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Chair

Mr. Rick Norlock

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• (1100)

[English]

The Chair (Mr. Rick Norlock (Northumberland—Quinte West, CPC)): Order. Thank you for being here today.

Today we're dealing with the main estimates, and we have the minister and his officials here.

Before we begin, the chair would like to remind committee members that things may occur that might change some of our order of business, but it is the intention to continue with the order of business. The minister will be here for approximately an hour, and then the officials afterwards.

We have two things that we have to do. We have some time reserved for committee business at the end of the meeting. We've reserved about 10 minutes, and near the end of this meeting we will need about 10 minutes for the adoption of the estimates.

With that in mind, Minister, you have the usual seven minutes or so to make your statement.

Thank you very much for being here with your officials.

Hon. Rob Nicholson (Minister of National Defence): Thank you very much, Mr. Chair, and members of the committee.

I'm pleased to be here today to discuss National Defence's main estimates for this fiscal year. The funding requested in these main estimates will allow National Defence to continue to invest in our personnel, equipment, and infrastructure.

This is of vital importance, because the world remains an unpredictable and hostile place. It's also important because our Canadian armed forces require unique capabilities in areas like disaster assistance, search and rescue, counter-insurgency, and surveillance so that they are prepared and equipped when they are called upon to help the Canadian people any time and anywhere.

Over the past year alone, our men and women in uniform have played a critical role, both at home and of course abroad. Last summer, you may remember, more than 2,200 Canadian armed forces personnel were deployed to southern Alberta to assist with flood relief, including by rescuing and evacuating dozens of Canadians in distress. Last November, more than 300 members of our military were deployed to the Philippines following Typhoon Haiyan, where they purified nearly 500,000 litres of water, treated over 6,500 medical patients, and delivered food, goods, and building materials on behalf of NGOs and local authorities. Just a few weeks ago, we initiated the deployment of an air task force of six CF-18 fighter jets, HMCS *Regina*, 15 operational planning staff, and around

50 soldiers to various locations in Europe, where they are now contributing to NATO's efforts to reassure allies as a solution to the Ukraine crisis is sought, one that will respect the democratic aspirations of the Ukrainian people and the territorial integrity of their country.

As you can see, the Government of Canada and our armed forces continuously follow developments at home and around the world, and we stand ready to assist whenever necessary and appropriate.

Mr. Chair, less than two weeks ago Canadians from coast to coast assembled here on Parliament Hill and at events in many communities for the National Day of Honour. I hope that my colleagues around this table took time to mark this important day of recognition, because I think it's extremely important for this nation.

As you know, this moving event gave Canadians the opportunity to remember and celebrate the outstanding achievements of our men and women in uniform over more than twelve years in Afghanistan. They fought al-Qaeda and the Taliban in the Arma Mountains. They fought insurgents and supported development through the provincial reconstruction team in Kandahar, and they stood up an air wing to keep our troops and allies safe. They established, supported, and commanded the first NATO multinational field hospital involved in combat operations, and in the last few years of our engagement in Afghanistan they helped train the Afghan national security forces in Kabul.

It was a complex and demanding mission right from the start, but I am proud to say that more than 40,000 Canadian troops were deployed to the region, many of them more than once, and they succeeded in helping to stabilize the country, while securing the well-being of the Afghan people and the values we all believe in.

They could not have done this successfully, however, without strategic investments by the government in critical equipment, infrastructure, training, and services, including care for our ill and injured personnel. I know this is a matter of concern to committee members, one which you have studied extensively over the past few years, and as you are aware, National Defence has not only increased overall health care spending to \$420 million annually, offering a wide range of services, including medical and dental care, support for families, return-to-work programming, expedited access to Veterans Affairs benefits through the joint personnel support unit, but we have also increased the investment in mental health care specifically, announcing an additional \$11.4 million in 2012 to bring the total to \$50 million.

This is one of the greatest lessons that we learned from our Afghan experience: the vital importance of long-term, predictable, yet targeted defence funding to achieve both responsiveness and mission success.

With that in mind, I would like you to review of course the National Defence main estimates for 2014.

On page 199 in the English version and page 186 in the French version, you will see that our estimated budgetary expenditures for this year are \$18.7 billion. This represents a net increase of approximately 4% from last year's main estimates.

• (1105)

The overall increase is due primarily to an increase of \$1.1 billion in our capital vote, required to align funding for major equipment and infrastructure projects with current acquisitional timelines. This includes funding for key projects such as the Arctic offshore patrol ships, the maritime helicopter project, and the family of land combat vehicles, which are crucial to ensure our ability to monitor and respond to threats at sea, on land, and in the air.

At the same time, National Defence is supporting our ill and injured with much needed infrastructure improvements at Canadian Armed Forces health services centres across Canada.

We have successfully implemented National Defence efficiency-finding measures as announced in budgets 2012 and 2013. These include a reduction in travel expenses, the transfer of technical support functions to Shared Services, and the transfer of liability for further severance payments to the Treasury Board Secretariat.

Mr. Chairman, we are committed to being good stewards of public funds and to carefully managing and balancing our resources as we strive to help the government return to a balanced budget by 2015. To this end, over the past year, we have made many efforts to do defence better and smarter. In collaboration with Public Works and Government Services, for example, we have launched an innovative defence procurement strategy to streamline and leverage military procurement.

An important part of the new defence procurement strategy is the publication of the Defence Acquisition Guide, which I was happy to announce yesterday. This guide contains a large list of capabilities that the Canadian Armed Forces will continue to examine in the next five to 20 years, and it will allow for early engagement between industry and defence. Subsequent discussions with the government will help determine which of these capabilities are chosen for

implementation. We have been working in close cooperation with Public Works and Industry Canada to produce approximately 200 capability profiles that provide a description of each project's objectives, an estimated cost range for the acquisition, and an estimated timeline of milestones.

The Department of National Defence is committed to engaging with Canadian industry early on in our procurement process. This Canadian expertise is extremely valuable in making the best decisions possible in terms of military acquisitions.

As stated in the 2013 Speech from the Throne, the government values its partnership with industry as it ensures that all major military purchases create high-quality jobs for Canadian workers.

Mr. Chair, as you know, we have also engaged in a rigorous process of defence renewal, overhauling key business processes to find efficiencies while improving effectiveness, such as by encouraging broader maintenance contracts on base, making better use of new technologies for training, and centralizing services like information technology and real property.

Mr. Chair, I'd like to take a moment to say a few words on the handling of sexual assaults in the Canadian Armed Forces. This is an issue that has been before the media and, I'm sure, on the mind of many of you, as it has been on mine. I want you to know that I take the allegations raised in the media very seriously and so does General Lawson, who spoke with you the day before yesterday. As I am sure he mentioned on Tuesday, he is actively examining, as a matter of priority, how these allegations can best be evaluated and addressed, and he has asked for an external review of this matter. I think this is an appropriate course of action and I look forward to the details of this review.

It's my view that the main estimates before the committee today will enable the Department of National Defence and the Canadian Armed Forces to continue to fulfill their critical defence mandate, a mandate this government has called one of its highest obligations, while continuing to improve business processes so as to achieve ever-greater impact for each tax dollar spent.

Thank you very much.

• (1110)

The Chair: Thank you very much, Minister.

Before we begin our questioning, I'm advised that there is a possibility and indeed a probability of some votes. So we'll try to get through the questioning as well as we can.

Mr. Chisu, go ahead for seven minutes, please.

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

Thank you very much, Minister.

Thank you very much to the officials from the Canadian Armed Forces for being here.

Before I start my questioning, I will tell you that I was extremely proud to serve in the Canadian Armed Forces. Being a member of Parliament who served in Afghanistan in 2007, I was extremely honoured by the National Day of Honour.

Regarding the main estimates, Minister, could you tell us the main reasons for National Defence and the Canadian Armed Forces requiring an increase of more than \$1.1 billion in capital expenditures over the previous fiscal year?

Hon. Rob Nicholson: Thank you very much for that, and thank you for your service to this country, both in the public sphere today here as a member of Parliament and as a member of our armed forces. All of us are very grateful for that.

With respect to your question as to why this money is needed, we have to maintain our capability as an armed force in this country. We never know when we will be called upon to lend assistance either at home or abroad. As I mentioned in my opening remarks, we were called upon and volunteered to help out in the Philippines. I mentioned the flooding that took place in Alberta where we were called upon to help. You see the changing situation in Ukraine and eastern Europe. Again, we have to have that capability. It's not enough for us to hitch a ride with our allies if we want to contribute.

I went to Trenton to see off our troops who were assisting in the Philippines, to see that we had that capability to lead there, to take equipment, to take individuals, to get there, to get on the ground to help. I was very proud of that, but as you know, capability is not just a one-time thing that you can prepare for and then get away from. It has to be continuous. Therefore, as you know and as your committee is well aware, the military is involved in a number of projects, sometimes in conjunction with Public Works and other government agencies, to get the right equipment for our men and women in uniform. We have to maintain that capability. I think it's important as part of these estimates that there be funding for that.

• (1115)

Mr. Corneliu Chisu: Minister, can you provide a breakdown on spending on major capital equipment and infrastructure projects?

Hon. Rob Nicholson: I can, but we're probably a little tight for time, but we will give you a complete breakdown of the major items in that, colleague. Again, I think I could perhaps repeat them all for you here, but we'll leave that with the chair, so you'll get a complete breakdown of where that is, because I think it's important for you to know that. Again, I think the committee members will draw the conclusion that these are all important steps in maintaining the capability of the men and women in our armed forces.

Mr. Corneliu Chisu: I was especially interested in the family of land combat vehicles. Being an engineer, I was very pleased to see some improvements in this area.

Hon. Rob Nicholson: I think it's important for us to have that. As you see from the main estimates, there's \$872 million for the family of land combat vehicles. It's a major part of the expenditure. Again, these provide the armed forces with many capabilities in many different circumstances to be able to fulfill the mandate and the tasks for which they are given. As you say, I appreciate your interest and your support in that because I too believe that's very important. Part of the capital expenditure, of course, is for the Arctic offshore patrol ships. Again, I know the members are aware of the LAV upgrade

project. These are the major ones, but there's a host of them and I think they are all very important.

Mr. Corneliu Chisu: Thank you very much.

If you are still speaking on the main estimates, can you elaborate on the Arctic offshore vessels?

Hon. Rob Nicholson: Thank you very much.

Again, as you know, progress is being made in Halifax. I don't know if your committee members have been down to the Irving shipyards yet. They may be of interest to you. Even over the last couple of months, you can see the difference in the infrastructure that is already in place. I think, again, this is an important component of our capital infrastructure. It gives us the ability in everything from search and rescue to monitoring and patrolling for sovereignty purposes. There is progress in that area, and I expect that to continue.

Mr. Corneliu Chisu: So it is part of the national shipbuilding procurement strategy?

Hon. Rob Nicholson: It is. This is a wide-ranging project, as you know, and it's a continuous effort. In my last couple of trips to Halifax, I've been pleased to see that there is progress in this matter, and I expect there to be continued progress on this.

Mr. Corneliu Chisu: In this area, how would the funding that is included in this project benefit Canadian industry? That is, I think, an important aspect of this.

Hon. Rob Nicholson: That's a perfect example. It's right on the ground in Halifax Harbour there, if you have a look at that. It's one of things we have made a point of wanting to see; we want the capability, and we want these projects completed and delivered to our armed forces. At the same time, we're very interested in the benefits to Canadian industry and to ensure that Canadian jobs are either being sustained or increased.

The Chair: Thank you very much, Minister.

Hon. Rob Nicholson: Again, this is an important component to that, Mr. Chair.

The Chair: Thank you very much, Minister.

Mr. Harris, go ahead for seven minutes

Mr. Jack Harris (St. John's East, NDP): Thank you, Chair, and thank you, Minister, for your appearance and that of your officials.

Like you and I think the vast majority of Canadians, we were pleased to see the actions and activities of the Canadian armed forces in southern Alberta during the flood, the participation internationally with Typhoon Haiyan in the Philippines and, of course, support of the NATO reassurance mission—our contribution to that. I believe we also had some heavy-lift assistance in the mission in Mali in the last year or so, as well. These are good reasons why Canadians need to have, and want to have, a military force capable of providing these types of both national and international assistance.

Sir, on the estimates as a whole, in previous years there used to be a breakdown of the main estimates in terms of army, navy, and air force. We don't see that today. I don't want to have an answer right now, but could we get your officials to provide the committee with a breakdown of the operational expenditures and the capital expenditure by category for army, navy, air force, reserves, and cadets?

It would be very helpful for us to understand what's going on in the allocation of resources inside the military. Is that something that you would be prepared to provide?

• (1120)

Hon. Rob Nicholson: Thank you for your comments with respect to the deployment of Canadian armed forces, and thank you for mentioning, among other things, Mali in the last couple of years, and Libya. You're quite correct that we're called upon in different areas of the world.

With respect to a breakdown of that into more detail, perhaps I'll ask Kevin Lindsey to make comments on that.

Mr. Jack Harris: I don't want it now.

Hon. Rob Nicholson: Okay, that's fair enough.

Mr. Jack Harris: Because it would take a long time, I wouldn't be able to ask the second question. If you could undertake to provide it to us through the committee, that would be terrific.

Hon. Rob Nicholson: We'll give you everything you need on that. We'll be glad to do that.

Mr. Jack Harris: Thank you very much.

Mr. Minister, you mentioned the issue of sexual assault in the military. One issue that came up the other day was the requirement under section 9.3 of the act, which, of course, indicates that the Judge Advocate General is responsible to you for his performance as JAG and his duties and functions.

When did you become aware that the annual report of the Judge Advocate General on the administration of military justice in the Canadian Forces hadn't been delivered since 2010? The report for the period ending March 31, 2011, was only filed in the House of Commons on the 19th of March of this year.

When did you become aware that this was a problem?

Hon. Rob Nicholson: I was aware when we received the report that there was a statutory requirement to table that in Parliament. Just so you know, I've indicated to the Judge Advocate General to continue to compile the statistics and the report for the last couple of years. I know that much of the information is public on the military JAG website, in terms of prosecutions, charges, and acquittals and convictions—all that is there.

But the compilation of it is the responsibility of the Judge Advocate General, and I know that he is making that a priority. We've got to have it. As I say, the most recent one tabled was in March this year, which was when we received it, and of course we tabled it. But, that being said, I should point out that much of the information on this, about the most serious of those assaults, is public on the military JAG website.

Mr. Jack Harris: Sir, I'm assuming you tabled it within the 30 days after you received it.

Hon. Rob Nicholson: Well, you try.

Mr. Jack Harris: I'm assuming you did, so I'm assuming you only got it late in February of this year, but—

Hon. Rob Nicholson: Sometimes we try to table and Parliament may not be sitting, with many of these reports.

Mr. Jack Harris: We weren't sitting at the time.

Hon. Rob Nicholson: We table it when—

Mr. Jack Harris: We did get notice of it. It took us a long time to get an actual copy of it, but it was certainly tabled. This is the one that has the statistics as to what types of offences have been prosecuted and even the conviction rates, in some cases.

Do you have a concern, sir, that the numbers for sexual assault charges under section 129 of the act, for “conduct prejudicial to good order and discipline”, are lumped in with the drug and alcohol-related charges as well, for a total of 691 reported for the year ending 2011, without your being able, Parliament, or the public's being able to have any knowledge of the actual numbers of charges or whether such charges are up from the year before or down? We know that from 2009 to 2010 they went up by more than 70%, but we don't know what happened in the year 2011, because they are lumped in with those others.

Are you concerned about that?

• (1125)

Hon. Rob Nicholson: I understand your point. If you look just at straight statistics, it's like asking how much crime there is. You want a breakdown of it, and you want to know exactly what it is they are talking about.

What I have done is refer people to the military judge website, which sets out the more serious crimes, because I agree with you: the sexual assault crimes are the most serious crimes that can take place, along with aggravated assaults or possibly murder; these are very serious crimes.

Again, I think that people who are looking for a specific analysis of what has happened, or indeed at whether there have been convictions or acquittals, should go straight to the website, and they can see exactly what it is—

Mr. Jack Harris: But the website doesn't—

Hon. Rob Nicholson: —rather than, as you say, waiting for a report that lumps it in with a lot of other offences.

Mr. Jack Harris: Well, sir, if we had timely reports and reports that were transparent rather than obscure, we would know already what the situation was in the years ending in 2012, 2013, and hopefully 2014, but we don't have any of those, and the website doesn't have statistics. It only mentions certain offences, as you say.

So are you—?

Hon. Rob Nicholson: I think that's pretty important, though, Mr. Harris, so that—

Mr. Jack Harris: Yes, but—

Hon. Rob Nicholson: —people can see—

Mr. Jack Harris: I want to ask you this, sir: are you prepared to give the Judge Advocate General a timeline for filing those reports, which are statutorily required? And are you prepared to ask him to ensure that the reports are more transparent than the one we've seen for the year ending 2011? In the year before, it was different.

The Chair: Thank you very much for the question. Perhaps the witness can get back to us at a later date.

Mr. Leung, you have seven minutes.

Mr. Chungsen Leung (Willowdale, CPC): Thank you, Chair, and thank you, Minister and staff, for attending.

I wish, Minister, you would be kind enough to describe your vision or your outlook for the national shipbuilding procurement strategy.

What I'm interested in is where you see our naval forces being, moving forward, with aging vessels and given that now we're putting more resources into procuring the sea vessels in addition to the Arctic icebreakers?

Hon. Rob Nicholson: Certainly part of our Canada First defence strategy is that there be naval capability and naval readiness. This is something we have made very clear over the last number of years, that this is a priority for us. It has to work hand in hand with the capability, of course, of the Canadian Army and the RCAF. They all have to work in collaboration with each other. This is a vital component of that.

Again, in terms of our ability to defend our coastlines, to enforce our sovereignty, and to promote Canadian interests abroad, I think this is very important.

You, I'm sure, are aware of the work the Royal Canadian Navy has done in the Arabian Sea, for instance. You have seen a number of articles in the paper, I'm sure, about the drug seizures. This is an important part of what we are doing to make sure to do what we can to bring some stability to that part of the world.

Quite frankly, they have done an excellent job in that area, but they represent our interests there. Again, being a part of NATO, we have redeployed one of those ships, as you know, into the Mediterranean. This again is a part of our contributing to our allies.

Mr. Chungsen Leung: What about the other role, the disaster mitigation role whereby the navy can provide disaster mitigation along the west coastline in the case of a tsunami, a major oil spill, or in case of other natural disasters? Are we preparing a plan for those possible incidents?

Hon. Rob Nicholson: That's a very good point as well.

We want to make sure that we continue to have the capability to intervene when it is necessary. I gave you a number of examples on an international level where we have intervened and contributed. Again, I mentioned our ability to patrol and enforce our sovereignty. But you're quite correct that when a disaster takes place, if it takes place off the coast of Canada or any particular waterway, we want to have the ability and capability to intervene and do what we can to assist.

We've had a long and very proud record in this area. In my opening remarks I gave a couple of examples where the armed forces

have intervened to assist and again, having the capability of the RCN to be able to do that, to help them to continue to assist in any potential disaster that might take place, to intervene where necessary, is another component of it. It's a wide range of capability that they have to have and a wide range of roles that they could be called upon to play, but, as you know, they've always stepped up to the plate, and we can be very proud of what they are doing now and what they're going to continue to do.

But, again, the shipbuilding program that we have embarked on and that I gave some details to one of your colleagues about is a very important component of that, and it's exactly what we have to have.

• (1130)

Mr. Chungsen Leung: As you probably realize, naval procurement itself is a very heavy capital expenditure. As we move forward, will naval expenditure possibly consume about a third our ongoing estimates or the budget, or do we phase in the naval procurement and then the air force and then...?

Hon. Rob Nicholson: They're all important, and as you know and as I indicated, we are looking at all different aspects moving forward, including equipment for the RCAF, Royal Canadian Navy and, of course, I mentioned the vehicles for the Canadian Army. So it's all part of one component. They all have to work. It's not enough, for instance, when the army is prepared to intervene and to assist, if you can't get them there. So, again, the navy is another vital component of what we are doing.

Again, you see this today. I pointed to examples in the Arabian Sea and the Mediterranean. Yes, we are there on the Atlantic and the Pacific. We have to have that capability. So, again, when you examine the main estimates, you will see that there is a substantial investment in these, but we're not picking one over the other; they all have to work. I was recently in Halifax to announce an upgrade of the Auroras. Yes, we have to have that capability for search and rescue, for surveillance. That is part of our readiness in the air, and this is part of our readiness in the water.

Mr. Chungsen Leung: How will this assist Canada's marine industries as a cooperative or industrial offsets, as we go forward—

Hon. Rob Nicholson: I think these things are hugely important. Again, as I said to our colleague, just the changes and the investments that are taking place in Halifax are an ongoing demonstration of how important these are. I try to make that point to people when we are talking about the capability of our armed forces. It's vitally important that our armed forces are capable of doing the job they're called upon to do, but to make sure that they are capable, there are benefits for Canadian industry.

I was at the CANSEC conference just yesterday and I indicated to them that we want to make sure that they're aware of what we are going to need. It's not a final list. It'll be something that's changing, but I told them that in the next couple of weeks we will be releasing the defence acquisition guide and that this will help them have a place to go to check out to see what it is that the Canadian armed forces are going to need. Because, again, a group like CANSEC are the individuals, the small and medium-sized businesses, who are in the business of producing equipment for our forces.

The Chair: Thank you very much, Minister.

Mr. Easter, for seven minutes.

Hon. Wayne Easter (Malpeque, Lib.): Thank you, Mr. Chair.

Thank you to your officials for coming as well.

I would say off the top as well that our armed forces certainly are to be congratulated and thanked for their involvement in international theatres in support of the international community, as well as for their efforts in domestic, often weather, crises. Going back to the ice storm, I have observed this. It's interesting, because people ask, should we be spending money on the military? Then when there's a domestic crisis due to weather, you're much appreciated for coming in.

I'd also say that I don't think Canadians recognize enough the risk involved in just staying prepared and in training, as we saw in the accident in the last two weeks ago, or thereabouts, with the death of a soldier. I just want to say that off the top.

You mentioned in your remarks, Mr. Minister, the media attention on the sexual assaults in the Canadian Armed Forces. When General Lawson was before the committee he said, "...I do not accept from any quarter the notion that sexual misconduct is simply part of our military culture."

Is that your position as well?

• (1135)

Hon. Rob Nicholson: Obviously, this is a terrible thing, Mr. Easter. We as the government, as you know, don't condone it in or out of the military. We've taken specific steps to further criminalize and make these as serious as possible, because no member of the armed forces should be subject to any type of assault, and certainly not a sexual assault in the armed forces. This is intolerable. Individuals who commit these offences should pay the price. That has been our position.

Hon. Wayne Easter: I guess my concern is that it's an issue that has been raised by advocacy groups, and even the ombudsman's office, but it really seems to have been triggered more to your attention by the media reports recently, and now it's an issue. I would certainly say I hope it's followed up very closely and with immediate urgency.

Hon. Rob Nicholson: Again, we have been consistent throughout our term of office. I could give you a list of all the different pieces of legislation that we have introduced to toughen the sentences and toughen the treatment of individuals who commit these kinds of offences. These apply to people inside or outside of the military, but we have a long list of them, Mr. Easter. As a government, standing up for victims has been one of the hallmarks right from 2006. Since we took office we have been consistent with that: we will stand with victims.

Hon. Wayne Easter: Let me then turn to procurement, which is always a difficult issue. Has DND, Public Works and Government Services, or the fighter procurement secretariat done any costing analysis regarding keeping the current CF-18s flying beyond the end of the life cycle in 2020? Is there any costing analysis, because we're hearing that may in fact happen now?

Hon. Rob Nicholson: I'll ask Mr. Martin to have a look at that.

Mr. Michael Martin (Senior Associate Deputy Minister, Department of National Defence): Thank you for the question.

Mr. Chairman, as part of the seven-point plan, analysis of the life extension of the CF-18 has been undertaken, and that information will be part of the overall consideration of options going forward.

Hon. Wayne Easter: So when will that information be available?

Mr. Michael Martin: As I said, the government laid out in the seven-point plan the analytical steps it would be taking to assess more options for the replacement of the CF-18. That work is now nearing completion, and I expect on the basis of that the government will be in a position to make a decision.

Hon. Wayne Easter: I don't think I really got an answer.

But we do hope, Mr. Chair, when that information becomes available, it will be forwarded to this committee forthwith.

While I'm on procurement, I want to turn to the Irving shipyards just for a minute. One of the concerns I've heard raised there is regarding the private sector, and especially Irving Shipbuilding themselves. As you can see when you're on the water side of Harrington Street there, or Burlington Street, I guess it is, they've made a tremendous, multi-million dollar investment—hundreds of millions of dollars of investment—and they still are. One of the concerns is the stability of the funding going forward as government's financial situation changes and the commitment—and this is just an example—of say \$100 million a year gets cut back. That affects very seriously the investment of the private company.

Can you assure us that the funding that has been committed on an annual basis going forward is secure and will remain in place? They have to tool up, they have to hire the skilled labour, and they need that assurance, I'm sure.

• (1140)

Hon. Rob Nicholson: I'm going to have to get the main estimates passed for this year. As you know, Mr. Easter, we've got \$241 million in the budget, in the main estimates, for the Arctic offshore patrol ships. We are very committed to seeing that project a success. We expect that the design phase will be completed early in 2015 and construction is scheduled to begin the fall of 2015.

So again I can tell you that my observations and my discussions at this point in time—and needless to say we watch these things very carefully and closely—show that we're on track. The project is on track. You're quite correct: there has been extensive work done up to this point. But I'm expecting them to be cutting steel and beginning construction next year on this.

The Chair: Thank you.

Hon. Rob Nicholson: As you can see with respect to our commitment, you'll see that the commitment is right there in the main estimates. So please pass them.

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

Mr. Williamson for five minutes....

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

Minister, it's good to see you and your officials and colleagues here today.

I've got a couple of questions with respect to the main estimates. First I'm going to go back a year to 2013-14. I see that for Military Police Complaints Commission, the main estimates came in at \$5.2 million. The estimates to date are \$10.6 million.

Can you explain what happened here with the doubling of this budget?

Hon. Rob Nicholson: Sometimes these are supplemented by supplementary estimates, but I think it's important to put in as close an estimate as to what is necessary. On all of these, we want to make sure that they have the tools, the resources, to get the job done. I'm sure you'll be looking at these much more in-depth and in detail, but as with all of these, we look very carefully at what is requested. Needless to say, there's considerable demand on the resources there and we want to make sure they have the capability to do that.

Mr. John Williamson: I'm not quite sure. It doubled now, and now it's back to \$5 million.

What happened for there to be a \$5 million increase? Was it a one-time expenditure on something, and if so what...?

Hon. Rob Nicholson: Maybe one of my colleagues can be more specific.

Kevin Lindsey.

Mr. Kevin Lindsey (Chief Financial Officer, Department of National Defence): Mr. Chair, although we will have to take this on notice and get back to you, I believe the additional supplementary funding in 2013 was to fund a inquiry. But we will have to confirm that and get back to you.

Mr. John Williamson: If you could, please, thank you.

This year, the main estimates for CSEC are just under \$800,000. The estimates to date for last year, 2013-14, were \$410,000.

Hon. Rob Nicholson: I think that would be \$800 million.

Mr. John Williamson: I'm sorry. Excuse me. Yes, it is \$800 million; it had been \$410 million.

Could you explain this increase? What has caused this sharp rise? Is this a one-time increase, or are we going to see this every year going forward?

• (1145)

Hon. Rob Nicholson: To a certain extent it is a one time increase, in the sense that this is the new facility that they're moving into. It's a major expenditure, needless to say.

That being said, the role that CSEC plays is vitally important in protecting this country against cyber-attacks, cybercrime, and international terrorism. If you have a look at the breakdown, I suppose Mr. Forster might be able to give you some details.

Again, in answer directly to your question, it's one-off, in the sense that this is a new building that they are moving into and a considerable amount of funds have been allocated for that.

Mr. John Williamson: Is that a lot of money for a building? Is this something that taxpayers should be concerned about? It seems like an awful lot to spend on a federal building.

Hon. Rob Nicholson: These buildings have to be constructed to the highest levels of security. We have to build them, not just for the

requirements of today, but for next year's requirements and in the future. While I may say that cyber-attacks are going to be decreasing in the next couple of years and I hope there's less of a threat of international terrorism, I think that would be overly optimistic.

I believe it's important that we have the resources and the facilities to protect this country, at every level.

Mr. John Williamson: How much time is remaining?

The Chair: You have about a minute.

Mr. John Williamson: A point I'd like to make while you're here with your officials is that the government is on track to balance the budget, but as the Prime Minister reminds us, we're not there yet, and it requires work and commitment to the budget that had been submitted going forward.

To me, it's very important that we do balance the books. I believe you're committed to that, but this is a large federal government and we could see slippage. If I was on another committee, I'd be asking the exact same questions to that minister as well. What are you doing to ensure that the Government of Canada will hit its balanced budget as planned, as targeted, and as promised to the Canadian people?

The Chair: Fifteen seconds.

Hon. Rob Nicholson: In 15 seconds, I'm sure you'll see a closer examination of this. I indicated things like reducing travel expenses, making the headquarters work more efficiently, consolidating, doing what we can to ensure that taxpayers' dollars are spent as wisely as possible.

The budget is actually increasing this year, but, as I explained, there are a number of priorities that we have all agreed are important. Again, I'm with you, and I believe this government will balance the budget here in the next—

The Chair: Thank you very much, Minister.

Madam Moore—

Mr. John Williamson: [*Inaudible—Editor*]

The Chair: —for 5 minutes.

[*Translation*]

Thank you, Mr. Williamson.

[*English*]

Hon. Rob Nicholson: In the overall budget for National Defence, there is an increase.

The Chair: Minister, please.

[*Translation*]

Ms. Moore, you have the floor for five minutes.

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

Minister, I would like to discuss the issue of sexual assaults.

An external independent study has been announced that will focus mostly on policies and procedure. It will not include the ombudsman, who is more independent...

[English]

The Chair: Madam Moore, my apologies, but the bells are ringing.

I suspect that we are getting very close to the time that this committee, depending on the vote, may not be able to reconvene. In the interest of the main estimates, if there are no objections and I have unanimous consent before I adjourn, the chair would request that the estimates as presented be adopted in their entirety.

Mr. Jack Harris: Will you call the question?

The Chair: Yes.

Mr. Jack Harris: That means are we deciding now that we won't come back.

The Chair: We're getting pretty close. I can suspend.

It looks as though the vote is at 12:18, so we may come back for a very few minutes, but the chair has no guarantee of that.

Mr. James Bezan (Selkirk—Interlake, CPC): I would suggest, Mr. Chair, it's a half-hour bell and it's going to take eight to ten minutes to vote and then ten minutes to come back, and then it's going to be top of the hour. It wouldn't be fair to our witnesses to ask them to hold here until five or ten minutes before one o'clock, so I would suggest that we deal with the business and then adjourn.

• (1150)

Mr. Jack Harris: Sir, we will decide what we'll do in a moment here, but do these estimates have to be passed today?

The Chair: Yes, I have 24 hours from noon today to do so.

Mr. Jack Harris: Sir, well let me just say for the record that as the official opposition of a parliament, one of its primary duties is to hold the government to account, particularly on financial matters. We've been presented with a set of main estimates that covers a full two pages, with numbers as high as \$17 billion showing up as single items.

Because of the circumstances—albeit not under your control—and having less than an hour, I want to officially put on the record that this is an abomination of democratic procedure. It's an abdication of an opportunity for parliamentarians, who have been elected to represent constituents, to give the kind of oversight over enormous governmental expenditures on extremely important activities.

I have no doubt that it's something we strongly object to. As a result, we do not find it possible to support these estimates without having had a thorough opportunity to discuss and deal with them.

So in the interest of the necessity of having them passed, we're not going to try and hold up the government and would consent to having the vote now, even though the bells have already gone. We ask that the vote be recorded as on division.

The Chair: Thank you.

Mr. Bezan. But I am going to adjourn this meeting very soon.

Mr. James Bezan: I would just say, Mr. Chair, that committee still has the power at anytime to call back the minister to discuss financial matters. It is within our mandate and purview as committee, and I do agree that it is our responsibility to thoroughly go through the expenditures of the government on national defence.

Mr. Jack Harris: Would you agree now that we would seize that opportunity at a later date?

Mr. James Bezan: We could definitely extend the invitation to the minister at a later date.

Hon. Rob Nicholson: Just to expedite this, because maybe we could hear our colleague's question here. We're at the end of the hour anyway and we should still be able to get there by 12:18 p.m.

The Chair: I need the unanimous consent of the committee. The chair is always reticent to go past the ringing of the bell, but he's at the behest of the committee.

Mr. James Bezan: I would suggest we deal with the votes.

The Chair: We're dealing with the votes, and then I will be adjourning if there is unanimous consent.

COMMUNICATIONS SECURITY ESTABLISHMENT

Vote 1—Program expenditures.....\$796,802,239

(Vote 1 agreed to on division)

MILITARY GRIEVANCES EXTERNAL REVIEW COMMITTEE

Vote 1—Program expenditures.....\$6,144,993

(Vote 1 agreed to on division)

MILITARY POLICE COMPLAINTS COMMISSION

Vote 1—Program expenditures.....\$5,171,097

(Vote 1 agreed to on division)

NATIONAL DEFENCE

Vote 1—Operating expenditures.....\$12,513,999,319

Vote 5—Capital expenditures.....\$4,730,059,209

Vote 10—Grants and contributions.....\$178,183,820

(Votes 1, 5, and 10 agreed to on division)

OFFICE OF THE COMMUNICATIONS SECURITY ESTABLISHMENT
COMMISSIONER

Vote 1—Program expenditures.....\$1,847,027

(Vote 1 agreed to on division)

The Chair: Shall I report the main estimates to the House?

Some hon. members: Agreed.

Some hon. members: On division.

The Chair: So be it. Thank you very much.

This meeting is adjourned.

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