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Chair

The Honourable Peter Kent

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● (1535)

[*English*]

The Vice-Chair (Mr. Jack Harris (St. John's East, NDP)): I'd like to call this meeting to order. My name is Jack Harris. I'm the vice-chair sitting in for the chair, who is unavoidably absent today. This is meeting number 42 of the Standing Committee on National Defence, pursuant to Standing Order 108(2), a study of the defence of North America.

Today, our witnesses are by video conference.

We have today appearing as individuals, Dr. Christopher Sands, senior research professor and director of the Center for Canadian Studies at the Nitze School of Advanced International Studies at Johns Hopkins University, and Dr. Charles Doran, Andrew W. Mellon Professor of International Relations at the Nitze School of Advanced International Studies at Johns Hopkins University as well. Thank you both for attending.

Our procedure, if it hasn't already been explained to you, is that you will each have about 10 minutes to make a presentation, to be then followed by a round or two of questioning from the members of our committee.

We'll be hearing from Professor Sands first.

Dr. Christopher Sands (Senior Research Professor, Director, Center for Canadian Studies, Nitze School of Advanced International Studies, Johns Hopkins University, As an Individual): Thank you very much, Mr. Chairman.

I want to thank the honourable members of the committee for making the accommodation of letting us testify by video conference, which has certainly been much easier for us, and I'm very honoured to be able to participate in your examination of the future defence needs of the United States and Canada, and of North America.

Obviously, we are facing new threats as well as old threats. We have to defend not just the continent against traditional military attacks, but we are facing cyber-attacks, the danger to our citizens from pandemics like the Ebola virus, and homegrown terrorism, something which Ottawa knows too well. I know many of you experienced that just a couple of months ago. Our own citizens turned by a foreign ideology can become dangerous to us.

In many ways the idea of national defence has really metastasized to cross the line between what we traditionally think of as expeditionary or overseas military activity, and connected that to our traditional law enforcement and peace officer operations here at home. Everything from our border security guards and the Department of Public Safety to the RCMP are linked to the challenge of providing security and safety for our citizens and the businesses that they have and their interests both here and abroad. Particularly in the highly interdependent world that we live in, where the economy, the livelihood that we have, is linked by financial networks, linked by the movement of people, and linked by very dynamic supply chains, we really can't be indifferent to the things that are happening in all aspects of our domestic and international spheres at once.

In that regard, if there's one takeaway that I would leave with you, both the United States and Canada need to confront this by being willing to spend more on national security. I know that's never easy. There are many priorities for budgets, but both our countries have taken a kind of peace dividend without having the peace.

We've been cutting back on our security spending at a time when our security threats are mounting. That doesn't mean we have to go back to the old spending. We can spend smarter. Technology allows us in many ways to get a bigger bang for our defence dollar. I know as members you're very keen to make sure the taxpayers' money is well spent, but I do think that we are on the verge of a need to really reinvest in national security, both in the United States and in Canada. I think there's an opportunity to do so together, that is, to coordinate the improvements that we both need to make in our security, so that not only is the Canada-U.S. relationship stronger, but our ability to work jointly around the world in responding to these threats is also strengthened.

I want to talk about three particular areas, to call your attention to what I think are some of the priorities that we should have for our future Canada-U.S. defence relations, Canada-U.S. defence investments. The first is to improve our domain awareness. The second is to improve our capacity to work jointly. The third is to improve our ability to add capacity by making smarter investments and making improvements to our procurement systems. I'll talk about each of those briefly, and hopefully will be able to give back some of the time that you've generously offered me.

First, in the area of domain awareness, increasingly the war on terrorism has become an intelligence war, where it's extremely important for us to know what's happening with individuals who often do a good job of hiding their tracks. At the same time, because of the nature of cyber-threats we're often trying to operate in cyberspace to track down the fuzzy fingerprints of hackers who may be state-sponsored from Russia, China, Iran, North Korea, or elsewhere.

Also, when we're talking about pandemics, they may not be weaponized attacks, weaponized viruses. They can simply be a threat like the Ebola virus, which can come through because an aid worker has come home or someone who has been travelling to visit relatives comes home infected. The challenge is to learn when they enter our countries whether they pose a risk and make sure they get the help they need, but also to make sure that the public is protected.

When we're dealing with threats like homegrown terrorism, the kind of intelligence we need will come from trusting communities that are willing to work together with our law enforcement to alert us early that a young man or a young woman has been radicalized or may be thinking of committing a violent act, to try to catch them before they can do harm to themselves or to anyone else.

● (1540)

In this environment it's very important that we rely not only on traditional intelligence gathering, but we also rely on our domestic police forces and develop new capabilities to operate in cyberspace and elsewhere in order to know much more about what is happening in our space and to identify the threats before they become actual dangers.

This leads to the second point I would make, that we need to improve our capacity for jointness. As some of you will remember, in 1986 the United States enacted the Goldwater-Nichols act to reorganize our defence capabilities. In that act we focused on the importance of jointness. At that time that meant the navy works with the air force, the air force works with the army, and they all work with the marines, so we could coordinate attacks, coordinate the use of resources, equipment, and ammunition to enable us to operate in a more cost-efficient manner, with all forces of the United States working in a coordinated fashion.

That mission is as important as ever, but it's now extended. It's extended in two important ways. One is the need to coordinate between our domestic and our international forces. The setting up of U.S. Northern Command after September 11 was an important step in that direction. It remains a second responder in many domestic circumstances in the United States and is there to provide support for Canada and for Mexico, when requested. Particularly in the area of logistics after a hurricane or an earthquake, this can be crucial. It's also a coordinating mechanism to reach out to local first responders to make sure they get the information and have the resources they need to respond to anything from the Vancouver Olympics to the Superbowl when it was held in Detroit, whether the attack or the threat is on either of our sides of the border.

The jointness therefore goes in two directions: the importance of our ability to work across the Canada-U.S. border, not only at a top level but throughout our security systems, and also the ability to work with domestic resources and military resources hand-in-glove. This is about getting more by working together, more bang for every dollar that we spend, rather than duplicating effort or creating deliberate redundancy. There's a lot we can do to support each other in this regard.

I think members are aware that in 2006 the United States and Canada invested in a renewal of NORAD, but also in extending NORAD's surveillance mission to include maritime. At the same time, or in subsequent years, we've developed something called Shiprider, where the RCMP working together with the U.S. Coast Guard, the Canadian Coast Guard and the Canadian navy working together with the U.S. Coast Guard, have put officers on each other's ships so that when pursuing a threat or investigating a situation and they cross an international boundary, there's always a sovereign officer with arrest authority, investigation authority, even seizure of goods authority, to be able to act. This is the kind of jointness we need to see going beyond NORAD maritime surveillance, going into this action function.

Interestingly, those two initiatives are stovepiped. One is on the military side and the other is on what we would call homeland security in the United States, public safety in Canada. The need to link these two areas is an illustration of the challenge we face in the years ahead.

That leads me to the third area I'd like to highlight, and that is the need to acquire new capabilities. One exciting thing about the time in which we live is the amazing technology that's come forward, technology like drone surveillance, satellite reconnaissance, and of course, cyber protections that we've developed really through bringing hackers in from the cold and having them work with our governments to try to protect domestic systems.

There is a huge set of new resources coming on stream that are going to require us to add capabilities to our current military. Senator John McCain, who is the incoming chairman of the Senate armed services committee—he served in that role before—said in Washington this week that one of the key priorities for the United States in the years to come will be acquisition reform.

The United States certainly spends a lot of money, but like Canada, we face a shrinking, in fact shrunken, defence industrial base. With fewer companies able to compete for contracts, those companies are often coming forward with low bids on cost-plus contracts, so that we sign an agreement for something that looks affordable but when the cost-plus kicks in, we realize that in the end we pay quite a bit for the technology we're acquiring.

● (1545)

We have to make smart choices. Defence dollars will not multiply indefinitely, and as you know, there are other demands on our budgets, so we have to spend those dollars wisely.

As the U.S. undertakes fundamental acquisition reform and process reform, this is an opportunity to renew the principles of the Defence Production Sharing Agreement of 1956, in which Canada and the United States agreed to coordinate procurement and dip into each other's production bases to provide the defence needs that our military has. There's a huge opportunity for us to approach acquisition reform together to make sure our systems are mutually well informed, and that as the U.S. makes gains in its reforms, Canada is able to learn the lessons from what we've been able to do, and perhaps teach us a thing or two about how to spend wisely. That's something which I think Canadians are quite good at.

With that, sir, let me thank you very much for your attention and cede whatever is left of my time.

The Vice-Chair (Mr. Jack Harris): You went a little bit over your time, but thank you very much for your contribution.

Before questions, we'll ask Dr. Doran to make his presentation.

Prof. Charles Doran (Andrew W. Mellon Professor, International Relations, Nitze School of Advanced International Studies, Johns Hopkins University, As an Individual): Thank you, Mr. Chairman. It is indeed an honour and a privilege to appear before the committee.

I will limit my comments to maybe three or four, and then we can get into the heart of this, the question and answer session.

There are three major observations that can be made about world politics today as it impinges on the United States and on Canada.

First, great power politics are back. This does not mean that the older issues, the more recent issues actually of economic considerations, environmental matters, the fight against terrorism, have been pushed aside. What we are seeing is that the great powers are beginning to grind against each other and sparks are flying. This is a quite different experience from what we've seen, really, since the end of the Cold War or perhaps, since the end of World War II.

Second, we are observing a situation in which conflict worldwide is really trifurcating. In the past there was a focus of conflict. During wartimes, such as during the Korean War, the Vietnam War, that was clear, but even in peace time it also tended to be clear.

Now we have three great conflict areas. One, of course, is along the littoral of Russia and involves Europe and indeed some Asian participation. The second area is the new and very serious challenge with ISIL in the Middle East, which is getting a great deal of attention and in some ways is a continuation of a very long conflict there. The third area is the confrontation between China and its neighbours in the South China and East China seas. This confrontation is something that none of us is directly involved in, but it affects all of us, especially in terms of transportation through those areas and in terms of our alliance relationships.

The third issue is that there is radical structural change going on in the system. In terms of our own research, we look at this in terms of the change of position states have on their cycles of relative power. For example, Japan has peaked in terms of its relative power and is entering clear decline. The Soviet Union collapsed in 1989 after the Cold War, and now Russia is attempting at the bottom of its cycle to climb up the cycle again.

The third possible major change will be when China, as it rises in its power cycle, goes through what we call a critical point of change, where the level of its power continues to increase but the rate of increase suddenly and abruptly begins to fall off. This will be a very difficult thing for China to cope with, to manage, for example, with regard to its relationship with Taiwan. Not only will China be affected by this, but the rest of us will. Canada will be affected. The United States will be affected in various ways, in terms of trying to manage the adjustments necessary to get us through these intervals.

These are big changes taking place in terms of world politics.

In terms of the bilateral relationship, there are many areas, I think, of convergence and coordination. Perhaps the largest difference that has some impact on the defence domain is in the area of oil.

● (1550)

In particular, of course, there's the issue of the Keystone pipeline. I think we will likely see some changes on this, because of changes in the participation of Congress after the mid-term elections. I think we're likely to see a vote that's in favour of the Keystone pipeline, but it's also possible that the President, who is very concerned about environmental matters in the long term and has just finished signing a very important agreement with China to try to stop increases in environmental pollution, particularly the impact on global warming by 2030.... The differences of view on the pipeline still exist, and the President could in fact veto what Congress decides to support.

Finally, I would conclude on the very important and I think very positive relationship regarding what is now dubbed maritime NORAD. I have been a long-term supporter of this; I argued for this before this terminology even came into place. I cannot say that I had any direct impact, but as a scholar I argued very vigorously for this, both in Canada and in the United States, and I'm delighted to see the movement in this direction.

We have, of course, a situation in which both governments are very actively involved in terms of the identification and the monitoring of movement of illicit traffic of some sort off our coastlines. This is all coordinated in I think a very effective way inside the larger framework of NORAD and NORTHCOM relations.

It is the case that the task of maritime NORAD is simply to report and to inform the governments in a timely way. The interdiction, then, is up to the individual head of government, the head of state, to act on, but in fact this is all coordinated in a way that I think is positive and essential. Indeed, there have been a number of alerts at this point.

I would simply conclude by noting that NORAD, which some thought was going to disappear as an institution of any significance, has suddenly become, once again, very much more important. How is that? Well, NORAD is oriented toward the so-called air-breathing threat. In the last year or so, Russia has sent some 400 sorties out against North American coastlines, but also against European interests and areas of defence concern. It is of course then up to us to scramble our own fighters and to respond to this. This is familiar territory for us. NORAD has the skill, the dedication, and the long-time experience in dealing with this and that is necessary to respond in a positive way.

If I could, I would just note a statement on the part of the individual who is responsible for the North American Aerospace Defense Command's maritime division, Captain Martin Beck. He put it this way: “We have the watch, and what we do is a no-fail mission.”

I don't think I could improve on that. I think we are in good hands. I now look forward to responding to questions.

● (1555)

The Vice-Chair (Mr. Jack Harris): Thank you very much.

Between the two of you, you used 20 minutes, so that was perfect. Thank you so much, both of you, for your presentations.

We're going to start with a round of questions at seven minutes per questioner. That seven minutes includes the questions and answers.

We'll start off with Mr. Corneliu Chisu on behalf of the Conservative Party.

Mr. Corneliu Chisu (Pickering—Scarborough East, CPC): Professors, thank you very much for your presentations.

I am very interested in the Arctic situation. The majority of our witnesses who have appeared before the committee have argued that the deterioration of relations with Russia over the ongoing crisis in Ukraine will not affect international relations in the Arctic.

As of Monday, Russia activated the new Arctic joint strategic command. Russia's new joint strategic command became operational on December 1. Northern Fleet Commander Vladimir Korolev has announced that the new command based on the northern fleet and headquartered in Severomorsk will acquire military, naval, surface and strategic nuclear sub to surface air force and aerospace defence units, assets and bases transferred from Russia's western, central and south but not eastern military districts, with which it will importantly be on par.

The creation of the new command was outlined by Russian President Vladimir Putin on November 24, one or two weeks ago.

The northern fleet will be absorbed in its entirety into the command, together with a substantial element of the first air force and air defence command. The official transfer processes will be conducted through the ministry of defence and will take several weeks. Subordinate to the new command will be freshly constructed and upgraded air bases, garrisons, and maritime docking facilities on mostly Arctic island territories, including Novaya Zemlya, the new Siberian Islands, Wrangel Island, and Cape Schmidt, which were amalgamated in the joint task force in October and with the most up-to-date coastal and air defence weapons system to protect these possessions.

The land component is comprised of two special Arctic brigades, the first to be combat ready in 2015, next year. That's very close. It is at the village of Alakurtti, 50 kilometres from the Finnish border. It was reopened in March as a large fleet with an intelligence unit with the strength of 3,000 specialist operators. The other is understood to be at a yet-to-be identified location in the northerly Yamalo-Nenets Autonomous District which will become ready in 2016. Work on both of these is said to be completed on a fast, non-stop basis.

The head of the National Defence Management Centre, General Mikhail Mizintsev, indicated on November 29 that the project will include 13 new upgraded airfields, air training and target areas, radar and air navigation sites, 150 northern fleet vessels, and some 1,200 units and subunits, including remote garrisons.

Russia is also expanding the Arctic special forces presence by more than 30%, with the garrisons of the revamped 61st independent naval infantry regiment stationed in the Sputnik base Pechenga inside the Arctic Circle, 10 miles from the Norwegian border and 40 miles from the Finnish border, where it will be co-located with the 200 independent infantry brigade that was reformed in May 2011.

To what extent do you agree with the assessment that Russia is not presenting any threats to the North American continent?

● (1600)

Prof. Charles Doran: First of all, I have to say that I am not an expert on Russia, but I'd like to support your remarks with two further observations.

The United States and Canada have both in the last year had smaller defence budgets for various reasons which are unique to each country. For example, we had sequestration here, which caused a reduction in military spending, while Russia increased its military spending by 18%. I said 18%.

The second thing I would say, which is congruent, I think, with your remarks, is that the Arctic is at a tipping point. We may not like this. I certainly don't. I worry a great deal about global warming, but global warming is happening at an enormously fast pace. The tipping point I'm talking about is that ExxonMobil and Rosneft, before they concluded their drilling operations, discovered the first major well with commercial deposits of oil estimated to be three-quarter billion barrels. This, in my way of thinking, is going to lead to an oil rush. With this oil rush will come much greater traffic in and out of the Arctic, not so much transiting the Arctic but in and out, all of which will require monitoring. The kind of deployments that you have described are deployments which Russia is taking very seriously because it has a long, open coastline in these areas. What in fact these deployments actually mean for the rest of us is something we have to take very seriously.

To conclude, I do not believe that we, that is Canada and the United States, or the Europeans, are taking the Arctic seriously in defence terms in the way that all of these developments suggest we should.

Dr. Christopher Sands: Let me just add to that very briefly. I think one of the real problems that we have is that we're spending our time between Canada and the U.S. arguing over boundary disputes in the Beaufort. We are duplicating efforts in terms of our ability to provide security in the Arctic, following President Bush's national security presidential decision directive at the very end of his administration. We're working at cross-purposes when we should be working together. It will be expensive to develop Arctic capabilities. We're going to have to move very quickly to keep pace with the Russians, and we should be doing this together, not fighting now and squandering this moment.

Mr. Corneliu Chisu: Thank you.

The Vice-Chair (Mr. Jack Harris): That's your time, Mr. Chisu, exactly seven minutes. Thank you.

The next questioner is Madame Michaud on behalf of the NDP.

[*Translation*]

Ms. Élaine Michaud (Portneuf—Jacques-Cartier, NDP): Thank you, Mr. Chair.

My thanks to the witnesses for their presentations. I will be asking my questions in French, and I hope that you will be able to hear the simultaneous interpretation properly.

My first question is about the missile defence system.

In Canada, this topic comes up from time to time. Various witnesses have talked about it in committee and have expressed differing views. One witness has told us that Canada might be able to participate in the missile defence system with the Americans without having to increase our financial or material contribution. However, other witnesses have told us that it is completely unrealistic to think that the U.S. government would agree to Canada's participation without further contribution.

Could the two witnesses tell me what they think about that?

● (1605)

[*English*]

Dr. Christopher Sands: Thank you very much for the question. This has been a perennial issue in the Canada-U.S. relationship. We have talked about missile defence since Ronald Reagan first proposed the idea of the strategic defence initative, and I think Canada's position has been skeptical that the technology could work.

Over time, however, the Americans have shown that they can make the technology work, not perfectly, but that ballistic missile defences are possible, and some of the arguments made against ballistic missile defences, that they may destabilize relations with other countries, have also not been proven out. Particularly as missiles are used less by Russia, and China, but more by irresponsible powers such as North Korea has become a matter of pressing concern.

What I think the problem will be is not a question of whether the U.S. would refuse Canadian participation; it's that Canada and Canadian governments, including the Chrétien government, the Martin government, even going back to the Mulroney government, have suggested that Canada might be open to some form of participation. This has led U.S. presidents and cabinet secretaries to propose formulas for Canada's participation, and each time Canada has declined ultimately to participate. That's your decision, and I think that's fine, but it will take a gesture from Canada to suggest that this time you really do want to participate, and if you do, I think you would be welcome to participate.

[*Translation*]

Ms. Élaine Michaud: My question was more about whether it is realistic to think that the Americans would accept Canada's participation without any additional contribution, without additional funding or material resources. That was the focus of my question.

[*English*]

Prof. Charles Doran: I would simply observe that whatever decision is made regarding Canadian participation, it is clearly a Canadian decision. That is the understanding here. There is no pressure here. There is no arm-twisting. There are preferences, perhaps, but there is nothing to try to encourage Canada to do something it doesn't want to do.

If the issue is merely—merely, I say, because we know how scarce resources are—a question of whether these funds would be available, I suspect the two governments could work out some kind of arrangement. My understanding is that the problems do not just lie with the funding issue. There is somewhat a difference of opinion with regard to how this joint effort might go forward, and even regarding the estimate of how successful BMD would be, and indeed, what the rules would be.

I would just conclude by saying what people should realize in the United States as much as in Canada is that for a very long time Canadians and Americans have shared strategic decisions to inform their respective governments of serious kinds of threats to the airspace in, as far as I can tell, a totally successful way. There doesn't seem to be much reason that this kind of cooperation and coordination would be stopped or somehow would be prevented from working in the defensive missile area if the two governments want to move in that direction.

● (1610)

[*Translation*]

Ms. Élaine Michaud: I will now turn to another topic and ask that you give me a brief answer because I don't have much time left.

We know that the U.S. government is already looking beyond fifth generation F-35 stealth fighters. They have already started working on sixth generation fighters.

What impact can that have on NORAD? In terms of harmonizing standards, what could the impact be on NORAD operations if Canada purchases F-35s or other fifth generation fighters?

[*English*]

The Vice-Chair (Mr. Jack Harris): There's about a minute left.

Dr. Christopher Sands: If I can quickly respond, and very briefly, one of the stealth capabilities' big advantages is in more of a battlefield area. They're very important in areas like the Middle East, but in defence of the continent you don't need to be stealthy because you just need to be able to track down your opponent, so NORAD will be able to operate with fifth generation, even fourth generation planes in the air for some time while those capabilities are developed for much more hostile-fire situations where our presence would be more likely to be detected and counterbanded by forces on the ground.

The Vice-Chair (Mr. Jack Harris): You may go ahead, sir.

Prof. Charles Doran: Mr. Chairman, in my judgment, these planes are very fine planes and in fact have been demonstrated internationally to be wonderfully manoeuvrable and fast, and most important, they are stealthy.

There are, however, very substantial changes taking place in the technologies in these areas, for example, in terms of the ability to use firepower, but I don't think that's the central issue in the NORAD context. The purpose of these planes is first and foremost to identify and to avoid being identified by other air-breathing threats. The purpose that they were designed for seems to be one that they can fulfill very effectively.

The Vice-Chair (Mr. Jack Harris): Thank you, sir.

The next person is Madam Cheryl Gallant, on behalf of the Conservative Party.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Dr. Sands, what measures should Canada be taking to defuse the threats arising from the technology that is becoming more commonplace, such as drones?

Dr. Christopher Sands: Thank you very much for the question.

I think the first thing that would be very important for both our governments is to develop a familiarity with the drones themselves. Canada's participation in our drone programs in Afghanistan was pretty strong. As Canadian military officials become comfortable with drones, I think that will be helpful.

Second, we are starting to see more drones in the civilian space as law enforcement uses drones to monitor situations, whether it's public protests or other things, just to get that eye in the sky that we used to use helicopters for. Being aware of that is very important.

Third, we've started to see drones that creep into airport locations, where they could pose a threat to civilian airliners. We saw an incident like that in Vancouver just last year. With those particular incidents, we'll have to think about what effective countermeasures need to be taken, and we'll have to think about domestic regulation. Should you have a licence to pilot a drone? Should you need permission to operate a drone in domestic airspace in the same way you would need a licence to fly a plane? I think we are catching up to this technology on the regulatory side, and we have a lot more to do.

Mrs. Cheryl Gallant: Dr. Sands, how would you rate the joint cooperation between our military and civilian security during a critical incident? For example, does the interoperability with respect to cybersecurity exist at the levels it should?

Dr. Christopher Sands: Specifically with regard to cybersecurity, the challenge is that we are usually playing defence, so we are reacting to an event. In so many of the incidents where the law enforcement and the military have had to coordinate, for example, the Vancouver Olympics, they've had the benefit of advanced planning to work through some of the issues, to war-game them, and to test procedures. However, with cybersecurity, both of us have been caught flat-footed or back-footed as we try to get involved too late, after an incursion has occurred.

This is particularly true with regard to civilian systems, such as systems of defence contractors or even public health systems that may be hacked by hackers from abroad, where we are not even monitoring what's going on there. We may be the last to know on the official side, and we need to play catch-up.

With regard to cybersecurity coordination, I think the key is for our officials on the cyber-defence side to talk to each other, do a bit more war-gaming, and try to prepare, because they are almost always going to be in that reactive mode, which I think is a disadvantage when going into a cyber-attack.

● (1615)

Mrs. Cheryl Gallant: You described capturing the Internet communications among terrorists, Dr. Sands. You made reference to that. ISIL is terrorism, but it's also a military issue. Should more effort and resources be put towards the monitoring of what is referred to as the deep web, the invisible web, the deep net, the dark net, the hidden part of the Internet?

Dr. Christopher Sands: Yes, with one caveat. I think that as we get into these areas it's extremely important, because we are democracies, that we have the protection of oversight. That could be legislative oversight. That could be administrative oversight through judicial forums or committees.

Our public has a right to be protected, and that may require that our governments monitor communications that are sensitive, but it also has a right not to have that information abused or used in a political or personal fashion.

What we need to develop in tandem is both the capacity to look deep into the web, deep into the Internet, and the capacity to govern our searchers. The old line "Who watches the watchers?" is very important here. We have to make sure there is democratic accountability at the same time as we pursue every effort to secure and keep our people safe.

Mrs. Cheryl Gallant: Dr. Doran, I saved the really tough question for you.

A number of my colleagues and I were in The Hague at a NATO parliamentary conference. Its being hosted in The Hague, we had an admiral describe procurement there. They've seized upon what they refer to as the triple helix model. It's full cooperation between government, defence, and security-related industries and research, the knowledge institutions. What they do is assess and stay ahead of the emerging threats, especially asymmetric threats, which are not bound by international law the way we are.

Do you see that sort of cooperation happening among the Canadian institutions, wherein we're all working together in sync, or are we operating in silos: educational institutions, the defence industry, and government?

Prof. Charles Doran: Well, it is certainly the case that silos exist, and particularly the ones you have identified. When I compare how Canada and the United States interact on these matters of procurement, and particularly relating these to what is purchased and how much interoperability there is, I think we're way ahead of anything the Europeans have, regardless of how elaborate may be the way they describe their cooperation and the coordination. With all due respect to their observations, I think that Canada and the United States, involving both the private sector and the governments, have done quite a good job in this type of coordination. For example, if you look at the intervention in Lybia, the coordination between Canada and the United States couldn't have been better. In fact, I believe we were under the command of a Canadian officer. I think there is always room for improvement, but our interoperability is indeed quite good.

Mrs. Cheryl Gallant: In terms of improving, you say we've cracked the nut in terms of interoperability. What about assessing and anticipating future threats, and having the equipment to do so?

The Vice-Chair (Mr. Jack Harris): A very short answer, please, as the time is actually up.

Prof. Charles Doran: Once again, both of our governments spend a lot of money on looking at that kind of an issue. I know for a fact that we do. It's very difficult to do that. It's very difficult to see the future, so the estimates are always framed in terms of probabilities and so on. Nonetheless, the effort to assess in terms of scenarios and future kinds of problems that will require the appropriate defence capability is ongoing and I think it's pretty successful.

The Vice-Chair (Mr. Jack Harris): Thank you very much.

Next on our list is....

The Clerk of the Committee (Ms. Evelyn Lukyniuk): Mr. McCallum.

● (1620)

The Vice-Chair (Mr. Jack Harris): Mr. McCallum, I saw you there earlier, but it didn't register.

Welcome to our committee as a former defence minister of the Canadian government some time ago.

Mr. McCallum, on behalf of the Liberal Party, you have seven minutes.

Hon. John McCallum (Markham—Unionville, Lib.): Well, thank you very much. You have to look to your left to find the Liberal Party, but here I am.

Voices: Oh, oh!

Hon. John McCallum: I'd like to return to the question of the Arctic, but on a slightly different dimension.

Mr. Chisu articulated the threat from the Russians, but there's also the issue of sovereignty over the Arctic with the Northwest Passage. As was mentioned by Professor Doran, if there's a whole lot of oil there, there will undoubtedly be more ships wanting to come in and out, so there will be potential conflict over that and certainly potential damage to the environment.

I know that Canada's sovereignty claims in the Arctic are not agreed to by the United States, or the European Union, or Russia, or just about any other country in the world except Canada. I understand that ultimately there may be some international judicial process to resolve it, but I don't know when and I don't know if other countries would even accept that.

My question is for one or both of you. How do you see this thing playing out? With Russia playing a more major role, with oil possibly on the horizon, with global warming opening up shipping faster than had been thought, the stakes may be higher sooner than we might have thought. Do you think there's some scope for a Canada-U.S. deal or compromise in terms of a joint view on the sovereignty question so that we, as you were saying, can work more closely together rather than against each other? More generally, how do you see this playing itself out?

Dr. Christopher Sands: Thank you very much for the question. I'll take the first hit at that.

I think we have spent a lot of time as friends—despite all of our differences in the Arctic, Canada and the U.S. are fundamentally friends—talking about this problem but not actually resolving it. It's amazing that we're still disputing the boundary in the Beaufort, not because it isn't a legitimate dispute but because we've talked, mapped, and debated this thing for a long time. You would think we could come to some sort of settlement. I think as long as the U.S. and Canada have been working at cross purposes in the Arctic, it has emboldened the Russians and it has emboldened others to try to map out a new regime in the Arctic, to our detriment.

I was at a meeting not that long ago where there was a serious discussion of the United States establishing an eastern Arctic port in Greenland simply because we couldn't come to terms with Canada about where an Arctic base might be located for ships, sort of a deepwater port. That's such a waste of effort, and inevitably a waste of money.

I think we need to resolve this in two steps. The U.S. has to start taking the Arctic more seriously. It is peripheral in many ways to U.S. conceptions of national security. That has to change. Also, I think we need to look for some progress from Canada. I think the governments of Canada over the years have hoped that the U.S. would sign the Law of the Sea treaty, providing a structure for resolution of this. The Senate still won't consider that, despite the support of President Obama and President Bush before him.

I think we may need to look for a new route out. That may take, as a forward gesture, something from Canada, but overall I think we have to find a way to come to terms with each other and then present a united front to the rest of the world.

Prof. Charles Doran: Let me just say that I agree with the spirit, or what I take to be the spirit, of your remarks, namely, that there needs to be perhaps some greater cooperation and coordination given the fact that we are facing a lot of movement of ships in and out of these areas.

I think something like 400 mines and well areas have been identified, so there will be a lot of movement of ships bringing equipment in and product out. It's not so much the issue of the transiting of these areas, which is good news. Usually, in the common parlance, it's described here as the Northwest Passage. Well, it's not so much that the Northwest Passage will be traversed from one side to the other very soon, but there is movement in and out of the Arctic, especially on the Russian side, and they in fact will take their security issues very seriously.

We haven't mentioned this, but it isn't just a question of our interaction with the Russians. This is an area that has to be examined in terms of what the terrorist implications might be. It's frightening to see how close Hudson Bay is to the cities, the heartland, of Canada and the United States. These areas can in fact be increasingly penetrated, not just by submarines but by surface ships. The capacity to identify what in fact these ships are carrying and so on is nascent, I would say, at this point.

But I think the spirit of your remarks is correct. We need to cooperate and coordinate.

I should say this. Canadians and Americans, being who they are, are fairly pragmatic. At this point what we've done is we've simply agreed to disagree. Then we've tried to do the best we can in terms of coordination.

● (1625)

Hon. John McCallum: Look, I think we agree that for various reasons this is becoming more important and that something should be done, but we also seem to agree that nothing much is being done. I think that's a problem in need of resolution.

On a totally different subject, in terms of interoperability, I know that the Canadian military loves to have exactly the same equipment as their American cousins.

One of the reasons, as you say, we're so way ahead in our interoperability is that we Canadians always get almost the same stuff as you Americans. That makes us interoperable, but it might also be disadvantageous in other respects.

If you look at the F-35, for example, I don't think it's necessary to have an identical plane to be interoperable. I think the French, for example, with different planes, have been quite interoperable with the U.S., as have other governments. My view is that we could have some sort of open competition for a new fighter jet. The F-35 might win and it might not. But the fact of being identical to what the U.S. has doesn't strike me as being a prerequisite, given the experience of other countries.

I guess I would ask you whether you agree or disagree with that point of view.

Dr. Christopher Sands: I would just say, sir, that I think you're on to something. I don't think Canada has to have identical equipment.

What we find in the field is that often Canada is there, especially outside of North America, in small enough numbers that it needs to work within a larger American or British command. We've seen that in a couple of cases, and shared equipment can make maintenance, providing spare parts, and other upgrades possible. So there are advantages to interoperability. But I agree, it's not a prerequisite that the equipment be identical or, referencing the earlier question, that they be bought in the same model year, as long as there is a mutual understanding of the technology and we're able to support one another.

The Vice-Chair (Mr. Jack Harris): We're out of time for Mr. McCallum. Thank you very much.

We're going to the second round now, which is of five minutes duration.

Our first questioner of the witnesses is Mr. Williamson, from the Conservative Party.

Mr. John Williamson (New Brunswick Southwest, CPC): Gentlemen, it's very interesting to hear your comments, and thank you for joining us today.

I have a quick comment just to put Mr. McCallum's comments into context. He was in fact the Canadian minister of defence when Canada entered the joint fighter program under the Paul Martin government. So it has been an ongoing political issue up here with the Liberals taking a stand and a certain track in government, and then in opposition having second thoughts about it and conveniently forgetting their role in the F-35 debate.

Professor Doran, I think it was in your remarks that you mentioned, albeit briefly, the sequestration impact. I'm curious to get your sense of what the impact actually was on the U.S. armed services. We hear all kinds of stories in Canada. Some say the reductions in U.S. government spending were great and negative in terms of spending cuts. Other corners suggest that this was a trim, a budget slowdown.

I'd like to get your comments on both the overall impact and then specifically what it means for U.S. readiness in its posture to its armed services.

● (1630)

Prof. Charles Doran: Thank you for that question, and it's not an easy question.

My observation first would be that no cut, however large or small, could be regarded as helpful in security matters. Nonetheless, insofar as this is simply a one-shot thing, there may be some benefits. What it has done, in fact, is forced us to re-evaluate how we're making our expenditures and to change some of the priorities, and therefore to probably make the funds that we are spending go further and put them in a situation where they're used more effectively.

Having said that, I think the great problem is if we continue to go in that kind of direction of declining expenditures. Looking at the way China is making its expenditures and what the percentage increase is per year, looking at the increased expenditures of the Russians, and looking at what's taking place with ISIL, for example, in the Middle East, the problems, the challenges, are growing at a time when the collective efforts of the democracies, I might say, seem to be going in the opposite direction. That is a recipe for serious problems sooner rather than later.

Dr. Christopher Sands: Mr. Williamson, if I could just quickly add, one of the things that I think has been lost in the debate is the way in which Congress set up the sequestration mechanism. It redefined the national defence portion of the budget, and then there was a budget that was sort of the domestic entitlement spending. It divided that in half.

Instead of defence being defined as the Pentagon only, the traditional defence, they also put the U.S. Department of State and the U.S. Department of Homeland Security in the same basket.

The defence department obviously did a good job of protecting soldiers in the field, salaries, and key programs. The state department didn't have a lot of money to go after so it didn't take as big a hit. But the Department of Homeland Security slowed a lot of pilot project cooperation under the beyond the border agreement. They were unable to purchase equipment and they had to slow down recruitment and training.

So in an area of vital importance to Canada, our border security and our ability to cooperate in making trade facilitation work, I think we did some damage to that process. Because of sequestration DHS was simply not in as good a position to defend its turf.

Mr. John Williamson: Getting into speculation now, I'm just curious to get your insight, given your background and your location. Where do you see this debate going in terms of spending in these areas? With the President's term coming to an end in two years, and with the Republicans now controlling Congress, do you expect it's going to be steady as she goes, maybe modest increases, or do you think an emphasis is going to be put on deficit reduction and obviously a spending reduction?

The Vice-Chair (Mr. Jack Harris): Could we have a short answer, please.

Dr. Christopher Sands: Briefly, I think there is going to be an attempt to do both. One of the things about the next couple of years is there will have to be compromises between the White House and the Republican Congress if anything is going to be done. With the power, the veto, plus the ability to divide even a united Republican caucus, there are lots of members you could peel off on spending issues, so I think it's going to be a struggle and we'll be able to move forward only by compromise. We'll probably have some deficit reduction, but we'll also have to continue to constrain defence spending and entitlement spending just to make it through the next couple of years.

Prof. Charles Doran: If I could just say quickly, I think it's going to be driven by what happens in the international environment. The international environment is getting more serious, and therefore I think spending will go up.

The Vice-Chair (Mr. Jack Harris): Thank you, sir.

For the New Democratic Party, we'll have Mr. Tarik Brahmi for five minutes.

[*Translation*]

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

Professor Sands, thank you for raising a point in your opening remarks that I find rather interesting and concerns me in particular.

You listed threats to the security of North America. You mentioned home-grown terrorism. I am the MP for the riding where a member of the Canadian Forces was attacked and killed by a person in a car. I am therefore directly concerned by home-grown terrorism as a threat to North American security, which is what we are studying today.

This raises a question that many of my constituents often ask me. At what point can we label an attack against a member of the Canadian Forces as a terrorist attack?

You gave the example of the Ottawa attack, but, in the attack I am referring to, the person had a knife and was driving a Nissan 2000. That was all the equipment he had. He had no training.

You are experts in security, but not in propaganda. As experts in security, would you place the attack against the World Trade Center and individual attacks on the same level? The attack against the World Trade Center required organized international cooperation where people were sent to a country to receive pilot training. The other attack was committed by an individual who had access to terrorist rhetoric on the Internet, but was a lone wolf, isolated, and, because of mental health issues, could not have relationships with his neighbours or family members.

Can those two attacks be treated in the same way? What is your assessment of those two events?

● (1635)

[*English*]

Dr. Christopher Sands: It is a very sensitive situation. I would respond first with some sympathy for your constituency and the people in Canada who are dealing with this. It is very tough.

In some ways it doesn't matter whether the motivation is political or whether the motivation may come from mental instability. We have had horrible incidents of family shootings and other things that have happened because young men, and sometimes young women, but often young men, commit a violent act for whatever reason—they're frustrated. From the security point of view, the first thing is to prevent those things from happening, to try to catch them before an individual does harm to himself or others. It doesn't matter what the motivation is, we want to keep people safe. Whether it's in a school shooting, the shooting in Montreal at the engineering school, or something of this order, we have to try to keep people safe.

Then always, inevitably and very humanly we turn to the question: Why? Was there anything we could have done? Would we have been able to do more if we had known more? This is why I raise the question of intelligence in the very local sense. What the U. S. has found in the vast majority of terrorist activities it has been able to stop, and even in the school shootings and individual acts of non-political violence that it has been able to stop, is that the intelligence that saved the day was from members of the community who knew a young individual or individuals and told law enforcement they were worried, and from law enforcement that listened, officers who said they heard what the people were saying and who worked with them to try to protect the individual from harming himself or others.

We saw that in Buffalo with the Lackawanna group. We saw it in Detroit. We have seen it in many incidents. I think we have to build trust among our law enforcement communities, our parents, our professionals working with kids in schools and the officials who are there to keep us safe. Worry less about motive. Focus on helping people and keeping people safe.

The Vice-Chair (Mr. Jack Harris): We are out of time. Thank you, Mr. Brahmi.

Next is Mr. James Bezan on behalf of the Conservative Party.

Mr. James Bezan (Selkirk—Interlake, CPC): I want to thank both witnesses for appearing today. I've been interested in your comments.

I want to come back quickly to BMD. In Canada, although we have not supported North American ballistic missile defence, we have been supportive of BMD that has been instituted in Europe as part of NATO. I am sure you are aware that the Senate has done a study on BMD, which we're considering quite closely.

With the rhetoric coming from Russia right now, everybody is extremely concerned with the seeming sabre-rattling every time Putin speaks, but we all know that BMD would never defend against a missile attack from Russia. However, let's talk about some of the other state and non-state players out there and the danger they represent.

From your two perspectives, how are we right now with the North Koreans? How are we with the Iranians' aspirations for nuclear warheads? We have already talked about the use of drones and the proliferation of cruise missiles to state and non-state players in recent years and about how they also present a major threat to North American security. Could you both comment on that?

● (1640)

Prof. Charles Doran: Let me agree with you first of all that these are all very serious issues. For me, the matter of proliferation of weapons of potentially mass destruction, as difficult as it is to defend against, is most serious in the Middle East, and that's why the Iranian negotiations are so crucial. We have to make them succeed. The alternative is going to be probably some kind of use of force, which will not, I think, be any kind of permanent solution and will be very difficult, especially in the context of other things on the ground taking place there at this point.

Why do I say proliferation is so problematic there? If the Iranians acquire these weapons of mass destruction, there will be a kind of effect that will spread and other governments in the area beyond Israel—Israel already has those weapons—will be acquiring the weapons.

The problem there is that these are small urban populations. The time required to attack is very short, and there is a history of surprise attack in the area. This combination is a recipe for very serious problems. Therefore, to the extent that the defensive technologies are going to be able to help us in this area, we have to exploit them, but I think we also have to rely seriously on the success of negotiations at this point.

Dr. Christopher Sands: Sir, the only thing I'd add, and I don't want to take up much of your time, is that there are two issues. One is the vehicle for delivering an attack, and the other is what you attack with, chemical weapons, nuclear weapons, and so on.

Non-proliferation efforts dealing with ordnance are very important to try to stop people from using those weapons, biological and other. The missile technology or drone technology can be picked up at Walmart or Canadian Tire. It's becoming so cheap and so easy. We have a little bit of benefit with the North Koreans that they are not very good at hitting their target, but that won't last. They will get better at it.

The idea of missiles is out there. We have to do what we can to make sure they are not containing anything that is truly a weapon of mass destruction, and that may be the best we can do.

Mr. James Bezan: I want to comment on what Mr. McCallum said. He made the comment that we like to have the same equipment that Americans run on, and if you look at our Canadian army and our Canadian navy, they run quite different operations and platforms than their American counterparts run.

However, when we're talking about replacement of our CF-18s—and you mentioned the importance of stealth, but maybe not necessarily in the domestic context—wouldn't you consider stealth as being a very strong deterrent for policing in our airspace, especially in the Arctic where we see so many Russian Bears coming across? Would they not want to approach NORAD airspace, if they did not know whether or not we were up there with stealth aircraft?

Dr. Christopher Sands: The difference between the various degrees of stealth is such that what we're really doing in the Arctic is letting them know that we know they are there and that we want them to turn around, so stealth is not as critical in that context. I know what you're saying; you never know where the attack might come from, but it's not an invisible plane. It's a question of being able to sneak up on people, and what we want in the Arctic is for the Russians to know we are coming, and to know that we know they are there.

Mr. James Bezan: As a final comment, I want—

The Vice-Chair (Mr. Jack Harris): Actually, your time is up.

Mr. James Bezan: Are you sure, Mr. Chair?

The Vice-Chair (Mr. Jack Harris): I hate to do this to you, Mr. Bezan, but it's now 5:09 and we can't let you start a question at the end of the five minutes. Thank you very much. You may get another round.

Next is Madam Michaud, for the New Democratic Party.

● (1645)

[*Translation*]

Ms. Élaine Michaud: Thank you very much, Mr. Chair.

In relation to NORAD, I would like to delve a little more into the issue of cyberspace, which I think is quite important.

In addition to defending its own networks, does NORAD play a role in cyberspace or more specifically in North American cybersecurity and alerts?

[*English*]

Dr. Christopher Sands: Well, the United States has put its cyber-defence within the context of strategic command. Northern command is the home for NORAD, but even though we have organized it that way, we're trying to provide protection for not only military but also civilian services.

I think, though, the fact that the U.S. has shifted the primary responsibility to a different command, it will make NORAD a follower and not a leader. It has to protect its own systems, but it's unlikely to be the first tip of the spear in terms of our cyber-defences. That said, if Canada were interested in investing in cyber-defence capabilities inside the context of NORAD, that is something that I think the U.S. would be interested in talking about.

Prof. Charles Doran: I would agree with this. Cyber is so complex, so expensive, so rapidly moving, that one is not likely to find a particular institutional framework for it at this point inside NORAD, but to the extent that there are real breakthroughs that are lasting and that can be put into place, NORAD certainly is a good place to find such a home. But it's not going to be a place to innovate with any of this technology.

[*Translation*]

Ms. Élaine Michaud: At one of our previous meetings, we heard from a retired major general who talked about the use of drones mainly for monitoring and other types of activities in the Arctic. In his view, drones could be a solution suited to Arctic surveillance as such.

What are your comments on that?

[*English*]

Dr. Christopher Sands: I would agree. I think drones are very useful. They are lower cost than the operation of a fighter aircraft, or another aircraft that might be going to check out what could be triggering a threat but could actually be something less than a threat, for example, perhaps a flock of birds or something is showing up on radar and you need to identify and verify whether it is or isn't a threat. That can be done by drones.

They are cheaper, lighter, easier to upgrade, and they give you great range. Canada has a tremendous coastline and an enormous amount of territory to cover, so for the dollar a fleet of drones could do more than the cost of a single fighter aircraft. In that sense, it could be a very promising technology.

Prof. Charles Doran: Yes. I think the drones are really an interesting new area for a lot of further exploration and investment. They certainly are very good for monitoring, and they certainly can do this rather more cheaply than other techniques.

But that doesn't mean, at this point, that our fighter planes, for example, are being made obsolete. The great advantage they have is their clear deterrent value. That deterrent value is what we really expect from them when the Bears come over the horizon and are expected to return back home. We have to have some kind of capability that is convincing, and fighter planes certainly have that at this point.

The Vice-Chair (Mr. Jack Harris): You have about a minute left now.

[*Translation*]

Ms. Élaine Michaud: Okay.

In terms of the defence of North America, in the Arctic and in general, what level of cooperation do you think we could expect between Canada and the U.S. in drone-related activities? Please give me a brief answer.

[*English*]

Dr. Christopher Sands: I don't think very much.... The technology is something we'd be pleased to share. I think we already do share it. NORAD is already set up to take telemetry from satellites and from other radar stations and it could include data coming from planes and drones. I don't think very much would be required. It would be very doable.

The Vice-Chair (Mr. Jack Harris): Mr. Doran, you're invited to respond.

Prof. Charles Doran: I certainly agree with this. I think what is important is that those who, in fact, know how to operate these new techniques and these new instruments be very familiar with this. This is an area where the technology is moving very, very fast.

What we probably are talking about is not just a question of acquiring technology. It's a question of training. It's a question of coordinating how these would be used under various circumstances and how they fit with the present technology we have that is based, essentially, on the use of fighter planes.

● (1650)

The Vice-Chair (Mr. Jack Harris): Thank you very much, sir.

Now we have Mr. Chisu for five minutes once again.

Mr. Corneliu Chisu: Dr. Doran, you mentioned that you are a great supporter of the maritime NORAD.

Prof. Charles Doran: Yes.

Mr. Corneliu Chisu: You were mentioning that the maritime NORAD will be used to monitor ships, vessels, etc., on the surface.

I'm just asking you about submarines. You also mentioned China as a rising power, blue-fleet submarines. Going a little bit south of Bering Strait we arrive in the Pacific area where China is flexing its muscles in the Scarborough shoal, claiming islands in Japan, and building a significant submarine fleet.

We saw from experience in the Second World War that a U-boat came, and they were fixed on the St. Lawrence River right in the Atlantic. Now this is 60 or 70 years later.

Canada has one submarine on the Pacific coast on active duty. I don't know how many the Americans have, but the Chinese have 70.

How will maritime NORAD be capable of monitoring these creatures under the sea? I understand that you can monitor what is up on the surface. You can monitor the movements. But under the sea is a completely new story, a new element.

I know the United States has the key vote towards changing the interests of the people of the south, of the Pacific, but what does submarine warfare, let's say, bring to the equation in terms of threats?

Prof. Charles Doran: Well, I think you're absolutely right that submarine warfare is something that has to be studied very, very carefully. If you look at the history of both World War I and World War II, submarine warfare was a pretty central issue, although at the end of World War II it was countered pretty effectively with the technology that was available.

I would also point out two other things that generally support what you're saying. There are various techniques used on the seabed and so on from satellites to reinforce the work of maritime NORAD in observing what in fact is happening in these waters.

Also, China, as you said, has 70 submarines. Most of them are diesel submarines, which are very quiet, and they serve the purpose very effectively in the South China Sea and East China Sea, but they're not blue-water submarines. Once they begin to develop nuclear submarines with long-distance capabilities, blue-water capabilities, then, in fact, they are going to be a serious potential threat. I have no doubt that over time this will be an objective: to develop such submarines and, in fact, deploy some of them in the Arctic.

As we know, China has at least one icebreaker, which is pretty remarkable for a state that isn't directly on the Arctic. I think this is based on some reasonable concerns they have. They want to try to shorten transport times and so on from Europe to Asia, but they are also very interested in the resources, and ultimately, they're going to be very interested in the security situation.

I think it is very appropriate for you to introduce this into the discussion.

Mr. Corneliu Chisu: I have another question related to these two countries that I was discussing, Russia and China. What about the military cooperation that is starting to develop between these two powers? It's an uneasy cooperation, but we have seen signs of this, so it could be a future threat, a kind of Moscow-Beijing axis.

● (1655)

Prof. Charles Doran: There's no question that the so-called authoritarian states could in fact form an alliance, even a tight alliance, against the democracies. Such a development would be very bad. In fact, there's historical evidence that the same kind of thing, for example, preceded World War I.

Now, the initiative seems to be on the Russia side, because of the sanctions that have been used against it and because of, in fact, the response to its actions in Ukraine and Crimea and elsewhere. The Chinese are interested in access to Russian technology, the best weapons technology that the Russians have. That's kind of the trade-off. So far, I don't think we see a tight alliance relationship; rather we see discussion and coordination. That's something to be watched. If such an alliance were to emerge, I would say it would be a bellwether of difficult times ahead.

The Vice-Chair (Mr. Jack Harris): Thank you, sir.

Mr. Bezan, you have an opportunity to continue your discussion with our witnesses. You have five minutes.

Mr. James Bezan: Thank you, Mr. Chair.

I just want to point out that my friend and colleague Mr. Chisu not once today mentioned that he is a retired engineer with the Canadian army and that he knows these things.

Voices: Oh, oh!

Mrs. Cheryl Gallant: And he's the only member of Parliament to serve in Afghanistan.

Mr. James Bezan: And he served in Afghanistan. That is true. He did.

Anyway, ladies and gentlemen, let's continue on in this talk. You talked about jointness, about having more collaboration and cooperation between Canada and the United States, especially in the realm of national defence and national security.

As you know, we've had one organization around even longer than NORAD, which is the Permanent Joint Board on Defence. They're meeting next week here in Ottawa. I'm hoping to be able to address them, unless votes on Monday night hold us in the chamber too long.

Can that organization be improved on? What other organizations or relationships are we talking about?

Professor Sands, in your opening comments you referred to having more jointness.

Dr. Christopher Sands: Yes, absolutely, sir.

I think one challenge is really bringing in the more civilian side of the security apparatus. That's where the intelligence may be. That's where the need for action may be. There has always been a cultural difference between military and civilian law enforcement. The attitudes are different. The closeness to the citizenry is different. I think that's going to be a difficult bridge to cross.

In the 1980s, when we began doing inter-service cooperation, there was such pride in the navy, such pride in the army, let alone the air force, that it was hard to bridge those cultural gaps. The way we did it was through a lot of joint exercises, a lot of joint training, and a lot of war-gaming. I think where we could do a lot is simply having people on both sides of the law enforcement and military divide in both countries, sort of a four-box matrix, begin working together in test exercises, getting to know each other, and developing some trust. The gear, the equipment, and all those things follow, but you need to do that.

Where governments have created the Permanent Joint Board on Defence, the Military Coordination Commission, we have structures for this. With local law enforcement, at best we've been able to do integrated border enforcement teams, so we have a much weaker infrastructure there. There's a real opportunity to perhaps bring in, through fusion centres—we have set up a number of them—some of the military and civilian forces together to get them training, talking to each other, and understanding each other's cultures.

Maybe the bridge for that is going to end up being the border people. Many of the U.S. Department of Homeland Security border hires we've made since September 11 are veterans who have come from a military background and are now doing something more in the civilian space. They are people who understand both cultures. They could be a good bridge for us in trying to link these communities together.

Prof. Charles Doran: I agree that jointness is important.

I'm just going to say something that everybody on this committee knows so well, but I think it's important to remember. That is, inside NORAD there's a kind of cooperation in the offices on the watch that is unparalleled, as far as I know, between any two sovereign independent nations in the world. That's an extraordinary standard. The problem is to then try to translate some of that into other areas.

I would say that one thing we can do is help our friends inside NATO move in the same kind of direction so that the burden isn't just on Canada or on the United States in various interventions and so on. Now is a good time for this because the Europeans are beginning to see how much they've fallen behind in terms of their capabilities relative to some very real threats very close to them. If we can help them with interoperability, to use that famous word, we ourselves will in fact benefit from this.

I think NATO is really in need of some reinvigoration at this point.

● (1700)

Mr. James Bezan: I have a final comment I'd like to leave you with and have you provide feedback on. You mentioned sequestration and reductions in defence spending in North America. Comparing it to the Russian increase of 18%, which brought them back up to about 4% of GDP—and President Putin made his comments earlier today in his address to the nation. However, he's saying they're going into difficult economic times. There were forecasts, even before that speech, showing that they'd fall back down to about 3.7% of GDP spending by 2016. I know that neither of you is a great expert on the Russia front, but with the weaker ruble and the falling oil prices, in your opinion, will that take some of the heat out of their aspirations for increased aggression, not only in Ukraine but in the Arctic as well?

Prof. Charles Doran: The argument is that economic sanctions will in fact constrain the Russians from meddling in places like Ukraine, Crimea, and Georgia. We all hope that is the case.

I would just say that there's another low possibility alternative that should worry us a great deal. Prior to World War II, the United States used sanctions very effectively against Imperial Japan with very bad results. What one needs to do is have a deterrent in place that is convincing and compelling, and then one needs to use economic sanctions as a further source of leverage. If one just relies on the economic sanctions and you don't have the deterrent in place, you can sometimes see some very bad results.

I trust that will not be the case with Russia in this instance, but it's something we have to be concerned about.

The Vice-Chair (Mr. Jack Harris): Thank you very much.

We now have completed two rounds. There seems to be time and if the witnesses are willing to do it, we'll have a final round of one from each party, for five minutes each, commencing with Mr. Brahmi of the New Democratic Party.

[*Translation*]

Mr. Tarik Brahmi: Thank you, Mr. Chair.

I would now like to go back to the budget.

Professor Doran, you indicated at the beginning of your presentation that we should invest more in North American defence overall. Are there any practical examples of potential NORAD services or aspects that are already affected or might be affected by budget cuts, whether on the American side or the Canadian side?

[*English*]

Prof. Charles Doran: The tone of your question is that in fact there will be further cuts. I don't know whether that's true. That may be the case. I hope, and I'm sure you hope, that will not happen.

The real issue that you are raising is, how can we make use of the capability that we have now more effectively, and how can we add to that capability in the North American context?

I think that's a very central and very good question. It seems to me that one of the problems we're going to have is to figure out how to deal with the possible dispersion of weapons of mass destruction on shipping, for example, entering our ports. How can we in fact know about these kinds of problems in advance before they get to the coastlines and before they get to our ports? To do that kind of surveillance I am certain requires a considerable input of new technology.

I think there are areas of practical improvement that we could make in this NORAD context that would be helpful in a very concrete and convincing way to the citizens of both Canada and the United States.

● (1705)

[*Translation*]

Mr. Tarik Brahmi: Professor Sands, in your opening remarks, I noticed that the second point that you stressed was the importance of expanding joint operations. In your view, the level of integration of the Canadian Forces and the American armed forces under NORAD is very effective.

I realize that this is not your reality, but if you put yourself in Canada's shoes, is there not a risk that Canada may well lose some of its sovereignty? There are two aspects, the materiel and the officers, which are increasingly integrated with the U.S. Given that those two aspects are more and more integrated into the North American defence, if a government did not want to participate in certain operations, would there not be a risk for Canada of losing its sovereignty? Could telling our American friends that we do not want to participate in such and such an operation pose a problem? The government may change and have a different position on Canada's involvement abroad, particularly in the Middle East.

[*English*]

Dr. Christopher Sands: Absolutely. One of the things that we've seen over the history of NORAD is Canada's ability to say no. We saw it with regard to missile defence, which was discussed earlier. Canada chose not to incorporate that. Many people, including many people we both know, said it might be the death of NORAD if Canada didn't participate in ballistic missile defence. The threat and warning systems wouldn't be as valuable and we would have to wrap up NORAD. Yet we didn't. In fact, Canada was able to say no.

We've seen Canada being able to say no to missions in Iraq, but say yes to Afghanistan, and no to Vietnam. Even in the case of the Bomarc missile crisis, Canada said yes to a missile, and then had second thoughts because of the nuclear tips, and we worked that out. I think there's a great respect in the U.S. for Canadian sovereignty, for Canada's ability to say no. I think there's an expectation of courtesy and consultation because we are, after all, supposed to be friends. But within that context I don't think jointness necessarily prohibits your ability to act independently. But that is often raised, and I do understand the sensitivity.

Prof. Charles Doran: Could I just add a quick footnote.

This word “sovereignty” is a big word. It's used in many contexts. But what I think Canadians ought to understand is that while they have an absolutely legitimate concern about their sovereignty and their independence, essentially because they're the smaller partner, what they must realize is that there are groups in the United States, powerful politically, who raise serious questions about loss of sovereignty in dealing with Canada. So this issue in fact runs in both directions. What is remarkable is how the two governments have been able, while respecting the preferences of citizens on both sides of the border, to do what practically is necessary to have jointness. I think that's what we need to keep working on.

The Vice-Chair (Mr. Jack Harris): Thank you, sir. That's an interesting insight.

We have Mr. Williamson now for the Progressive...oh, I thought I saw “Progressive Conservative Party”, but no, it's the Conservative Party.

Some hon. members: Oh, oh!

Mr. John Williamson: You're dating yourself, Chair.

Some hon. members: Oh, oh!

Mr. John Williamson: Dr. Doran, I shall follow up on comments you made with respect to Russia and sanctions, which I thought were very interesting. You also raised the question of deterrence. What do you have in mind there? I ask this because of course we've had sanctions in place, and I think the west—Canada and the U.S. in particular, and Europeans as well—have taken a tough line on what has happened there. But we've also seen a commercial airliner blown out of the skies with really no repercussions. If a state is prepared to do that and gets away with it, I'm curious to get a sense of what you might have in mind, because I think you're on to something. If you have a sanction that could result in a backlash or aggressive action, you need to think ahead and prepare for it.

Could you expand on your thoughts a little bit?

● (1710)

Prof. Charles Doran: Thank you very much for the question.

It is certainly the case that deterrence, everything considered and expensive as it is, is a lot cheaper than defence, and defence is a lot cheaper than trying to get a force out of a territory that has been occupied, such as that in Crimea.

As we look at specifics, and that's what you invited us to do here —as we look at the security, for example, of the Baltic republics and of Poland, both members of NATO—this issue that you raise is becoming very central. It's one thing to have a few troops who are available and who can be moved. As recently as this week, the Europeans have decided that they will get together a multilateral force of, I think, 3,000 troops. But what is so striking is how rapidly the Russians moved 20,000 to 40,000 troops to their border. They have a geopolitical advantage there.

There's another issue. What about heavy capability to back up the troops? If you have a heavy capability in place, it is a very effective deterrent, because no other actor would want to mess with that. But if that capability is not in place and the potential aggressor can move such a capability in very fast, I think we'd have problems on the eastern frontier.

Mr. John Williamson: How much of that—?

Dr. Christopher Sands: Mr. Williamson—

Mr. John Williamson: Go ahead, please.

Dr. Christopher Sands: I was just going to share an anecdote. I was at a conference talking about energy and Ukraine, and one of the gentlemen in the room raised the question, what would Eisenhower do? He speculated that if Eisenhower were president he would build a liquefied natural gas export facility at Naval Station Norfolk with no permitting, just moving very quickly. He would make the announcement, and the Russians would understand that we were doing more than going after their banks; we were going to put in place the serious capabilities to help our friends.

I think sometimes the gesture is underestimated. Exactly as Professor Doran says, deterrence has to have a real meaning for people. I think we fail to send the right signals on consequences, not necessarily violent signals, but we have to send the right signals to people such as the Russians, who won't understand anything else.

Mr. John Williamson: I think you're both absolutely right. It has struck me that we have not done enough in Europe both to highlight the seriousness of what Russia has done but also to prepare for the eventuality that they do more. It has been heartening to see that Europeans are now looking at Canadian oil more favourably. The Europeans were set to classify oil from the oil sands as being a dirty fuel that they would move away from, but in light of the situation in Ukraine, they reversed on that.

This brings me to Keystone. I believe Republicans favour it. When we have a new president in the White House from either party —let's hope from the Democrats—where is the leadership thinking going post-President Obama on Keystone?

Prof. Charles Doran: Well, this is a highly political issue and I respect very much the differing perspectives that governments and parties have on the environment versus energy. But as you may know from a footnote in my document, I debated down here the Keystone pipeline and I was in favour of Keystone against a very good lobbyist who was very prepared on the other side.

I think the time for Keystone has come, and I say that because of the changes in the leadership in the Congress and in the Senate. But I think what is also at issue here is that the whole set of discussions are becoming very complex. With the drop in oil prices, however long term that is going to be, that adds a new set of issues. With the question of what's going to happen to the technology in shale oil and gas, I must say that I recently became aware of some of the new work that's being done in Alberta in terms of mapping out the potential and so on. The potential is gargantuan there.

● (1715)

The Vice-Chair (Mr. Jack Harris): Could you wind that up, please, sir.

Prof. Charles Doran: I would say that the Keystone issues ought to lead to the right decision, which is passage of the Keystone pipeline.

The Vice-Chair (Mr. Jack Harris): Thank you, Professor Doran.

We now have, as the final questioner, Mr. John McCallum, on behalf of the Liberal Party.

Hon. John McCallum: I just want to say that I certainly think Canada can work together with the U.S. militarily without losing sovereignty, because I think in the big cases of Vietnam and Iraq we didn't suffer any negative economic or other repercussions from saying no.

What I'd like to focus on is related to what you were talking about earlier, and that's the eastern front, or the Baltic states. One thing that would concern me is that the next front for Putin might be the Baltic states. The critical difference between them and Ukraine, of course, is that they're members of NATO and Ukraine isn't. That means there is the potential for article 5...and a NATO member to be attacked. I would think that if they did move in that direction, they'd do it subtly. It wouldn't be an all-out military invasion, but they could gradually assist the Russian-speaking people in parts of the Baltic states, and perhaps have some fake referendums, a little like Ukraine, and then it could fester.

I have two concerns over that. I'd like your assessment as to how important this is on two fronts. First, any potential direct military confrontation between Russia and NATO is inherently dangerous, obviously. Second, you were talking about how nimble Russia was in moving large numbers to Ukraine. I remember from 10 years ago, NATO was anything but nimble. There was talk of a big, rapid deployment force, but the ratio of tooth to tail was very low, and it was quite sclerotic. Maybe it's better now, but one of you said that NATO needs to be revitalized today.

I guess my concern is, first, the inherent risk of a confrontation with the world's other superpower, and militarily, nuclear, and second, the relative ability of NATO to act quickly versus what Russia has shown.

Prof. Charles Doran: I think, sir, you have summarized the nature of the dilemma there. The dilemma is that we should use deterrents more effectively, but to be able to do that we have to believe in our own defence, because you have to believe in defensive capability. The problem is that the United States has shouldered the greatest proportion of the burden over the years, but the United States is also very distracted in the Middle East, and I must say in Asia, as is Canada.

The real problem at this point seems to be how you get a convincing capability to the eastern front. Particularly in Poland, that means a heavy capability. The Poles are certainly aware of this problem, and the difficulty with the Baltic republics I think is even graver.

The issue to some degree is that the people who live in the area have to be the first to be concerned. They ought to be the ones coming to us to ask us to assist them after they have done as much as they can to help themselves.

I just attended a conference there titled “The Power of the Powerless Revisited”. I had to say to my European friends that they are not powerless; they are as rich and populous as any area in the world and they can spend more on military capability. If they do that, or if they use that capability more efficiently and more effectively, they could face down Putin as well.

So there's a problem here of who goes first, sequencing, as well as overall capability in place. At the end of the day, it probably doesn't matter because we need the capability in a convincing way, placed where it will act as a plausible deterrent. I don't think we have that at this point.

Dr. Christopher Sands: I would just add two things very briefly. First, three years ago we saw Estonia attacked by the Russians in the largest cyber-attack we've ever seen. This led NATO to establish a cyber-defence centre in Estonia. So we may not see a military attack. We may see a cyber-attack. The Russians will be creative, and we have to be prepared for that.

Second, since Ukraine we've seen the Government of Finland as well as the Government of Sweden reach out to NATO and talk about whether it would be possible for them to join an accession track. I think showing an interest in their interest, as Professor Doran says, should send a signal to Moscow that would be very useful. They are good allies potentially, good NATO members, and having them positioned right near the Baltics would be very helpful in the event that it came to blows.

● (1720)

The Vice-Chair (Mr. Jack Harris): Thank you very much.

I think we have finished all the rounds of questions, but we do have a little tradition here that the chair has the prerogative to ask a question if he wishes. I'll ask a general question.

Recently Ms. Gallant and I were in The Hague for a NATO parliamentary association, and we talked about the post-Wales discussion about arms spending. I had occasion to look at some of the absolute numbers for defence spending and discovered that the Russian budget, even though it has increased, the spending by the Russians on defence is about the equivalent of the total of Italy plus France, or Italy plus Germany, which granted is increasing quickly by the number you used.

I also was reflecting on a comment made by an analyst scholar to another PA meeting in Vilnius who said in talking about Russia and China that Russia was now a regional power acting as if it were a world power and that China was a world power acting as if it were a regional power.

Do any of those comments make any difference to your analysis? Obviously we are dealing with actors who are acting opposed to their relative strength. Would you care to comment on those observations?

Prof. Charles Doran: I'm very grateful, Mr. Chairman, that you brought up this issue of what I would call status. Status is back in international politics in a big way. Much of what Putin seems to be concerned about is status. For that reason, I would say it would be very wise for us not to stress that Russia is a regional power. It's a great power. It has a huge territory; it has enormous resources, and it has second-strike nuclear capability. That's enough for me. It's a great power, and let's treat it that way. But also let's urge that it assume its responsibilities in a serious way.

China is unfortunately, in my view, a country that is a growing or a nascent great power, but it has no region. It is in the centre of the new big power system, with Japan and Russia nearby and India coming up on the outskirts of the system. Half of the world's oil and so on is moving through those waters. All of us use those waters, and so the problem for China is it doesn't really have a region. It's in the centre of the system. It's going to have to adjust to that in some fashion. I noticed in the last week that its verbiage has changed—it has improved to my way of thinking—but we still don't know what that means for its actions in those areas.

One last thing, one of the problems for both of these states is that they would like to create spheres of influence. Spheres of influence are not compatible with the understanding of a liberal trade and political system. They're incompatible with it, so this issue of emerging spheres of influence is something that we have to discuss with them. We have to have a conversation about this and to make clear what our position is as democracies and defending the liberal and political trade order.

Dr. Christopher Sands: Mr. Chairman, I would just add very briefly, that it is really hard to compare dollars for dollars. When we talk about percentage of GDP and the NATO targets for at least spending 2% of GDP, one of the advantages that Italy, France, but especially a country like Canada, have is a good solid GDP and one that's been growing. Canada's figure would look much better if its economy were weaker, but thank goodness the economy is very strong. Russian numbers as per cent of GDP are impressive, but that GDP itself is not as impressive. While you can't necessarily compare dollars to force capabilities in a direct sense, that gives us some comfort that we can close the gap if we have the resolve to do so.

● (1725)

The Vice-Chair (Mr. Jack Harris): On those remarks, I want to, on behalf of the committee, thank you so much for taking the time to join us and for sharing your insights and expertise.

Professor Doran and Professor Sands, thank you for joining us. Your insights have been particularly useful to the committee.

Having said that, I'll ask for a motion for adjournment.

Mr. James Bezan: I so move.

The Vice-Chair (Mr. Jack Harris): Thank you very much.

The meeting is adjourned.