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Chair: Charles Sousa



Standing Committee on National Defence

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• (1530)

[*English*]

The Chair (Charles Sousa (Mississauga—Lakeshore, Lib.)): I call this meeting to order.

Welcome to meeting number eight of the House of Commons Standing Committee on National Defence.

Pursuant to the motion adopted on September 16, the committee is meeting to commence a briefing with the Minister of National Defence on the main estimates, supplementary estimates A, the minister's mandate and NATO defence spending.

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.

Before we continue, I would ask all in-person participants to consult the guidelines on the table. The measures help prevent audio feedback incidents, and protect the health and safety of all participants and interpreters.

As a matter of protocol, I remind witnesses and members to 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.

For those on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation: floor, English, or French. For those in the room, please use the earpiece and select the desired channel.

As a reminder, all comments should be 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 try to manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

I would like to welcome our witnesses. We have the Honourable David McGuinty, Minister of National Defence. Thank you for being here, and thank you for agreeing to come, yet again, in short order.

We also have General Jennie Carignan, chief of the defence staff, Canadian Armed Forces; Mario Pelletier, commissioner, Canadian Coast Guard; Caroline Xavier, chief, Communications Security Establishment; Natasha Kim, associate deputy minister, Department of National Defence; Heather Sheehy, assistant deputy minister,

materiel, Department of National Defence; and Jonathan Moor, chief financial officer, Department of National Defence.

I will now invite the minister to present his opening remarks. You have up to five minutes. Welcome, again.

Hon. David McGuinty (Minister of National Defence): Thank you very much, Mr. Chairman.

Thank you to all members for inviting me to appear here today. You just had my colleagues introduced to you, so I won't reintroduce them, but they're all here to continue on after I'm not able to stay. I may very well turn to them if I could, colleagues, during the line of questioning for their insight and their experiences as the operational experts in the department and the Canadian Armed Forces.

Since my appointment in May, I've had the privilege of working with an exceptional team of dedicated public servants, military leaders and civilian experts who are helping to strengthen Canada's defence and security.

I've also travelled repeatedly across Canada and to Europe to meet with the brave women and men of the Canadian Armed Forces.

I've concluded that their contributions to Canada are simply second to none.

[*Translation*]

I observed a renewed sense of purpose and urgency across our entire team in relation to current and evolving threats. Together, we are taking bold steps to rebuild and re-equip Canada's military and support that reinvestment.

That means ensuring that the Canadian Armed Forces, or CAF, are well equipped and supported, so they stand ready to undertake any mission entrusted to them. That is not possible unless we make generational investments in our capabilities, operations and personnel.

[*English*]

In total, Canada is investing nearly \$63 billion in defence this fiscal year alone. This includes over \$9 billion in new funding, which the Prime Minister announced in June.

Let me start where it really counts, where it all begins, and that is with our people.

One of the greatest privileges of this job has been meeting members of the Canadian Armed Forces, hearing their stories and hearing about their pride in serving Canada and the challenges that come with that service.

To better support them, we announced major improvements to the CAF compensation and benefits package just this August.

Members across all ranks will see their pay increase by 8% to 20%, depending on rank, through adjustments to the military factor, which recognizes the unique demands of military life. Many will also see additional increases based on years of service, occupation or deployment status. Colleagues, this is a long overdue and well-deserved pay increase for our forces.

[*Translation*]

Investing in our armed forces means attracting more talent to augment our ranks.

That is why we are modernizing our recruitment processes, by introducing a probationary period, removing outdated medical requirements and establishing new digital tools for a faster path to enrolment.

That means recruiting more people more quickly and keeping them. I am pleased to tell the committee that, this year, recruitment hit its highest level in 10 years.

• (1535)

[*English*]

We know there's more to do, colleagues, not only to recruit people but to also retain them. As part of our efforts to rebuild our forces, we continue to advance culture change, ensuring a safe, inclusive, trustworthy and respectful workplace for our members.

Through Bill C-11, we are modernizing the military justice system, reinforcing principles of fairness and accountability for our people in uniform. I'm pleased to note that this bill completed second reading in the House two weeks ago and will shortly be coming to this committee for further study. I thank each and every one of you for your support. I look forward to returning to committee to speak about this important legislation, and I eagerly await the outcomes of your important study of the bill.

As we invest in the next generation of CAF members, we're also making crucial investments in our military capabilities—specifically, the equipment and infrastructure that enable CAF operations. That includes building our fleet of River-class destroyers, procuring future fighter aircraft and modernizing ground and communication systems from top to bottom.

Let me be clear: Across all of our projects, we're focused on value for money and on ensuring this work creates jobs and supports the Canadian economy. To drive these efforts further, we're developing a brand new defence industrial strategy to strengthen Canada's defence industrial space—a national first. We recently launched the new Defence Investment Agency to cut red tape and accelerate delivery of equipment to our troops.

Finally, we remain focused on operations, both at home and abroad. Throughout the year we have thousands of CAF members deployed across the country, in Europe, the Indo-Pacific and be-

yond. Their vital work reinforces our commitments to NATO, NORAD and our global partners. Likewise, our colleagues in the Communications Security Establishment and the Canadian Coast Guard make critical contributions to our defence and security.

Before concluding today, I want to acknowledge that, earlier today, the Auditor General released two reports covering CAF housing and recruitment. These are good and important reports. We thank her for those reports and welcome the recommendations. Not only are they an integral part of ensuring fairness, transparency and openness in how we conduct government operations, they also gave us the crucial information and guidance about what we're doing well and where we need to improve. After all, the women and men of the Canadian Armed Forces deserve that.

It's a busy time for Defence. I look forward to discussing our priorities with you in more detail. Most of all, Mr. Chair, through you to all of the members, I look forward, in openness and utmost sincerity, to your constructive and thoughtful suggestions for improvement. We are in this together. The women and men of the Canadian Armed Forces are counting on us.

[*Translation*]

Thank you.

I would be glad to answer any questions you may have.

[*English*]

The Chair: Thank you, Minister, for your opening remarks.

I pass it on to our vice-chair, who has six minutes. James Bezan, it's over to you.

James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Chair, before you start the clock, I just want to give notice of motion:

That the committee invite the Auditor General to appear for no less than two hours to discuss her reports tabled on October 21, 2025, including Recruiting for Canada's Military, Housing Canadian Armed Forces Members and Cyber Security of Government Networks and Systems;

that the committee invite the Minister of National Defence and relevant officials to appear in a separate two-hour meeting to address the government responses to the above Auditor General reports;

and that both meetings take place before December 12, 2025.

I'll start my round of questions.

Thank you, Minister, for appearing. I appreciate that. Time is precious, so I'll go quickly. Earlier this fall, in September, Vice-Admiral Angus Toppsee said that the Royal Canadian Navy should consider having two separate fleets of submarines. Then that very same day, reporters asked Prime Minister Carney a question in New York, and he responded:

nothing I see that would suggest that we would have a mix fleet in submarines.
You just get too many efficiencies in economies of having one fleet....

Do you agree with that statement?

Hon. David McGuinty: I do agree with the Prime Minister's statement. After we down-selected from five to two, thereby accelerating the process by a full two years, it put us in a better position to negotiate with two potential suppliers, to maximize our benefits to get the submarines that we need. There is definitely a question of economies of scale here.

James Bezan: Thank you for that.

Minister, you told reporters earlier this summer that you would make decision on the F-35s by the end of summer. That's already passed, by a month. You also said that you would consider the decisions taken by your department officials. The chief of the defence staff, the Royal Canadian Air Force commander and the deputy minister have all come out saying that F-35 is the plane that they need. When are you going to make a decision on this review, and how much more is it costing us every time we start playing politics with this procurement?

• (1540)

Hon. David McGuinty: You won't be surprised that I disagree with the categorization that this is about politics. This is about ensuring that we take the time, colleagues, to get this right. This is a very big purchase for Canada. There are many elements involved in that purchase, many parts. We are reviewing it. It is well under way. The review is continuing. We have been participating in this program since its inception in 1996. It was conceived and developed, and it continues to be operated, jointly with eight founding countries. Right now, that review continues. Obviously, we're going to take the time we need.

James Bezan: You mentioned the defence industrial strategy. What happens if we go with a different aircraft than the F-35? There are already thousands of jobs that are tied to the production of the F-35 in Canada, over 2,000, from what I can gather, in places like Winnipeg, Montreal and Richmond, B.C. Are we at risk of losing those jobs if we select a different aircraft?

Hon. David McGuinty: That's an important question. It is one that obviously the folks who are conducting the review would be compelled to look at, I would think. I am not conducting that review; it is done by our officials.

James Bezan: As we've heard from the ambassador, this is an irritant, the dragging of the F-35 contract. This plane won in a competition that your government ran. I know that you decided to pursue that, but we are committed to the first 16. Is that correct?

Hon. David McGuinty: That is correct.

James Bezan: If we don't buy the rest of the aircraft, have you talked to the consortium and the joint project office about the jobs that are tied to the production and the future maintenance of not just

the Canadian F-35s but the entire fleet of F-35s that are part of our allied and coalition partners? Those jobs could potentially be coming through the sustainment side, the maintenance side and the engine overhaul that could be happening at depots and places like Montreal and Winnipeg?

Hon. David McGuinty: I'm sure that all of these important questions are part of the review that's ongoing. You are right in indicating that there are 37 Canadian companies that have contracts now supplying goods and services for the F-35. There are millions of dollars accruing to Canadian industrial benefits per plane that is manufactured and sold. We'll obviously take the time we need to get this right. Each plane is a very major acquisition. There are many questions here that we're trying to address at the same time.

James Bezan: On the defence industrial side as well, we could also talk about support for Ukraine. We know that the Liberal government promised to buy 25 refurbished LAVs. They were going to be re-armoured by Armatec just outside London, Ontario. Now we're hearing that the contract has been paused or cancelled. Nobody at Armatec can talk, because they are under a gag order from the Liberal government. Ukraine is saying that they want those armoured vehicles, and they aren't being delivered.

In that one decision to cancel that contract, you're turning your back on both Ukraine and the defence industry here in Canada.

Hon. David McGuinty: There has been a decision that's been taken to nullify the contract with that company presently. Obviously, I can't go any further in terms of discussing the merits of it. We'll see how that evolves in terms of the relationship between the department and the contractor.

It's important for Canadians to remember that there are several types of vehicles that are being shipped to Ukraine. We've already shipped 89 armoured combat support vehicles to Ukraine, 49 of which were delivered between the fall of 2022 and the fall of 2024. The remaining vehicles are currently being delivered, with the final vehicles being schedule to arrive before the end of this year. There's quite a bit of supply and quite a bit of materiel that has been supplied.

Of course, the most recent—

James Bezan: Minister, a lot of that equipment has been destroyed in the war. The drone warfare that is taking place there has diminished the capabilities of a lot of the land vehicles that we had sent over. Why wouldn't we want to supply these ones? The contract was already awarded, and the announcement was already made. Why not carry through and give Ukraine what they want and support Canadian jobs here at home?

• (1545)

Hon. David McGuinty: I wish I could give you more insight into the reasoning behind the department's decision to cancel the contract. I'm not in a position to do so.

I would say this. We were one of the first three or four in world to purchase to a \$500-million U.S. package for Ukrainian materiel through the PURL program in the United States for materiel chosen by the Ukrainian military authorities. That's already being delivered. A lot of that, of course, constitutes drones, drone technologies and anti-drone equipment. We're there. I just came back from the NATO meeting. There's a very strong resolve by Canada and NATO as a whole to continue to support the brave women and men in Ukraine who are fighting a very difficult war.

The Chair: Thank you.

It's over to you, Mr. Watchorn. You have up to six minutes.

[*Translation*]

Tim Watchorn (Les Pays-d'en-Haut, Lib.): Thank you, Mr. Chair.

Thank you to all the witnesses for being here today. It's been very informative for us in terms of what lies ahead.

Thank you, Minister.

As you are no doubt aware, a few weeks ago, we had the good fortune of visiting CFB Petawawa and talking to soldiers there. The government announced significant investments to support members of the armed forces, including pay increases, housing improvements and equipment purchases. Minister, I know you've been to almost every military base in the country, so I'd like to hear the response you're getting from soldiers when you talk to them. The ones I met were very happy, but I'd like to know how soldiers see these investments overall.

Hon. David McGuinty: First and foremost, the biggest response to these announcements from the women and men in our armed forces has been surprise. We are talking about not only investments in compensation and benefits, but also ongoing investments in the 33 military bases, including improvements to water and waste water systems, housing design and construction, child care services and infrastructure. We are also talking about investments to purchase fighter jets, submarines and tanks, among other things. I could go on, because it's a long list. People are astounded, and they are just as surprised at how quickly we are moving.

For example, two weeks ago, we purchased a 37-unit apartment building in Esquimalt, British Columbia. To my knowledge, it is the first time the Department of National Defence has purchased a private building, with just five weeks from proposal to purchase. That is unprecedented in the department's history. We are moving quickly because we understand the need to rebuild, rearm and reinvest in the armed forces as is called for.

The reaction from members on the ground has been positive. They're a bit surprised, but they are very glad. They are amazing people.

Tim Watchorn: Thank you for that answer. We have indeed neglected our armed forces for too long. It's time to invest, and we are doing it.

As you know, Canada has a clear plan to reach NATO's defence spending target of 2% of GDP this fiscal year. We are investing in the CAF through pay increases for members, as mentioned. We are supporting Ukraine by providing what it needs to win the war. We

are investing in Canada's core military capabilities. These historic investments are meant to ensure that we do our fair share domestically and within the alliance.

Canada and NATO allies agreed to a new defence investment commitment for 2035. Under the commitment, Canada will invest 3.5% of GDP in core military capabilities.

What investments is Canada planning to make to reach the NATO target?

Hon. David McGuinty: If you'd like me to go through all the investments, it could take a few hours.

• (1550)

Tim Watchorn: Yes, there's a long list. You can start by naming the main ones.

Hon. David McGuinty: We decided to extend our presence in Latvia for another three years. We have more than 2,000 CAF members deployed there. It is a major investment that will continue.

Recruitment was up 50% in the last fiscal year, the biggest increase the CAF has seen in a decade.

At the beginning of the process, the most important thing was investing in the women and men of the Canadian Armed Forces. That's why the first decision that was made was to improve their compensation and benefits.

Recruitment is up, and we are continuing to purchase equipment. For example, we are investing in replacing water and waste water infrastructure.

It's a long list. We've broken down the projects into phases, implementation being the priority. We set specific timelines to reach the implementation stage in an orderly way.

Tim Watchorn: When we visited CFB Petawawa, we had a light armoured vehicle operator accompanying us. He showed us around in the vehicle, and we talked to him about the challenges he faced. He was a young soldier. He told us he was very happy with the pay increase and our commitment to housing changes and improvements. That said, he got his gunner certification two years ago, but since then, the lack of ammunition has prevented him from training to become operational if sent to Latvia, for instance.

Will the government's investments ensure that our soldiers have the ammunition they need for training and better operational capability when they are deployed?

Hon. David McGuinty: The answer is yes.

The defence industrial strategy, which I hope will be released within a few months, will show that Canada is making foundational decisions that reflect its desire to support economic growth and the expansion of our defence sector.

For example, we saw that IMT Precision can now manufacture 5,000 shells a month, which is 2,000 more shells a month than it was producing in December 2023.

In addition, under our defence policy, the department had already planned to invest \$9.5 billion over 20 years in a strategic supply of ammunition.

We have the plan. Now it's about putting it into action, as you said.

Tim Watchorn: Thank you, Mr. Chair.

[English]

The Chair: Monsieur Savard-Tremblay, you have six minutes.

[Translation]

Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot—Acton, BQ): Thank you, Mr. Chair.

Good afternoon, Minister.

Thank you to all the national defence officials for being with us today.

Minister, your appearance today coincides with the release of the Auditor General's reports, so you must be expecting us to ask you a few questions about that.

Hon. David McGuinty: Be nice.

Simon-Pierre Savard-Tremblay: I'm always nice. I'm going to read a few excerpts, and you can respond.

In the report entitled "Housing Canadian Armed Forces Members", it says that "National Defence did not manage living accommodations in a manner that would meet its operational needs and be responsive to the needs" of military members and their families and that it "did not have reliable data" about its furnished quarters. In 2019, the department estimated that it needed an additional 5,200 to 7,200 housing units, but its own plan to build new housing spaces was short 3,800 units. Furthermore, the CAF did not even know which bases new recruits would be sent to, which shows that plans to build housing did not even take into account actual needs by location.

I realize that you haven't been in the job that long, Minister, only a few months, but I'm still going to ask you this question.

We know that efforts will focus on increasing recruitment. We also know that the average age of the quarters buildings is 60 years, so maintenance, potable water and waste water treatment are all issues.

In light of all that, which projects have you budgeted for in 2025-26, when it comes to repairing and building housing units?

Hon. David McGuinty: Good question.

I'm happy to see that the Auditor General looked into this issue and made recommendations.

For some time now, we've been working to improve the situation. The current system has been analyzed. We may have more information now than we did during the period reviewed by the Auditor General.

This year, for example, I went to Edmonton, where 36 new homes are being built for \$20 million. Construction is almost complete. In Borden, I visited one of the 300 new homes under construction or being purchased in places such as Esquimalt, Borden, Edmonton, Gagetown, Halifax, Kingston, Petawawa, Trenton and Valcartier. So—

• (1555)

Simon-Pierre Savard-Tremblay: So there are some in Quebec too.

Hon. David McGuinty: Of course. There are also some in Quebec.

There's a great deal of work to do. We're also keeping a close eye on some newer processes, such as the purchase of housing. This is new territory. Perhaps we could also hire a major contractor to carry out renovations across Canada, instead of always using a local contractor.

Everything is on the table. The money is ready for investment. We now need to focus on implementation, and that's exactly what we're doing.

Simon-Pierre Savard-Tremblay: You're saying that the money is available, but are the resources sufficient?

Hon. David McGuinty: I learned that the issues often arise at the local level. It isn't always easy to find contractors; engineers; heating, ventilation and air conditioning experts; or experts in design or concrete, for example. This often leads to delays, depending on the locations. We're working more and more strategically with these suppliers.

Simon-Pierre Savard-Tremblay: Let's talk about the other report of the Auditor General concerning National Defence, which was one of the reports tabled this morning. This report focuses on recruitment in the Canadian Armed Forces.

The report states that "the Canadian Armed Forces did not recruit and train enough people to meet its requirements." It refers to a shortfall of 6,000 regular force members and over 6,000 primary reserve members, compared to the authorized staffing level of 71,500 regular force members and 30,000 reservists. Of the people who applied, only "1 out of 13 were recruited." Most of these people "abandoned their applications during the recruitment process."

We're ultimately learning that the federal government is spending billions of dollars on vessels and aircraft, but that we don't have the staff to operate them.

First, what does this mean? Second, do you think that the requested budgets are enough to provide the workforce needed to make up for the shortfall?

Hon. David McGuinty: Before asking General Carignan to help me answer this question, I must say that the announcement of better pay and benefits was a determining factor. It had a major impact on the number of people applying and getting accepted. As I said, we saw a 55% increase over the past year.

General Carignan, can you share your thoughts on the recruitment issue?

General Jennie Carignan (Chief of the Defence Staff, Canadian Armed Forces, Department of National Defence): Good afternoon, everyone.

Obviously, we accept the observations and recommendations of the Office of the Auditor General. They play a vital role in our ongoing efforts to improve our recruitment system.

You should know that, during the preparation of this report, we were already transforming our processes. We also made new investments. We computerized the processes to a certain extent. We've made many changes over the past year. As a result, for the fiscal year ending in March, we surpassed our target for the first time in 10 years by recruiting 200 more people than planned. The transformations really seem to be bringing in the necessary staff.

This year, we've achieved good results in terms of retention. We finished the year with 2,000 more people than we had at the beginning. This means that we're expanding. These results certainly come down to new investments and better pay and benefits, for example. We met 58% of our target by the mid-point of the fiscal year, meaning the end of September. This is despite the fact that we have a higher recruitment target this year. Last year, our target was 6,500 people. This year, our target for the regular force is 7,000 people. We're on track to meet our recruitment target, despite the fact that it's even more ambitious.

In addition, we've made improvements to everything that comes after recruitment, such as training. We made some initial changes last year. This year, we'll make sure to have everything in place to train all new members of the Canadian Armed Forces.

• (1600)

[*English*]

The Chair: Thank you, General.

Folks, we have a member of our legislature with her hand up. I want to provide unanimous consent to allow someone who's not part of the membership to ask a question.

Do we have unanimous consent?

Some hon. members: No.

The Chair: I'm sorry, Ms. Idlout. We don't have consent for interaction. We appreciate your being on Zoom to witness the proceedings.

Ms. Gallant, you have up to five minutes.

Cheryl Gallant (Algonquin—Renfrew—Pembroke, CPC): Thank you, Mr. Chair.

In response to a critical shortage of pilots and to prevent them from being poached by commercial airlines, pilots were offered in-

creases based on years of experience. However, now we have lower ranks making more money than their superiors.

How are you going to ameliorate this discrepancy?

Hon. David McGuinty: That's an excellent question, and a difficult one.

I think we all recognize that the Canadian Armed Forces have been having some difficulty for some time recruiting, training and keeping pilots. This is not unknown to armed forces around the world, with commercial contracts being so attractive.

I have confidence in the decisions that were made by the Royal Canadian Air Force operational experts, who brought in a series of new packages to—

Cheryl Gallant: Okay. There's no solution at the moment, but you're going to think about it.

Hon. David McGuinty: Yes.

Cheryl Gallant: Okay.

In parallel with the delayed pay increase slated for next month, a majority of recipients who receive the Canadian Forces housing differential are expected to see a decrease in their entitlement. Given that we have a huge cost of living crisis, why was the decision made to give our troops a cut in the housing differential, given the pay raises?

Hon. David McGuinty: I'm going to ask the operational expert, if you don't mind.

General, do you mind?

Cheryl Gallant: Actually, we're going to have the CDS later, so we can ask her that later.

Hon. David McGuinty: If you wouldn't mind, I would kindly ask you to defer the details to the general afterwards.

Cheryl Gallant: All right.

Recruiters for 50 Squadron, for example, used to do in-person outreach. Everything has gone online now. Applicants cannot even confirm whether or not their submissions were received. Why is there no follow-up for the thousands of people who go online, provide their applications and then don't hear from you or anyone for six months at a time or even longer?

Hon. David McGuinty: Again, that's an excellent question. By moving to an app-based system, we've obviously driven up significantly the number of applications from paper copy. How we now respond to those folks who press "send" with incomplete applications, for example, is something that we're examining. We're examining whether we want to go back and use that baseline of applicants to reapproach them or to return to them on it: Did you make a mistake? Did you forget to send all the information? Would you like to continue with the application?

We're examining this internally to make sure we don't let good quality folks slip through the cracks. That's a very perceptive question that we're trying to address internally as we beef up the whole recruitment process. As you know, we brought in the app-based process. We brought in many changes to the medical requirements for that application process. It seems to be having a positive effect, as the general indicated a second ago.

Cheryl Gallant: The government promised that the F-35 review would be completed by the end of this summer. Why have you not released it yet?

Hon. David McGuinty: Because it's not complete, because the F-35 review is still under way and because we're going to take the time we need to get this right. It is a very complicated issue for Canada, and that's exactly where we're at. We're going to take the time we need to get it done, and that's what we're doing.

Cheryl Gallant: When do you expect it to be released to the public?

Hon. David McGuinty: It's difficult for me to answer that question. It's under way. It's obviously primarily conducted by the department and by the CAF, but it has, of course, a bearing on the Prime Minister and the Privy Council Office. Those things are combining to take the time this whole process needs.

Cheryl Gallant: A previous witness, Mr. Richard Shimooka of the Macdonald-Laurier Institute, testified that the F-35 procurement is being used as a "bargaining chip" in your government's trade negotiations with the United States. How can you justify putting that expense against our national security?

• (1605)

Hon. David McGuinty: I wouldn't necessarily agree with that characterization. I am in constant touch with the Pentagon. I was down to see Secretary Hegseth two weeks ago and saw him again last week at the NATO meeting. The level to which we are working in co-operation with the United States on security, intelligence and defence is unshaken, in my view. So I think this is a bit of a mis-characterization.

Cheryl Gallant: We're short of pilots to begin with, which you talked about earlier. What's the interoperability of having two different fighter jets in the Royal Canadian Air Force? How would they perform together effectively, given that most of our allies will be flying F-35s?

Hon. David McGuinty: A total of 21 countries in the world will be flying F-35s and so far none other. Many jurisdictions in the world have dual fleets. That includes Australia and the United States. The question of dual fleets is not one that I'm seized with at this stage. I'm waiting for the results of the review being conducted. We'll have more to say about that.

The question of interoperability is a very important one, particularly as it deals with IAMD and NORAD responsibilities.

Cheryl Gallant: It's interoperable within our own military. An F-35 pilot doesn't necessarily know how to fly a Gripen. That has not been solved yet.

How much is your government estimating to lose if you axe the rest of the F-35 order?

Hon. David McGuinty: I can't answer that question, at present. My understanding is that the terms of that agreement are fixed but also negotiable. I don't know if that is something that is even being taken into account right now in the assessment that's going on. I think the technical assessment that's going on with the F-35s is primarily a technical assessment.

The Chair: Thank you.

I will now move over to Ms. Lapointe.

You have five minutes.

Viviane Lapointe (Sudbury, Lib.): Thank you, Chair.

Thank you, witnesses, for being here today.

Minister, my first question relates to NATO defence spending targets.

NATO allies often look at Canada as a trusted and steady partner. How does this year's increased defence spending enhance our interoperability and leadership within NATO operations, particularly in areas such as cyber-defence, logistics and Arctic surveillance?

Hon. David McGuinty: It's had a profound effect. This commitment, along with the realization around the world that we're stepping up, joining the ranks of our colleagues in NATO and have co-negotiated the 5% target for 2035, has had a profound effect on Canada's credibility and ability to deliver. I think that's a very positive thing for us as we re-engage domestically, continentally and internationally. Those three are somewhat different. Certainly, the NORAD modernization plans announced some years ago—\$38 billion, if I recall—will have a profound effect on our ability to defend our airspace here, continentally. These things coincide. I remind my NATO colleagues regularly that Canada has that special continental responsibility. Many of them don't.

Nowhere is that more important than in the context of the Arctic, where Canada is being asked, primarily by the United States and other NATO countries, to take on a greater share of the responsibility when it comes to security and sovereignty in the Arctic. A lot of the investments that are forthcoming will be addressing that question: forward operating location expansion or NOSHs, as they're called, the possibility of deep-sea ports, the question of electrification of the north and the question of dual- and multi-use expanding landing strips. All of this is under consideration. All of this is being planned. It has been a major, significant announcement to the world that Canada is serious about rearming, reinvesting and rebooting its armed forces after.... Frankly, I think it's fair to say that governments of all stripes for the last 30 or 40 years have been a bit neglectful.

I think right now is the time. I hope members at this table agree that what we're doing now is the right thing at the right time.

Viviane Lapointe: I think our partners agree.

Minister, you talked about NORAD modernization.

The budget makes significant investments in NORAD modernization. Can you elaborate on how these new funds are being directed? How do they reinforce Canada's role in terms of continental defence?

• (1610)

Hon. David McGuinty: First, these are big numbers and a bit astonishing for Canadians, I'm sure. This is the cost of doing business today in the world when it comes to advanced technology and investments.

We're investing \$38.6 billion over 20 years to modernize Canada's NORAD capabilities. For example, we're working with Australia now on an Arctic over-the-horizon radar system. This is a profoundly important system. We will know in Canada—and our American neighbours will know—what may be coming at us from over the Arctic, whether it's the Canadian Arctic or Alaska. We have two sites in southern Ontario that are expected to be operational by 2029. National Defence is also working on many issues with indigenous, territorial and provincial partners.

The question of integrated air and missile defence, IAMD, is one that I'm pursuing with the Pentagon. I'm working with the secretary of defence now. The Prime Minister announced some months ago that, after 20 years of a bit of a chill on discussions with the United States on this question, it is important for us to have those conversations. We are having those conversations to see where this comes to ground and how we come to ground. We also, as I mentioned, have these forward operating locations in Inuvik, Yellowknife and Iqaluit, and a deployed operating base in Goose Bay.

All of these efforts are going to support NORAD operations, give us new capabilities and improve our readiness in the north. This is what people are expecting of us as we assert our security in and sovereignty over the Arctic.

Viviane Lapointe: The Canada-U.S. defence relationship is one of the closest in the world.

How do the new defence investments, particularly those tied to NORAD modernization and strategic capability development,

strengthen our shared security with the U.S., while also creating opportunities for Canadian companies, Canadian workers and our regions to participate in that work?

Hon. David McGuinty: It's a big question and an important question.

The first thing I would say is if we consider the relationship in security, defence and intelligence with the United States as a home we built on both sides of the border, and there are 40 or 50 rows of cinder blocks on the foundation, the 30 bottom rows of those cinder blocks remain absolutely untouched. There has been no frost heaving, no leaking, no heaving or shifting. That relationship is fundamentally strong and continues.

Remember that we have the only binational command in the world: NORAD is the only binational command in the world. It's a great privilege to be able to work with our American neighbours. Canada is going to continue to manage that relationship very carefully. There are some very big modernization investments going on in surveillance systems; threat identification; response speeds; ability to deter and defeat aerospace threats; ensuring that CAF can deploy and sustain a strong military presence across the country, including in the north; future-proofing NORAD's ability to defend North America through investments in science and technology; the over-the-horizon radar system, which I mentioned earlier, the first tranche of which is about \$6.5 billion. The list is long.

All of this will allow for Canada to dig down and to build a defence industrial base which is ready for takeoff and for growth. We have 600 companies now in this space. Personally, I'd love to see that doubled. That's my personal ambition, if we can get there, or at least taking on companies that are significant players and doubling their books of business. This is also why we went to the European Union and signed on to the SAFE agreement, which is a \$1.25-trillion marketplace for defence over the next decade.

There's a lot of opportunity for Canadian businesses here, a lot of job creation. I think we all know that, and we're very excited by it.

The Chair: Thank you.

Monsieur Savard-Tremblay, you have two and a half minutes.

[*Translation*]

Simon-Pierre Savard-Tremblay: Thank you, Mr. Chair.

Let's talk about languages, since they also have a major impact on recruitment and retention.

We know that a number of occupations are practised exclusively in English. People may claim that these positions are bilingual, but in reality, English prevails. For example, there are no French-speaking vessels, and a number of occupations and specializations, particularly within the special forces and the Canadian Armed Forces cyber-command, are practised exclusively in English. Even in fields such as infantry, where people take essential career advancement courses, it's impossible to receive training solely in French. I'm thinking in particular of the course provided at the Royal Military College Saint-Jean to become a warrant officer.

There isn't any support for indigenous languages either. For example, the Canadian Rangers are forced to use English instead of their first languages, such as Inuktitut.

We see these cases. I think that they affect retention.

Can we expect strong and concrete measures in this area? For example, could we see a shift to French in all military occupations and courses, or more courses and services provided in indigenous languages? In this area, does the plan include anything with a timeline or schedule?

• (1615)

Hon. David McGuinty: Good questions, Mr. Savard-Tremblay.

I haven't had time to carefully review this issue yet. However, I recently spoke with an official from a French-speaking European NATO member country. This official also asked me, as you did, about our approach to this issue in Canada. It isn't easy for these people, because a great deal of information and training is in English. A large amount of equipment is also manufactured in Germany, Canada or the United States, for example. This equipment comes with English manuals, since English is the international language.

In short, it's an important issue. I'll look into it at the office. I can give you more information later.

Simon-Pierre Savard-Tremblay: You can also contact the committee if you have any new information on this matter. We'll certainly take a look at it.

General Carignan, I would like to come back to the recruitment and retention shortfalls. You said that you're getting closer and closer to your targets, but what about the target of 100,000 military members? When do you think that you'll reach it?

Gen. Jennie Carignan: The first phase involves a return to full staffing levels for the regular force, meaning 71,500 military members. We expect to achieve this goal in April 2029, which is much earlier than the initial target of 2032.

Additional investments certainly help us to step up our recruitment activities, such as running advertising campaigns to attract recruits or using headhunters to address shortages in certain occupations. We now have many tools to find the necessary people. This is the first phase for the regular force.

We then plan to fill 14,000 positions using the new capabilities that we're creating.

We'll be working on all these fronts in the coming years in order to build the necessary capabilities and recruit the staff required for

the new platforms being integrated into the Canadian Armed Forces.

[*English*]

The Chair: Thank you, General.

I understand that we are now going to Mr. Kibble. I think you may be splitting with Mr. Anderson.

You have, combined, up to five minutes.

Jeff Kibble (Cowichan—Malahat—Langford, CPC): Thank you, Mr. Chair.

My question, through you, is for the minister.

Bill C-12 on the Oceans Act implies that the Coast Guard will report under the Department of Fisheries and Oceans. In fact, yesterday in the House of Commons, I asked the Parliamentary Secretary to the Minister of Public Safety this question. He stated that the Coast Guard will fall under the DFO. He then stated that the Coast Guard will fall under two departments.

Minister, could you please clarify? Will the Coast Guard continue to fall under the Department of National Defence, as indicated in the recently signed OIC?

Hon. David McGuinty: The Canadian Coast Guard will fall under the Department of National Defence.

Amendments are being made in Bill C-12, which is the new Bill C-2, to amend the Oceans Act to give the Coast Guard the authority to provide information that will be used for security purposes.

Jeff Kibble: Is it fair to say that the Parliamentary Secretary to the Minister of Public Safety was confused on the issue?

Hon. David McGuinty: I'm not sure what he said to you, but—

Jeff Kibble: I told you what he said. That's fair enough. It does seem like a bit of a—

Hon. David McGuinty: Excuse me. I'll take a look at that.

Jeff Kibble: Yes, thank you very much. I appreciate that.

Bill C-12 tasks the Coast Guard with security patrol surveillance and intelligence gathering. Presently, they are not equipped to do that.

What are the cost estimates and time estimates to equip and train the Coast Guard to support its added tasks?

Hon. David McGuinty: I can't give you the exact timeline right now. I think the commissioner might be better placed afterwards because you might want to hear from—

Jeff Kibble: Perhaps as the ministry—

Hon. David McGuinty: I will defer to the expert, sir.

• (1620)

Jeff Kibble: I'll ask those questions later, if that's all right.

The Prime Minister stated that Canada will not split the submarine contract.

Will you commit to the same for the F-35 aircraft program for the same reasons as not splitting the submarine contract?

Hon. David McGuinty: I think once the review is completed we'll be in a much better position to address that question of mixed or non-mixed fleets.

Thank you for asking.

Jeff Kibble: We'll look forward to that information.

Mr. Anderson.

Scott Anderson (Vernon—Lake Country—Monashee, CPC): Thank you.

Sir, we've heard testimony here that the world is a much more dangerous place and it has become more dangerous over the past 10 years. We are lacking recruitment, we're lacking soldiers' equipment and we're lacking housing for those soldiers, once we get them. We're essentially starting from ground zero.

Can you tell us why the plan is so back-end loaded?

Hon. David McGuinty: I don't think we are starting from ground zero, but we're certainly catching up very quickly. We're making decisions that are expediting things.

With the new procurement agency that's being stood up by mid-November, you're going to see a speed of acquisition the likes of which this country has never seen because we've never had this kind of structure.

Scott Anderson: With respect, I'm asking why we are putting most of the money at the back end of this procurement when we're in a fairly dangerous position right now. We're underequipped and undeployable, frankly, in the north.

Hon. David McGuinty: What do you mean by the back end? Help me understand.

Scott Anderson: I mean, long after your government is no longer in power, the rest of this money is being spent. Very little is being spent at the front end when we're in a bit of a crisis situation right now.

Hon. David McGuinty: This fiscal year, \$63 billion is being spent, including an additional \$9.3 billion that was announced in June. That's going to have a profound effect. For example, \$2 billion or more is going into the pay and other package increases for folks. That's having a great bearing on keeping people and bringing them into the system. I think that's one of the reasons why recruitment is up.

There is a lot of very immediate investment going on right now. There are contracts being let. There are acquisitions under way.

I don't know that it's all back-ended.

Scott Anderson: On that subject, then, do we have a formal procurement strategy? Do we have something written down—a plan to procure the things we need?

Do we have a strategic plan, first of all?

Hon. David McGuinty: We have a defence investment agency being stood up, the details of which will be made public very shortly. That's going to have a great bearing on any acquisition over \$100 million.

Here is something else we've done: We've actually given more local authority and more purchasing power to folks who are on our bases—for example, our commanders and our LIs.

Scott Anderson: I'm almost out of time. I have just one more question here.

Do we have a comprehensive C4ISR or a communications strategy to go forward? Do we have a plan to move forward?

Hon. David McGuinty: Forgive me. It's not a term I am familiar with.

Scott Anderson: It's a military acronym. It's the command, communications, computer, intelligence, surveillance and reconnaissance. It's essentially a plan that says what we are going to buy and when we are going to buy it.

Do we have one?

Gen. Jennie Carignan: It's what we call C4ISR. This is, in fact, common in control suites and digital systems that allow us to combine a massive amount of data and then be able to read from sensors and analyze what we are seeing to make decisions.

Scott Anderson: Right. Do you have something in place for that?

Gen. Jennie Carignan : Yes, we have plans and programs that are evolving over the next few years to rapidly get to a good place as we onboard new capabilities, like the River-class and so on and so forth. Absolutely.

Scott Anderson: The reason I'm asking is that we're making movements to put the Coast Guard under the DND umbrella, but it doesn't sound like we have a strategy in place. Is that a fair statement?

Hon. David McGuinty: No, I don't think so. It's not a fair statement. We're in the middle of planning the retrofit of existing vessels. We're procuring lots of new vessels. They will be equipped and fit up with the equipment we need to be able to pursue our IAMD objectives, which are making sure that what happens in the air, on the water, below the water, on land and, ultimately, in space will be connected.

That's exactly what an IAMD system is. That's what we're contemplating for North America. Those are the kinds of conversations we're having with the United States, and we've been having them for 20 years, up to a certain extent.

We've lifted the freeze and now we're fulsomely pursuing that.

The Chair: Thank you, Minister.

I'm sorry, Mr. Anderson. We're over the time.

Monsieur Chris Malette, I'll turn it over to you. You have five minutes.

Chris Malette (Bay of Quinte, Lib.): Thank you, Mr. Chair.

Minister, thank you very much.

First, I'd like to thank you both for your visits to my riding in the Bay of Quinte this summer to visit CFB Trenton and 8 Wing. General Carignan, I'd also like to thank you for your visit in August and the announcement you made there.

Minister, your announcement of the \$850-million investment in CFB Trenton, specifically, was very well received and appreciated by those stationed there and their families. I've had the opportunity here, first-hand, some of that over the summer.... It's been very well received.

This important project of \$850 million in infrastructure is strengthening our operational capabilities and supporting economic growth in my riding. Can you tell us a little more about the modernization efforts specific to our air mobility—as it affects my region, with CFB Trenton and 8 Wing—and the impact of those infrastructure upgrades at 8 Wing?

• (1625)

Hon. David McGuinty: I'd like to take a second, if I could, at a 10,000-foot level, to remind Canadians how important National Defence and the CAF are to the Canadian economy. Everything we do and every dollar we invest are also about the economic benefits for Canadians—Canadian companies and workers—and we're going to need to pull up the slack. There will be sunrise and sunset industries in Canada, as there always are.

Canada's defence and security industries generate about \$14 billion in revenue now. That's 81,200 direct jobs and over 200,000 indirect jobs. That's \$9 billion in GDP to Canada's economy. For example, when I met with Irving shipyards, I heard about 2,400 local employees and 10,000 knock-on jobs across the country in the supply chain.

When we were in Trenton, announcing the \$850 million, not only was it very clear to us that the acquisition of the new Husky refuellers was important for refuelling our fighter jets in the sky and using those aircraft to do many other things; it was very clear to us that this would create 1,000 full-time jobs in the Trenton area for some time. These are bricklayers and cement workers and jobs in HVAC, electrics, design, steel and aluminum, acquisition and logistics.

If you multiply that, Mr. Malette, across the country for the investments we're making in the bases, it's astonishing. I had this conversation with Premier Smith in Alberta, who was shocked to learn of the extent to which the Canadian Armed Forces is investing in Alberta. There will be billions of dollars of economic activity in Alberta, which is going to have a profound effect on jobs.

I met the folks who designed the apartment building that is being built at CFB Edmonton. It's been designed in a way so that we can take the design, shrink-wrap it and replicate it all over the country

because we own the IP, the architectural design and the engineering design. However, the jobs it created in the city of Edmonton and the region were just incredible.

If you multiply this over and over again at 33 bases and in up to 3,000 communities where the Canadian Armed Forces are located in Canada, you see the potential impact is dramatic.

Chris Malette: Thank you.

Further to that, I mentioned earlier that, this summer on that visit, the Prime Minister made the announcement, giving our forces a well-deserved pay raise, something that had been neglected—as you pointed out, as well, Minister—for several governments and several years: \$2 billion in pay and benefits. I know it's already impacting the Bay of Quinte region and other regions where CAF members live and work. There are civilian spinoffs as well.

Untrained soldiers, sailors, privates and aviators received a 20% pay raise. Can you give us a high-level view of how this pay raise and compensation package will help with retention? We've spoken a little bit about retention today. Is this showing an impact? I believe the numbers are up, but do we have any way to quantify how that may be affecting recruitment and retention?

Hon. David McGuinty: We will, more specifically over time as these pay increases kick in, retroactive to April 1. Members will be getting a lump sum payment very shortly. It's going to be important for us to monitor the effects of that. It'll take a first-year private from \$42,000-\$43,000 per year to \$52,000-\$53,000 per year, plus other benefits. It's a question of watching, now, to see.

It's important for us to try to remember, collectively. We ask the women and men of the Canadian Armed Forces to do some pretty difficult things. We ask them to relocate frequently. We ask the young woman mechanic from Bagotville to get on a plane and fly off to Cold Lake for a month away from her family and kids to repair helicopters. There is no collective bargaining. There is no overtime. We ask these people to give us a lot. Our view is that we need to meet them in the middle in terms of what they give and what we supply and support them with.

We're of the view that if we invest the right way in pay, remuneration, incentives, annual bonuses, recruitment, retention, housing, child care, health care, dental and all of the things that this department and the Canadian Armed Forces are called to do.... The more we do and the better we do that, the higher performing our Canadian Armed Forces will be. This is well established around the world.

If we have people worried, looking over their shoulder, not able to do their jobs because something isn't right in the balance of their lives, that will not help us achieve our secure and sovereign objectives.

• (1630)

The Chair: Minister, that concludes your time, sir. Thank you very much for your comprehensive discussion and deliberations. We very much enjoyed your presentation.

I'm going to suspend for a moment, folks, so that we can restructure ourselves.

Thank you, again, Minister.

Hon. David McGuinty: Mr. Chair, thank you so much. It's very appreciated.

• (1630)

(Pause)

• (1635)

The Chair: I'm resuming our meeting. Thank you again.

We're going to pass it over to Mr. Anderson. You have up to six minutes.

Scott Anderson: Thank you very much.

General Carignan, we've talked about fighter jets, tanks, artillery and better wages. I remember the basic equipment: uniforms, guns, armour and things like that. Are there any commitments on the books right now for that?

Gen. Jennie Carignan: Yes, there are various programs right now to modernize all of our services across the board. We are in a major transformation position and we are also organizing this transition very deliberately as we move to new equipment or, sometimes, equipment we don't have or capabilities that currently don't exist.

The challenge for the Canadian Armed Forces at the moment is continuing to do the business of defence, because clearly we cannot put defence on pause while we are effecting this transformation, so that is the priority: both transformation and, at the same time, ensuring that we are pursuing our defence missions.

Scott Anderson: I know we are producing 155-millimetre shells; we've seen in Ukraine how fast we go through munitions like that. My understanding is the Americans are taking most or that we are producing shells for the Americans more than for us. Is that correct?

Gen. Jennie Carignan: This is not my field of expertise. Maybe I can ask a colleague for clarification.

Natasha Kim (Associate Deputy Minister, Department of National Defence): Thank you, General. I'm happy to chime in on this question.

The 155-millimetre shells are absolutely a priority of ours. As the minister mentioned, we have made investments into, for example, IMT Precision to be able to increase the production of those shells to up to 5,000 per month.

In addition, we are looking at investing in a new production line that would provide a new variant of 155-millimetre shells, so there are discussions under way for that.

Scott Anderson: Concurrently with that, are we producing shells for the Americans as well?

Natasha Kim: The U.S. would have their direct contracts with suppliers. That would be on a commercial basis.

Scott Anderson: Okay. That's not a "no."

Are the delays on the F-35 costing us tens of millions or hundreds of millions? Do we have a figure on how much this business is costing us?

• (1640)

Gen. Jennie Carignan: We are moving ahead with the current plan with the F-35s, so we are pursuing this until the review shows us otherwise. We are moving ahead with the construction of the infrastructure that is required and then we are moving ahead with the training. The program is basically continuing as planned.

Scott Anderson: Okay. My question was about how much this is costing us. Do we have an estimate of how much the delays are costing us?

Gen. Jennie Carignan: There are no delays. We are on track with the spending as programmed.

Scott Anderson: I've heard that the F-35 has been a topic of discussion for years, and it keeps on being delayed. We're moving ahead with the infrastructure for it, but why are we doing that if we don't know if we're going to get the F-35? How much is Canada paying for these delays? If we don't know, then we don't know, but that's my question.

Heather Sheehy (Assistant Deputy Minister, Materiel, Department of National Defence): I would agree that there are no costs associated with a delay. There was an OAG report recently that talked about the increased cost with respect to the CF-35s, and I can provide some breakdowns of that if you're interested in that.

Scott Anderson: General Carignan, what do you think is the area we should be concentrating on the most? What is the most crucial right now in militarization?

Gen. Jennie Carignan: From a military perspective, this is based on our current and previous defence policies, so we are basing our priorities on the demands from "Our North, Strong and Free" and "Strong, Secure, Engaged". The priority is the defence of Canada and the Arctic, so we are investing in terms of both capabilities and planning and programming to secure Canada, which is why the minister has been talking about integrated air missile defence, multidomain awareness and, again, equipping ourselves to conduct those types of operations.

We have to understand that over the past 35 years post-Cold War, the Canadian Armed Forces have been asked for fundamentally different types of missions, so the types of missions we are required to do now and will be required to do in the future are fundamentally different, hence the requirement for those transformations that are currently ongoing.

Scott Anderson: That's a good point, that we are now preparing for symmetrical warfare rather than asymmetrical warfare. That's why my questions are of this nature.

Where's the implementation plan? Do we have a command structure and coordination with DFO? Do you know when it's going to be tabled at all?

Natasha Kim: I'm happy to start, Mr. Chair, and the commissioner may want to weigh in.

In terms of the integration of the Canadian Coast Guard into Defence, there was an order in council, as someone mentioned earlier. Between ourselves and DFO, we are negotiating a memorandum with the understanding that we'll lay out the transition plan for that integration over time. It will be a very orderly approach, but the Coast Guard is formally part of Defence.

The Chair: Thank you, Mr. Anderson. Your time is up.

I am going to pass it over to Sherry Romanado for up to six minutes.

[*Translation*]

Sherry Romanado (Longueuil—Charles-LeMoine, Lib.): Thank you, Mr. Chair.

I would like to thank the witnesses for joining us today.

I'll be sharing my time with my colleague, Mr. Greaves, who is attending the meeting by video conference.

I'll start by turning to General Carignan.

General Carignan, I would like you to talk about the significant change observed in the corporate culture over the past two years. This change is the result of all our efforts, particularly with regard to harassment. I'm also thinking of all the cases where we successfully implemented the recommendations in Justice Arbour's report.

Could you share your thoughts on this topic?

• (1645)

Gen. Jennie Carignan: It would take me more than six minutes to talk about this.

I should first point out that all forms of misconduct in organizations often stem from a culture that allows these types of behaviours. These behaviours are completely unacceptable. However, over time, they can become normalized.

When we addressed the issue, we focused on changing the corporate culture in order to optimize our teams' performance in particularly difficult and hostile situations. The whole purpose was to ensure that we had strong teams.

We've implemented multidisciplinary mechanisms. Implementing recommendations alone won't help us get the job done. It takes a combination of various things.

In terms of implementing recommendations, we prioritized four reports in particular, for a total of 194 recommendations. Of these 194 recommendations, we've now addressed 114. By December 2025, we'll have almost finished our work based on the recommendations in Ms. Arbour's report. A tremendous amount of work has been done on this front. We're continuing our work on the remaining recommendations.

From a broader perspective, we've implemented many reforms in basic training and leadership development. For example, we've introduced character-based leadership. We've also implemented a probationary period. We've changed our methods for selecting staff for command positions.

We've also made sure to include a variety of work experiences within our teams to encourage a flexible approach to tackling complex issues. Our teams often face unexpected and complex issues during their operations in Canada or abroad. The recommended way to tackle more complex issues is to have diverse teams.

We also improved our grievance and complaints system. In order to build stronger teams, we need to ensure that complaints are addressed. By properly managing complaints within teams, we create a stronger corporate culture and stronger teams, where people maintain a relationship of trust.

Lastly, we created a leadership support team that works with a number of units and formations in Canada and abroad to address systemic issues within certain teams.

I could keep talking about this. In short, we've implemented many initiatives and we're seeing the results. Changes are happening and people are comfortable with the new procedures.

Sherry Romanado: Thank you.

I'll give the rest of my time to Mr. Greaves.

[*English*]

Will Greaves (Victoria, Lib.): Thank you, Mr. Chair and committee members, for having me here today.

Thank you to our witnesses for joining us.

It's a pleasure to be here.

My question is for General Carignan.

Thank you, General, for taking the time to be here.

Two weeks ago, I attended the Montreal climate security summit, where the Minister of National Defence provided the keynote remarks in speaking to the multi-faceted relationship between climate change and climate change impacts and the Canadian Armed Forces and Canadian security and defence issues.

In his remarks, he was very clear about what some of those connections are, but I wonder if, from perhaps a more operational level, you might speak to the way climate change impacts are affecting the infrastructure and operational readiness of the Canadian Armed Forces in different parts of the country.

Gen. Jennie Carignan: I would qualify climate change as an accelerator to the various threats we are facing. I think Mr. Anderson was talking a bit earlier about hybrid threats. What we could use as an example is climate creating an acceleration of various threats coming together, especially when we're speaking about the Arctic.

As the Arctic becomes more accessible due to climate change, the more humans you have around and the more diverse the threat is going to be; the military is one of them. We need to think about criminal dual-use research being conducted, search and rescue, and so on. I think we could also say that the Coast Guard's joining us in Defence is actually a way of joining our strengths together to face those converging and hybrid threats in a better fashion, as we have different capabilities and we can join our forces to address that.

Climate change is also affecting our rate of involvement in domestic operations in Canada. They have doubled from what we have seen over the years. It's creating a huge demand on your Canadian Armed Forces to be responding. As we speak, we are still involved in Nova Scotia in supporting their efforts in fighting the forest fires there at this time of year, which is unheard of.

• (1650)

The Chair: Thank you.

I'm going to pass it over to Mr. Savard-Tremblay.

You have six minutes.

[*Translation*]

Simon-Pierre Savard-Tremblay: Thank you, Mr. Chair.

I would like to put my question to General Carignan, but anyone who wants to respond should feel free to do so.

We know that Canada has significant shortcomings in terms of air defence, including missile defence, anti-drone defence and anti-helicopter defence. It also lacks portable anti-aircraft weapons and combat drones. In addition, the tank armaments are completely outdated. We could provide many examples of this kind.

Many plans are coming out, but so far, no comprehensive plan has been released. You may indeed have this type of plan within the forces. However, we haven't seen any comprehensive plan with a clear time frame stating, for example, that the modernization of all equipment is set for a specific year.

Does this type of plan exist, even just for you, within the forces?

Gen. Jennie Carignan: Yes. We have a clear understanding of the needs here for the defence of Canada and for our presence on NATO's eastern flank in Latvia. Clear requirements for air defence systems have been identified.

Our troops in Latvia are currently equipped with short-range air defence systems. We have plans to implement other systems that must also provide medium-range and long-range coverage as we strengthen our military capabilities. The systems operators must al-

so be suitably prepared. All these initiatives to build our defence systems are under way and are scheduled for completion in the coming years.

With regard to drones, we're currently using anti-drone systems for our bases here in Canada, but also in Latvia. We're actively involved in NATO's Allied Command Transformation, which ensures that lessons learned in Ukraine are applied here in Canada.

Our services are also acquiring drones. The army, the Royal Canadian Navy, the special forces and the air force have drones with various capabilities adapted to their respective fields.

All this is certainly under way.

• (1655)

Simon-Pierre Savard-Tremblay: Is it possible, by any chance, to submit a document in writing to the committee so that we have a bit of an idea of what's going on, what's in the works, what's being planned?

Gen. Jennie Carignan: Yes, certainly.

Simon-Pierre Savard-Tremblay: Thank you, Ms. Carignan.

I think that's my time.

The Chair: No.

Simon-Pierre Savard-Tremblay: Oh, I thought I only had two and a half minutes. I didn't realize that this was a new round of questions and that I had five minutes. Great.

Then let's move on. Why stop when we're starting to have fun?

Let's get back to serious matters, as I want to address a much more tragic subject, namely, the risk of conflict in Taiwan. We know that the risk is high. We know that it could happen in the short term. China has indicated certain dates, certain years, when it could launch a possible attack. The chances of Canada being drawn into an armed war, a military war, aren't zero. This is something that is real. I'm convinced that you're also seeing this and that you're preparing for it in some way.

Do we know when the Canadian Armed Forces will be fully operational to deal with such a high-intensity conflict?

Gen. Jennie Carignan: It's very clear that we're always preparing to fight. That's what the military always does. We make sure that we maintain our skills and ability to fight within the constraints we're given.

No one is in a position to predict exactly when such a conflict might occur. However, here in Canada, we conduct deterrence activities with many of our allies in the Indo-Pacific, to counterbalance the forces at play in that large region of the world. We are working with our many allies in the region, conducting maritime co-operation exercises and focusing on capacity development. Everyone has different needs, whether in terms of cyber-defence, second language or peace operations. We respond to our partners in the region to do those kinds of things.

What we're looking to do in the Indo-Pacific region is to create a deterrent effect. If we are successful in doing that, then we will balance the forces, and there will be less risk of us becoming involved in an armed conflict.

Simon-Pierre Savard-Tremblay: I imagine there's a need—
[English]

The Chair: Monsieur Savard-Tremblay, now the time is up.

Mr. Kibble, you have five minutes.

Jeff Kibble: Thank you very much, Mr. Chair.

General, thank you for your service. I appreciate that you're in a very demanding and challenging job, and it's reflective of your excellence to become chief of the defence staff.

The minister stated that recruitment was up 50% last year. Could you clarify that? Is that 50% walking through the door of a recruiting centre or 50% walking through the door at basic training?

Gen. Jennie Carignan: I think the 50% is where we are in a year. From year to year, we like to compare the trends to see how we are doing compared with how we did last year.

Jeff Kibble: I appreciate that, but is that people applying, or is that people who are actually being recruited and arriving at basic training? There's a difference between those two numbers. Is that 50% referring to that?

Gen. Jennie Carignan: Yes, there is. There are thousands of people showing interest on a monthly basis, but they don't necessarily all come back with a firm offer.

Jeff Kibble: I appreciate that. I'm just trying to get clarification on the minister's comments. In terms of the 50% statistic that he used, is that for the ones who are just applying or for people who are actually being recruited?

Natasha Kim: If I'm thinking about the right statement, Mr. Chair, I believe that it was about bringing in about 50% more last year than we did the year before.

Jeff Kibble: Was it to actually start basic training?

Natasha Kim: It was into enrolment.

Jeff Kibble: Thank you very much.

As well, the minister mentioned 36 new PMQs at CFB Edmonton. I saw them when I toured the base there this summer. They're wonderful buildings. However, command at the base indicated that they are still approximately 300 PMQs short on that base. Do you have the numbers for PMQs that we're short across the country and a timeline for catching up or a timeline for how many we're building per year nationally?

• (1700)

Natasha Kim: I'm happy to start on that one, Mr. Chair, and if others want to jump in, they can.

The Auditor General observed this as well. We have under way a bit of a review on our living accommodations program and what that means in terms of what our needs will be in the long term for housing, including both residential housing units, RHUs, and barracks, which used to be managed separately.

Jeff Kibble: Do we have a number we're short nationally?

Natasha Kim: Yes. We know that there's a shortage, but what our actual requirement will be over the long term is being developed.

Jeff Kibble: We don't know what the shortage is at the moment, then.

For Edmonton, we know that it's 300. For any of the other places, do we know a total?

Natasha Kim: Mr. Chair, a lot of it will be about the time frame as well as the local conditions. That's part of the analysis.

Jeff Kibble: Thank you.

Mr. Pelletier, yesterday the public safety minister said that the Coast Guard will play an integral role in meeting our 2% GDP NATO spending. What adjustments will need to be made for the Coast Guard to achieve that, knowing that the NATO requirements for that spending are that coast guards are able to deploy and to operate as a military unit?

Mario Pelletier (Commissioner, Canadian Coast Guard, Department of National Defence): I cannot speak to the actual methodology, but the assessment is that 100% of the Coast Guard budget will count towards NATO spending.

Jeff Kibble: The NATO requirements clearly indicate that Coast Guard vessels need to operate and need to be able to deploy as military vessels.

Given that the mandate is changing, what are some of the steps the Coast Guard is going to take in this transition for this new mandate?

Mario Pelletier: There are many steps. I think it's important to realize that the Coast Guard was already collecting a lot of information for safety purposes. The new mandate will give us the opportunity to share and to receive information, and to collect information for our security purposes.

Jeff Kibble: At the moment, the Coast Guard has navigation radar and civilian radios. Do they have the capability to collect, process and securely transmit tactical and intelligence data to military units?

Mario Pelletier: We are currently collecting information. One of the challenges—and that's what we've been working on—is how to gather and communicate it in a secure fashion.

Jeff Kibble: That collection of data is limited to visual and to navigation-range radars for collecting information. There's no comm intercept or electronic warfare capability, or any of those types of things.

Mario Pelletier: No, not currently.

Jeff Kibble: That's fair enough.

To achieve those new mandates, what are the steps that the Coast Guard will take to defend itself?

Mario Pelletier: I'm sorry, but can you repeat the question?

Jeff Kibble: What steps will be required, and what equipment will be given to the Coast Guard to be able to defend itself while it's conducting these security patrols?

Mario Pelletier: Right now we're not looking at defending, because we're not looking at being in a theatre where there would be confrontation. Right now we're looking at occupying a space that can be occupied and where we can collect information and pass it on to our colleagues at DND.

Jeff Kibble: You pass on information, but you won't be able to defend yourself, or will the Coast Guard be tasked and expected—because it does say security patrols—to be able to board another vessel, for example?

Mario Pelletier: As we speak today, we are boarding vessels for fisheries enforcement purposes.

Jeff Kibble: That requires Department of Fisheries personnel on board to do that. Is that correct?

Mario Pelletier: That is correct, yes.

Jeff Kibble: As a stand-alone as a Coast Guard unit, would the Coast Guard be, in the new mandate, expected to board, say, a Chinese vessel that's intruded into our Arctic waters?

Mario Pelletier: Right now, again, we have people trained and equipped to do that. We don't have the mandate to do it.

Jeff Kibble: Currently the Coast Guard has people trained to board, say, a foreign national vessel that intrudes into our national waters.

Mario Pelletier: It depends on what threats we're looking at.

Jeff Kibble: Concerning an unopposed boarding on to a foreign national vessel, is the Coast Guard is capable of doing that at the moment?

Mario Pelletier: Yes, if we have the right authority on board.

Jeff Kibble: You need the right authority on board.

Mario Pelletier: Yes.

The Chair: Mr. Kibble, time is up.

Commissioner, thank you for your responses.

It's over to you, Madam Lapointe. You have five minutes.

• (1705)

Viviane Lapointe: My questions will be directed to Ms. Xavier.

As cyber-defence becomes a core pillar of NATO's collective security, how is CSE ensuring that Canada's networks and capabilities remain fully interoperable with those of our allies both to defend our systems but also to contribute to joint operations?

Caroline Xavier (Chief, Communications Security Establishment): I'm happy to say that CSE, as part of its mandate, has the role of defending the Government of Canada's systems as well as our Canadian critical infrastructure. As part of the work that we do, there is interoperability with our allies. We have very great interoperability especially with our Five Eyes allies as well as domestically with our domestic security intelligence partners.

Have said that, cybersecurity is something that everybody worries about on a global scale. We are quite concerned about the threats we're seeing that happen on a cyber scale, so we have relationships with members of NATO as well as beyond to be able to continue to ensure that we're learning from what they're seeing but also to be able to share our advice and guidance because of all of the defence of Canada that we're doing and the systems that we are protecting.

We also get the opportunity to learn a lot from the foreign intelligence mandate that we have within the CSE organization, and that is a part of what we call our secret sauce, the ability to have foreign intelligence help inform what we might see in cyber-defence and to be able to predict those cyber-threats that could impact Canada as well as our allies. Our allies help inform us through foreign intelligence but as well through the cybersecurity side of our mandate.

Ultimately, we do feel that the number of malicious actions we defend against per day permits us to better understand what the threats are globally but to Canadians as well, so that is part of what we do on a regular basis.

Viviane Lapointe: You talk about threats, and we know that the threat landscape continues to evolve from state actors to ransomware and hybrid operations that target critical sectors.

How does this year's funding help CSE stay ahead of those complex and fast-changing threats, particularly when it comes to protecting defence supply chains and critical infrastructure like energy and communications?

Caroline Xavier: In general, we've been really fortunate to be invested in since 2022 and, as the various budgets have ensued, we have received additional investments to continue to do our part with regard to cybersecurity and securing the defence of the digital mandate of the country.

I would say, with regard to the defence investment we receive, which is \$370.1 million, that will go towards NATO's 2%. The full budget of CSE goes towards the NATO 2%. In that \$370.1 million, the intent is to be able to help us to modernize that digital foundation and harden it so that we're going to continue to have that interoperability with allies internationally as well with our colleagues domestically. A big part of that interoperability will be the work that we do in support of the Canadian Armed Forces so that they can also continue to have that interoperability with their allies to do the work that they do.

A big part of our mandate is securing that digital foundation, so we worry about cryptography. We worry about the quantum computing threat that is coming, and part of the investment will allow us to better understand how to ensure that all the digital data that we will collect, including what you heard from General Carignan a few minutes ago, will remain protected based on the investments that have been made in CSE.

Viviane Lapointe: Collaboration among CSE, the Canadian Armed Forces and other departments is essential for situational awareness and resilience.

Could you expand on how that partnership is strengthening, especially in support of NORAD modernization and Arctic domain awareness, and also for countering disinformation that targets Canadians and our democratic institutions? We're seeing more and more of it.

Caroline Xavier: As I mentioned, part of our mandate is foreign intelligence collection. A big part of that is to ensure that decision-makers have the insights they need to do their job, and that includes our Canadian Armed Forces decision-makers. That is one part of the mandate.

The other part is our foreign cyber-operations, which are, again, informed effectively by our foreign intelligence mandate as well as our cybersecurity defence. In that role, we work hand in glove with the Canadian Armed Forces. In my own building, on a regular basis I have Canadian Armed Forces members who are embedded in our agency to do the work we do in the defence of Canada, especially focused on the digital front line. We have people who are also sent overseas at times with our Canadian Armed Forces to be able to continue to support them in the roles that they're playing and in the mandate that they have.

In terms of really paying attention to the Arctic and our backyard, Canada is very much a priority for us, as you heard General Carignan talking about with regard to the Canadian Armed Forces. We are part of the ONSAF policy that was issued by the Government of Canada. We work hand in glove with CAF to protect the Arctic, from the perspective of foreign intelligence but as well in our cyber-sensors and our cyber-defence.

We've distributed sensors in the northern territories to ensure that we have good monitoring from a cyber-threat perspective. That's in addition to working with critical infrastructure in the north, continuing to monitor and surveil from a foreign intelligence perspective, and leading multilaterals with international partners to better understand the threats in the Arctic, again, to better equip our Canadian Armed Forces in the decisions that they're making. We work, literally, hand in glove.

• (1710)

The Chair: Thank you.

Mr. Savard-Tremblay, you have a whole two and a half minutes.

[*Translation*]

Simon-Pierre Savard-Tremblay: Thank you, Mr. Chair. You couldn't ask for anything more, as they say.

General Carignan, let's continue where we left off earlier.

This potential conflict is likely creating a very significant need for weapons and ammunition production, which will likely involve converting some civilian production to military production.

Is it a work in progress?

Gen. Jennie Carignan: Extremely interesting things are currently happening in the defence ecosystem. To be properly organized, it takes more than just the Canadian Armed Forces and Department of National Defence, strictly speaking. As you mentioned, the support provided by our industrial base and what it supplies is extremely important. These are the foundations upon which a strong defence is built. It's part of the defence industrial strategy that's being developed and will be released soon.

In addition, we now have the Defence Investment Agency, which was created to ensure that procurement projects are carried out efficiently and in a modern manner, and are adaptable to the current situation. That further strengthens our mandate.

If we have an industrial base and a supply chain capable of continuing production in a context where we would need more materials, equipment and ammunition, it will be an extremely powerful model.

We are very positive about the changes that are taking place.

Simon-Pierre Savard-Tremblay: Do we know approximately how long it would take to convert part of civilian production to military production for that purpose? China has indicated the year it will attack Taiwan. Do we have time to proceed?

Gen. Jennie Carignan: Earlier, we talked about strategic stock. We anticipate things, we conduct analyses, and we estimate our needs based on what we know. We are therefore able to position in advance what we will need at the right time.

Right now, all of our transformation and reform efforts are aimed at adapting our position to the current situation, which is fundamentally different from anything we've been asked to do since the Cold War.

Simon-Pierre Savard-Tremblay: Thank you.

[*English*]

The Chair: Ms. Gallant, you have five minutes.

Cheryl Gallant: Thank you, Chairman.

The Auditor General found that the coordination among Treasury Board, Shared Services and CSE was insufficient during active attacks. An initiative was set up for a cybersecurity collaboration platform and incident case management tool, but had not yet received funding.

Is it scheduled to receive funding?

• (1715)

Caroline Xavier: Indeed, CSE works with Treasury Board and Shared Services to ensure that Government of Canada systems are effectively protected. We're really grateful for the audit that has been done by the OAG. We feel that there's been significant progress since the OAG completed its report. We continue to improve the collaboration amongst ourselves as agencies in ensuring and protecting Government of Canada systems.

One of the recommendations was to invest in this platform. This is part of the assessment to ensure we acquire this platform in order to have a better integration of how we do the management of—

Cheryl Gallant: Is the money being allocated to you sufficient to get this done?

Caroline Xavier: I'll have to get back to you, because we're still doing that assessment.

Cheryl Gallant: How is the use of AI in quantum computing manifesting itself with respect to the severity and length of time an intrusion goes undetected?

Caroline Xavier: Every incident is unique, and every incident comes with its own complications. It's hard to answer that question in a general manner. As we highlighted in our national cyber-threat assessment 2025-26, AI is very much an amplifier when it comes to threats. It has very much lowered the bar of entry for threat actors who want to do nefarious things in the cyber domain. That is a certain activity.

The Communications Security Establishment and Canadian Centre for Cyber Security are doing their part to ensure that we're continuing to raise cyber resilience across the country by ensuring we're giving proper advice, and that their sensors are rolled out in the various Government of Canada systems including Crown corporations.

We've seen improvement in that coverage. We're continuing to ensure that people are aware of and are looking for the indicators that compromise.... Whenever we are informed, especially from foreign intelligence, of possible threats to an organization, we notify them.

Last year, over 300 pre-ransomware notifications were given to Canadian institutions because we were better informed and because of what we had in our foreign intelligence collection, including observations from partners around the world. In sharing those indicators that compromise, and by sharing our advice and guidance, we're continuing to improve that resilience in order for people to be better prepared.

It is very possible, however, to the point asked, that artificial intelligence could be used by a threat actor and could go undetected for some time. This is why we promote the importance of defending, closing those doors and windows, and following our top 10 basic hygiene tips, so that you become a harder target to have artificial intelligence used against you from a threat actor.

Cheryl Gallant: How, if at all, do CSE and cyber command collaborate or interact?

Caroline Xavier: General Carignan and I are quite proud of the work that we've done in the cyber domain as two organizations. Over a year ago when the CAF cyber command became an official

entity, we were already working jointly, as I mentioned earlier, in the foreign cyber-operations space. CSE offered an opportunity to the Canadian Armed Forces to really become well practised and really work towards better understanding how to do active and defensive cyber-operations.

Now that the CAF cyber command has stood up its own entity, we continue to still work collectively and jointly; however, the CAF can now continue to do things on its own as it sees fit.

I'm sure General Carignan can answer a bit more on that. We still do joint operations despite the fact that the two entities are unique. Many times members of the CAF cyber command will work under my authorities, or I'll work under General Carignan's authority, as appropriate, in the defence of Canada in the cyberspace. That is something we do all the time.

Cheryl Gallant: Given the inadequacies of our cyber-defence in the AG report, what measures are you saying the government will take that would give you confidence that the direction that is being taken will ameliorate the AG's concerns?

• (1720)

Caroline Xavier: I would say that, from the time the AG's report was completed, which was done some time ago, we've already made significant progress in how we're continuing to defend and protect our systems. As I said, we've seen an increase in the adoption of our sensors already in our Government of Canada systems as we work with Shared Services Canada, but in particular with our Crown corporations, we've seen an increase in the use of our sensors.

In addition to that, we learn a lot from every incident, and we're doing a lot more engagement with senior leaders across the Government of Canada so they can better understand what role they have to play when there's a cyber-incident in their own organization. That is part of the advice that we are putting in place.

Finally, we put in place an individual by the name of Sami Khoury, who's our Government of Canada senior official in cyber-security for that reason, to give support to a department that is maybe going through a cyber-incident, to have an adviser, to whisper in their ears, to give them the advice they need while they're undergoing a cyber-incident, in addition to the support we provide.

The Chair: Thank you very much.

Mr. Watchorn, you have up to five minutes.

[Translation]

Tim Watchorn: Thank you very much, Mr. Chair.

Ms. Sheehy, I'd like to bring you into the conversation, since you didn't get a chance to answer a lot of questions.

The government has announced the creation of the Defence Investment Agency. It's supposed to improve the military procurement process across the board, in terms of cost as well as timelines.

How do you see that? How do you think that can improve the entire defence procurement process?

[English]

Heather Sheehy: Mr. Chair, I'm excited about the Defence Investment Agency. I have only recently come to DND; I've been at DND about three weeks now. We have a very sophisticated project management process in place in the government, but it can be long, and we know that. We've seen that on many different procurements.

I currently work with PSPC and other providers. My team also works with Defence Construction Canada and Shared Services Canada to put these procurements in place. Currently, we're working with PSPC. It's a great collaboration, but I'm looking forward to working with the Defence Investment Agency as well, because I think their mandate to reduce red tape and to look at how we utilize those investments for Canada in a way that makes the best sense for Canada is very exciting.

We are also doing work at DND in terms of looking at our processes. I said that we have a very sophisticated project management system. We need to have that in order to be compliant with Treasury Board policies, but we also need to look at ways that we can ensure that procurements can be done in an accelerated fashion. We are doing that work as well.

I'm pretty excited about the Defence Investment Agency. I think the fact that we see "investment" in the name suggests that the government is really committed to looking at how we use our procurements to achieve both things in getting the equipment we need for the Canadian Armed Forces and also the rest of Canada.

[Translation]

Tim Watchorn: I'm going to pick up on that by asking you a question about what you just said. The other witnesses can answer as well.

What are the first projects that the agency should take on to ensure that we receive the equipment we need as soon as possible and at a lower cost?

[English]

Heather Sheehy: I think they may have some views on this as well.

As I already explained, I work with a number of agencies already, and I need to continue to work with the agencies as the new investment agency gets up and running. As they start to bring on board some of those procurements, I will work with them. In the meantime, I will continue to work with my other clients in order to get this done.

My main preoccupation, I'll be quite honest, is not to decelerate. I can't have a blip. I need to continue to ensure that procurements are going as quickly and as reasonably as possible, while still ensuring value for money for Canadians. That is my mandate. I think that is what the deputy and associate have asked me to do in coming into this position.

[Translation]

Natasha Kim: The only thing I would add is that the defence industrial strategy, which the chief of the defence staff talked about,

will help us in this case, because there will be an established plan, clear objectives and a willingness to do things differently, particularly in procurement.

• (1725)

Tim Watchorn: In other words, you see the creation of the agency as a positive thing for military procurement.

Commissioner Pelletier, I would also like to include you in the discussion, since we've neglected you somewhat.

In our last few meetings, we've had witnesses come to talk to us about the integration of the Canadian Coast Guard with the Royal Canadian Navy, and every single one of them said it was a good thing.

I would like to hear your views and those of your colleagues on this issue. How do you see the future of the Canadian Coast Guard in terms of its integration with the Royal Canadian Navy?

Mario Pelletier: I would like to clarify that the idea isn't to integrate the Canadian Coast Guard with the Royal Canadian Navy, but rather with the Department of National Defence.

The feedback I've received from employees has been extremely positive. As I often say, most Canadian citizens thought we were already part of the national defence family. It's like that in other countries. For some employees, this change came as a surprise. However, I haven't received any negative comments, quite the contrary. We look forward to seeing how this transformation will go and how we can be an added value for the security of the country.

[English]

The Chair: Thank you very much, Commissioner.

I'm sensitive to time. I have only a few minutes left.

Mr. Bezan, you have a few minutes.

If I can fit in a few more, then we will, but I do have a few closing remarks.

James Bezan: Okay. Thanks.

Thanks to all of the witnesses for being here and for what you're doing in defending Canada. All of you lead great organizations and you're doing a great service to all of us.

Especially, General Carignan, please pass on our best wishes and gratitude to every member of the Canadian Armed Forces, as well as the Coast Guard, who we'll get to see much more often.

I'm sure, Commissioner Pelletier, that we'll see you here shortly in our study on the Canadian Coast Guard.

Ms. Kim, you mentioned that 5,000 rounds of the 155-millimetre shells for the howitzers is the goal. Is that the current production already or is it still the goal to get to 5,000?

Natasha Kim: Mr. Chair, I understand that is the actual production capacity right now for the—

James Bezan: We did hit the goal, but still, it's 5,000 a month, and in Ukraine they're burning through about 4,500 to 5,000 shells a day now. We still need to ramp up production even more. Hopefully, we are working towards that.

Natasha Kim: I would agree with you.

James Bezan: The AG reports today weren't great for National Defence. We talked about housing, and she identified a shortage of up to 7,200 residential housing units currently. The plan for National Defence is to build somewhere around 38 housing units over the next 20 years, and that plan is still unbudgeted.

How do we fix this? We have people coming in who want to join the Canadian Armed Forces. How do we retain them when they have to live rough or go into marketplaces like Victoria, Toronto or Halifax that are super expensive? If we're going to be able to hang onto them, this has to be affordable, and they have to have proper living conditions. The stock that's there, as she pointed out as well, is in pretty rough shape.

Natasha Kim: Mr. Chair, there are really two key principles that guide us here: accessibility and affordability of housing for members. We have different tools that come into play for that.

Just to correct the numbers that we're looking at, we're looking at over 800 new units over the next five years in terms of RHUs. We're also revitalizing our barracks and quarters as well.

James Bezan: That's still, in five years, a far cry from the 7,200 we need. Hopefully, we're going to get to full strength and go above full strength, and that means we have to do better.

Also, in the AG report and what she came out with on recruitment, one thing I found very disturbing was that when she looked at a number of the critical occupations, only 19% of them are going to be filled within the next four years. The other 81% will take 10 or 25-plus years to be filled or may never be filled.

How do we go out and fight when we're missing key occupations within the Canadian Armed Forces? That might include pilots, technicians, weapons specialists, mechanics or combat engineers. These are the people we need and don't have, and it doesn't sound like we're going to be able to get them in the next decade.

• (1730)

Gen. Jennie Carignan: Those estimates were based on the path we were on, but as the report was getting ready, we had already modified our posture, which greatly changed the dynamics of recruiting. We're going to keep building on that momentum. Currently, we have five stress trades where we are focusing our efforts. We are currently developing a proof of concept, where we have hired headhunters to go after all of these trades. We are introducing a recruiting allowance for those trades. We have authorities for enhanced advertising. We are also fast-tracking their applications.

James Bezan: I'm glad we're doing that on recruitment, but we also know from our AG's report that the data systems, the information collection, is very siloed among services, and a lot of it is still "pen to paper" to get things entered. It seems to me rather cumbersome, especially in light of today's technology and systems that are out there and the ability to use things like quantum computing and AI to generate better outcomes. If you really start drilling down, there's still a lot of work to do to fix this.

When you look at the recruitment uptick that we had, a lot of it had to do with changing the recruitment process. Security clearances are given during basic training or after. We have seen the ending of the aptitude test. Has that affected the quality of the recruits?

Gen. Jennie Carignan: In terms of your first question on digitization, the efforts are currently ongoing. We are going with a phased approach. Last year we had the first version of various parts of the process being digitized. We are again this year increasing that digitization. I fully agree that paper copies and all of that are not an optimal way of doing this, so we are not only revising our business processes, but also digitizing our processes. That is ongoing and should help to better manage the recruits showing up at our door.

On your second question on aptitude tests, in fact what we noticed is that we doubled the number of candidates who came back to continue their application in the forces; it removed a barrier. However, we are maintaining standards and quality via other means, which means that we have scorecards for the recruits from interviews, marks they have in school, references and so on. All of this is compiled, and the aptitude test is conducted later on. But, no, we are not compromising at all the quality of Canadians showing up and offering their service to Canada.

The Chair: Thank you, General.

I know we're exceeding time.

Mr. Malette, I can give you one question, and that will be it. Then we'll wrap up.

Chris Malette: Thank you very much, Mr. Chair. I appreciate it.

My question is for ADM Kim.

I've noted with growing interest issues surrounding our Arctic security. In the past few meetings we've been discussing NORAD modernization, obviously with the evolving geopolitical circumstances. The base at Alert station, on Ellesmere Island, is an eight-wing unit extension from Trenton, in my riding.

With the increased interest from foreign actors in the Arctic, how is the CAF strengthening our presence and surveillance capabilities in Canada's north, given our more focused interest in that region?

Natasha Kim: I can start, but the chief may want to weigh in on this as well.

I would start with domain awareness and detection and really expanding our presence in the Arctic. That includes things like infrastructure. We have been looking at where we are across the Arctic, but also where we need to be. Things you would have heard of include northern operational support hubs, but also how we're investing in infrastructure in our forward operating locations for NO-RAD, and how we are able to project out; and the Coast Guard is certainly going to be an important part of that.

The minister mentioned some of the projects we have under way, such as over-the-horizon radar. There's an Arctic version of that, where we bounce off the ionosphere to see what's going on up north. There's a polar version of that, where we're located in the north. There are communications and satellite capabilities in the north that we are pursuing as well. A lot of this is really about how we get that full picture through investments, infrastructure and being there.

• (1735)

Chris Malette: Does that then mean an expansion of the operations at Alert, which would in turn mean a ramping up of more of the ancillary and support services out of 8 Wing?

Natasha Kim: I may turn that question over to the chief.

Gen. Jennie Carignan: There are different ways to project power in the Arctic. It's a combination of a permanent presence.... We need to be very clear. We have a permanent presence in the Arctic and it's done via various means. It is done with various sensors and with our bases that are currently in the Arctic. It is also done with expanded northern Arctic operations that we have launched. NANOOK is our signature operation that we are conducting 10 or 11 months of the year throughout the region. Now with the Coast Guard we'll definitely be planning our activities together, but we have already—for many years—collaborated with our different capabilities.

We also need to know that there are 5,500 rangers in 205 communities. The ADM spoke about the northern operational support hubs, forward operating locations, extension of airfields, building of additional infrastructure to be able to house our forces as they project themselves forward in the north, and the acquisition of submarines that are under-ice capable. There are various ways that we are covering our approaches but also to be in a position to defend.

The Chair: Thank you very much for your responses and participation today. Investment in the Canadian Armed Forces is a great priority to enhance. The work you're doing to help transform enables us to be better protected in regard to not only our sovereignty, but also our economy. Some of the engagements that we're doing relative to that are monumental and it's certainly very concerning for all of us.

Before I adjourn, however, I do have a few items to discuss very quickly, if I may.

The deputy commissioners of the Coast Guard are no longer available to appear on Thursday, October 23, on the committee's study of the integration of the Coast Guard into the Department of National Defence. We're working to confirm a new meeting date, and the clerk has suggested Tuesday, October 28, for an hour, as a potential date to Defence. This has not yet been confirmed.

However, on Thursday, October 23, given that the deputy commissioners of the Coast Guard are no longer available, it's our intention to do committee business for an hour, from 8:15 to 9:15, and then the secretary of state will appear from 9:15 to 10:15. I've asked the clerk to circulate to members, tomorrow morning, a proposed agenda for committee business on that day.

Bill C-11 has also been referred to the committee, and I would like to suggest that members start thinking about witnesses they wish to invite for the study. I can also confirm that the Minister of National Defence is available on Thursday, October 30, to appear on Bill C-11.

I've asked the clerk to circulate the list of witnesses who have confirmed and have not confirmed, so that we then can gauge more effectively how we're going to proceed going forward, as a result of the fact that the deputy commissioners are not available this coming Thursday.

• (1740)

Cheryl Gallant: I have a question, Mr. Chairman.

On Thursday, we do not have witnesses, is that correct?

The Chair: On Thursday, we have witnesses in the second hour.

Cheryl Gallant: The reason I was asking is Chief Xavier had mentioned to me that, at some point, she would like to have the committee visit the CSE. I thought we were going to have two hours available and that we wouldn't require a Chinook or anything to get there—we could probably take the bus or walk.

The Chair: No, we do have a second hour of witnesses in the meeting.

Cheryl Gallant: Save that thought, because it would be valuable for the committee to see that.

Thank you.

The Chair: With that, the meeting is adjourned.

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