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Chair

Mr. Dean Allison

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● (0850)

[*English*]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): I would like to call the meeting to order.

Pursuant to Standing Order 108(2), our study of Canada's Arctic foreign policy will continue. I want to welcome all the members and certainly our guests today. I want to thank all of our witnesses for taking the time to be here.

We have before us Shelagh Grant, who is an adjunct professor in the Canadian studies department of Trent University.

Welcome Ms. Grant, and thank you for being here.

We also have Sara French, who is from Walter and Duncan Gordon Foundation, who is a program director for the Munk-Gordon Arctic Security Program.

Welcome, Ms. French.

We also have David Breukelman, who is lead director at Gedex Inc., and president of Business Arts Inc.

Mr. Breukelman, welcome. We're glad to have you here as well.

We're going to start with Ms. Grant and then we'll go to Ms. French and then Mr. Breukelman. The clerk asked you to prepare about a 10-minute statement. We'll hear all three statements, and then we'll go back and forth across the room to ask questions and get follow-up. We have about two hours to do that.

I will turn it over to you, Ms. Grant. We look forward to hearing what you have to stay. You have 10 minutes. The floor is yours.

Mrs. Shelagh Grant (Adjunct Professor, Canadian Studies Department, Trent University, As an Individual): Thank you very much.

As a historian, my interest in the Arctic began when I was a university student, and it culminated in a master's thesis. From then on, my research spanned backward in time and forward to the present. The problem is that when I finished writing *Polar Imperative*, the world did not stop. Since then, the situation has changed so much that it will eventually require a revision of the last two chapters, so what I'm speaking about is what I didn't write in the book.

One such change was the government's release of a far more detailed Arctic policy in the summer of 2010. I think it's an excellent strategy, but two events have conspired against implementation in a timely manner. First is the melting of the sea ice at a rate far faster than expected. Second is the prolonged recession. Meanwhile, the issues have become blurred but increasingly complex, with the rapidly accelerating melting of the sea ice making predictions an exercise in futility.

Many Canadians are unaware of the degree of industrialization already taking place in the Arctic due to new mining developments and the associated ship traffic. Yet now more than ever, there is a need for consensus both within the Arctic countries and among them, with the full support of the global community.

At the outset I want to emphasize that Canada's sovereignty over the Arctic islands and mainland is secure and is not under threat, but sovereignty is more than a legal right. It involves responsibility for the inhabitants and their environment and for the safety of ship traffic. What may be at risk is Canada's ability to enforce its own laws and regulations in adjacent waters should increased ship traffic outpace investment in sufficient Coast Guard or patrol ships to respond to non-compliance with Canadian laws.

My second point relates to the success of the Arctic Council in bringing together the Arctic states to deal with common concerns, especially those affecting the environment. Sometimes we fail to recognize how much it has actually achieved against all odds. The circumpolar region is not a homogenous entity. The size and makeup of the population varies by country. The most populated region by far is Siberia, but it has proportionately fewer indigenous people. Second is Alaska. Greenland, with the smallest overall population, has the largest percentage of Inuit. Iceland has no aboriginal population.

The Arctic coastal states also differ culturally, economically, and politically, which derives from their own unique histories. The most advanced have had access to formal education over longer periods of time. For instance, Greenland may have the smallest population, but its capital has all the earmarks of a modern city. On the other hand, Iqaluit, the capital of Nunavut, is a relatively new community, where Inuit had no access to formal education until the late 1950s. This is in stark contrast to Murmansk, the largest city in the Russian Arctic. It was built as a naval base in World War I and now has a population of over 300,000. Tromsø had been home to the Sami people for centuries. It became a trade centre, with formal education provided, and, in 1842, a teachers college.

Geographic factors also had a major influence on the growth of Arctic communities. Take Alaska as an example. Juno, the territorial and now state capital, is a product of the Klondike gold rush. Currently it has a population of about 31,000. Anchorage, because of its deepwater harbour, grew rapidly and is now Alaska's largest city. Barrow, even with its proximity to the oil and gas developments at Prudhoe Bay and North Slope, has a population of less than 5,000. Again, it has no deep water.

My argument is that we cannot expect the Arctic Council to resolve issues that are specific to any one state. You can and should seek consensus and cooperation on issues affecting all countries, such as sustainable development, protection of the environment, safety in shipping in adjacent waters, coordination of search and rescue, oil spills, and governance of the Arctic Ocean.

We often refer to climate change as a global phenomenon, yet the circumpolar region is experiencing a dramatic increase in temperature brought about by increasing areas of open water and barren land, which in turn absorb more heat. There's an added catalyst to the warming trend that has been identified, and this, I believe, is more important. It's the melting of the permafrost, which is releasing large amounts of methane gas 20 times more toxic than greenhouse gases.

● (0855)

Methane gas has also been found leaking from the seabed in both the Beaufort Sea and Russian waters. As a result, some scientists believe that the warming trend in the Arctic has passed the tipping point—in other words, it's irreversible—and it may dramatically alter life elsewhere unless stabilized. The focus is on stabilization.

Along with the largest decrease, the composition of the polar ice cap is changing. There was a dramatic decrease in older ice with the first-year and second-year ice breaking up into small ice bands. I did supply pictures for a handout, but unfortunately there was no French translation on the titles. We'll negotiate that.

What does this mean for the future? Three years ago scientists predicted that by 2030, the Arctic Ocean would be relatively free of ice. Now that prediction is moving to 2025, and some say 2016. The route offers enormous savings from going through the Suez Canal or Panama Canal, or paying the transit fee to go over the Northern Sea Route.

The transit across the Arctic Ocean by China's conventional icebreaker last summer was likely a harbinger of what is to come: icebreakers creating a path for a convoy of bulk carriers. Whether this takes place 10, 20, or 30 years from now, I believe now is the time to consider how this traffic should be monitored and controlled to protect the environment.

We also tend to forget the route from Churchill, Manitoba to Murmansk, used by grain carriers to take wheat from the Prairies to Russia. Recently, port authority officials announced that next year, ice-reinforced ships would be transporting grain and possibly oil to China. Which will be their favourite route? We don't know yet.

In 2011, 34 ships sailed along the Northern Sea Route. Most were large tankers, bulk carriers, and even research vessels. Foreign ships using the route were from Norway, China, Germany, and even Dubai. These service the numerous resource industries along the Siberian coast, and there are many.

Russia has its own fleet of local cargo ships. They had a fleet of 135 in 2010, and 17 allegedly were added in 2011. I'm sorry, but trying to get accurate figures out of Russia is mission impossible.

That brings me to another concern, about the preparedness of Canada for this new industrialization and the lack of deep sea ports for emergency repairs or refuelling. The proposed port at Nanisivik has now been downgraded to little more than a gas station, according to Rob Huebert.

Nonetheless, the traffic through the Northwest Passage has increased, but these vessels are much different from what's going through the Northern Sea Route. According to the latest figures from NORDREG, the majority are sailboats, mega-yachts, or other small craft. They actually list them as adventurers. Last year they accounted for 20 of the 30 vessels that made the full transit of the Northwest Passage. They came from Sweden, Italy, France, the U. K., Finland, the Netherlands, Australia, New Zealand, Russia, and Canada. Most fail to report to NORDREG, and some rarely clear customs. Some, such as the *Fortrus* last summer, do not comply with Canadian laws.

Despite that, my focus is on the destination traffic, which will increase more rapidly as a result of the numerous mining projects scheduled to come on stream, and they are numerous. Most of the projects are very large, such as the Mary River ore mine. Owned by ArcelorMittal, the giant international steel company based in Luxembourg, that mine will cover approximately 17,000 hectares and will cost over $4 billion. It includes a 150 kilometre railway to a new port established in Steensby Inlet. With full production, and this is where it's important to me, the company expects to provide year-round shipping with ice-reinforced cargo ships to allow for 240 transits a year, which is almost equal to what the destination traffic was this year.

● (0900)

Fishing vessels also saw a major increase. So far, NORDREG, which is operated by the Canadian Coast Guard, has done an excellent job in monitoring ship traffic. The only weakness in the system is Canada's ability, and dare I say inability, to apprehend those that are non-compliant. Although the 2012 budget included $5.2 billion for the cost of new coast guard ships and helicopters, as well as for maintenance and upgrades, this will be spread over 11 years.

While it was not clear where these ships and helicopters will be deployed, Canada's Minister of National Defence, the Honourable Peter MacKay, indicated in an interview with CBC's Peter Mansbridge that the government is seriously considering arming the new vessels, a move that I believe is essential.

Meanwhile, discoveries are ongoing. Of course, the basic and most contentious item at the moment is the offshore drilling. If they're successful, Shell could provide a model for us in the future, but in the meantime, their shipping is increasing dramatically because of this. Shell alone had 24 ships last summer in the Beaufort and Chukchi seas.

As a final remark, so far with the Arctic Council, there's excellent cooperation between the Arctic countries, even joint military exercises. There is the UN law of the sea, which provides the means for peaceful resolution of seabed mining rights.

What about the Arctic Council and the role we can play as chair? Initially its success can be attributed to its share of protecting the environment. More recently, common interests have resulted in facilitating cooperation, such as on search and rescue and project cleanup. By assuming the chair in 2013, Canada has the opportunity to show leadership. To be effective, I believe it should be directed towards encouraging cooperation and action on common goals and not as a means of asserting our own values with culturally and economically diverse countries.

I'm going to close with a reminder that Arctic sovereignty is more than just a legal right; it also involves responsibility for the people and the environment and the safety of ships. The question lingers among scholars as to whether the Government of Canada is prepared to make the necessary investment in the Arctic to protect our sovereign rights, and will they have public support to do so. With southern Canadians so focused on the economy and events in the Middle East, the greatest threat to our Arctic sovereignty, even defective sovereignty, loss of authority in the Arctic waters, may be public apathy.

Thank you.

The Chair: Thank you, Ms. Grant.

For the members, we've talked to Ms. Grant about sending a copy electronically. It will get translated and then we'll send it out to your offices. We'll take care of those slides for you.

Thank you very much.

Ms. French, the floor is yours, for 10 minutes.

Mrs. Sara French (Program Director, Munk-Gordon Arctic Security Program, Walter and Duncan Gordon Foundation): Good morning, honourable members.

Thank you for the opportunity to share with you the work of the Munk-Gordon Arctic Security Program, which I believe you will find helpful as this committee contemplates the future of Canada's Arctic foreign policy, and particularly its two-year chairmanship of the Arctic Council.

● (0905)

[*Translation*]

Today I will be making my opening remarks in English only. Please accept my apologies.

[*English*]

A partnership between the Canada Centre for Global Security Studies at the Munk School of Global Affairs, the University of Toronto and the Walter and Duncan Gordon Foundation, the Arctic Security Program undertakes original research and hosts interactive gatherings to achieve its vision of peacefully resolved disputes in the Arctic, global environmental security that supports a healthy Arctic environment, and an Arctic foreign policy that centres on the needs of those who live there.

With the upcoming chairmanship of the Arctic Council, Canada has a real opportunity to demonstrate its ability to be a leader in the Arctic region. This is not an unfamiliar role. The genesis of the Arctic Council is largely found here in Canada. It was Canadians who built upon the Finnish initiative of the Arctic environmental protection strategy to push for a more permanent intergovernmental forum to facilitate cooperation among the eight Arctic states previously separated by the cold war boundaries.

Indeed, the council can be viewed as an accomplishment of multi-party cooperation, as the idea was generated under the Mulroney government. The Ottawa declaration, which brought the council to life in 1996, concluded under the Chrétien administration.

The Walter and Duncan Gordon Foundation is proud of the role it played in supporting civil society to think and dream about a council that facilitates circumpolar cooperation where indigenous peoples' voices are heard directly in the deliberations.

To mark the first full rotation of chairs and to help prepare for the upcoming chairmanship, the Munk-Gordon Arctic Security Program partnered with Finland's University of Lapland to convene a process to look back at what the Arctic Council has accomplished to date and where it should be heading in the future, as well as what Canada should prioritize during its upcoming chairmanship.

In January 2012 we hosted a conference titled, “The Arctic Council: Its Place in the Future of Arctic Governance”, where these issues were discussed. “Canada as an Arctic Power: Preparing for the Canadian Chairmanship of the Arctic Council” flowed from the proceedings of that conference. There was great optimism among participants that the chairmanship presented an opportunity for Canada to demonstrate its Arctic prowess and solidify its role as an Arctic leader, which was so ably shown during the creation of the council.

“Canada as an Arctic Power”, and I have copies if members are interested, serves to highlight major debates about the Arctic Council's future, but also offers 19 recommendations for consideration as priorities. Members will notice that these recommendations take into consideration three things: what the Arctic Council, as an organization, needs to do to prepare for the future; specific initiatives that can be championed during the two-year chairmanship; and actions that Canada should be taking domestically to support the work of the council.

While all 19 recommendations are worthy of the members' careful consideration, I would like to draw particular attention to three recommendations.

One refers to the permanent participants. As members are aware, the Arctic Council is unique among international bodies as it creates a permanent role for indigenous peoples to be represented in its proceedings. The idea that this body incorporates permanent participants again finds its origins here in Canada. This accomplishment should be celebrated.

However, the effectiveness of these organizations to contribute to the Council and to amplify the voices of those who live in the north is often challenged by a lack of resources. Permanent participants often have only one full-time staff member who is responsible for all of the organization's activities, including participating in meetings, reviewing reports, consulting with their communities, accounting, fundraising, and even travel logistics. As a result, they are not, in many cases, able to participate as fully as they would like in the council's proceedings.

While the Arctic Council is innovative in recognizing a seat at the table for these organizations, it is important that permanent participants have the resources to fully engage. Therefore, I would like to draw members' attention to the first recommendation, that Canada propose a new funding mechanism to enable permanent participants to fully participate in all the working groups of the Arctic Council. Since “Canada as an Arctic Power” was released, the need to support permanent participants has only become more pressing.

As members are likely aware, the Russian Association of Indigenous Peoples of the North, known as RAIPON, which is the permanent participant organization representing the 250,000 indigenous persons of the Russian north, Siberia, and the Far East, has been suspended from further activities by the Russian Federation's ministry of justice. Canada and the governments of all Arctic states, and surprisingly the Russian senior Arctic official, His Excellency Anton Vasiliev, have declared concern over this suspension. It is important that Canada continue to raise its concern with its Russian counterparts.

Second is communications and outreach. The second recommendation I would like to emphasize is the need to raise awareness about the Arctic Council's goals and programs, both to audiences in the Arctic region and to the wider world. In January 2011, the Munk-Gordon Arctic Security Program released “Rethinking the Top of the World”, a public opinion survey that sought to better understand public opinion of Arctic issues. When we asked respondents if they had ever heard of the council, only one-third of northern Canadians, those residing in the three territories, and 15% of southern Canadians, those residing in the provinces, could respond clearly that they had. While these numbers seem stark, they are somewhat more favourable than those of our Arctic neighbours, where only 2% of American respondents indicated they had clearly heard of the Arctic Council. What is positive is that when respondents were given a brief description about the council, they were favourable towards its stated goals.

While the permanent secretariat established in Tromsø and the Swedish chairmanship have made great strides in improving communications and outreach, our public opinion data indicates that more can be done. Plain language summaries of the findings of the council's impressive studies are essential to ensure that they are accessible to all those who are interested. A particular emphasis needs to be placed on two-way communication with northerners about the council's undertaking.

The Munk-Gordon Arctic Security Program will do its part to raise Canadians' awareness about the council by publishing a book on the history of the Arctic Council, written by notable historian, John English. It's set to be released in the spring of 2013.

The third recommendation to which I would like to draw your attention centres on proactive cooperation and the exploration of joint initiatives with our American neighbours, who will take the chair in 2015, following Canada. Two years is a short time in international relations. The positive benefits of collaboration among chairs has been demonstrated by the troika approach of the last three chairs, Norway, Denmark, and Sweden. There is much agreement in non-governmental circles on what Canada and the U.S. can do together to advance the goals of the Arctic Council. Worth particular note is that the Institute of the North, based in Alaska, agrees with our recommendations that Canada and the United States should cooperate on the effective implementation of the agreement on aeronautical and maritime search and rescue, the search and rescue agreement, the first binding agreement negotiated under the auspices of the Arctic Council.

To further public debate about Arctic issues, the Munk-Gordon Arctic Security Program will be hosting its third annual conference, entitled “Arctic Peoples and Security”, to explore different ways of conceptualizing and understanding security in the Arctic in order to develop and implement sounder, more productive, and more inclusive public policies in the north. We hope you'll join us for this event in Toronto to learn more.

With less than six months to go until Sweden hands over the chair to Canada, it is timely that this committee is exploring this issue today. The Munk-Gordon Arctic Security Program believes that this chairmanship is a real opportunity for Canada to show its Arctic leadership. I would encourage members to support the permanent participants, improve public awareness about the Arctic Council, and work collaboratively with our American partners. By considering these priorities, Canada has the opportunity to make a profound impact on the international stage and position itself as an Arctic power.

I look forward to the discussion to follow.

● (0910)

The Chair: Thank you very much, Ms. French.

We'll now turn it over to Mr. Breukelman.

Sir, you have 10 minutes.

Mr. David Breukelman (Lead Director, President, Business Arts Inc, Gedex Inc.): Mr. Chairman, honoured members of the committee, thanks for your invitation to be here today to share my thoughts on the resource aspect of the Arctic sovereignty question.

I'm going to read sparsely from notes, but I am going to try to speak from my own passion. My family has built and founded some of the most interesting brands this country has been able to share around the world.

In the 1970s, we built a company called SCIEX, which deals with mass spectrometry. Forty years later, it remains the world leader in a $7 billion per year industry. It focuses on the environment and medicine and on being able to see issues in people and the environment that you just otherwise can't detect. SCIEX remains a tremendous success to this day.

In the 1970s, 1980s, and 1990s, we built a company called IMAX Corporation. IMAX is giant screen theatres, as I'm sure you know. It carried a Canadian passion around the world in being able to take people places they otherwise couldn't go and to share with them—although it has become a very commercialized operation—educational opportunities and visions of the Arctic, Antarctic, Ontario, and Canada that they otherwise would never be able to see. That was a technological innovation in visualization.

We built a small piece of what became BCE Emergis. We had a passion for communication in this country. Although we can't really say we knew what we were doing at the time, it was the birth of the Internet. What we built became part of the backbone for the communication line that Canada has in place today. We assisted in the governance of a Canadian company that sat at the diagnostic heart of most CT and MRI machines.

I'm not trying to impress you with my CV. I'm trying to say that we build technologies that work, that become globally adopted, and that are all about visualization.

For my family, one of the driving factors has always been and remains a passionate need to give back to Canada something that was given to our family. This is the greatest place to live on this earth. We've always tried to construct within our companies a social construct, a social partnership. My father used to tell me it's more important to create a job than to earn the bottom line. We have created 20,000 jobs over the years.

We are very proud to see the country benefit from the fruits of our activities. We have delivered transforming solutions in the fields of environment, culture, medicine, communications, entertainment, and others, always with a uniquely Canadian brand and style. Even though these companies move into the hands of other owners, Americans largely, we put in place whatever we can to make sure that for the longest period of time their operations and headquarters remain in this country.

Each and every one of these companies is about seeing what otherwise can't be seen, or visualizing what otherwise can't be visualized.

I'm personally passionate about the Arctic sovereignty issue and about the Arctic in general. Let me try to give you a bit of a foundation.

My great-grandfather was Bishop Rix. He was bishop of New Caledonia, stationed in Prince Rupert. I know it's not quite the Arctic, but it's pretty damn close. He instilled in my family over the decades a passion for everything about northern Canada that exists today. I can still recall the cathartic event as a boy when I learned that the United States had sent their submarines into what we believed were Canadian waters without permission, and thus challenged—I didn't know what to call it—our Arctic sovereignty. I've never forgotten the sense of surprise, helplessness, and frustration that incident left imprinted on me. Although it sort of stews at the back of the mind, it always comes to the forefront as a childhood impression.

I recognize that this debate has evolved into something more than simply lines on a map. At its core, this is about the reach of Canadian jurisdiction and economic opportunity. At its core, it's a race. It's no longer entirely about defence or monitoring, although it's important. It's about claiming our birthright, about claiming the growth that our birthright can bring to this nation.

● (0915)

I'm very proud of the foresight the Canadian government has had since 1841 when it first put £1,500 aside for the geological exploration of Upper Canada. Ever since then, one of the foundation strengths of this country has been its ability to peer forward 50 or 100 years and ask how we are going to unleash the potential of this country well into the future.

The establishment of the geosurvey and its work in the thirties, forties, and fifties was phenomenal in laying a foundation for economic stability and growth that makes us one of the strongest and most admired economies in the world today.

Technology evolves, as do social imperatives. Today we find ourselves facing a more difficult exploration challenge as the targets become deeper and more complex. At the same time, we find ourselves alerted to an increasingly important set of environmental issues that are so key to our future.

That is the preamble. Let me tell you the advertisement about Gedex. For the past 14 years, we have been building our opus, which is a company called Gedex, which is transformational to the world of discovery in resources and in security and defence. Gedex is a technology developed and built in Canada by Canadians that can, in a way never possible before, overfly terrain and understand what is under the ground, from a resource perspective, down to 10 miles. It is essentially the achievement of our family's goal to turn the top 10 miles of the Earth's crust into glass for discovery purposes.

I want to make a couple of things clear. It's very easy for people to come in and say they have achieved a goal or that they have a technology that can do *x, y* , or *z*. I ask you to think about our past performance and what we've successfully delivered before and understand that is what we have been passionately quietly and carefully building for 14 years.

It is not just me who is saying that. We're partnered with some of the largest companies in the resource industry: Rio Tinto, De Beers, Anglo American, Cliffs Natural Resources. Every quarter we're adding more. Next will be one of the major oil companies.

We are also partnered, and appreciatively partnered, with the Canadian government. We made this case some months ago. We think it is incredibly important to do so because Gedex is about four things that are relevant to today's discussion: speed of discovery, economics of discovery, the environment, and creating an unfair advantage at the diplomatic table. The fourth is as important as any of the other three.

On speed of discovery, I recognize this is a bipartisan committee and everybody has a different perspective. Everybody has different objectives and ambitions, but it's important to hear what I'm saying in the sense that we've taken the time to try to cover all of those aspects from a very Canadian perspective.

On the speed of discovery, we seamlessly integrate with existing technologies. That means we are hunting for elephants in elephant country. The geosurvey and current technologies have identified macro areas and said there is probably something here, and that's fantastic, but it's like looking for one glass of water in something the size of this room in the dark. It will take a long time to actually vector in on what you are trying to find. What does Gedex do?

● (0920)

Gedex allows for an immediate vectoring, which has a massive economic impact on Canada, on Canadians, and on the Arctic. It immediately allows us to say, “Don't drill. Don't look here, here, and here.” The savings in saying that are enormous. We'll come to the environmental savings as well later. It also zeroes in. The traditional number is one out of about 300 drill targets proves successful. Maybe we're one out of ten or one out of three, but it's a phenomenal improvement, which frees up capital in Canada to focus on other more productive things. We rapidly cover vast areas of terrain, and the vectoring is of significant value.

Regarding the economics of discovery, because we help find things faster with more certainty, there's a tightened time to exploration and to exploitation, and that means job and tax base creation. That's a gift to the Conservatives in the room: jobs and tax base.

There are fewer wasted dollars and almost critically an opportunity to dramatically enhance the pre-tax royalty base on any project. Let me touch on that. Governments are terrific. They understand they have an asset they are entrusted with, and they exploit that opportunity by taking royalties and taxes from what's extracted. That's terrific. To be able to identify more specifically where the opportunity lies means they can extract a higher royalty base from commercial operations that are going in to extract those opportunities. That has to happen.

In regard to the environment, these are non-intrusive flights. There are no seismic activities. There are fewer wasted drill holes and less disruption on the environment, both physically and in terms of supply chain. The ability to say an area is barren of resources is incredibly important.

You create national parks on a regular basis, and I think that's great. It's part of a blue-green strategy that lies at the heart of this country. At the same time, wouldn't it be great to know that the park you're creating has nothing of significant resource value under it? Why don't we work together to figure that out?

In terms of unfair advantage, if you're going into a diplomatic negotiation and you actually know or have a pretty good sense as to where something exists and where other things don't, you have an unfair advantage at that table. We'd like to find a way to partner with the government to create that unfair advantage at the diplomatic table and make sure Canada is defending what's worth fighting for diplomatically.

Gedex stands ready to serve this country by a far-reaching and foresightful partnership that can have positive ramifications for the next century and beyond. Gedex is almost perfectly constructed to become a critical tool in the Arctic discovery and development program, and if managed properly, at the diplomatic level as well.

We view sovereignty mapping as our core business. We're in constant negotiation with countries around the world to discuss the value of sovereignty mapping, and we hope this will become part of the discussion. We can assist and partner with the Canadian people in realizing, protecting, and exploiting their birthright.

● (0925)

The Chair: Thank you very much, Mr. Breukelman.

We're going to start with the opposition. Mr. Dewar, for seven minutes, please.

Mr. Paul Dewar (Ottawa Centre, NDP): Thank you, Chair, and thank you to our guests. It's really interesting, the different perspectives you have given us today, and the opportunities for us to dig into some of your expertise and come out with some solid ideas to help us chart the course for the next couple of years when we are the chair of the Arctic Council, which, by the way, is what we're trying to do here.

I've said this before, and many others around this table have said that this is an opportunity for us to work in a multi-partisan way, if we can put it that way, in the best interests of the country. This is an opportunity to do just that.

Ms. Grant, I want to start with you because right now, as we speak, the international conference on climate change is taking place. There are reports that should shock everyone around this table, such as the recent reports of the melting of Arctic sea ice. Just to give people an idea of the size of the area, it's larger than the entire United States. This is beyond what they had predicted. It's happening as we speak, and I'm not sure we're all seized with it.

We heard from witnesses at the last meeting about the issue of methane. You mentioned it as well. I know you're not a climate scientist. I hope we'll have witnesses in that area come to our committee. Maybe you could give us an appreciation of how important it is to be seized with the issue of the changing climate, and what particular areas we should be focused on when it comes to that. Obviously, mitigation has kind of left the barn. It's about adaptation, and you said stabilization.

Could you give us a bit more on that?

Mrs. Shelagh Grant: Thank you very much, Mr. Dewar.

Stabilization means holding it at the status quo or slowing it down. What is happening is that the acceleration part has gotten ahead of our being able to fund what is necessary to match what is happening. The recession did not help. I predicted that in the book, and sure enough.... But where do we find the sources of funding for adequate stabilization?

Methane is now leaking out of the seabed. I don't know whether this came up in the meeting, but oil slicks were discovered off Scott Inlet on eastern Baffin Island. They thought they were maybe left over from the drilling in Greenland several years ago, but no, evidently they are coming from a crack in the seabed. Further studies will be done next summer. You may know this.

The fact is that it's just adding to the methane, but it's also the methane. When I was up there, there were all these rivulets heading to the ocean. I found oil slicks on some of them. In other words, the methane is associated with oil seepage. They believe that the oil seepage, as well as the methane, is coming from the seabed.

This is something we haven't figured out how to deal with. In the whole article there was not one mention of cleaning up that oil slick, which I found a little unnerving.

● (0930)

Mr. Paul Dewar: I imagine that if that had happened in the south, as people like to call it, it would have been dealt with quickly.

Ms. French, I first of all want to thank you.

I just want to touch on what your organization is involved with. What you've touched on is the importance of debate and the need to open up a space. Maybe you could partner with Mr. Breukelman and have an IMAX presentation. That might be a great idea.

Realistically, how are we going to grab the attention of Canadians? We know that often, here in the south, as people like to call it, it's really hard to get our heads around why this matters and why we should care. You enumerated a number of things. You have 19 recommendations. If you were to give the top five that would seize the interest of Canadians so that we could push to get an agenda solidified, what would they be, and how would we get that? You're doing the conference. What are some of the other ideas for engaging Canadians?

Mrs. Sara French: This question of public education on Arctic issues is huge. It's something our organization deals with every day. One of our main priorities is to improve Canadians' understanding of the Arctic.

The situation is a little more positive. Based on our public opinion data, we found that Canadians really do see the Arctic as an integral part of the Canadian politic. We wanted to see if there was a strong difference between how people in the north and in the more southern latitudes viewed the priorities facing their country and their region. What we found was that Canadians, by and large, want for their more northern fellow Canadians what they want for themselves, which is good access to health care and education. The levels of affinity toward the Arctic are very high. Now is the time to put in place the curriculum and the public education about what's going on to match that interest.

The interest is keen. At a cocktail party, when people ask what you do, and you say, “Arctic policy”, they say, “Wow!” Then they hone in on you for the rest of the evening. It's taking that interest, that affinity toward the true north strong and free, and putting in the backup information.

Mr. Paul Dewar: You mentioned one of the opportunities, which is the conference. If there are other engagement strategies, can you provide those to this committee? Our recommendations are going to be very focused on what we should be doing at the Arctic Council while, in so doing, engaging with Canadians.

I'm going to stop there. The next round will go to my colleague, Mr. Bevington.

The Chair: Thank you very much.

We'll now go over to Mr. Dechert, for seven minutes.

Mr. Bob Dechert (Mississauga—Erindale, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for being here. I think you've each made fascinating presentations this morning.

I want to follow up briefly on the subject Mr. Dewar was speaking about. All of you mentioned the necessity of educating people in southern Canada and other places in the world about all the issues in the Arctic region.

I can tell you, as a member of Parliament from southern Ontario, I hear about Arctic issues all the time from my constituents. They are interested. They may not have all the facts, but they are interested. They ask all the time about our Arctic policy. They're happy to see that the Canadian government is engaged in the north, that the Prime Minister makes regular visits there, and that we're concentrating resources on the north. I hear from them frequently on how they want to see that the people of the north are taken care of, are given the opportunities that emanate from the region, that they share in those opportunities. They want to see those communities developed in a sustainable way. They want us to protect the environment there. They also want us to responsibly develop the resources there, which they see as part of their birthright as Canadians.

Mr. Breukelman, as Mr. Dewar pointed out, you have the background in telling people about what they can't easily see. Ms. Grant and Ms. French, you've mentioned the need to educate people. How can all of you collaborate to educate Canadians about the things they need to know about the north?

One suggestion I've heard is that there are people proposing a museum of the Arctic, located probably in the national capital region. That's one way to reach a certain number of people. Making an IMAX film about the north would be another way of telling the story.

Mr. Breukelman, I can tell you that before I ever had a chance to visit northern Ontario, I learned about it through *North of Superior*, the IMAX movie at Ontario Place. I thought that was a fabulous movie. As a young person growing up in Ontario, I was able to see and really feel and experience being in the wonderful spaces in northern Ontario. I assume the same thing can be done with the Arctic.

I'll throw that out there as a question. I would like to hear from each of you on we could educate people better.

● (0935)

Mr. David Breukelman: There is something I always mention to Americans, and Canadians, in describing the north. Most people form southern Ontario, when you talk about northern Canada, they think of Muskoka and they feel very happy. There used to be a sign as you pass through Bracebridge that you are halfway between the equator and the north pole. Think of all the stuff from Brazil all the way up to Bracebridge. That again exists north of Bracebridge. Then people become disturbed and don't want to talk to me at that point. They become aware. It's a very enlightening thing.

When I was young, the education process included a very deep dive into what the Arctic was, what its history was, and what it meant to Canada. As my children went through the education system, I saw less of that focus and more of a breadth on globalization.

I believe that we're Canadians first. Groups like yours have a real role, not only in recommending policy, but also in defining everything from curriculum to communications, because nobody knows the Arctic better than these groups and these people.

Mrs. Shelagh Grant: Actually, I'd like to pick up on your comment on the polar house. The irony is that I was part of a committee, I think it was 25 years ago, when we first brought it up. That issue has come back and back. We are the only Arctic country that does not have a polar centre or a polar house that would have a museum and resources associated. I couldn't encourage that issue more.

Having that come forward at the same time as we're chairing the Arctic Council I think would have a dual impact. I would support that, yes. Wherever I go, they talk about the Arctic. What they don't know about it is scary. There's too much newspaper misinformation.

Mr. Bob Dechert: Ms. French.

Mrs. Sara French: I would have to agree with what both my colleagues have stated.

One thing that I would like to emphasize to the committee is that it's not just about communicating and having Canadians learn about the Arctic. It's also about making sure that those who live and work every day in the Arctic are aware of the important and national processes that are going on. When you look at the work coming out of the Arctic Council, it's often fabulous scientific assessments, but my degree is in political science. I have a master's degree and I can't get through some of these thick volumes, so you can only imagine people sitting in a hamlet office who are trying to digest these huge processes.

I think one thing Canada can easily do is commit to making plain language summaries of the work coming out of the chairmanship so that people can follow along with the work the council is doing.

Another barrier to Canadians knowing about the north is coming into contact with their fellow Canadians. The cost of air travel is a major impediment. That is the number one expense that I find in our business, trying to have northern Canadians engage directly in these discussions themselves. The cost of travel is a huge impediment to that.

The Chair: Mr. Eyking, sir, I'll turn the floor over to you for seven minutes.

Hon. Mark Eyking (Sydney—Victoria, Lib.): Thank you, Chair. Welcome, guests, and thank you for your presentations. I have a question for each one of you, so I have to divvy up the seven minutes.

Starting with you, Sara, you mentioned the indigenous peoples quite a bit. You mentioned what's happening in Russia. Could you explain a bit more to us? How can we help those Russian indigenous peoples get back in the loop with our own first nations people? Is there a way we can help them? Why is it happening and how can we get them back at the table?

● (0940)

Mrs. Sara French: RAIPON represents 250,000 indigenous peoples in over 21 different types of what we would call first nations groups. It is a permanent participant in the Arctic Council, but it is also involved with several other international organizations, and domestically. It is not just a permanent participant, it does many other activities as well.

RAIPON is opposed to some extractive industries operating in its territories and has differing views from those of the Russian government. According to the representative of RAIPON, this is a major reason for the suspension. Overall, the Russian permanent participants find it difficult to engage in the Arctic Council's work due to the lack of funding, and there are restrictions on their receiving money because of the recent changes to the NGO laws in Russia. What's interesting about this particular case is that the Russian senior Arctic official who represents the Russian Federation at the Arctic Council signed the letter saying that the suspension should be lifted. There is some internal work going on there between the different ministries not seeing this issue in the same way.

I think Canada needs to keep the focus on this issue.The suspension is very recent and it needs to be constantly brought up with our Russian counterparts to facilitate their involvement. In the meantime, one thing we need to understand is that many of the permanent participant organizations represent people in more than one state. For example, the Inuit Circumpolar Council, ICC, represents Inuit in Greenland, Alaska, Canada, and Russia. The Russian counterparts find it difficult to engage in the meetings as well.

There is a huge funding gap that limits the ability of these groups to be involved. I think that's something we need to look at as a council as a whole. Canada should really focus on a permanent funding mechanism for these groups.

Hon. Mark Eyking: That's number one, and that leads me to questions, which is good, because my sense is the Russians are running a little roughshod over their local people, their indigenous peoples, and they're pushing back a bit.

That leads me to the question for you, David. You're a very big fan of technology and you have done wonderful things for our country and others, but sometimes technology can move too fast, right? We've seen that over the last few centuries with big mining operations in communities, and next thing, there's a ghost town with a polluted area. I just visited northern Alberta, which is doing really great but they're trying to contain it all. They're trying to have the technology so they can be environmentally sensitive with the economic boom. Northern Alberta is doing great, and the Arctic is going to be our next frontier.

That being said, is there a bit of a danger when that technology is moving so fast that the local culture, the local people...agreements don't move fast enough, with the pace of technology? Is that a concern of yours?

Mr. David Breukelman: That's a very reasonable observation, and it is a concern. The complexity of our thinking when we build a company, especially this one, includes trying to understand the impact we can have, positive or negative, not just on a nation or a company, but on a community as well.

I think the ability to understand where resources actually lie, and to quantify to some degree those resources before exploration moves into exploitation can allow government, which is what you need, to extract the maximum economic value from that find before and during its exploitation. Government is the only mechanism really positioned to reapply that into the community in question.

I think you're absolutely right that oftentimes there's a find that isn't substantiated in terms of its scope and breadth. There's an entire infrastructure built around it, and it goes dry within a certain period of time, and you do end up with a ghost town and an unstructured mess. Gedex is—

● (0945)

Hon. Mark Eyking: I like where you're going with this, that your technology can help government be proactive instead of reactive.

Mr. David Breukelman: That's exactly it.

Hon. Mark Eyking: Do I have much more time, chair?

The Chair: You have two minutes.

Mr. David Breukelman: We're in a very early stage of discussion with the U.K. government about the Falklands and some of the implications of actually understanding where things are as opposed to blindly defending what may not be useful.

Hon. Mark Eyking: My last question is for you, Ms. Grant.

You talked about how, when we become chair of this council, we definitely shouldn't use it as a soapbox for self-promotion, that we go there looking for common goals. Going back to what we're talking about here, I think it's important that we show leadership of what we're doing in our country. Hopefully, we are leading in how we're dealing with an environment, how we're dealing with our first nations people, and whatever, and we bring that to the table.

Is that what you see? How do you see it happening, when you say that instead of being self-promoters, we need to have this common goal approach?

The Chair: Ms. Grant, we have about 30 seconds left, but I'm going to let you answer the question as quickly as you can.

Mrs. Shelagh Grant: Thank you.

Yes, it's leadership. If you look at a chair, leadership is bringing people together on a common goal. If you're going to introduce something that should be changed, you don't do it by challenging them. You do it by example. We have some work to do on the environment. We should talk about what we're really good at. The technology that NORDREG has is superb.

We do need backup of ships, and we're far behind in that. We're far behind in terms of devolution of powers, for example, within Nunavut, compared to Greenland. We just have to be careful what we promote, but I think we can promote passion and caring, and we're a tolerant people.

The Chair: Thank you, Ms. Grant.

We're going to move to our second round, which will be five minutes of questions and answers.

We'll start with you, Ms. Brown.

Ms. Lois Brown (Newmarket—Aurora, CPC): Thank you very much, Mr. Chair.

I'd like to say to the witnesses, first of all, thank you so much for giving us a full two hours of your time. Sometimes we get such a short opportunity for questions that we're just starting to explore something, but we don't really get to the end. Thank you so much.

Ms. Grant, you talked about the infrastructure that many of the other northern cities have developed over decades, maybe even over centuries, because people have existed in these communities for many years. You talked about the lack of resources or the lack of infrastructure in Canada, and that there hasn't been a focus for a long time.

Right now you compliment the government for the money we're putting in the budget. We have a lot to do to catch up. I have downloaded from the Canadian government website Canada's northern strategy, our presence, our stewardship, our development, all of those things that we need to do.

You talked about schools being established and there being teachers colleges in some of these northern communities. I thank you for identifying that.

My question is for Mr. Breukelman.

You're looking at creating job opportunities in the north. What kind of, and I will use the word “drag”, because sometimes these things happen as a drag into the area from social infrastructure that needs to come. What's going to happen with this infrastructure as you see these jobs being created?

Ms. Grant, perhaps you could comment as well about what would be necessary to fulfill the social responsibilities that need to happen in the north.

Could both of you speak to that?

Mrs. Shelagh Grant: The retraining program is getting the current employment opportunities for the current age group. Starting at the bottom, we're doing catch-up on retraining. There were complaints within various communities that wanted to work out of Rankin and Baker that there wasn't enough. They couldn't get in to get the jobs at the mines.

The government did come with some money, but we know that between getting the money and getting the retraining, there's always a lag involved. You mentioned the word “catch-up”. Whether it's dock facilities, roads, updated heating and lighting in communities, we are at total catch-up.

When doing the presentation I was a little confused as to where were foreign affairs and domestic affairs. Yes, a northern policy does touch on the stewardship and the responsibility on that.

Yes, there is retraining, but if there could be more of the private sector coming in to do that retraining, it would be really helpful.

● (0950)

Ms. Lois Brown: Mr. Breukelman, do supply and demand work hand in hand? Could you speak to that?

Mr. David Breukelman: From my perspective, infrastructure is really what you're talking about. Traditionally, globally, infrastructure in most countries has occurred as the result of an opportunity to exploit a resource or something. Infrastructure grows up around that exploitation. In fact, if government or corporations or rational people had perfect information on where the hubs of infrastructure should lie or could lie, they would plan it more effectively. It would be permanent by definition and wouldn't be dependent upon one single source of value.

For example, the Ring of Fire is being explored with great gusto right now in northern Ontario. It's a terrific opportunity. Government will face an interesting question at some point, which is if there's a huge find at one part, at Eagle's Nest for example, but there's a critical mass of large finds 100 miles away, where will the infrastructure go? Will it go to both? Will it go to a central hub where both can be serviced? If that information was available, the government would be able to make a rational and economic choice, and a choice that would result in some form of permanency. That's what Gedex is all about, allowing government to have the tools to make those choices.

I believe that whether you're looking at providing funds to increase the infrastructure of ports, of resource centres, or of communities, there has to be a permanence and a growth opportunity within those locations or you are just creating these temporary spikes of growth.

On a related note, I also think that one of the issues that Canadians face is that although we all know the Arctic is there, and we all have a grasp of how important it is and how vast it is, there is a massive misunderstanding about the livability in the north.

I think as infrastructure grows, as cities grow, as locations grow and as climate changes, it's just as important to educate people, that is, Canadians across the country, that these are liveable environments. It's not a barren wasteland. There are families growing in these places. That creates a new sense of frontier, which Canada was built upon.

The Chair: Thank you very much. We're slightly over time. We're going to turn it back over to Mr. Bevington for five minutes.

Mr. Dennis Bevington (Western Arctic, NDP): I just have a comment on Mr. Breukelman's testimony. He's right. If we'd known there were four active diamond mines in the Slave geological province, we would have run a transmission line for hydroelectric power in there and we would have saved billions of dollars.

Information is extremely valuable. Public information is extremely valuable as well, because a government would have had to make that choice. It wouldn't have been made by the free market. That requires industrial planning, which I haven't seen a whit of in the years of my work in public government.

Mrs. Grant, I had the opportunity to see the presentation that was made by one of your students here in Ottawa a few months ago. You did some very interesting work on ice in the polar ice cap and tying it to what happened with the Chinese icebreaker.

Your thesis was that it's going to be the route for shipping and to consider that the Northwest Passage is going to be really any kind of a shipping magnet would be going in the wrong direction. We need to recalibrate our thinking about that.

Is that still your view?

● (0955)

Mrs. Shelagh Grant: Yes, it is. I'll qualify that because development of the resources in the Arctic is going to affect the partial transits of the Northwest Passage. As a through route, the transpolar is much faster and you don't get the temporary blockages of ice. The icebreaker that went through in the summer was a conventional icebreaker, not a nuclear one, and it went straight across. It tried to get to the north pole and it was worried that it was running out of gas. It didn't quite get to the north pole but it came back and went between the north pole and Russia, well out of their internal waters. This is going to be both east and west, I think. I could be proven wrong. It will depend on—

Mr. Dennis Bevington: Isn't it correct that we should be looking closely at the composition of that polar ice cap?

Mrs. Shelagh Grant: Absolutely.

Mr. Dennis Bevington: This is essential for our decision-making. It's such a dynamic area right now that if we don't pay careful attention to it, we're not going to have the correct policies in place.

Mrs. Shelagh Grant: Correct.

I believe the IMO must get a mandatory polar code that will cover all waters, not just our internal waters. Secondary to that, we have to get fishing regulations. The number of large factory fishing ships in and out of our Arctic, that's a huge increase in destination traffic.

Mr. Dennis Bevington: About the Russians, the presentation made to us by Foreign Affairs at the beginning of this study said that we're going to be looking at economic development and sustainable communities. That's where the focus of our efforts on the Arctic is going to be.

How are the Russians going to take that? If we start pushing national issues at an international forum, is that going to make it even more difficult for RAIPON to be at the table? That's what the dispute is in Russia. Is that not correct?

Mrs. Sara French: The dispute between RAIPON and the Russian government is over the extraction of resources in RAIPON 's traditional territory. There's a great deal of diversity in the economic development of the Arctic. Russia receives about 60% of its GNP from its Arctic territories. Russia has a huge stake in seeing that continue. Russia has much more infrastructure and development, so this may be an area in which we have an opportunity for mutual learning.

The Chair: That's all the time we have.

We're going to move to the last question in the second round.

Mr. Van Kesteren.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you for being here. What a fascinating discussion we're having this morning. Like everybody else, I wish I had more time.

I'm going to concentrate my questions towards you, Mr. Breukelman.

I get pumped listening to you. When I hear about Canadian companies doing what your company is doing, it is absolutely fascinating. If we think about the history of this country, a generation or a century back, somebody, and I forget who, said that all that is worth discovering has been discovered. There was that arrogance of thought back in the 1800s.

You've just neatly painted out for us the picture of the north. This is incredible. This is a whole new world that is probably going to keep humankind busy for thousands of years, and we're just now getting the opportunity.

We talk about climate change, but there's also opportunity, isn't there, in the fact that we're being able to unlock these things through technologies like yours.

The Mining Association of Canada was in my office recently. They told me that they're going to need 110,000 employees in the next five years, and the spinoff factor from that is 6:1. What an opportunity this is for our first nations people. What an opportunity this is for the Inuit. I'm so pleased that the other organizations are focusing our attention on how we're to do this.

This is such a great opportunity for this nation and for the first nations people as well. You briefly touched on this, but could you talk to us about the jobs impact not only for those people but for us here in the southern part of the nation? Like Bob, I'm speaking specifically of southwestern Ontario, but of course, it would make for jobs right across this country.

Could you tell us about that?

Mr. David Breukelman: Canada is a resource-based economy, or there's a foundation of its being a resource-based economy. This has created a level of stability in our country that few other countries have the pleasure of enjoying. That, combined with our socio-economic approach to governance and life, has made this almost a perfect environment, regardless of what the papers tell us.

Whenever one discovers a massive opportunity for growth—a resource base, an oil base, water where water doesn't exist, and this is something else that Gedex does—one lays a foundation of stability, comfort, and certainty within that environment. This means that the people who are there have an opportunity to work, to grow families, to increase the value and the scope of the country, and to attract others who are willing to come up and be a part of that growth.

Canadians are great. When there's an opportunity calling, we rush to fill the void. We always have. It's how this country was built. It's a country that was built differently from the United States, where settlers moved first and the rule of law followed. In Canada, the rule of law went first and settlement followed. That has always made us a fundamentally different country, with a shared experience, from the United States. Rule of law is just the same as having the information that allows for an orderly movement and growth within an environment.

Now, the native and first nations communities represent an area of great interest to my family and me. I think we demonstrated this with our partners early in the days of IMAX, when we worked to bring their story in many films or parts of films to the world.

We also believe that Gedex benefits these nations tremendously. Let's come at it from two perspectives.

One is, where resources are found, jobs occur. Where secure and long-term jobs exist, growth, stability and scaling can occur.

The other is that we all appreciate and respect the history and the fundamental existence of the lands in the hands of the people who were here. It's also important to them to understand as clearly as they possibly can what exists on their own lands, because it allows them to plan the evolution of their social infrastructure.

● (1000)

If there's no oil deposit, if there's no resource deposit, if there's nothing there to exploit and grow, then at least they can plan the path forward for their community in a way that's consistent with that and not have to worry about if they move from point A to point B they're giving up an opportunity to exploit a massive resource.

I think the key is that information leads to certainty, and certainty leads to comfort and stability and growth.

I talked too long, right?

The Chair: You're cut off.

Voices: Oh, oh!

The Chair: Thank you, Mr. Van Kesteren.

We're going to start a third round now with Mr. Schellenberger.

Mr. Gary Schellenberger (Perth—Wellington, CPC): Thank you.

I must compliment all our witnesses this morning. It's been very enlightening to me, and I compliment all of you on your presentations.

Mr. Breukelman, your company is situated in southern Ontario, I think in Mississauga. It's great to see someone from southern Ontario creating jobs in the Arctic. I was quite intrigued by the new technology to find resources without affecting the fragile ecology in the area. It's been stated that we are in a catch-up situation. Would this not change that?

● (1005)

Mr. David Breukelman: Absolutely. Fourteen years ago when we founded the company, we had a vision that we knew wasn't technically possible at that time, but we tried to think ahead a decade as to what was the art of the possible and to have convergence bring the technology together. Really in terms of our ability to catch up on the resource discovery side and therefore on the economic and social growth side in the far north, we're talking about covering more terrain faster, with greater certainty, removing the economic cost of mistakes, removing the environmental cost of traditional exploration and exploitation approaches that end up with dry wells or dry drill holes. It's a fundamental shift that's come out of Canada.

Mississauga is where I grew up, so all of our companies were built in and around Mississauga. I wish I could say it was somewhere else. It was Cooksville, township of Toronto.

Mr. Gary Schellenberger: What do you believe are the prospects for resource development in the Arctic, and which resources seem most likely to be discovered?

Mr. David Breukelman: From my perspective, obviously diamonds are a significant opportunity. They grow in kimberlite and they're easy to find with our technology. It's like turning on a Christmas tree and identifying where the lights are. But diamonds aren't the most important resource we find. Obviously, water where water is required is incredibly important, here and especially in countries abroad. Canada's flag will fly over desert areas in North America and abroad, where we can change the lives of maybe hundreds of millions of people. Oil and gas are obviously critically valuable resources for us to be able to find and exploit. We all understand the desire of many people to move away from fossil fuels, but nonetheless oil, gas, and shale gas are all things that we find. The mineral deposits that are so critical to the future of the world as well are really something that we identify, anything with a mass pull is.

Mr. Gary Schellenberger: Ms. French, I was pleased to hear that you think some of the reports prepared for the Arctic Council are too complicated and should also be available in text that can be comprehended by people other than lawyers. Do you think we have any hope for more common language in this area?

Mrs. Sara French: I think we do. The Arctic Council is making strides towards improving its communications. At the process that convened in January, this was one thing on which everyone could agree. Northern communities are unaware, in large part, of what the council is doing, and their assessments aren't accessible to those who aren't scientists. That's a relatively easy thing to achieve, so I think it is possible. I think it requires a little more funding for communications.

Mr. Gary Schellenberger: It's about communicating with those people on the ground, the residents in that area. You can stop a lot of conflict if people understand exactly what's going on.

Mr. David Breukelman: May I offer a thought, for what it's worth. I couldn't agree more about the complexity of a 600-page report. I used to trade in derivatives. An eight-second conversation would turn into a 322-page document. It astonished me every time.

In business, when we look at business opportunities, we get full business plans that are 200 to 300 pages, but we always have a two-page summary that summarizes the entire thing. If any group like this could say that everything has to have at most a two-page summary at the front, it forces focus, and that would be a great thing.

Mr. Dennis Bevington: I had a 15-minute talk on CBC Radio the other morning about the Arctic Council and the inappropriate direction we may be taking with it. I think if you polled now in Iqaluit, you'd find there are a lot more people who understand what's going on with the Arctic Council. The issue is going to get bigger, and it's up to politicians in one respect to draw attention to it.

I've been in Parliament for seven years. There hasn't been one debate on the Arctic in the House of Commons, not one, zero. What we have here is a wilful denial on the part of the politicians that one of the most critical issues facing Canada and the world is what's happening to our Arctic.

Ms. Grant, you're familiar with the direction that ice melting is taking. You understand that most of the ice that's left is closer to Canada than to Russia. We've already felt the impacts on our weather system. U.S. scientists are saying that the jet stream is changing rapidly. What happens when the rest of the ice melts and we have open water up to the north pole from Canada? What's that going to do to our North American agricultural industries?

● (1010)

Mrs. Shelagh Grant: That's probably an hour's lecture. There is one image that shows that the warming in the Arctic is actually creating violent and uncharacteristic weather elsewhere. There is a chart, which you will eventually get, that shows that the warming in February last year in the Arctic coincided with the cold spell they had in Europe and Russia. Scientists are beginning to connect hurricane Sandy with the warming of the Atlantic water which changed the direction it would normally take. Everything is interconnected. As I say, the issues are more complex.

Again, to try to get Inuit to understand, you have to use very plain language because they perceive from observation, and in some cases we forget about that observation.

Mr. Dennis Bevington: The observation by many of my constituents of a funnel cloud at Inuvik this summer was a pretty clear indicator. I don't think anybody in Inuvik now doubts that the weather systems are changing. If you talk to people in Cambridge Bay they know. The grass in their yards grew so high they couldn't believe it. They had thunderstorms throughout the summer. They know and they understand. We don't have any question about understanding climate change.

What we need to do is identify to Canadians that these are going to be impacts that are going to be felt all over this country very quickly, and they're already starting to be felt. Certainly wilful denial is not going to work much longer.

Mrs. Shelagh Grant: I agree totally. The day of the oil and gas lobbyists, the naysayers, is over, I hope. We have to treat adaptation to what we've got, basically.

Mr. Dennis Bevington: Ms. French, are you familiar with the conference statement that came out of the Conference of Parliamentarians of the Arctic Region in Iceland?

Mrs. Sara French: Yes.

Mr. Dennis Bevington: You recognize that many of the goals you have there are outlined by the rest of the countries. Canada presented a briefing note at the time wherein most of those issues that were accepted by the other countries were being rejected by Canada.

How is that going to work?

Mrs. Sara French: I think that the challenge of the Arctic Council is to find those areas of convergence and collaboration. I think that one area that everyone agrees on, every process that I've seen coming out on thinking forward for both the Canadian and American chairs, is the effective implementation of the Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic, the first binding agreement negotiated under the auspices of the Arctic Council.

That agreement touches on many of the issues we've talked about today in terms of the infrastructure gaps that exist and the need to collaborate. The provisions of the agreement itself are not revolutionary in terms of cooperation, but it's how this thing is going to be implemented. That's one of those areas. There are many processes that are coming out on what should be prioritized and, across the board, that's seen in all of them.

The Chair: Thank you very much. That's all the time we have.

We'll move back to Ms. Grewal.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Thank you, Chair.

Ms. Grant, you have written extensively about both the history of states in the Arctic and the precursors to current attention. You've also said that the situation in the Arctic has the ability to change very quickly. What practice do you see that could push the Arctic relations in either a distinctly negative or positive direction?

● (1015)

Mrs. Shelagh Grant: That's a great question.

I'll try to answer succinctly. Resource opportunities and turning those resource opportunities into sustainable development for the people who are living there is going to be the basic challenge. It is something that we need to think of in the future as creating very stable Arctic communities. The Inuit, of course, will play a good part in that, and in the sub-Arctic, it will be the Athabaskan and Gwich'in peoples.

It is confusing when we have north and Arctic, because I often think of Arctic as Inuit homeland in Arctic Canada, but it blurs on the borders. We've always been a tolerant people, accepting that.

Yes, education is going to be a precursor to bringing them into the 21st century. They're coming, and I believe the Inuit have a very innate ability—I don't like to use the word “intelligence”—but because they have been brought up to observe for learning, they are much more conscientious of what's going on around them. We have to provide role models as well, in that sense.

Mrs. Nina Grewal: On one hand, Canadians are really getting excited about the economic opportunities in the north. The melting of the ice pack is making it more and more valuable out there. On the other hand, we have heard much testimony to say that it's not something to get really excited about and that the melting costs far outweigh the economic benefits.

How would you respond to this? How might Canada best manage or balance our commitments on the environmental front with our economic priorities?

Mr. Breukelman, could you please answer this question?

Mr. David Breukelman: Sure.

First of all, it's a great question. I think governments and people can only address what they're capable of addressing. I believe from a macro perspective it is very important to be concerned about and to try to figure out on a global scale how to address climate change overall.

From a Canadian perspective, the classic saying is that you play with the hand that's dealt to you. Given the opportunities that exist and the choice between addressing them and exploiting them or not addressing them and not exploiting them, in a careful, structured and managed way, one would always err on the creation of value and growth for the country. It's important, though, on a very personal level, from my family's perspective, to do so in an environmentally careful way, given the opportunity to do that.

No one thought about it 50 years ago. No one had the opportunity to address exploration in an environmentally friendly way, and why would one, back then? It wasn't part of the mindset. However, the world has changed, appropriately, so today, if we can take advantage of the same exploration or better discovery processes and do so in an environmentally friendly way, then do it, but do it in the best interests of our constituency, which is this country and the local people we are benefiting as well.

Does that help?

Mrs. Nina Grewal: Mr. Chair, have I more time?

The Chair: You have 30 seconds.

Mrs. Nina Grewal: That's fine.

The Chair: You recognize that sometimes it takes a long time to get a question out, right? You've been observing your colleagues.

Madam Péclet, for five minutes, please.

[*Translation*]

Ms. Ève Péclet (La Pointe-de-l'Île, NDP): Thank you, Mr. Chairman.

I would like to thank the witnesses for coming today. This has been a very interesting discussion.

My first question is for Ms. French.

In your opening remarks, you referred to a lack of resources, especially for aboriginal people in the north. I think this is a problem, because, among other reasons, these people are not necessarily well represented by the government within the Arctic Council.

How will aboriginal people's interests be represented if important decisions are made? One also has to keep in mind the problem of education and resources in this area. How will these people be able to make themselves heard and be represented?

● (1020)

[*English*]

Mrs. Sara French: I think first of all it's important to remember that the Arctic Council is the first organization to have a permanent place in its design for the representatives of indigenous groups. There are six there.

The challenge is that when we're talking about meetings that are taking place all over the Arctic with several different working groups, especially as the Arctic Council becomes more and more active, it's difficult for those organizations to take advantage of that structure. They need more resources and capacity to be the representatives of that voice at those meetings. Members of the Arctic Council from this country were the ones who really pushed for the roles of the permanent participants when the council was created in 1996. It's something I think we need to return to.

Just as a point of clarification, they do have a formal role in this organization. It's just that there's a lack of resources to fully take advantage of it.

[*Translation*]

Ms. Ève Péclet: That leads precisely into the second point I wanted to raise. We have heard from many stakeholders. They spoke to us about the important role that the Arctic Council plays. And yet we have hardly spoken about funding. Ms. Grant alluded to it. But she only briefly spoke about it.

All the stakeholders we have heard from have spoken about the importance of the Arctic Council, but they did not speak about funding. For example, Ms. French just indicated that a lack of resources is preventing organizations representing aboriginal people to be heard, and that includes travel to the Arctic.

I would like Ms. Grant and Ms. French to expand on that.

The organization is underfunded. It is therefore vulnerable to any political battles between governments. If it were a little more independent, in other words if it were funded independently, then that might improve cooperation.

[*English*]

Mrs. Shelagh Grant: I think the Arctic Council itself is dependent on its member countries to fund the council work. There was a breakthrough at the last ministerial meeting in that they actually have formed a permanent secretariat. They've just announced the director who is from Iceland. Hopefully, having some permanent stability within the council itself can work towards getting funding. I agree totally with Sara on getting the indigenous people funded. We have other government sources that help us. There's so much expectation from other countries, like Sweden, that Canada's going to perform miracles.

I was at a United States Coast Guard Academy conference last spring. Lloyd Axworthy was there. I was hearing about how much Canada was going to be able to do, possibly together with the U.S., and how much was going to be done. I'm looking at the usual thing Canada has suffered from since the day it became a huge country in 1867, and that is funding.

The Chair: That's all the time we have. We're going to move to Mr. Dechert to finish off the official rounds, and then we can see if we have time left for additional questioning.

Mr. Dechert, go ahead for five minutes.

Mr. Bob Dechert: Thank you, Mr. Chair.

Again, thank you, ladies and gentlemen.

Mr. Breukelman, as a resident of Mississauga, I want to congratulate you and Gedex on building this very impressive company with state-of-the-art technology. I think it is a great example to prove the idea that all Canadians can benefit from resource development. There's a bizarre view among some people that somehow when you develop the oil sands or other mineral resources in northern Canada it detracts from job opportunities and development of technologies in southern Canada. I think Gedex is proving that's just not true. Congratulations on the development of this technology. It obviously has great application all over Canada and around the world.

This is something that ties all of you together.

Ms. Grant, you talked about the need for safe navigation in the Arctic.

Mr. Breukelman, you told us that your technology can tell us where there are not economically viable resource deposits. Those are areas that can then be protected for national parks and for tourism.

I think, Ms. Grant, you talked about the growing number of cruise ships in the region. I wonder, among the three of you, if you could tell us what the economic prospects are, both the challenges and the benefits of tourism in the Arctic, how the people of the region can benefit from that, and what needs to be done to make that viable.

Ms. French, you talked about the need for aeronautical and maritime search and rescue. Perhaps you could address what is needed, what the cost of that is in your view, and what opportunities there might be for cost recovery by providing those search and rescue resources from, say, the owners of super tankers or cruise ships that might be passing through the region.

● (1025)

Mrs. Shelagh Grant: On the cruise ships, yes, I've been on one as a resource person. It all depends on the cruise ship company and their sensitivity to the Arctic communities. Evidently, *The World*, which is an absolutely enormous ship—I think there's a picture, but maybe I took it out—landed at Cambridge Bay, but they did not interact with the community.

The communities are excellent up there in terms of having a program for visitors, but they expect visitors to buy some crafts and artifacts. Some cruise ships prefer to have their own gift shop, you might say. It varies with the cruise ship and organization. I don't want to bandy names around, but the larger the ship, the more it's a problem of getting people on land, and the fact that we all have to go by Zodiac into each community multiplies it. Also, there's our own sensitivity. There needs to be a sensitivity person speaking to every cruise ship before they go into a community. The Inuit are so proud of what they've done. We have to be very careful that it meets our standards.

Mr. Bob Dechert: People in the Caribbean would probably tell you there are similar issues there. Certainly, there are opportunities for people to have great travel experiences and to leave some of their hard-earned money behind for the benefit of the people in the region.

Ms. French.

Mrs. Sara French: I would add that it's important when we are talking about the cruise ship industry in the north to recognize that only 10% of Canadian Arctic waters are charted. Increasingly as the ice recedes you're seeing cruise ships going further and further off the charted routes to find those unique experiences for their passengers, the majority of whom are older and can afford these very expensive cruises. That's a great economic benefit to the communities. The communities are welcoming them with open arms.

At the same time we need to understand that these ships are in Canadian waters. What is our capacity to respond if the unthinkable happens? We've been lucky so far that the weather has been good and everyone has been safe. However, our capacity to respond is seriously limited, so as cruise ship tourism picks up, we need to couple that with better search and rescue and emergency response.

Mr. Bob Dechert: Can you give us any details on what you think is needed and what the cost might be? Should we be charging the cruise ship operators for providing that search and rescue capability?

The Chair: Can you do that in less than 15 seconds?

Mrs. Sara French: Yes. We're at the beginning of a study that will look at exactly this question. As a starting point, it's important to learn from what has happened in Alaska, with their robust cruise ship industry going into remote communities.

The Chair: Thank you very much. We are done our official rounds, but we still have 15 minutes. I saw Mr. Schellenberger's hand up, as well as Ms. Brown's, and Mr. Benskin's.

We have four questions here. We've finished here, so we'll start with the NDP, and then we'll come back to the Conservatives and go that way for a question to each to finish it up.

Mr. Tyrone Benskin (Jeanne-Le Ber, NDP): Thank you.

I'm the interloper for the day. I'm not a regular member of this committee. I was struck by a couple of things that were said.

First off, Mr. Breukelman, in terms of the work that you're doing in Gedex, especially in IMAX, we're connected in that way in that I've done a number of narrations for IMAX films. It is an interesting way to help Canadians understand the north and maybe take on a sense of why the north is important.

My question, however, is going to be in regard to the permanent participants, just getting a better sense of that.

Ms. French, if I understand correctly, you were saying that the permanent participants don't have the resources to fully participate in what's going on in the north. If that is the case, how are they going to speak for themselves in terms of what they want and don't want in their territories?

● (1030)

Mrs. Sara French: The lack of funding does make that difficult. We're currently working with some partners to work with the permanent participants to identify specifically what their needs are around capacity. To put it into perspective, it's one staff person working out of their home that represents some of these permanent participant organizations. It makes it very difficult to do so.

In the coming months we will be releasing reports, along with the permanent participants, about what specifically those capacity gaps are, and proposing funding mechanisms to address them.

Mr. Tyrone Benskin: Ms. Grant, I get the sense that you want to weigh in on this.

Mrs. Shelagh Grant: She covered where the dialogue has to start, but there's a need to actually identify funding, government funding, Nunavut funding, and whether it's internal. It's complicated because it's not straight government funding for the Arctic Council. We have layers. They hope to have it in place before the Arctic Council—

Mr. Tyrone Benskin: To take it a step further, then, as this exploration and development process goes on, initiatives are being pushed forward. How do you balance the lack of voice on the indigenous people's part with the speed of the progress of these development initiatives?

Mrs. Sara French: In terms of when we're talking about Canada domestically, there are imported processes included in the land claims agreement that provide processes to deal with this.

One thing we're doing is working with communities around how to negotiate impact benefit agreements. We are holding workshops so that they have the tools when they're faced with large mining corporations coming into their community. It's important to recognize that not all communities have the same view on development. Some welcome it; some are more reticent. Either way, if they decide to go forward, to negotiate, they have the information about what's been negotiated elsewhere and are able to go into processes.

One of the things underlining everything we're talking about today is capacity. That's something important to look at. There is no university in the north for northern students to not have to leave their home to go to university. There are colleges. But capacity is the major underlining issue.

The Chair: Thanks. We'll see what we get back to.

Mr. Schellenberger, then Mr. Eyking, then Ms. Brown will finish off that round.

Go ahead, Mr. Schellenberger.

Mr. Gary Schellenberger: Thank you.

It's been said here today that we lag behind in technology. In the last three years, the Stratford campus of the University of Waterloo opened in my riding. That campus specializes in new media, and as we hope, will help Canada to lead in technology in the future.

Right now I think somewhere in the neighbourhood of 100 students attend that particular school. It just opened a new facility this past fall. We figure there are going to be between 500 and 1,000 students at that school in the near future. Hopefully, there will be some ideas, some new technologies coming out of there that may be able to help in the Arctic.

Have any of you heard of the Stratford campus? I'm very proud to have been part of that. Hopefully. there can be something that can come out of it that will help all our people in the north.

Mrs. Shelagh Grant: I have just a quick comment. Yes, I do know of it, and it's wonderful.

I think that in Canada we forget we are so far ahead of technology in the Arctic. Their infrastructure hasn't caught up with us. It always happens. In World War II it was the Americans who had the technology well in advance of us. This is one thing. We have to get those ships, the infrastructure, to support that wonderful technology.

NORDREG has done an absolutely superb job of monitoring shipping traffic—it's unbelievable—in their new centre up in Iqaluit. We should be telling the rest of Canada about what they're doing.

● (1035)

The Chair: Thank you very much.

Mr. Eyking.

Hon. Mark Eyking: Thank you, Mr. Chair.

What I've been hearing from most witnesses over the last few times is that there's no big challenge, as far as the international community is concerned, with respect to our sovereignty for our northern waters. We had a bit of a drama with our Conservative defence minister that the Russians are coming and all that stuff. There was that little flash, but at the end of the day, I don't think that's the big threat I hear from the witnesses.

Let's talk about domestic waters. Ms. Grant, you mentioned a couple of things. One was from the Churchill perspective, that Churchill could become a real port of export. Who knows: there could be a pipeline going from Alberta to Churchill and you could be loading up oil and gas there and going all over the world. Then you mentioned also that the Chinese might be leading a convoy with an icebreaker up front.

Should we have special regulations for just our Arctic waters, different from the seaway, where we say this activity's going to be happening, so we need special-hulled ships, and they have to travel at a certain time? Do we need a different protocol or regulation within our own domestic waters, so that when we get the ask from the oil companies or the Chinese, we can say, “That's fine, but here's the scoop”?

Mrs. Shelagh Grant: We actually have that. The Arctic Waters Pollution Prevention Act is probably what the IMO should be basing its position on. It's excellent. It's just a matter of being able to enforce it, to have the ships that can find those in non-compliance. They're small ships. They're small boats. There are attempts, such as people jumping ship. The RCMP can't handle it all.

Yes, we need more coast guard ships. We're behind. Other countries have patrol boats. This is the Canadian studies department in me; I'm always comparing what other people have and what we don't have. We're behind on infrastructure. We're ahead in technology. The U.S. Coast Guard has recommended that the NORDREG system be instituted as the modern touring system in the Bering Sea.

Hon. Mark Eyking: We see all the cutbacks by the present government on defence. That being said, if all this freight is going to be coming through our waters, we should be able to charge them for tonnage, right? We should have some way of charging for the tonnage to help pay for regulation.

Mrs. Shelagh Grant: You're introducing the Russian model for the Northern Sea Route, basically.

Hon. Mark Eyking: Is that what the Russians do?

Mrs. Shelagh Grant: We also have to have a place where we can meet them on the entrance, and we don't have it. Our centre is Iqaluit, at the end of a long bay. Churchill is our only deep seaport. It's owned by an American company, by the way, as is the rail link from the CNR. Yes, there's a future there, but China's ships and oil were going to come by rail. The oil was going to come by rail. Whether this happens next year is debatable, but it's in the process of taking place.

The Chair: Thank you very much.

We're going to move over to Mr. Williamson.

Mr. John Williamson (New Brunswick Southwest, CPC): Thank you, Mr. Chairman, and my thanks to all three of you for an interesting presentation.

There was a bit of chuckling in response to what we do when our territories are challenged. I'm curious. All three of you, if planes from Russia or any other country approach our airspace, should we respond by sending planes up and ensuring that these foreign vessels know where our territory starts and ends?

Mr. David Breukelman: Are you asking me on a personal basis?

Mr. John Williamson: I'm asking you as a witness.

Mr. David Breukelman: Frankly, our land mass is our sovereign territory, and if somebody sends a plane over, it's a form of communication, and we should communicate back. Does that mean we should engage in a dogfight? Not likely. It very rarely happens. But of course we should be capable and willing to respond. I say that from my personal perspective.

● (1040)

Mrs. Sara French: An important point of clarification on the incident being discussed is that the Russians never entered Canadian airspace. They approach Canadian airspace, which triggers our NORAD mechanisms.

Mr. John Williamson: Ought we to wait until they've actually come through, or do we enforce that airspace on an ongoing basis?

Mrs. Sara French: I think it's important to continue those processes, but those of us who are involved in questions involving Arctic governance would like to see an understanding that there are several points of cooperation possible with our Russian counterparts. We'd like to see that emphasized in the debate as well.

Mr. John Williamson: Sure, but you would agree that if their planes are in the air, we don't leave ours on the ground.

Mrs. Sara French: I'll leave that to NORAD and the people at National Defence.

Mrs. Shelagh Grant: One point of clarification is that the cold war is over and Russia has been cooperating with NATO and the U. S. on joint military exercises in the air. Russian generals were sitting down in the NORAD base in Colorado viewing it on computer. Times have changed. We forget who is our enemy. I don't think we have many enemies. We only have non-Arctic countries who might challenge our right to govern the ocean.

Mr. John Williamson: You made the point earlier that we should be able to monitor cruise ships that come through these passage-ways. You're kind of mocking the idea that we don't challenge planes, but we challenge cruise ships.

Mrs. Shelagh Grant: No, I'm thinking that if they enter our airspace, they should be challenged.

Mr. John Williamson: Thank you.

The Chair: All right. That's all the time we have for today.

I want to thank our witnesses once again for great presentations. I thank all my colleagues.

The meeting is adjourned.