

## EVIDENCE

(Recorded by Electronic Apparatus)

THURSDAY, May 12, 1966.

● (9.40 a.m.)

The CHAIRMAN: I think we have a quorum, and so I think we will get on with the proceedings. As you know we are still on Item 1 Departmental administration of the Estimates and we have with us this morning the Minister of National Defence who has an opening statement.

I will call on the Minister for his statement.

Hon. PAUL HELLYER (*Minister of National Defence*): Mr. Chairman and gentlemen, I am very pleased indeed to come before you to discuss the estimates of the Department of National Defence. My colleague the Hon. Leo Cadieux, the Associate Minister of National Defence and I feel that this procedure of having the Standing Committee on National Defence examine the departmental estimates is a very useful and progressive step. I assure you that we and our officials in the Department of National Defence will do everything in our power to provide you with as much information as possible to assist you in giving thorough and responsible consideration to these estimates. As outlined in the Blue Book, the estimates for the Department of National Defence for the fiscal year 1966-67 amount to \$1,572,690,000, including \$79,523,773 authorized by statute. This latter sum is an increase of more than \$12 million over last year, and is largely attributable to increases in the forces superannuation account. Despite this necessary change and despite all the other rising personnel and operating costs associated with all aspects of the current economy which particularly affect defence, it is very gratifying to me that we have been able to hold the line in defence expenditures. As a matter of fact, the non-statutory estimated expenditures for 1966-67 total only \$1,493,166,227, a reduction of \$835,835 over the 1965-66 estimates.

My colleague and I are grateful to the defence and deputy minister's staff for their active support in not only holding the line in defense spending out also fulfilling more commitments on a world wide basis than at any time since the Second World War.

In addition, our forces today possess more fire power than at any time in our history.

Before going into specifics of the estimates, Mr. Chairman, I think that in view of the number of new members to the Committee it would be useful to first review our current defence commitments and then give you a progress report on the integration of the armed forces.

Canada's contribution to the NATO defence continues to be a combination of land, sea and air elements.