time is up.

Monsieur Brahmi.

[*Translation*]

**Mr. Tarik Brahmi (Saint-Jean, NDP):** Thank you, Mr. Chair.

I have a question for Professor Lagassé about Canada's role within NATO.

Last time the NATO unit was needed, about half the countries, or 13 out of 28, refused to intervene. That was the case in the Libyan intervention. Out of those 13 countries, two of the largest ones have a population of 80 million. I am talking about Germany and Turkey.

Could you tell me what you think about NATO's viability and about how Canada should behave in future interventions?

**Dr. Philippe Lagassé:** First, we have to recognize that NATO is a military alliance, but, even more importantly, it's a political alliance. Some countries want to become members, but do not necessarily want to participate in all the alliance's military missions. We recognize that fact. That is the reality. NATO mostly operates based on a consensus. The question we should ask ourselves is whether the countries who did not want to participate in that mission threw a spanner in the works of the alliance during the Libyan operation. The answer is no. Even though they did not at all contribute to the mission, they did not prevent the alliance from taking action. Canada must always recognize that reality. In the past, we were often the ones who did not participate fully. Even now, in Afghanistan, some members of the alliance are wondering why we withdrew our military strength from Kandahar and why we decided to go to Kabul.

It goes without saying that the members of the alliance will always play different roles and will always want to recognize their own prevalent political reality. I would not agree that the alliance is broken or that it cannot work. In my opinion, the alliance is still working. It's a political alliance, and that dynamic must be recognized. The main allies—the United States, Great Britain, France, Canada, the Netherlands and Denmark—all nevertheless still recognize, on some level, the importance of the alliance and its ability to act. I think we must also recognize that, even if we were to focus solely on UN operations, we would still depend on the U.S. and other allies when it comes to deployment. We cannot sever our relations with those allies and then undertake independent missions.

**Mr. Tarik Brahmi:** It is not at all a matter of breaking off our alliances. You pinpointed the problem in your presentation. You talked about the choice we must make between an army limited to domestic operations and an army with expectations in terms of expeditionary operations. If we want to have the required expeditionary operational capability, NATO must be involved. Yet, how can that be viable if most of our allies don't support us or support us verbally, but do not actually provide the alliance with resources? That's especially true when two of the largest countries, Turkey and Germany, do not provide support.

**Dr. Philippe Lagassé:** It is important to recognize that NATO is an alliance of sovereign countries. We always maintain our sovereignty. That is a vital principle for the member countries. That does not, however, prevent the alliance from supporting us or those countries that choose to intervene or undertake operations. Clearly, not all NATO members will provide the necessary troops for a given operation, and as Canadians, we have to recognize that. At some point in the future, we too may decide not to take part in certain missions, but that does not detract from the alliance's relevance; nor does it mean that Canada should question the alliance's value. It still provides the foundation necessary to undertake these missions abroad.

By no means is it perfect, I admit. But the alternative is to rely strictly on other Anglo-Saxon countries. Do we really want to be in a position where the only members of the alliance are Great Britain, Australia, New Zealand and Canada? We have the NATO option of working with 28 member countries, or we could opt for just a four-member alliance. In light of the Canadian dynamic, I believe it is preferable to remain in NATO, rather than limiting ourselves to four very specific allies.

• (1205)

[*English*]

**The Chair:** Thank you.

Mr. Van Kesteren, it's your turn.

**Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC):** Thank you, Chair.

Thank you, Mr. Lagassé, for being here.

I'm not a member of this committee, though I find this conversation fascinating. You talked about coalitions, and you talked about NATO in particular and the importance of that group involvement. But let's face it, the Americans really are NATO. They have 11 Nimitz class carriers and I don't know how many submarines. I think the British have two carriers, and the French maybe two. Let's face it: that's the real power of NATO. That's the power of the western world.

But I read recently, just maybe a few months back, that the Chinese had bought one of the carriers that the Soviets were preparing to build and were refitting it. I understand they have to learn how to land planes on these things and everything else, but the Chinese are moving in that direction. I also recently read that they are developing an underground submarine station. We don't know too much about that, because that's all underground.

When you look at the history of the world, there have always been alliances, and the powerful nations have always risen and always fallen out. In your estimation, where is the United States as far as maintaining their sovereignty in the sea, in the air, and on the land goes? And where is China in comparison?

**Dr. Philippe Lagassé:** There's no question that the United States will remain the world's dominant military power for the foreseeable future, if not into the next century. It has a capacity that extends far beyond that of any other country in the world. The U.S. is a global military power; that needs to be recognized. China is developing into a stronger regional military power. We need to recognize that difference.

The Chinese are interested in boosting their defence expenditures in order to protect and pursue their interests in the Asia Pacific. They have neither the capacity nor, it would seem, the intent to become a global military power of that level of reach. Therefore, of course the United States is preoccupied with that, as it would be with any peer competitor, but we need to be very clear that China represents a peer competitor to the United States in the Asia Pacific and not globally at this point. That does not seem to be its intention. I remain confident, as you pointed out, that the true, sheer size of the United States military power at this moment is not threatened by China.

The question becomes more in the specific area of the Asia Pacific whether the United States should be concerned about the rise of China's power. I would be very careful in trying to attribute any clear intention to the Chinese government at this point as to why they're building these forces and what they hope to do with them. I hope sincerely that we do not re-create a situation, as the one we saw leading up to the First World War, in which Great Britain was unable to accommodate the aspirations and intentions of Germany, and therefore we found ourselves in a greater confrontation, which we could have avoided if we had taken the time to allow diplomacy to run its course and had been more accommodating of the other power. I really hope that through economic relations and the building of large diplomatic relations we can avoid this type of confrontation.

We should, to the extent we can, try to recognize that it's entirely legitimate for China to build up its forces in that region, given the threat it faces from India, Japan, and others. So this isn't just about the U.S. and China. This is also about China having to recognize its own regional realities.

• (1210)

**Mr. Dave Van Kesteren:** If you had asked that question 20 years ago about the superpowers—and you wouldn't have been wrong, or it wouldn't have been for lack of information—I don't think too many people would have thought the Soviet Union wouldn't be a superpower today, but we found out they were broke. What impact does the current situation, with the United States having a huge debt load, have on that possibility? The funds required to maintain a force like that are just incredible. Is there a real possibility that the United States is in a weakened position because of its huge debt load? Is that something you'd consider?

**Dr. Philippe Lagassé:** It is actually weakened, and there is no question that the U.S. maintains a structural deficit, where its military expenditures are largely contributing to that. One means for the United States to extricate itself and get itself out of its current

financial dilemma is to take a serious look at its military expenditures.

But I am still not overly concerned, because even if we saw a 25% reduction in overall military capability of the United States, it would still be the predominant military power in the world. We need to really bear in mind that even if the U.S. goes from eleven carrier battle groups down to six, that is still a massive world power. So by any measure and by any projection, the U.S. will still maintain a sizeable military capability and will still be the largest military power in the world.

What it does say, however, is that it is time for allies such as Canada and Great Britain to look seriously at how they can work with the United States through this transition. This is exactly the type of conversation I hope we're going to have, because necessarily, as the United States has already said in its own defence strategy, it knows it needs to reduce its capability. If we can do our part, let's say in the Arctic or elsewhere, to backfill what the U.S. won't do, that might be an opportunity we should look at.

**Mr. Dave Van Kesteren:** Warfare has changed. We used to just go in and blast the smithereens out of the enemy. It's precision warfare now.

**The Chair:** Excuse me, but the time has expired.

Mr. Labelle has temporarily left the room, so I'm going to move on to you, Mr. Williamson, until he returns.

**Mr. John Williamson (New Brunswick Southwest, CPC):** Thank you, Mr. Chair.

Like my colleague, I'm not a permanent member of the committee, but I appreciate being here today, and I found your answers to the questions, as well as your presentation, very informative.

Two years ago, days after the earthquake in Haiti, Canadians could turn on their televisions and could see two of our warships leaving the port in Halifax, heading down to Haiti. At the same time, C-17s were already landing in the country. At the same time, Canada had troops in Afghanistan. We're capable of doing quite a bit, actually, when one looks at the DART mission as well. There seemed to be multiple levels doing different missions around the world.

This is in contrast to where we were more than ten years ago, when troops were sent to Afghanistan without even the right camouflage. Maybe that's an urban legend, but it's certainly something one hears often. As well, we had to hitch a ride with allies to get around.

In an uncertain world—and the key word is “uncertain”—going forward, I'm curious to know what choices you would make. We have six core missions currently that we try to maintain. Is that feasible? Where would you look to put resources? Where would you look to make changes? I'd like some specifics, actually, on going forward, please.

I have no other questions, so you can take the whole time.

**Dr. Philippe Lagassé:** Let me first add a caveat to this, which is that we've already made certain decisions, as you point out, so there is a certain path dependency that imposes itself. We have already chosen to build up our airlift capacity. The question then becomes, given that airlift capacity, whether it is also necessary for us to invest in a joint support ship, which would give us sealift capacity. Perhaps that money might be better used augmenting our C-17 capability so it's up to six aircraft that are fully operational at all times, precisely for those types of missions, and relying on other allies or the private sector when it comes to our sealift capabilities. Those are the types of decisions I think we can ask sincerely.

Similarly, when it comes to the army, does the Canadian army really require, over the long term, the type of mechanized direct-fire support capability that it is currently planning to acquire or that it has acquired? As you recall, in 2005 General Hillier called that into question and sought to have more lightly deployable forces. I don't think that issue was ever fully discussed, and therefore that is another area where I think we can have more serious discussion about what kind of army we need and how light or how heavy it should be.

• (1215)

**Mr. Chris Alexander (Ajax—Pickering, CPC):** Does that mean tanks?

**Mr. John Williamson:** Yes. My apologies.

**Dr. Philippe Lagassé:** I'm not saying that decision was the right one or incorrect one, but clearly there was debate within the CF about what kind of capability we needed at that time. Therefore we can ask the question: what kinds of operations do we see the Canadian army undertaking in the future? Are they going to be the higher-end more mechanized forces that we are now building? Is that really what we see the army doing in the future, or could we get by with a lighter force doing more specific types of operations at the lower end of the spectrum of conflict?

Similarly, when it comes to the navy, do we need forces that are able to interoperate as part of U.S. carrier battle groups, or should they be able to undertake different types of operations focusing specifically on a particular region of the world, such as the Caribbean or Arctic? Is that the type of force that would be helpful to our allies?

For example, last year at the Ottawa conference on security and defence, the president of the Centre for Strategic and International Studies in Washington, who was a former deputy secretary of defense in the U.S., made the point that perhaps it would be wiser for the Canadian navy to become a truly Arctic force, so the U.S. would not have to be preoccupied with that region of the world.

So these are the types of discussions I think we can be having, as opposed to saying we need exactly the types of forces we have now. I don't find that's very creative. It doesn't really take into account the different types of possibilities that are out there.

I don't want to outline specific capabilities we could do away with, or not. I'm not a military planner; I'm more of a policy analyst. That ultimately comes down to a policy question about what the government wants the forces to do. Then let the military tell us what capabilities they need to be able to do it.

**Mr. John Williamson:** Do I have any time remaining?

**The Chair:** You may ask a very short question.

**Mr. John Williamson:** Looking in your crystal ball, what do you perceive as the big threats going forward over the next ten years?

**Dr. Philippe Lagassé:** Do you mean threats facing Canada specifically?

**Mr. John Williamson:** Yes.

**Dr. Philippe Lagassé:** I think it is fair to say that the cyber-threat is a very significant one. Similarly, disruptions to major lines of communications at sea are a major cause of concern. In the Strait of Hormuz, the Persian Gulf, and the Strait of Malacca, if those sea lines of communication were ever interrupted, the effect on our economy would be absolutely devastating. Therefore we need to be very clear: do we want to maintain the ability to defend those sea lines of communication, or do we want to do other roles that allow our allies to invest more heavily in that, and help them in other ways so they can focus on it? That's what I see as the largest possible threat to Canada.

**The Chair:** Thank you.

Monsieur Labelle.

[*Translation*]

**Mr. Pierre Dionne Labelle (Rivière-du-Nord, NDP):** I am going to give my floor time to Tarik Brahmi.

**Mr. Tarik Brahmi:** Thank you, both to the chair and my colleague.

Professor Lagassé, you touched on cybersecurity and threats in cyberspace. There are two sides to cybersecurity: cyberspying and cyberwarfare.

I would like to hear your view on the role the Canadian Forces should play in the years ahead when it comes to cybersecurity, specifically, counter intelligence in cyberspace and protection from cyber attacks.

**Dr. Philippe Lagassé:** The issue is figuring out where the most vulnerable areas are. I would point to critical infrastructure as being the most vulnerable. In order to protect that critical infrastructure, we absolutely have to work with the United States and our allies. We have to identify the areas where our critical infrastructure is the most vulnerable.

Again, since we are talking about a field of shared responsibility with the private sector, we must work earnestly with our private sector partners if we truly want to protect this infrastructure. To be frank, if one of our enemies had the capability to mount a cyber attack on NATO's facilities or military resources, Canada would not be the first target. The main targets would be the U.S., Great Britain and others. As I see it, we should address the threats we face within our own borders and in North America, first and foremost, if we wish to safeguard the infrastructure that is in place to protect Canadians.

•(1220)

**Mr. Tarik Brahmi:** Do you think we should opt for a system where that responsibility falls entirely on the shoulders of the Canadian Forces and the Department of National Defence? Or do you think we should take a shared accountability approach, similar to the United States, for instance, where a number of organizations have a role to play? In the U.S., you have, among other organizations, the NSA doing the intelligence gathering and processing, and the CIA performing more of the intelligence response function.

**Dr. Philippe Lagassé:** I don't think we should have offensive cyberwarfare capability. We have to eliminate that from the outset. That being said, this is a responsibility that, by its very nature, requires cooperation among Public Safety Canada, Transport Canada, Industry Canada and the Canadian Forces.

You could put the Department of National Defence in charge of the entire mandate, but I don't think that would make sense. Every department should, at the very least, be capable of protecting its own network. You have to be realistic about it. The military should not be protecting every piece of data in the city of Ottawa or in the country. You have to adopt a comprehensive approach, meaning that all the departments should work together. In order to centralize this responsibility, I believe you would need a cybersecurity advisor to the prime minister at the Privy Council Office.

**Mr. Tarik Brahmi:** Do you think a new agency should be set up to deal exclusively with cybersecurity or at least to oversee the function? Or would that be excessive given Canada's overall potential?

**Dr. Philippe Lagassé:** I am always a bit leery about setting up new agencies or new commands. I would say it is preferable to start by creating an advisor position at the Privy Council Office. If it subsequently comes to light that we need a new structure in place to adequately protect our networks and to implement policies, we could explore that option at that point. But we should start by establishing a position or a team over at the Privy Council Office that would be responsible for coordinating all the departments and ensuring each does its part. In my opinion, that should be the first step, rather than trying to create a new agency with all the costs and red tape that would entail.

**Mr. Tarik Brahmi:** Thank you.

[*English*]

**The Chair:** Mr. Alexander.

**Mr. Chris Alexander:** Thank you, Chair.

Professor Lagassé, you've introduced, very helpfully, this concept of smart defence, which is under discussion encouraged by NATO. If I understand it correctly, NATO defines it as allies cooperating in developing and acquiring and maintaining military capabilities to meet current security problems in accordance with the new strategic concept, which we are going to look at later.

Our report at the moment is on readiness, but smart defence is potentially an important dimension of readiness, in that it encourages that collaboration that we have long sought with allies.

Given that ten countries are now pursuing the F-35 as a platform and that the U.S. intends to make it the backbone of its combat capability, does the F-35 count as smart defence?

**Dr. Philippe Lagassé:** The F-35 can fit into smart defence if an individual country decides that it's their contribution to an overall NATO effort. Therefore, the idea of smart defence is specifically that not all countries should do the same thing. Quite the contrary: different allies should undertake or invest in different capabilities so that you have an overall multilateral allied capability to undertake various operations. If we decide or if we see in the future that various countries abandon the F-35 and that the U.S. says we need to have this capacity, then maybe it makes sense for Canada to pursue it. On the other hand, if it turns out to be a very prohibitive program that the United States maintains and a few other countries do, then we could ask ourselves if that is the best investment for scarce Canadian dollars.

The idea is, does the F-35 fit in smart defence? It fits into it insofar as the overall alliance should have a fifth-generation fighting capability to be able to undertake these missions. Does that necessarily mean that Canada needs to have it? That is a larger policy discussion we need to have in terms of the overall capabilities we want the forces to have. From a purely objective point of view, you can ask if Canada should have the best possible military equipment. Yes, we can agree. However, the minute you start introducing opportunity costs and budget constraints, then you have to start asking: all else not being equal, is the F-35 the best investment of our defence dollars, versus single-surface combatants, versus new capabilities for the land force? That is the type of discussion I hope we can have.

•(1225)

[*Translation*]

**Mr. Chris Alexander:** I agree completely. You have to make choices. However, we can't really rely 100% on allies, as they may not have a doctrine that would allow us to abandon certain missions. Which NATO countries currently follow the so-called smart defence doctrine, and to what extent?

**Dr. Philippe Lagassé:** We are already seeing Great Britain and France slowly beginning to share certain resources, particularly when it comes to naval capacity. Those countries recognize that they can no longer afford, on their own, all the resources they would like. What's more, the U.S. has already suggested that the allies seriously consider this kind of approach.

In fact, we have already adopted it in a number of areas. We have invited the allies to train on Canadian soil, mainly on our various bases, especially out west. So we are already sharing our facilities.

The idea has merit when we look ahead at our future naval resources and we begin to realize that we cannot necessarily afford all the ships we would like to have. We know that other allies will build ships and that we could fulfill other roles.

The discussion has begun slowly, but we are already seeing this new doctrine begin to take root between Great Britain and France, and it already exists in the U.S. Now seems to be the time for that discussion.

**Mr. Chris Alexander:** But that is just the start.

Do you think that 1.3% of our gross national product would be adequate to protect Canada and to maintain the appropriate level of readiness, given that NATO recommends allies spend 2% of their GNP?

**Dr. Philippe Lagassé:** It is enough to protect Canada, and only Canada. That would not necessarily be enough to undertake a major overseas operation. So that is where the question comes into play. It all depends on how ambitious we want to be.

**Mr. Chris Alexander:** You will recall that the last attack against North America was organized in Afghanistan. Can we really protect the continent if we don't have sufficient capabilities?

**Dr. Philippe Lagassé:** That is an interesting argument, when you consider that the U.S. was spending 4% of its GNP on national defence but was still unable to protect itself from the attack.

So you can't draw a direct link between military spending and a country's ability to deal with all possible threats. Our enemies will adapt their tactics to our military capability. If we invest in a given capability, the enemy will adjust accordingly. We have to be careful when relying on numbers to find a solution.

You are no doubt aware that the reason behind NATO's 2% average is the massive spending of both Greece and Turkey. If you look at those allies that are more comparable to Canada, you see that Canada falls within the average range. It has more to do with figuring out if we have the military capabilities necessary to fulfill our needs and ambitions.

The question I would ask is, "Do we have the equipment we need for the missions we want to undertake?" more so than, "Are we spending enough?" There isn't really a set amount.

• (1230)

[English]

**The Chair:** Thank you.

We'll move on to our third and final round.

Go ahead, Madam Moore.

[Translation]

**Ms. Christine Moore:** I want to come back to the whole notion of smart defence.

You said that every country should have its own slightly more specialized forces or tools so each can make a different contribution to shared activities.

Given our northern geography, would Canada do well to specialize in operations on hostile terrain such as the Arctic, to acquire the vehicles, equipment, aircraft and submarines that would truly be capable of operating in very cold climates and be tailored to those conditions? Might that be a worthwhile contribution, if Canada were to specialize further in this kind of capability?

**Dr. Philippe Lagassé:** That might indeed be the case, but it's a discussion that we must have with our allies. We could learn that they would be in favour of making the Arctic our area of concern and having us protect the region on their behalf. If we work alongside the Danish, the Americans and others, they could say it makes sense to have Canada specialize in Arctic protection and

surveillance. Then, it might be something the Canadian Forces could work on.

Conversely, if we learn that the military threat does not warrant investing in that capability and that the preference is for Canada to invest in the coast guard, for instance, that could change the dynamic and perhaps our investment priorities.

As I see it, there is no way around sitting down with our allies to discuss what kind of capability NATO wants to have in the Arctic. The discussion would also have to focus on what Canada would like its Arctic defence capability to be. It would also be necessary to figure out the best government agency to contribute to that mission.

**Ms. Christine Moore:** Canada, like many other countries, is in the process of restructuring its defence budget and asking itself some serious questions. Is that not reason enough to have these kinds of discussions immediately, be it domestically or externally, before making any large acquisitions that are not compatible with the smart defence strategy?

Before we go ahead and spend money and saddle ourselves with equipment that does not suit our future operational needs, should we not ask the government to come together to swiftly figure out its defence vision for the future?

**Dr. Philippe Lagassé:** You are absolutely right. That is what concerns me. The time to talk about smart defence is now. As you said, procurement contracts are just getting under way. We have not yet signed any major contracts for the fleet or the F-35s. Right now, we are thinking about acquiring new army equipment, but the real investment has not started flowing yet. Things are still at the program stage and have not yet progressed to actual procurement.

If ever there was a time to have this discussion, it is now. As you said, we must do it before we start signing contracts that entail cancellation penalties. Now and over the next few years is when these discussions need to take place, while our allies are talking, while NATO is examining what exactly it wants to do and while the U.S. is considering a reduction in defence spending, as are Great Britain and our other allies.

We think of ourselves as a multilateral country with global reach. Should we not, therefore, talk to our allies and partners about our defence policy?

**Ms. Christine Moore:** Do you know if other countries are in the same boat? If they are not yet overcommitted financially, isn't this the right time for them to have these discussions as well?

**Dr. Philippe Lagassé:** That is precisely the reason why NATO's Secretary General is telling us what an urgent priority this is. He recognizes that NATO's defence budgets are going to shrink. He knows that, and as the secretary general, he is concerned. NATO's operational capability in the decades ahead will depend on how willing states are to cooperate.

It is a fact that defence spending, particularly in Europe, will in all likelihood shrink or, at the very least, procurement budgets will. We are already seeing it in the U.S. Now, then, is the time to find a way to maintain the operational capability of the North Atlantic Treaty Organization, as we enter a period of cutbacks and fiscal restraint.

•(1235)

[English]

**The Chair:** Thank you.

Mr. McKay.

**Hon. John McKay:** Thank you, Chair.

You'll be pleased to know how prescient you actually are, since while you've been sitting here there's apparently been a report of an earthquake in Vancouver, or off Vancouver Island—somewhere around there. Why you buy earthquake insurance is another interesting question.

You wrote, along with Senator Dallaire, a very eloquent article about R2P, willingness to intervene, all that sort of stuff, and I was thinking about it in terms of this whole approach to smart military interventions. It seems to me that the thought process with respect to not only personnel, but procurement, etc., has to be cast, particularly with our expeditionary capabilities, in terms of R2P, R2I, that sort of stuff.

As NATO says, and you quote here, “As the 2010 NATO Strategic Concept rightly notes: ‘The best way to manage conflicts is to prevent them from happening.’” Given the expanding interconnectedness of our globe, that's probably quite true.

So casting your comments to date, which have largely been within traditional military thinking, and given this article you've authored with Senator Dallaire, what would you offer as to how you think about the personnel mix and the equipment mix, and I would say almost a cultural attitudinal mix?

My sense of some of the senior personnel, particularly on some of these UN missions, is that they're not really worthy warriors, shall we say. And it does play itself out. I think the request to intervene in the Congo was something this government passed on, arguably for maybe not such good reasons.

I'd be interested in your thoughts in that respect.

**Dr. Philippe Lagassé:** The first point to make is that capability is not simply equipment, it's also people.

One capability we're honing now is the ability to train local allies, as we're doing in Afghanistan. When we speak about conflict prevention, as we look to the future one thing that seems clear in a time of cuts and a time of complexity is that we're going to increasingly depend on regional allies to do a good deal of the work with respect to maintaining security in their part of the world.

The extent to which we can mobilize and help these regional allies develop their capacity to act, so that we don't have to.... They are actually closer to the situation. They understand the dynamics far more than we do, and that's a very important point to keep in mind. Often when we intervene, we have no idea who we're getting involved with, what the situation is, and what kinds of power structures underlie the situations we're interfering with.

Therefore, the extent to which we can help regional allies throughout the world build their capacity, as we are doing, let's say, in Jamaica, just recently.... It's a good example of the types of specialized forces or the types of specialized capabilities that we

might seriously consider in terms of being able to go out and help regional partners build their own capacity to act in their region so that we are not always asking NATO to do that particular mission.

This is something we really tried to emphasize in the article I wrote with Senator Dallaire. The extent to which you can avoid having to be reactive to conflicts, and you can try to intervene at the outset before they become as violent as they usually end up being, the extent to which you can develop regional partners that are able to intervene and have a far greater regional legitimacy than we do—and it's far less costly for them to intervene than it is for us—that is something we need to seriously look at.

**Hon. John McKay:** You also make an interesting point in the article about amendments to the National Defence Act, that in the event the government chooses to go into a conflict that it table before Parliament its missions, its goals, measurement of success, that sort of stuff. You also argue that members of Parliament, select members of Parliament presumably, should be sworn in to the Privy Council so that they can participate in decisions as decisions are made, given that secrecy is a pretty important concept here.

I'd be interested in your thoughts on this.

•(1240)

**Dr. Philippe Lagassé:** I am very strongly of the view that we should preserve the crown's prerogative to deploy the military without necessarily having the approval of the House of Commons.

That being said, there is the question of what role the House of Commons does have in debating these missions and obliging the government to, at the very least, outline what it intends to do, what it intends to spend. And if it needs incremental funding from the House it should be able to secure that.

Again, the reason I'm so adamant about this is that to my mind, accountability in our system is preserved when the executive is fully responsible for the decisions it makes and doesn't have the capacity to launder its decisions through the House, as I believe this government has done on a number of occasions. I find that really muddies accountability for national defence.

That being said, there should still be a debate in the House, motions in the House, where members of Parliament have the opportunity to debate these missions. That should be required. The government should also be required to divulge the full information in terms of costs, in terms of what it's deploying and what it foresees as the end game.

Similarly, on your second point, there should be a parliamentary committee with security clearance that's able to look at operational secrets and operational details so that members of Parliament have a much better sense of exactly what is happening on the ground and whether the mission is operating as successfully as what they're being told.

**The Chair:** Thank you.

The last question of the day goes to Mr. Alexander.



**Mr. Chris Alexander:** Thank you.

To go back to this issue of smart defence, my figures show that there are only five countries in the alliance that spend less on defence as a percentage of GDP than Canada does, and that we're on a par with Denmark and Germany, with every other ally at a higher level. That's just on this question of percentage of GDP.

At a time of austerity and deep cuts potentially in the United States and definitely in many parts of Europe, do you think Canada should stick with, increase, or reduce the defence commitment it has to remain ready for the challenges we now have identified?

**Dr. Philippe Lagassé:** I'll begin the comment by noting the following. One of the reasons Canada has weathered this economic crisis better than other countries is because in the 1990s severe cuts were brought to federal government spending. One of the results of that was that the amount of money spent on defence in Canada was reduced significantly, which allowed the government to reduce its overall debt-to-budget ratio.

That only happened because we made significant cuts in military spending. It is easy to look at other countries and the amount they spend on their military, but then you have to look at that in the context of what the effect has been on their overall budgetary situation, the fact that they didn't actually cut where necessary at the time.

In a sense, the fact that Canada chose to get its fiscal house in order in the 1990s has been a good thing. It has been a good thing for our ability to invest in the military now. We have to always keep this in context.

Similarly, I would also note that in real dollars, which is really a measure of the overall capacity that you have, Canada ranks sixth in the NATO alliance. More to the point, percentage of GDP as a measure of spending measures your relative effort compared to other allies, but an equally good measure of relative effort is how you use the forces that you have. In that respect, I think Canada has been an exemplary member of the alliance, as compared to many other members that spend far more as a percentage of GDP.

The question overall is should Canada spend more? It should, if it believes that it is necessary to meet its ambitions and to meet its security requirements. We shouldn't necessarily allow those decisions to be made based on a number that needs to be put into a much larger context.

I'm hesitant to say that we need to meet a certain percentage of GDP, and I would look much more closely at how we use those forces, and why it is that we spend the amount that we spend.

**Mr. Chris Alexander:** You're undecided?

**Dr. Philippe Lagassé:** No. To my mind, it's a policy question. If the government chooses to have a more ambitious defence policy—

**Mr. Chris Alexander:** I'm asking for your view. That's why you're here as a witness.

**Dr. Philippe Lagassé:** My view is that the current level of spending is sufficient, provided that we undertake a serious consideration of smart defence, and that we work with our allies. I don't believe.... As a number of you in the room know, we are not going to be spending all that much more on defence in the next

coming years. If anything, the department may actually take a cut. I understand that it's in Canada's national interest to do so, because we need to ensure that our federal fiscal house is in order.

Therefore, knowing this, I don't find it's at all useful to encourage government to spend more on defence when you have 50 other people encouraging the government to spend on their particular interest—health, education, old age security. Everybody wants a piece of the pie. If we know that our slice is going to stay where it is, we need to be realistic about what we can actually afford with that slice. That's my position.

If the government had a much more ambitious policy and really wanted to do more, then it should spend more. Right now, this government is indicating that it's not going to spend more.

• (1245)

**Mr. Chris Alexander:** What you're saying is that it's very urgent to make choices.

**Dr. Philippe Lagassé:** Absolutely.

**Mr. Chris Alexander:** For naval capacity, I heard two suggestions from you. One was that we focus on a given region, the western hemisphere or the Arctic, but then in an answer to another question, you suggested that the greatest threat to our way of life and our economy might be key sea lanes, the Straits of Hormuz, etc.

Those are potentially vastly different kinds of investment. Where do you come down on the navy? Do we need service combatants, or do we need specialized ships to look after the Arctic and the western hemisphere?

**Dr. Philippe Lagassé:** It's only a decision that can be made after discussing with our allies, because if the United States tells us that they will take care of the sea lanes, and that therefore it would be much more helpful for them, when they're doing that role, if we took care of the Arctic, then you're actually helping your own security by allowing your ally to undertake a mission while you do something else. It's a question of burden-sharing.

If the United States, on the contrary, says they don't really see all that great of a threat in the Arctic, but they need a Canadian naval presence off the Horn of Africa and in the Asian Pacific, which would be much more helpful, then that's the kind of policy you might want to pursue.

Those are two different options, but my point is simply that it's illusory to think that we can do both under current budgetary conditions.

**The Chair:** Thank you. Time has expired.

It's been a very interesting discussion.

Professor Lagassé, I appreciate your coming in today and sharing your ideas and providing input to the study.

We're not going to have another meeting until February 28. Everybody have a good break week back in your ridings.

With that, I'll entertain a motion to adjourn.

**An hon. member:** So moved.

**The Chair:** The meeting is adjourned.

---







**MAIL  POSTE**

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

**Lettermail**

**Poste-lettre**

**1782711  
Ottawa**

*If undelivered, return COVER ONLY to:*  
Publishing and Depository Services  
Public Works and Government Services Canada  
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,  
retourner cette COUVERTURE SEULEMENT à :*  
Les Éditions et Services de dépôt  
Travaux publics et Services gouvernementaux Canada  
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of  
the House of Commons

### **SPEAKER'S PERMISSION**

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and Depository Services  
Public Works and Government Services Canada  
Ottawa, Ontario K1A 0S5  
Telephone: 613-941-5995 or 1-800-635-7943  
Fax: 613-954-5779 or 1-800-565-7757  
publications@tpsgc-pwgsc.gc.ca  
<http://publications.gc.ca>

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

### **PERMISSION DU PRÉSIDENT**

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les Éditions et Services de dépôt  
Travaux publics et Services gouvernementaux Canada  
Ottawa (Ontario) K1A 0S5  
Téléphone : 613-941-5995 ou 1-800-635-7943  
Télécopieur : 613-954-5779 ou 1-800-565-7757  
publications@tpsgc-pwgsc.gc.ca  
<http://publications.gc.ca>

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>