HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

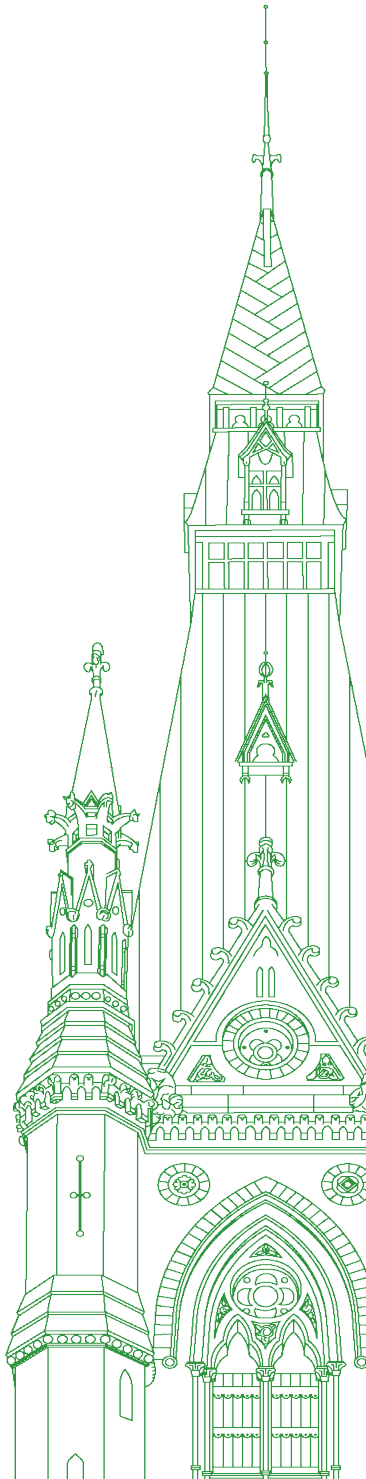
45th PARLIAMENT, 1st SESSION

Standing Committee on Foreign Affairs and International Development

EVIDENCE

NUMBER 008

Thursday, October 23, 2025



Chair: Ahmed Hussen

Standing Committee on Foreign Affairs and International Development

Thursday, October 23, 2025

● (1530)

[*English*]

The Chair (Hon. Ahmed Hussen (York South—Weston—Etobicoke, Lib.)): Ladies and gentlemen, I call this meeting to order.

Before I begin, on behalf of our colleague Anita Vandenbeld, I would like to publicize that she will be hosting an all-party democracy caucus meeting with the EU commissioner for democracy, rule of law and justice, Michael McGrath. That will be at 6 p.m. in room 330 Wellington.

With that out of the way, I call the meeting to order.

Welcome to meeting number eight of the House of Commons Standing Committee on Foreign Affairs and International Development.

[*Translation*]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders.

Members are attending in person in the room and remotely using the Zoom application.

[*English*]

Before we continue, I'd like to ask all in-person participants to consult the guidelines written on the cards on the table. These measures are in place to protect the safety and health of participants, including the interpreters. You'll also notice a QR code on the card that links to a short awareness video.

I'd like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking.

All comments should addressed through the chair.

For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the “raise hand” function. The clerk and I will manage the speaking order as best we can, and we appreciate your patience and understanding in this regard.

Last Tuesday, an informal meeting was held jointly with our colleagues from the Standing Committee on Finance and the Standing Committee on Industry to meet with the defence ministers of Germany and Norway and a few parliamentarians. A few of our members attended the meeting. The cost of hospitality is being shared among the three committees. Do I have the members' approval for our committee to assume one-third of the total cost of that event?

Some hon. members: Agreed.

The Chair: Thank you.

I'd also like to inform you that the Secretary of State for International Development, Randeep Sarai, has expressed interest in meeting with the committee and will appear next Tuesday from 11 a.m. to 12 p.m. For your information, a draft version of the committee calendar was distributed yesterday by the clerk.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, September 23, the committee is meeting on the study of Canada's Arctic strategy.

[*Translation*]

I would now like to welcome our witnesses for the first hour of the meeting.

● (1535)

[*English*]

From the Department of Foreign Affairs, Trade and Development, we have Virginia Mearns, Arctic ambassador and senior official to the Arctic Council. We have Robert Sinclair, former director general, Arctic, Eurasian and European affairs and newly appointed ambassador to Sweden from Canada.

Congratulations.

Up to five minutes will be given for opening remarks, after which we'll proceed with rounds of questions.

I now invite Ms. Mearns to make an opening statement of up to five minutes.

Virginia Mearns (Arctic Ambassador, Department of Foreign Affairs, Trade and Development): Mr. Chair, thank you for this invitation to appear with my colleague Rob Sinclair. I am here today following my recent appointment as Canada's Arctic ambassador and serving as Canada's senior Arctic official to the Arctic Council. It is an honour to follow in the footsteps of Her Excellency the Right Honourable Mary Simon, who from 1994 to 2004 was the first Inuk woman to serve in a similar role.

The Prime Minister announced my appointment at the Inuit-Crown partnership committee in Inuvik in July 2025. This Inuit-Crown partnership committee advances work on shared priority areas between Inuit and the federal government, so it was the perfect setting for this announcement.

I bring to this role deep experience acquired through living and working in Nunavut. I spent 11 years with Nunavut Tunngavik Inc., the territorial Inuit and rights holder organization where I focused on social and cultural development policy. That work brought me into regular contact with community-level organizations and their priorities, needs and aspirations. I also contributed to national-level work, including on the national Inuit committee on health under Inuit Tapiriit Kanatami.

I also worked for eight years with the Government of Nunavut, including time in the Department of Executive and Intergovernmental Affairs. In that role, I worked closely with Inuit organizations and the Government of Canada. I also had the honour of serving from 2018 to 2021 as principal secretary to Premier Joe Savikataaq, a role that involved frequent engagement with provinces, territories and the federal government. More recently, I worked at Qikiqtani Inuit Association, one of Nunavut's three regional Inuit associations, as the senior director of Inuit relations. That work included bilateral collaboration with Inuit in Greenland, exploring shared priorities between our communities in Nunavut and Greenland.

As shared by my colleague Rob Sinclair, the Minister of Foreign Affairs launched the Arctic foreign policy in December 2024 after months of meaningful and distinctions-based engagement with indigenous partners and territorial and provincial governments. Canada's Arctic foreign policy, which builds on and complements the Arctic and northern policy framework's international chapter, consists of four pillars: exercising our sovereignty, advancing Canada's interests through pragmatic diplomacy, asserting leadership on Arctic governance and multilateral challenges, and adopting a more inclusive approach to Arctic diplomacy. My role as Canada's Arctic ambassador is one of the priorities announced under the last pillar. Through this role, I will ensure that Canada's Arctic foreign policy remains connected to Canadians living in the north, including through my office in Iqaluit.

As Canada's Arctic ambassador, my top priority is to ensure that my role is co-developed in partnership with indigenous peoples and northerners, and that our diplomatic engagement reflects the voices and perspectives of those who live in the north. Over the coming months, I'll be engaging directly, both in person and virtually, to listen, learn and shape our approach together.

Last week I was thrilled to participate in my first international engagement at the Arctic Circle Assembly in Reykjavik. In addition to holding various bilateral meetings, I hosted a round table with Canadians, as a first step in my engagement process, to hear views from various stakeholders, including provincial and territorial governments, indigenous organizations, youth, business and NGOs, specifically to discuss my mandate.

As part of my engagement plan, I will travel across the three territories to meet with partners to exchange on my mandate, building on the formal and informal conversations I've already had so far.

● (1540)

I've scheduled a number of meetings with key stakeholders, and I'm looking forward to hearing their insights and priorities.

I also look forward to pursuing discussions at the Arctic security working group in Yellowknife in two weeks. My office will be compiling the feedback we receive through this process, and we will be sharing a summary with partners in the next few months. This is an important step in ensuring that our work reflects the voices and the perspectives of those who live in the north.

Since I started in my role only a few weeks ago, I sensed enthusiasm from Canadians, especially from northerners, in engaging with me to share their priorities related to the Arctic and the north. I've already benefited from hearing the perspectives of some northern and Arctic partners on matters that are of importance to them and how they see the role of my office. I have heard already about the importance of the relationship between partners and the Government of Canada on fronts such as maintaining strong relationships domestically, working together on areas of joint interest, the importance of a secure and sovereign Arctic, addressing critical infrastructure gaps and seeking opportunities for the expansion and diversification of the northern Arctic economies.

In conclusion, Mr. Chair, I want to thank the members of the committee for their attention and engagement regarding this important question. I'll be happy to answer questions related to my role.

The Chair: Thank you very much for your remarks.

I will now open the floor for questions, starting with MP Ziad Aboultaif. You have six minutes.

Ziad Aboultaif (Edmonton Manning, CPC): Thank you, Chair.

Thank you very much for visiting the committee today.

You started your role a few weeks ago. In your opening remarks, you mentioned that part of the job is to keep connecting to the local communities and to engage with Arctic Council partners. Do you believe that Canada's sovereignty in the Arctic is a top priority for you and for your role? If that's the case, what tools have you been provided with, from the government, in order to fulfill this role?

Virginia Mearns: Absolutely, sovereignty in the Arctic is a priority. I've been afforded the opportunity to work with many departments already, within the Government of Canada, that are able to share their perspectives and the way in which they work towards ensuring that we continue to exercise our sovereignty. In addition to that, the dialogue with rights holders in the communities, who also have their own perspectives on what sovereignty means to them, is quite critical. The ability to have that engagement and dialogue with the communities, and then, in turn, bring that back into the Government of Canada, is quite critical.

Ziad Aboultaif: In your understanding of the job that's been given to you—it's a big job—do you have any idea of the challenges with regard to sovereignty? What do you think the challenges are in making sure that Canada's sovereignty is fully protected and well-kept?

Virginia Mearns: The challenges or the pressures that bring about discussion on the question of Canada's sovereignty are definitely the international interests in the Arctic, and, being an Arctic state, that does draw a lot of attention to the Canadian Arctic communities. It is, I feel, a long-standing priority for Canada. It's not just a flavour-of-the-day exercise that is happening. This is a very important component and region of Canada, and that's reflected in the relationships that have already been established and maintained with territorial governments and rights holder organizations, and the establishment of a variety of different functions, whether they be regulatory bodies as a result of negotiated and ratified modern treaties or not.

● (1545)

Ziad Aboultaif: Do you believe we have any dispute over territorial integrity in the Arctic—as far as Canada's 20% share goes—with any of the members of the Arctic Council, or with others that are not members of the Arctic Council but that have an interest in the north?

Virginia Mearns: I don't think there is an outright dispute.

There are, as we know, a variety of different international venues through which states are able to assert...or participate in processes that help identify and confirm the boundaries, for example. We know there are multiple states that have an interest in the same areas. It's not unique to the Arctic.

This is something that is exercised, but I'm not well equipped to get into the details of that right now.

Ziad Aboultaif: I want to be a bit specific, since you mentioned the other players.

For example, China has been showing interest. They're making moves, somehow, in the Arctic—sending icebreakers in and so forth, and claiming they're doing some scientific research. That's a big concern as well, again, regarding territorial integrity and Canada's interests there.

Have you had any interaction with a Chinese representative or any other members with regard to Arctic sovereignty issues?

Virginia Mearns: I have not.

Ziad Aboultaif: Well, that's a short answer, but thank you. I just want to confirm that.

What do you think? If we look at the list of challenges we have, what is top of mind for you, our ambassador to the Arctic, as far as those priorities go? What kinds of priorities do we have, and how are we going to deal with them?

Virginia Mearns: Is that in the domestic context?

Ziad Aboultaif: It's domestic and international.

Virginia Mearns: There are long-standing, wide-ranging priorities for our northern and Arctic communities. The recognition of this was solidified in the exercise of the co-development of the Arctic and northern policy framework, which was undertaken in 2019. That helped set the stage for the way the Government of Canada engages with our northern Arctic partners on domestic matters. It is a mechanism to address those concerns or priorities. I think that is a very strong indicator of what can come about because, subsequent to that, there have been policies developed, including the Arctic foreign policy, which has built off the international chapter.

It is quite critical for us to ensure that we maintain the dynamics that came about as a result of the finalization of the Arctic and northern policy framework. It is a critical exercise, and our partners who spent the time to help co-develop it take it very seriously.

The Chair: Thank you very much.

Next, we'll go to MP Rob Oliphant.

You have six minutes.

Hon. Robert Oliphant (Don Valley West, Lib.): Thank you, Mr. Chair.

Thank you, both, for appearing today.

Congratulations to Ambassador Mearns on your appointment. I'm really wishing you all the best in this.

Also, to Ambassador Sinclair, I think the ink is still wet on the order in council. You have one foot in your director general job and one foot in your new ambassadorship. I do feel that I'm a little with the old and the new. I think that's quite an interesting shift because the work that you have done, Mr. Sinclair, has led to some significant policy changes, including appointments of a consulate general in Nuuk and soon, I hope, in Anchorage, as well as the ambassador's appointment as our Arctic ambassador.

In my head right now, Ambassador Mearns, is the balancing that you'll be required to do. There are issues of Arctic co-operation as the venue where we've had the most international co-operation, maybe in the world, and issues of Arctic competition, with the exit of Russia off centre stage, and now with other players, as Mr. Aboultaif spoke about. It's balancing co-operation and competition, and balancing the need for economic development, resource development infrastructure and the environment in a fragile world in which the Arctic is probably the most fragile part for Canada in climate change.

The third one is, really, on balancing indigenous knowledge and traditions, and science, engaging in what many Canadians would consider primary. You have some balancing to do.

How does that feel for you, and what do you think the challenges will be in maintaining your balance in the midst of that?

● (1550)

Virginia Mearns: Thank you for that.

It is absolutely going to be an exercise of balance throughout all of this.

It is going to be quite critical to ensure that we keep in mind, and in the forefront, the fact that there are many elements that we have to contemplate on a daily basis. It's something that not only are we doing but also our communities are doing now, and they have been for quite some time. Because of that balancing exercise, it has informed a lot of the way in which we do our work now and the way in which we engage.

I'm thinking of our indigenous communities that, on the science front, really advocated and pushed to ensure that traditional indigenous knowledge was respected, in balance with western science, and that it maintained just as much prominence when there's contemplation that is required.

Also, there's the fact that our northern communities are trying to pursue economic development to diversify their own economies and to strengthen their economies locally. Also, it's really tackling the quite difficult questions of how to ensure stewardship of the environment because that is so critical, from our indigenous community perspective, to ensure that we have a healthy relationship with our environment.

I will endeavour to pursue it. I'm thinking about being the first one to do this. There is, thankfully, a lot that we can continue to learn from, and we can also lean on our communities to have the insight that is going to be very beneficial for us going forward.

Hon. Robert Oliphant: Thank you.

I was in Reykjavik for the Arctic Circle Assembly. What I noticed, perhaps since I've been involved in this issue for many years, was Canada's prominence at that event. It was different, partly with the absence of two bigger partners. Russia was not there, and the Americans, due to their shutdown of government, weren't present.

I found that indigenous people—from Sami and other Greenlandic people, as well as northern and western European countries—were looking to Canada for leadership. Does that feel like an opportunity or a challenge?

Virginia Mearns: I think it could be both.

I think we should pursue it as an opportunity. It is an exciting moment in time to be able to pursue or to strengthen those relationships that we already have. It also helps us to continue the exercise of reflection on what is happening within Canada, to do a bit of a gut check to make sure that we are comfortable not only with being able to demonstrate best practices but also with being able to support and elevate the voices of our fellow Canadians on the international stage and to really promote our success stories.

We have a lot of successes that we're very proud of, and we want to ensure that folks who want to learn more about those have the opportunity to do so.

Thank you.

● (1555)

Hon. Robert Oliphant: One of my frustrations has been that southern Canadians know very little about the north. We tend to romanticize it.

I've lived north of 60 for a number of years, and the frustration there was how little people in Canada know about the north and the Arctic.

Could it also be part of your mandate to help us understand it?

The Chair: Give a very brief answer, please.

Virginia Mearns: I anticipate that will be very much a part of my day-to-day domestically and internationally.

The Chair: Thank you very much.

[*Translation*]

Our next speaker is Mr. Simard.

You have the floor for six minutes.

Mario Simard (Jonquière, BQ): Thank you very much, Mr. Chair.

Ambassador, I'll give you time to put on your earpiece. Can you hear me okay? Yes. The interpreter's voice is smoother than mine. That works in your favour.

As my colleague Mr. Oliphant just pointed out, this mandate touches on many realities. You ended by talking about a form of public education on the realities in the Arctic. I understand that there are strategic, geopolitical and economic development issues associated with your mandate, with what you will have to do.

Earlier today, I sat on the Standing Committee on Natural Resources, where we heard from an indigenous grand chief who talked to us about free, prior and informed consent. She explained how difficult it was for the communities in a mining development context, particularly in the north. I think you will come across the issue of free, prior and informed consent in a mining development context. You are no doubt aware that Bill C-5 makes it possible to somewhat speed up the development of certain natural resources right now.

As part of your mandate, am I to understand that you can play the role of mediator or, to a certain extent, ensure that the communities are on the same page with the government's wishes in terms of economic development?

[*English*]

Virginia Mearns: It is definitely an area of heightened interest in our northern and Arctic communities with respect to new opportunities that are being pursued and what that means for the northern Arctic communities.

One of the strengths that we do have in the territories in particular is the regulatory regime that exists and has come about as a result of the ratification of modern treaties with various groups. Those are the mechanisms that are protected rights. These are mechanisms that have to be adhered to. Ensuring there are assurances that these mechanisms will not be skirted and will indeed continue is going to be quite critical, as will be ensuring that indigenous northern communities have a strong understanding of where their opportunities lie because of these major investments that are coming forward.

Nation-building opportunities should also include opportunities for our businesses that exist in northern Arctic communities as well.

Thank you.

[*Translation*]

Mario Simard: Thank you for that.

I don't want to focus too much on one dimension. However, I still want to come back to this idea of expanding critical mineral development in Canada, because I think that largely commits the north, which is where the main critical minerals are located.

To be able to do that, we need infrastructure. From what I understand of your reality, there is already a crying need for infrastructure in the north. To put infrastructure in place, people have to live on the land. I don't want to have a purely mercantile vision. That's not my goal. However, to set up infrastructure, there has to be economic development and people living on the land.

I don't know how you see this possibility of linking economic development, which involves natural resource development, with the associated infrastructure.

Is that something that could be part of your mandate?

● (1600)

[*English*]

Virginia Mearns: I think the dialogue around all of that is definitely a part of my mandate. Of course we do have the various departments within the Government of Canada that are tasked with pursuing those opportunities and engaging with territorial governments, indigenous rights holders and the business sector to be able to make that a reality.

I very much anticipate that the dialogue will also come to me, and I think it's important to remember that our communities have identified for quite some time where the infrastructure gaps exist within their communities and what that means for their ability to pursue the diversification of their own economies. At the same time, I would note that these communities have also identified possible future projects that would help boost...and whether that be in the realm of exploration for critical minerals or engagement with the private sector for large investments, those conversations are very real, and they have been happening for some time. That's really enabled our northern Arctic communities to come to the Government of Canada with their priorities, whether it is in a pre-budget submission or regular dialogues that they're afforded to have.

[*Translation*]

Mario Simard: Thank you.

[*English*]

The Chair: We'll go next to MP Kramp-Neuman for five minutes.

Shelby Kramp-Neuman (Hastings—Lennox and Addington—Tyendinaga, CPC): Thank you.

Congratulations on your appointment.

To start off, I'm curious about what drew you personally to this role and what you are passionate about.

Virginia Mearns: First off, it was very exciting to see the release of the Arctic foreign policy, and it explicitly described the fact that this role was being reinstated. I think it's a very critical role at this critical moment in time.

At that time, in reading the policy or even the executive summary, I never imagined that it was going to be something that I would have an opportunity to do, so it's incredibly humbling to have this opportunity.

First and foremost, I saw it as the opportunity to help elevate the voice of our communities, and I want to also recognize the leaders who have been doing that for decades. Our community leadership and our territorial regional leadership have been doing that, and I think this is also another opportunity to add to that. Also, equally, I hope to be helpful in bringing to our communities some of the things that are happening in southern Canada and on the international stage.

Shelby Kramp-Neuman: Thank you so much.

I'd like to speak more specifically about the evolving dynamic that we have with our partners in the south, and I'm curious, with the shift in U.S. trade and energy policies, about what opportunities or challenges you anticipate for Canada's northern development.

Virginia Mearns: I won't be able to get into the specifics of it, but I can confirm that trade, whether it is with our southern neighbours or elsewhere, does definitely have an impact in our northern Arctic communities, because our communities are incredibly dependent on these sources. We don't have the sorts of capabilities that exist in southern Canada, whether it is access to lumber immediately or steel products and those sorts of things, so having the reliance on sourcing that elsewhere has a direct impact on what can happen and how quickly in our communities.

Shelby Kramp-Neuman: How can Canada protect our Arctic resource exports and still attract investment without the over-regulation that you were speaking about earlier?

Virginia Mearns: I think it's a critical component of that open dialogue between the Government of Canada and our communities in where the interests lie as well as being able to expand what is already known as opportunities. It's critical to really look at them from a global perspective and work together with our communities, our territorial governments and our rights holders to ensure that there is a coordinated fashion when that happens in pursuing those.

● (1605)

Shelby Kramp-Neuman: In the spirit of coordination and collaboration, how do you see Canada's leadership style in the Arctic? How do you see that complementing rather than competing with American ambitions in that region?

Virginia Mearns: It really helps to strengthen the relationship domestically to be able to work together on those opportunities and also demonstrate to not only our American neighbours but also others that there are definitely opportunities in our northern Arctic communities. However, it has to be done in the Canadian way. That requires coordination, and that requires co-operation domestically but then facing outwards as well.

Thank you.

Shelby Kramp-Neuman: Is there a message that you would like to share with the committee and with Canadians in the south so that we can better understand the realities of the north?

Virginia Mearns: I think what I'll say is that there is ample information and a lot of willingness from northerners to share what our reality is and to share stories of our successes as well. There tends to be a lot of negative emphasis on what's happening in our northern and Arctic communities and not so much emphasis on the positive and on recognizing that there are very complex, unique dynamics that exist and that are Canadian.

I'm really encouraging curiosity, I think. Taking the approach of curiosity and reaching out to learn more would be fantastic.

The Chair: Thank you very much.

Next, we're going to go to MP Mona Fortier.

You have five minutes.

[*Translation*]

Hon. Mona Fortier (Ottawa—Vanier—Gloucester, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for being here today.

Congratulations on your appointment, Ms. Mearns. We know that you will play a key role, and we're very proud to see you in this role, which, as you mentioned in your presentation, is very important.

I want to come back to your presentation, in which you talked about the codevelopment approach. This is not the first time we've heard about it in this study, and I think it's necessary, as we've demonstrated.

How do you see this codevelopment approach in the Arctic, obviously, but also in terms of foreign policy?

[*English*]

Virginia Mearns: It is not an easy task. I don't think it would be fair to proclaim that. It is an important exercise because, ultimately, the result is products that are reflective of the voices in our communities.

Co-development is something that we have heard as a major desire and priority coming from our northern Arctic communities, governments and indigenous rights holders, so actually putting that into practice is such a critical exercise. It's an area that, even in the very short weeks that I've been in this role, is intriguing for other states, especially in the Nordic countries, and in really understanding the approaches that Canada is taking in those relationships that result in the ability to co-develop policy and strategies. It is something that demonstrates that working dynamic but then ultimately creates an opportunity to stand behind the final product with pride and with the confidence that we are pursuing a pathway that folks are comfortable with.

[*Translation*]

Hon. Mona Fortier: Out of curiosity, I have a question that might benefit someone like me who is learning how to make better use of this codevelopment approach. Do you have any concrete examples of what works or what doesn't? Do you have any recommendations for us that we could add to the report on our study?

● (1610)

[*English*]

Virginia Mearns: I would definitely point to committees, such as the Inuit-Crown partnership committee that was formed in 2016. You see a lot of co-development and also the commitment to work on areas of joint interest. Immediately, my mind goes to that as a very current example of the co-development exercise put into practice on a pretty daily basis.

I think the other component I want to highlight and raise when it comes to the exercise of co-development is that we have to keep in mind that there are modern treaties that call for that. It is a right that is constitutionally protected, and there are moments in time in which co-development is actually required. That really helps to keep or establish parameters within which it is very appropriate to pursue the exercise of co-development.

Thank you.

[*Translation*]

Hon. Mona Fortier: I don't have much time left.

Would you like the committee to take a closer look at a specific recommendation as part of this study, especially in terms of the priorities it should keep in mind?

[*English*]

Virginia Mearns: If there is an opportunity to come back to the committee, I think after my preliminary engagements that I will be pursuing I'm hoping there may be some concrete examples that I'll be able to bring back. Right now, I am very much excited to participate in that engagement and hearing first-hand. Subsequent to that, I would be happy to share what I've heard so far.

The Chair: Thank you very much.

[*Translation*]

Mr. Simard, you have the floor for two and a half minutes.

Mario Simard: Thank you very much, Mr. Chair.

Ms. Mearns, you just talked about codevelopment. Correct me if I'm wrong, but I believe that dynamic applies more to economic development and infrastructure projects. You said there could be parameters in some modern treaties.

However, I'm more interested in the social development issue. We know that health and social services are needed in the north. It seems to me that a stakeholder appeared before this committee two weeks ago and told us that there was a huge lack of social services, especially in indigenous languages. It's a major challenge to be served in one's mother tongue.

I wonder if it's part of your mandate to study this issue. If you have any recommendations for the committee on that, they would be welcome.

[*English*]

Virginia Mearns: That's a very important question. It's unfortunately a long-standing experience that a lot of our community members continue to have.

The one example I can use that is from Nunavut specifically, is there is a specific article, article 32, of the Nunavut agreement that stipulates the requirement of not only the Government of Canada but also the Government of Nunavut to ensure Inuit participation in the review and development of socially and culturally related policies, which also includes education, health and justice.

It is not necessarily my place in my current capacity to intervene on those. There are very clear parameters in which the responsibilities lie within the governments but also with the representative organizations. I am fully expecting that, similar to our previous conversation, the dialogue will come to me in different ways, so I could maybe be a conduit back into the Government of Canada to highlight whether or not there are specific concerns on that front. If it is shared with me, I feel that there is a responsibility I have to bring that back into the Government of Canada.

● (1615)

[*Translation*]

Mario Simard: Thank you very much.

[*English*]

The Chair: Next is MP Michael Chong.

You have five minutes.

Hon. Michael Chong (Wellington—Halton Hills North, CPC): Thank you, Mr. Chair.

Thank you to our witnesses for appearing.

Ambassador, I have a few questions for you.

When the Prime Minister appointed you, he said that your mandate would be to focus on engagement with like-minded countries. Which specific countries will you be engaging with among that list of like-minded countries?

Virginia Mearns: Yes, most definitely that has been made clear. Like-minded countries such as the Nordic countries, the European Union, as well as like-minded countries such as Japan and Korea, have been identified primarily as focal points I can pursue and engage on now. This is something that I very much look forward to, having that dialogue with them.

Hon. Michael Chong: I assume, then, the United States would be the focus of Ambassador Hillman in Washington with respect to the Arctic aspects that touch on relations with the United States.

Virginia Mearns: Yes, but there is an opportunity in my capacity also as senior Arctic official to the Arctic Council, where I do have an American counterpart as well.

Hon. Michael Chong: You obviously will be engaging with them as well at that forum.

Virginia Mearns: Yes. That's right.

Hon. Michael Chong: The Prime Minister also said that your mandate is to advance Canada's security in the Arctic. What specific security things will you be advancing?

Virginia Mearns: This is an area of dialogue that I've just started with the Department of National Defence, already recognizing that they have plans that had been announced through “Our North, Strong and Free”.

Also—and this is where I come into play—because there has been increased engagement in our communities with the department's plans for investments for physical infrastructure, we'll be working together on that dialogue, trying to discern what the community perspective is. Also, we will ensure that it is clear to communities what Canada's plans are for those investments.

Hon. Michael Chong: Thank you.

The Prime Minister also said that your mandate is also to advance Canada's economic growth in the Arctic region. Again, what specific economic things will you be advancing?

Virginia Mearns: This is where I need to hear from communities on where their priorities lie, because we do have economies in our communities. We have development corporations, we have entrepreneurs and we have organizations that are supporting them as well, in a coordinated fashion. I will not go in presuming to propose or institute something and disrupt things, ultimately, but I do know that there is a desire, for example, in really opening up within the territories and being able to work together.

Organizations such EntrepreNorth have been collaborating with entrepreneurs' start-ups in the three territories and giving them the tools to expand their presence as well. Working in collaboration with those who are already doing the hard work and ensuring they have the space needed to succeed is going to be a very interesting component as well.

Hon. Michael Chong: One of the questions I asked in previous meetings with other witnesses related to some of the proposals for submarine cables carrying the world's telecommunications and Internet traffic, which are being proposed or are in the process of being built, some of which would transit through Canada's Arctic waters between Europe and the United States and between Europe and Asia.

Are you at all familiar with any of these projects? If so, can you comment on them?

Virginia Mearns: Not so much the international major projects that you're talking about.... I know of the desire and the work that has been happening with Nunavut to have that capability brought into the territory. I'm much more familiar with that. I do have to do my homework on it.

● (1620)

Hon. Michael Chong: I appreciate that, because we don't have any submarine cables up yet, but other Nordic countries in the Baltic region have had huge problems with vessels flagged to authoritarian states like the PRC and the Russian Federation severing these vital Internet cables and causing all sorts of havoc. That's the reason for my question.

Thank you.

The Chair: Next is MP Bill Blair.

You have five minutes.

Hon. Bill Blair (Scarborough Southwest, Lib.): Thank you very much, Mr. Chair.

My congratulations and thanks, Ambassador Mearns, for taking on this very critical role at this particular time in our history. I think it's very important, and we're grateful for your service to the country.

Mr. Sinclair, I would be remiss if I did not acknowledge your decades of service to our country and your new role as well.

If I may, I'm going to direct a question to you, Mr. Sinclair, because it's part of the pragmatic policy approach of the pillars that were identified in our Arctic foreign policy.

We talked about the establishment of new consulates in both Nuuk and Anchorage. On the surface, it sounds like an entirely reasonable thing to do, but I'm sure you've given a great deal of thought to what we would hope to accomplish by establishing a diplomatic consular presence in those two neighbouring countries. They're both very different and very important to us. At the same time, I'm sure you have given it more thought.

What would be the metrics that we might apply to determine whether or not those investments, as important as they appear to us, are in fact being effective in helping us to deliver on what it is we intend to achieve? I will leave it to both of you to perhaps comment on the decision to put consulates in those two places, as well as what we hope to achieve and how we would measure our success.

Robert Sinclair (Director General, Arctic, Eurasian and European Affairs, Department of Foreign Affairs, Trade and Development): Thank you for the kind words.

Perhaps I'll use an analogy that might resonate with you. I see consulates and embassies as the diplomatic equivalent of frigates. We're out there collecting information, representing Canadians abroad, presenting and protecting Canadian interests and promoting those interests. With Nuuk and Anchorage, I definitely see those consulates in that light.

The relationship between Greenland and Denmark continues to evolve. Investing in a relationship with Greenland now will pay great dividends in the future, wherever that relationship with the kingdom ends up.

Regarding the consulate in Anchorage—Virginia can speak to this more eloquently than I can—the indigenous representation we have there is very significant in terms of U.S. interests.

In terms of measuring effectiveness, you can measure visits and trade stats. There is a variety of metrics we can use to measure their effectiveness.

I'll leave it at that.

Perhaps I can turn to Virginia to talk about the Inuit connections, in particular.

Virginia Mearns: Thank you, Robert.

Yes, the human aspect is critical. These are very welcome opportunities that I've already heard about not only from indigenous Canadians but also from Inuit in Greenland who have been waiting for something like this. There is most definitely excitement about a Canadian presence in Nuuk because it will amplify the dialogue that has already been happening, especially on opportunities around trade, in particular Inuit-to-Inuit trade and how that can be supported.

Equally, and on slightly different fronts on the western side, there is the very lengthy, strong, historical and familial tie that exists not only with first nations but also with Inuit in the Yukon and the Northwest Territories. There are very strong relationships with indigenous peoples in Alaska, as well. There's equal interest in a trade perspective to diversify and tap into the north-south dynamic and what's now being described as the north-to-north dynamic.

● (1625)

Hon. Bill Blair: Thank you, both, very much.

Regarding the first pillar of the Arctic foreign strategy, we talked about asserting Canada's sovereignty. One of the things I was taught by northern communities and in many discussions at the Inuit council and in partnerships we've had is this: Sovereignty is really about infrastructure. It's about investing in things like highways, airports, power generation, water treatment plants, health services and housing. It's about creating not only infrastructure but also prosperity and sustainability in northern communities.

We talked a bit about the money that will be put forward for our defence policy, and about multi-use infrastructure. We talked about nation-building initiatives. I'm hopeful and optimistic that there will be a very respectful engagement with Inuit in particular—and with all northern communities and territorial governments—on how to do that right.

What role would you see—

The Chair: Thank you.

Unfortunately, I will—

Hon. Bill Blair: I talked for too long. I apologize. Perhaps we can have that conversation another time.

The Chair: Thank you so much for your testimony and for appearing for this study.

That concludes the first half of this meeting. The meeting is, therefore, suspended pending the second half.

● (1625)

(Pause)

● (1630)

The Chair: I call the meeting back to order.

I would now like to welcome our witnesses for the second hour of testimony.

From the Canadian Global Affairs Institute, we have Dr. David Perry, president and CEO, appearing in person. Welcome.

As an individual, we have Dr. James Fergusson, senior research fellow, Centre for Defence and Security Studies, University of Manitoba, appearing by video conference. Welcome, sir.

Up to five minutes will be given for opening remarks, after which we will proceed with rounds of questions.

I now invite Dr. Fergusson to make an opening statement. Please proceed.

James Fergusson (Senior Research Fellow, Centre for Defence and Security Studies, University of Manitoba, As an Individual): Good afternoon.

In response to the spring 1972 North Vietnamese offensive, the United States retaliated with an unrestricted bombing campaign, including the mining of Haiphong harbour. At anchor and transiting to and from the port were Soviet merchant ships, which created the possibility of a major incident. At the same time, President Nixon was at the Moscow summit with General Secretary Brezhnev, signing the SALT treaty and ushering in a period of relaxed tensions or détente.

I raise this example—and there are many more—to remind the committee that in the world of great power politics, relations among the powers are generally a mix of confrontation, competition and co-operation, depending on the issue and the location. Nothing is more dangerous to international peace and security than when powers perceive the world in black and white terms. Polarization is the harbinger of a major war, which is in the interest of no one.

While the steps taken by the west and Canada since the Russian invasion of Ukraine, and even earlier, are fully understandable, these steps should not colour areas of legitimate competition and co-operation. This should be the case for the Arctic and the security of the Canadian Arctic.

Security requires a mix of deterrence or defence capabilities and diplomatic interaction. Canada, along with its allies, has taken long overdue important first steps to provide enhanced defence and security for the Arctic and North America. However, the country and our allies have neglected the diplomatic side of the equation as a means of providing reassurance that defence initiatives are not perceived as aggressive or threatening, per se, by Russia and China. No one wants to stumble into war by misperception and accident.

Placing the Arctic Council on hiatus was an understandable signal or message to Moscow, but the time has come to return to a normal relationship with Russia, which includes ministerial meetings of the council. The return of working groups, albeit with Russian scientists engaging virtually, is a useful first baby step. This a way to begin normalizing and insulating relations with Russia in the Arctic from the Ukraine imbroglio, out of common interest.

Nonetheless, the time has come to begin the process of ministerial re-engagement. In no way would this legitimize Russia's invasion of Ukraine or undermine western and Canadian support to Ukraine. It would enhance co-operative security measures within the gambit of the Arctic Council.

At the same time, with existing and planned defence initiatives in the Arctic, consideration should be given to opening low-level diplomatic/military discussions, an Arctic security forces round table, to develop and implement confidence and security-building measures to avoid misperceptions and potential accidents that might be perceived as threatening.

Finally, it is important to recognize that the vital defence initiatives being undertaken by the government do not serve to undermine the economic and environmental security of the indigenous and local communities. These initiatives and the building of new defence infrastructure must not put a strain on these communities.

In conclusion, these considerations require bold and potentially unpopular leadership by Canada in cementing its place as the leading Arctic state.

I look forward to expanding on my comments and answering any other questions related to Arctic security.

Thank you.

● (1635)

The Chair: Thank you very much for your remarks.

I now invite Dr. Perry to make an opening statement.

David Perry (President and Chief Executive Officer, Canadian Global Affairs Institute): Thank you very much, Mr. Chair, members of the committee, for the invitation to speak to you today.

In the last three years two trends have connected in a way that they hadn't for a number of decades.

The first was a need for Canada to strengthen our Arctic defences to respond to ongoing actions by Russia and China to modernize their militaries and employ those modernized armed forces in concert with the other elements of state power in ways that threaten western and Canadian interests.

Given both those countries' demonstrated capability to take military action, either through the Canadian Arctic against targets in the rest of Canada or North America or against targets in the Canadian Arctic itself, there's an imperative for Canada to strengthen its Arctic defence arrangements. This is for our own national interests and to better help protect the wider North American continent alongside our American allies, both in the NORAD context and beyond.

This changed strategic circumstance and the threat picture offers, I believe, an opportunity for Canada to help our American allies enhance their defence posture at a time when the Americans are increasingly concerned about the defence of their homeland.

A second and very positive trend that we've seen over the last three years are several policies published by the Government of Canada that will improve our Arctic defence posture as a result of NORAD modernization, Our North, Strong and Free and Canada's Arctic foreign policy. These included funded projects to enhance northern defence infrastructure and modernize our aerospace capabilities, and smaller investments in satellite communications, enhanced Arctic logistics and maritime sensing.

There's also the direction in Our North, Strong and Free for the defence team to explore a range of additional investments that would further enhance our Arctic defence and contribute to an improved defence of North America overall, if they were actually funded. This includes the exploration of a conventionally powered submarine fleet, which I'm happy to see that we're pursuing with remarkable vigour and speed. I hope to see soon that same enthusiasm reflected in the exploration of those other initiatives directed to be explored, including integrated air and missile defence, Arctic vehicles, embarking maritime helicopters on our Harry DeWolf class ships, ground-based air defences for critical infrastructure and drone and counter-drone technology.

I would offer the committee three recommendations for consideration as it undertakes its study.

First, we should fully fund all of our Arctic defence-related initiatives, as well as whatever requirements are identified as needed to give the Canadian Coast Guard a meaningful national security role, particularly when it comes to maritime domain awareness. As well, to the extent possible, the ongoing effort to reduce spending across the Government of Canada should protect relevant spending in other departments as much as possible.

Second, the Government of Canada collectively needs to focus on the implementation of these initiatives. Historically, we've been far better at publishing policies than we have been at actually delivering on the commitments they make. I would note that 17 years ago, the Canada First defence strategy committed to purchase three platforms that would significantly enhance our Arctic defence: new fighter aircraft, new warships and new maritime surveillance aircraft. As we sit here, not a single airplane or ship has yet been delivered to the Canadian military.

I hope the timeliness of future delivery improves significantly with some of the initiatives the Prime Minister has put forward, including the creation of the Defence Investment Agency. I hope to see a similar focus soon placed on our ability to modernize our Arctic defence infrastructure at the speed we need it as well.

Third, the committee should consider how our Arctic initiatives will impact our American allies. We should improve our defences for our own national interest, to be clear. However, given the current strategic circumstance where our north sits between the rest of North America and the most likely conventional and strategic military threats to the continent, much of what we do will be of interest to the United States. As we make these investments, we should be as mindful as we can that these initiatives can also help defend Americans.

There may be significant opportunity to use these initiatives to help construct the new defence relationship with our American allies that the Prime Minister has stated is needed. The opportunity to use these efforts to the benefit of both of our countries will be maximized by meaningfully accelerating the pace at which we can actually implement and deliver them.

Thank you.

● (1640)

The Chair: Thank you very much for your remarks.

I will now open the floor to questions, beginning with MP Michael Chong.

You have six minutes.

Hon. Michael Chong: Thank you, Mr. Chair.

My first question is for Professor Fergusson.

You drew an analogy between two events going on at the same time in 1972, the U.S. mining of the entrances to a harbour, which could have led to an escalation between the U.S. and the Soviets and, at the same time, the détente that was initiated through the talks between Brezhnev and President Nixon.

Can you think of any non-great powers that have successfully initiated a détente between great powers, because that example is not analogous to our situation here in Canada?

James Fergusson: The status of lesser, weaker or middle powers—whatever label you want to use—is always problematic. However, if you want to go back to the 1950s, in the context of the beginnings of the Cold War, Canada, partially under the leadership of Lester Pearson in the St. Laurent government, made initial steps, partially because the Europeans were still recovering from the Second World War, to try to act as a mediator or interlocutor between the United States and the Soviet Union as this devolved, so there are steps that lesser and weak powers can make to facilitate it.

In the case of Canada and the Arctic right now, these are steps we need to consider. There are steps, for reasons—with regard to politics in the United States as well as our western allies—which they cannot or will not take, but we can. That's the most important thing.

Hon. Michael Chong: I got the point, thank you. I would just point out that, in the 1950s, Canada was a great power, arguably, then, but we are not now. We represented a much greater percentage of the global economy and, only a mere decade later, we were among the top five militaries in the world. That, clearly, is no longer the case, but I appreciate your explaining that.

I have a question now for Dr. Perry. You mentioned the need, as your second recommendation, on execution.... Can you explain why it is that we cannot execute in this country? I note that both Finland and Canada purchased F-35 jets in the same month, in the same year. Finland announced the purchase of 64. We announced the purchase of 88 F-35s. They have 5.5 million people. We have 40 million people. We are almost 10 times their size. Their jets will be fully operational, with airbases in the Arctic, in 2030. The Auditor General indicated to us that, at the earliest, we would be operational in 2033-34, and likely not at that point because of likely further delays. Why can we not seem to execute on anything, with respect to military procurement, in this country?

David Perry: I'm not sure how much time you have left in your questions.

Hon. Michael Chong: I have three minutes, and it's all yours if you give us specific answers to that question.

● (1645)

David Perry: In that circumstance, I think part of it is that we've had a difficult time sticking with a good decision, and that dates back a long time. I think another component to that is we had a difficult time articulating clearly and more broadly, outside government circles, the rationale for making some of those key decisions, so transparent and open communication has been a missing aspect in some parts of our procurement.

Hon. Michael Chong: I would note that the decision, which has not be prevaricated upon, was made at the same time, in February 2022, by both countries. Finland's on track to be fully operational by 2030: We are not. We're years behind. Why is that?

David Perry: Well, that was another decision Canada made, because we made previous ones on the same aircraft.

Hon. Michael Chong: I agree, but once the decision was made in February 2022.... I understand all of the delays leading up to that decision, but why is it, when the decision was made in 2022, that they are able to execute and deliver in eight years something that we can't seem to do in a much longer time frame?

David Perry: Part of that are different schedules of when, in the phase of the purchase orders, we made those actual decisions. I think that, in a broader sense, we have difficulty aligning shortages of human talent in the air force to get trained and maintain...as well as infrastructure.

Hon. Michael Chong: We have 40 million people in this country. They have 5.5 million. We're not talking about thousands of pilots who need to be trained. We're talking about enough pilots to pilot 88 jets or thereabouts. We should have nine times the pool of talent here. We—all around this table, I think—don't understand why we can't seem to get things done in this country, and it's not just with this particular procurement. There's a much broader problem and we've been talking about it for years, yet it continues to go on.

David Perry: I would offer that it's, in part, a function of past choices to not prioritize investments like these in a way that other countries have. I think we've seen some positive evidence that we are making this an appropriately significant priority, in a way that we were remiss in the past. By putting only such a small focus on this, we're trying to take a very small group of trained fighter pilots and retrain them on new aircraft, when other countries, which are much smaller, put more emphasis on this and, from the start, have a much bigger pool to draw from.

Hon. Michael Chong: Is it potentially a need to bypass competitive bid processes entirely, under law, and instead go to ministers' making direct decisions on what contracts will be signed, what things are going to be done and at what time, like C.D. Howe did many decades ago? Is that where we're at right now? We have yet another agency being created and needing to be stood up.

The Chair: Give a brief response, please.

David Perry: Yes.

The Chair: Next we will go to MP Rob Oliphant.

You have six minutes.

Hon. Robert Oliphant: Thank you, Mr. Chair.

Thank you to both of our witnesses. All your comments are well taken and thoughtful.

I have a question I want to dwell on a little bit. We are talking about protecting our sovereignty, and I want to delve into what we mean by sovereignty. I'm looking for a definition, and this may be beyond what you can do in this meeting, but I'd like to talk a little bit about what we mean when we're talking about protecting our sovereignty.

Is that the same as protecting our territory? Is that the same as engaging with the peoples of the north? I'd like to just poke around with this a little bit, even theoretically, and hear from both of you.

David Perry: Maybe I'll leave the comment about sovereignty to my former university professor colleague appearing here today.

I personally think the focus needs to be much more stringently placed on security and defence. I think that is the real challenge that Canada faces, which is less than a sovereignty challenge per se. I think we need to orient our activity, our diplomatic efforts as well as our investments in different defence and national security instruments on security and defence.

We do not currently have adequate provisions to defend our country and our part of North America on our own or with our American allies and, to me, that is the key area that needs focus.

Hon. Robert Oliphant: I'll come back to that, but I'll go to Professor Fergusson first.

James Fergusson: I would agree with my colleague.

Sovereignty has become a very emotional issue in Canada, a very touchy point that everyone wants to press but, when you look at the realities of Canada in the Arctic, its territory, its archipelago and its territorial waters, there is no sovereignty challenge at all. There's no contesting. There is contesting about the status of the Northwest Passage. There's a bit of contesting with our American allies about the Beaufort Sea but, by and large, no one contests our sovereignty, which is our authority to make decisions over what is to be done or not to be done with regard to our territory and the adjacent waters.

There is no sovereignty issue here, and it's time we stopped talking about that. My colleague Dr. Perry is dead right. This is really about defence and security in the areas that are beyond our sovereignty, territorial and territorial waters and how we deal with this problem. My suggestion to this committee is to drop this problem, because it doesn't get us anywhere. It assumes that there's some challenge, and there is no challenge.

● (1650)

Hon. Robert Oliphant: Thank you. I'm still struggling that it could be both/and, because it may not be a challenge to our sovereignty which is, I think, a working definition—I'm going to maybe have our analysts work a little bit more on definitions of sovereignty, that's a heads-up—but a challenge to the defence and security of our territory of which we are sovereign.

I'm trying to figure that out, because there isn't a challenge to our sovereignty, I agree, at least generically, about the Arctic. Maybe there is a challenge to our whole country, but there are challenges for us with respect to what is an Arctic nation, where Arctic nations should engage co-operatively and where we should have absolute authority over what we do in what we believe to be our territory.

Am I getting close to this?

Challenge me. Push me back.

David Perry: I think the key issue is whether or not we can enforce what we want to happen in the place that we call our own. That's going to require significant investment and the capacity to do that. We have underinvested for a long time in many different apparatus of the federal government that enable us to respond from a pollution prevention point of view, search and rescue as well as core defence and security. I think the best route to ensure that we have confidence is for us set the terms for what happens in the Canadian Arctic and ensure that we have the means to do so.

The Chair: Thank you very much.

[*Translation*]

Mr. Simard, you have the floor for six minutes.

Mario Simard: Thank you very much, Mr. Chair.

Mr. Fergusson, to make sure I understand, I'd like to go back to what you said in your presentation.

You talked about Arctic security, and you said that the diplomatic side of things has been neglected.

I'd like to hear some examples of what you mean when you say the diplomatic side of things has been neglected in the Arctic.

[*English*]

James Fergusson: The core example I would give you is in the context of the Russian invasion of Ukraine in February 2022. We shut it all down with the Russians, and there were policies that we instituted, and that the United States and our allies instituted, basically to shut all this down. The issue for me is why we shut all this down, although, the Coast Guard forum is still in place, and that's important, not least of all given our limited resources and the American limited resources in the Arctic relative to the Russian capabilities, which we might need as the Arctic opens up further.

That's the problem. We neglected this. We allowed that conflict in eastern Europe to colour everything we did. I understand the politics of all this, but there is still an important need for us to engage them.

For example, in the scientific world, in terms of climate change and permafrost warning, their scientists have important information that we need to know about, and we need to exchange with them. However, under the current situation, we're not doing that. That's really problematic for us. You have to ask yourself, at the end of the day, where the Arctic sits relative to the areas of confrontation or conflict we have with the Russians or even with the Chinese. They're really not in the Arctic.

The Arctic should be understood as a zone of co-operation because we all have common interests in the Arctic. If we don't do this, then what the Arctic potentially becomes, unintentionally, is a spark, which is a road we don't want to go down. It requires bold leadership, and unfortunately, we have had no bold leadership, for over a decade, on how to manage this.

● (1655)

[*Translation*]

Mario Simard: Thank you very much.

Your answer makes me think of what a witness said to the committee a few weeks ago. He spoke about gaining a solid grasp, which we don't necessarily have, of the threats in the Arctic, including melting ice and climate change.

This witness, whose name I don't remember, told us that it wasn't very likely that navigating in Arctic waters would be possible even though the ice is melting, because it remains a very hostile environment for all navigation. Therefore, we must be careful about planning development thinking that there are navigable routes in the Arctic due to the melting ice.

I don't know if you have any information on this. Do you wish to comment?

[*English*]

James Fergusson: The general understanding is that, as the Arctic ice cap starts to melt further and as you get more first-year ice rather than permanent ice, the navigable route is going to be the northern route, or the Russian route, to put it bluntly. Due to the rotation of the earth, the Northwest Passage is a problem because ice builds and comes into that passage. Therefore, we want to know.

This then relates to issues surrounding the UN Convention on the Law of the Sea, on the Arctic continental shelf issues. This needs to be managed, with the Russians in particular, regarding how we understand our legitimate jurisdictions relative to international law.

I would also add that, as far as I understand this, the Russians have been religious in devoting or committing themselves to proper scientific research with regard to the issues of the continental shelf in the Arctic.

We have an interest, though, because nothing sits in an ocean in one place. Given the rotation of the earth—as I mentioned about the Arctic ice moving into the Northwest Passage—if you have a disaster in the Russian passage, where is that going to go? Well, it's going to move, and it's going to move to us. That's a vital area, then, where we need to co-operate with the Russians. We have common interests with them. Why wouldn't we want to exploit those?

[*Translation*]

Mario Simard: Thank you very much, Dr. Fergusson. That's very enlightening.

Mr. Perry, in your presentation, you talked about the need to maintain funding for defence initiatives. You are surely aware, as I am, that the government intends to increase its defence spending to 5% of GDP, which would be done through infrastructure spending, particularly the infrastructure needed for critical minerals.

Since there are a lot of critical minerals in the north, do you find the government's proposed strategy valuable and promising?

[*English*]

David Perry: I do think it is promising. I think it will become more promising the closer we get to actually being able to meaningfully extract them in larger quantities and to process them usefully.

In the context of our discussions with NATO and that additional 1.5% that would go beyond the 3.5% target on core defence spending to an overall target of 5%, I think that, as best as I can tell, that 1.5% remains still fairly vaguely defined. Perhaps there's an ability for Canada, as part of our participation in the alliance, to help shape what that means.

My best guess, though, would be that we would only be able to count some of the investments, which, to my mind, we should be making for our own national reasons. We have products that are valuable globally, and we should exploit them as much as we can for our own national benefit—economic, social and otherwise. However, it's only to the extent that this exploitation can help tangibly connect with a defence supply chain and help produce defence capability that we can consider them as part of that 1.5% to take us to that 5% overall.

The Chair: Thank you very much.

Next, we'll go to MP Tamara Kronis.

You have five minutes.

Tamara Kronis (Nanaimo—Ladysmith, CPC): Thank you very much.

This has been a fascinating discussion, and I've very grateful to the witnesses for their insights.

Dr. Perry, you've touched on a number of points. When we think about China, Russia and the United States as we move from a clear American homogeneity to a more multipolar world, depending on who you talk to, we think of China as being far to the west and of Russia as being far to the east. When we think about the United States, we think about our southern border. In the Arctic, they're really all right there. They are our neighbours, and they are right across the ocean.

I'm wondering if you can elaborate a little bit on how the defence and security requirements change when we look at these countries from our northern border instead of from our southern border, and on what we need to do.

● (1700)

David Perry: To pick up on a point that you mentioned, I'll say that I think that Canada actually has a lot that we can potentially draw on from on our American neighbours in Alaska, who have already fielded there—they're in a similar climate—a lot of the same capabilities that we're looking to acquire. I think there's a lot that we could draw on there.

The basic issue that we need to be aware of is this: Wherever you want to look at these potential threats on a map, because of the geography and transpolar routes, they're more likely to be presenting a military challenge to North America over the pole. It's the same reason that, when you fly east or west, you tend to go through parts of the Arctic. It's the same flight path that a missile would take, more or less, because it is faster and is a more direct route. Irrespective of what latitude most of China is on, if it wants to take military action towards North America, it is likely to come through the Arctic. The same thing applies to Russia.

Then, because their Arctic is important for the Russian economy—the Russians are really deploying a lot of assets there; they're making significant investments there—they've positioned there a lot of what are, for them, strategic forces that could be used anywhere in the world. They are just already positioned in their north, which further increases the likelihood that they might be used in a way that would come over the pole and, therefore, through Canadian Arctic territory.

Tamara Kronis: I'll just follow up on that.

In your opening remarks, you talked about Canada being behind. How far behind are we? How far behind are we on critical minerals? How far behind are we on mining? How far behind are we in terms of our defence capabilities? If you have any insight on what we need to do to speed it up, I'd love to hear it.

David Perry: On the Russian front, in particular, they started reinvesting in a lot of these capabilities with northern application close to 20 years ago. I think that maybe waiting five years or 10 years to be certain that this was a trajectory that was certain to be a problem.... We could have maybe had a little leeway for about half the time that it's taken us to really kick into gear to start responding, but I think, at this point, we're well overdue.

In terms of things that we could do, I think there are a number. Part of it, as we discussed earlier, is that we have a tendency to be extraordinarily Canadian and to want to have a competitive environment in all circumstances. I think there are a lot of environments in which it doesn't make any sense to create a competition just for the sake of having one, so making more decisions on a sole-source basis would be smart.

There are a number of other things we should do. We're trying to do a lot at the same time. We're undertaking the most comprehensive military modernization effort since we rearmed for the Korean War, and I think we're doing so with a Government of Canada administrative apparatus and bureaucracy that's a little heavier than it was in the early 1950s. Until we can change that, I think we need to make priorities. I think one of the priorities that we should make is to focus our efforts on Arctic capability, both for our own reasons and because I think it's an opportunity to have a constructive discussion with the U.S. administration and to do something that they want.

Tamara Kronis: I would just like to get one more formal question in there, which is in terms of flashpoints. One of the things that we really talk about a lot off the coast of British Columbia is fish and ocean warming. The fish are moving north.

There's fish, there's trade, there's defence and there's land. Where do you think the flashpoints are most likely to happen in terms of the current configuration?

David Perry: It's hard to predict where a specific flashpoint would occur. The key thing is that we need to focus on what would be the most impactful threats.

Concerns over fishing would have to take a number of different steps to become concerning. The most recent disputes we've had over fishing have been with key allies, so the likelihood that those evolve into something we don't want to see happen is perhaps less, depending on who is actually doing the fishing.

Having said that, a number of countries—China in particular—employ non-state assets, and fishing vessels in particular, in ways that make it difficult to figure out whether or not those vessels are acting independently or acting as an arm of the Chinese government, in a sense.

We need to be mindful of those things, but I think the core priority should be focused on conventional military threats, because we have so far to go in terms of adequately preparing for our own defence.

Thank you.

● (1705)

The Chair: Mr. Brendan Hanley, member of Parliament, welcome to the committee. You have five minutes for questions.

Brendan Hanley (Yukon, Lib.): Thank you, Mr. Chair.

Thank you, committee members and guests, for the opportunity to be here for a short time.

As noted, I'm not a regular member of this committee, but this is a topic of some importance to me as a member of Parliament for the Yukon Territory.

I want to follow up on my colleague, Mr. Oliphant, in searching for some clarity on sovereignty. I must say that I'm a little uneasy with the comment that we need to put that aside or that there is no sovereignty issue.

When I think of the history of colonialism and displacement in Canada, but particularly in the three northern territories, I think we really need to continue to look to the expertise on the ground for the definition of sovereignty. To me and to many in the north, that relates to governance and ownership. Who's governing? What are the threats? Who needs to know? How are threats communicated and what are the lines of communication? We have had some issues where, for instance, self-governing first nations chiefs do not have information on what is actually a potential threat on the territories.

Dr. Perry, I know that you have extensive expertise in the area of diplomacy, security and global governance. I wonder if you could start, maybe briefly, by describing how, from a federal point of view, we can best interact and collaborate, even when we're talking about procurement and bolstering infrastructure—defence, security, defence infrastructure—with self-governing modern treaty nations, but also, of course, with territorial and provincial governments.

David Perry: Thank you.

I'd say it's to recognize that there is an importance to engage with all of that stakeholder base, all those communities. I think we've been trying to move in that direction in a number of different respects. I think we need to figure out a way do as much as is required, as quickly as possible.

I don't know that we've struck that same balance. I take a bit of a cue from some of the discussions about major projects, recognizing that there is an importance in engaging with the relevant stakeholders and then doing the regulatory review. We just need to figure out a way to do it much faster than we have in the past.

That's a question of engaging however many hundred more staff and quadrupling their travel budget to go and meet with enough people, but how do we do that in an effective and relevant time frame? I think that from my vantage point, I come back to all of that. While those are valuable objectives, we need to be thinking about doing that towards the objective of meaningfully bolstering our actual security and defence arrangements.

Brendan Hanley: Thank you.

I don't think you will find any disagreement from the territories on that. I have a couple of examples.

As you may know, the Yukon established the Yukon Arctic Security Advisory Council under former premier Ranj Pillai's leadership. Also, the Yukon First Nations last year hosted the Defence and Security Conference. There is an Arctic Summit 2026 being prepared, which is called “Securing Sovereignty and Investment”. What I hear repeatedly is leaders, community members and civilians saying, “we're here to help”.

In terms of one example, actually, I note that you contribute to the Canadian Naval Review. You may know that there has been an exploration of the feasibility of a naval reserve in the Yukon. A decision still has to be made.

They've been here all summer in the Yukon. It's been really great to meet with them.

Noting the lack of human resources in CAF, how important would something like a naval reserve in the Yukon be? How can that help contribute to our human resources around the country?

David Perry: The possibility of taking initiatives like that or, to connect it more broadly with how we engage the Canadian Ranger communities, which is the other major reserve component of that, is really a question of what we train and equip them to actually do and how connected they are with the rest of the national security and defence apparatus.

In the past, we haven't really provided as many of those points of connection, enough of the training or enough of the equipment as we could have. With the rangers on their own, I think there's a lot of asymmetry, in my understanding, between the different ranger patrols. Some of them have very different skill sets and some of them are much more connected with more of that conventional apparatus.

Standardizing some of that and improving the training, the equipment and the connectivity is a significant asset. If you could take a model like the naval reserve initiative, the real key is what you can get them to meaningfully be able to contribute. Just creating an organization and having a certain number of people be part of it will create a certain benefit, but if we can really give it utility and have it be well connected, well equipped and well trained, that's where we're going to get the maximum benefit.

● (1710)

The Chair: Thank you very much.

We will go next to Monsieur Simard.

[*Translation*]

Mr. Simard, you have the floor for two and a half minutes.

Mario Simard: Thank you very much, Mr. Chair.

I'd like to take advantage of the expertise of our two witnesses to ask them a question.

There is increasing talk of a willingness among the countries in the North Atlantic Treaty Organization, or NATO, to establish a list of strategic minerals to which a base price would be applied to allow mining projects to get off the ground in Canada, as they are in the other NATO countries. As we know, China and Russia are engaging in what appears to be dumping on the market and they're managing to control prices.

Rare earths are a fundamental element in the energy transition, but also in defence and in new technologies. In your opinion, is it realistic to envision a base price for critical minerals in the short term?

Mr. Perry, I invite you to answer first.

[*English*]

David Perry: That's where Canada has a unique natural advantage because those are our natural resources. I think we should really seriously look at what, perhaps uniquely among some of the NATO countries, Canada can provide by virtue of those natural resource holdings.

I think we should help to create mechanisms that would change some of the price structures that China uses to make it much more difficult for western countries to create their own sources of supply on a sustainable basis.

The real added value that we can provide is getting those resources out of the ground and processed. That might be where we can carve out a particularly value-added contribution to the NATO alliance because most of the other allies don't have the same kinds of natural resource deposits that we do.

The real key is not to just have the deposits, but to get them meaningfully into defence supply chains. I think there's a long way to go there. I'm hoping that part of what comes forward with the defence industrial strategy would include initiatives around critical minerals. We're seeing investments in this by other NATO allies, like the United States in Canadian companies. I think the Government of Canada can take a significant role in trying to create the right kind of market conditions to get much more critical mineral extraction and processing happening here in this country.

[*Translation*]

Mario Simard: Thank you.

Dr. Fergusson, do you want to add anything on the same topic?

[*English*]

James Fergusson: I would basically agree with my colleague, but I would add something and emphasize it more. This is not about the Europeans; this is about Canada with its access to critical resources, which the Europeans don't have. We are pretty well dependent on the Chinese for now.

These are decisions for Canada to make. Whether we can actually shape and control the marketplace is a difficult question because we live in a market that is a global market.

Nonetheless, this is not a question for our European allies to decide. This is a question of Canadian leadership. This is why, in the context of Arctic security and the Arctic as a whole, we should be one of the leading powers. We may be a minor military power, but we have certain assets that are vital for everyone. We need to dictate and dominate, rather than allow our allies to try to dictate to us. Usually, when governments try to control the marketplace, it fails.

The Chair: Thank you.

Next is MP Aboultaif for five minutes.

Ziad Aboultaif: Thank you, Chair.

Thanks to both witnesses. Welcome again to the committee.

I have two doctors here. I can't help but ask you to both can define for me the term “pragmatic diplomacy”.

David Perry: I'm not sure that I can. I think it's a bit of an “eye of the beholder” thing.

Certainly, to me, it is about recognizing that both values and interests are important in diplomatic relations, and not having value judgments outweigh the consideration of our interests.

That's my best try.

● (1715)

James Fergusson: My answer would be that values are very important because values define interests. This idea of a dichotomy between the two is very misplaced. What we value is what we hold of interest.

Importantly, in that context, when values become driven by emotions, you cannot be pragmatic. To be pragmatic is to put your emotions aside and think particularly. It's difficult for every country to identify all the various factors that involve a national interest. They need to prioritize those and to rationally consider the costs and benefits—what is most important and what isn't most important in the national interest.

If you allow domestic public opinion—this is the point I made about sovereignty—you start playing in the emotional. Security is also played in the emotional game. Governments become handicapped. They start to be driven by emotion, rather than pragmatic, rational decision-making.

This is the concern I have about the current state of affairs in this country, and not just this country.

Ziad Aboultaif: The first I heard this was from the former foreign affairs minister, Minister Joly. I'm thankful for the explanation. That is also used in the Arctic strategy set by this government.

Dr. Fergusson, after your explanation of the term, do you believe the Arctic policy reflects what you describe as pragmatic diplomacy?

James Fergusson: No, I don't, at all. It's more domestic political posturing. It's emotional. It doesn't look at the realities. We need government leadership to push forward with pragmatic thinking about the Arctic.

This is why, in my initial comments, I tried to emphasize that we have to think in terms of our interests in the Arctic—our defence and security in the Arctic—relative to Russian interests and Chinese interests. China is a great power. Their Arctic initiatives are designed not because it's so important to them but because “We're great powers so we belong in and get to be involved in all global issues.”

As far as I'm concerned, it's good domestic politics, but it's not pragmatic, rational thinking to advance ourselves and our interests.

Ziad Aboultaif: Dr. Fergusson, you also mentioned, at the beginning of your opening, potential accidents. We are about to see a potential accident at any time because we cannot take the challenges and threats lightly, especially by Russia and, further, by China.

Do you believe Canada has the military capacity to defend its Arctic sovereignty, or its Arctic territorial integrity, if this is the term you prefer me to use?

James Fergusson: The simple answer is, no, we don't.

As my colleague pointed out, I would emphasize that we are 15 to 20 years behind the curve if the government follows through. My concern is that they think that what is in the plan right now is good enough. It's not good enough. We need to develop those capabilities—advanced capabilities—to signal to our potential adversaries, potential competitors and potential co-operatives that we are able to defend ourselves and can deter, credibly, any threats to our territory and sovereign rights.

Until that is done, we are, simply, behind the curve. We've been behind the curve for a long time. We've finally woken up, but I fear that we're going to fall back to sleep again.

Ziad Aboultaif: Dr. Perry, the final word on this question is yours. Please go ahead.

The Chair: Give a brief response.

David Perry: I will just echo my colleague. I think we've had a long time to wake up. That's why I focus on what we need to start implementing.

I take my colleague's point that I don't know whether we've gone far enough with what's already planned. The more important thing, to me, in the near term, is that we have to deliver what we said we would a long time ago and a couple of years ago.

Ziad Aboultaif: Thank you, both.

The Chair: We will next go to MP Bill Blair.

You have five minutes.

Hon. Bill Blair: Thank you very much, Mr. Chair.

I'll try to be quick because there are a couple of—I think—important points I'd like to pursue.

It's a pleasure, by the way. I think, Dr. Perry, that this is the first time in all the years that we've known each other I get to ask you a question.

My question really is around the preparedness, and I would push back a little bit on some of your earlier observations, if I may. We've already delivered, for example, five out of six Arctic and offshore patrol vessels and the new Protecteur class vessels. Joint operational support ships are being delivered—one this year, one next year. The P-8 contract for multi-mission aircraft is also well under way. That was a sole-source contract, as you well know.

My question is really about NORAD modernization. We are investing some $38 billion in over-the-horizon radars just as the first step, but I would point out that we're actually well ahead of our American colleagues in NORAD in the establishment.... We've identified and acquired four sites. We're entering into contracts with the Australians to acquire the technology that will give us domain awareness, at least, aerial domain awareness. With some of the moves that have been made about bringing the Coast Guard into the defence portfolio, for example, we'll also improve our capacity for building maritime awareness through sensor deployments, etc. I think there is some progress that's being made, and I think I share your skeptical optimism about some of the investments.

Because I have you and Dr. Fergusson here, I'd really like to focus my question on integrated air and missile defence. For a number of years, Canada had a policy not to be involved in that. That policy has now changed. We've made a very clear articulation in our defence policy update, and in some announced investments and statements by the Prime Minister that we're going to invest in integrated air and missile defence.

The Americans are talking about the development of their golden dome, but there's a fundamental issue that I'd like to canvass with both of you, and I think it speaks to our sovereignty. It's whether or not, in integrated air and missile defence with our NORAD partner, the United States, we would contemplate or consider allowing the Americans to deploy their missile defence installations and equipment on our sovereign territory. Do we envision instead an integrated air and missile defence where those deployments would be Canadian facilities, Canadian weaponry, Canadian capability integrated within the NORAD context with our American cousins?

I would be concerned that if we leave it to the Americans to defend our sovereignty, it's no longer our sovereignty; it's theirs. I think it's a fundamental question from a foreign policy standpoint that we have to consider as to how we would participate fulsomely in North America's integrated air and missile defence system.

I'll turn to you, Dr. Fergusson.

● (1720)

James Fergusson: You are right that issues surrounding how we respond..., and I would point out to the committee that the Canadian policy from the defence minister to lift restrictions on air and missile defence never used the term “ballistic”. That's the key sort of elephant in the room here—exactly what is our policy on engaging ballistic missile defence?

I think, if you look historically in terms of our relationship with the Americans, we've had American forces deployed on our soil under certain arrangements and agreements, and this is what the future..., but we can't define that unless we are in the context of American decisions about what they need to do to enhance their ballistic missile defence and integrated air defence. Integrated air defence is not that big a problem, because we've been doing that with NORAD for a long time. The missile defence is a different equation entirely.

We have to think in terms of negotiating with the Americans and understanding what they think is valuable for the defence of North America, which is effectively always the defence of the continental United States at the core, which is understandable, and then make our decisions on the basis of....

For example, if the United States proceeds with a third ground-based mid-course phase defence in upstate New York, what can we do that will enhance our defence and enable us to get in the decision-making process that will ensure we have some priorities for the defence of Canada? Right now, we are in the dark, and this is a question of discussions and negotiations with the Americans as we find out more about where the Americans are going because we're in the dark about that right now as well. This has to be done interactively with the United States. We cannot make decisions on our own for reality reasons.

Hon. Bill Blair: Well, again, I think the core of that discussion has to be around “integrated”, but the form that integration takes is something.... I think Canada has a strong national interest that needs to be asserted.

Dr. Perry, what do you think?.

David Perry: I can offer a couple of things.

One, we currently have no sovereignty over those decisions because of a previous decision that we didn't want to take part in a full defence of North America against missiles. I think a lot of this depends on the terminology and I think there are a bunch of terms being thrown around, particularly in the context of what President Trump has talked about with the golden dome. There are potentially a whole bunch of different systems and initiatives at play.

I think in the broadest sense, you can't have an integrated system if you've previously had a decision that you didn't want to defend yourself against one type of missile, which was a prior policy that I am very happy to see the Government of Canada has changed because I thought it was totally nonsensical. I think anything we do from this point forward would be better than our previous decision to simply not engage in our own defence.

I think there are a couple of different considerations about how we move forward.

One, I'm not sure, given the nature of the relationship with the United States over the last several months, about whether or not it would even be a potential possibility that the U.S. would deploy a system on our territory rather than expecting us to take a leadership role and actually make that investment ourselves. I think we're probably in a space in that relationship where we shouldn't expect the United States to be doing anything else like that for us, and we should be thinking about what we can do for our benefit that might also help them.

In that context my strong suggestion would be that we need to understand, as best we can, what the current state of these wider interconnected systems is, and what we're doing with some of those initiatives that we're already committed to under NORAD modernization and some of the other ones that are already somewhat under way, but which I think can be accelerated further.

How much of what we have already committed to would be of interest to the United States? Could we make some adjustments to where we're looking at deploying certain sensors or interceptors in a way that the U.S. might find a benefit from?

We should be prepared. I think at this point we should be taking a position that we want to pick up 100 cents on the dollar of all those investments, not expecting that the United States is going to be looking for a cost-sharing arrangement like we've had in the past.

● (1725)

The Chair: Thank you very much.

Thank you to Dr. Perry and to Dr. Fergusson for your testimony and for appearing in front of our committee.

That concludes the meeting, members.

Is it the will of the committee to adjourn the meeting?

Some hon. members: Agreed.

The Chair: Thank you.

The meeting is adjourned.