

developed and expanded, as explained in a very good speech by the Secretary of State for External Affairs.

We can move to reserves. We can move to a new navy role because we will no longer have to maintain the sea lanes. That role is going, going, gone. It offers us an opportunity of a peace dividend.

I would like to hear the minister say that her department is engaging in some creative work to be able to assure Canadians that there will be a real peace dividend in the next 12 months to two years.

Mrs. Collins: Mr. Speaker, I wish to refer to the hon. member's first question. I think that it is perhaps the first time I have had an opportunity to speak with him in the House of Commons in his official role as critic. He is from my own province. The city of Victoria plays a very important role in our navy and is a city that I frequently visit and enjoy. It is a wonderful city.

I think the hon. member is aware that the mandate of our forces operating in the Persian Gulf is for the deterrence of aggression, the enforcement of the economic sanctions in accordance with the UN role. That is certainly the role that they have. We hope that will be all that is necessary. It would be unfair for me to predict the future.

• (1720)

The Secretary of State for External Affairs indicated in his speech on this motion earlier in the House of Commons what actions he would take if circumstances changed that required some other more aggressive role. We certainly hope that will not happen and that a combination of the enforcement of the economic sanctions and other diplomatic efforts, can resolve this issue peacefully. I hear lots of different opinions and I am sure my hon. colleague is hearing, as I am, about the likelihood of that, but certainly every effort has to be made because the alternatives certainly, in my mind, are too horrific to think about, the loss of life, the children, and the loss of the future in that part of the world.

Coming back to the future of our own department, I am sure, as the hon. member is aware, it is a difficult time. We are dealing with several aspects. One, as I mentioned before, is that the Cold War is over and that is such welcome news. We believe the stability in Europe

has come about because of the strong role that NATO has played and, in effect, it has been able to deter aggression during some of those years that were more volatile than is the case now.

Canadians have played a role in that united force. It was not a large role but a significant one nevertheless, considering the size of our armed forces. We have always said that we will be there with our colleagues and there is a joint resolution through the CFE talks and, hopefully, to be acknowledged at the CSC meetings in November. Then we can see how we can reduce our participation. I hope that will come about and that, at a future time, we will be able to have a significant reduction in the number of troops in Europe.

We are faced, as a government and as a country, with a difficult financial situation. In our department, we have had to play our role in helping to deal with the deficit. We have taken not absolute reductions in some cases, but in others certainly less than had been planned for in terms of growth in defence spending over the past two years.

As the minister indicated in his speech yesterday, at this point in time our plans are based on only 5 per cent nominal growth, which really is no growth, because that is just the cost of inflation. That means that we do indeed have to be more creative. That is why we are now going through a process of looking at everything we do, at our taskings, at the number of people at the defence establishment review, and at our headquarters operations.

Certainly we recognize that, in the area of equipment, because of the long lapse which the Canadian Armed Forces had to endure, that there is really a backlog built up and we need better equipment. Therefore we are looking at ways to economize more effectively in areas of infrastructure or personnel in order to be able to redress that kind of balance.

As the hon. member is aware, we are looking at the utilization of our reserves, our militia, in more effective ways and combining the total force concept which we have brought to bear. I just announced last week the implementation of a new benefit package for our reserves so that brings them, again, more in line in terms of service with regular force. More and more of our reserve people are on call-outs and being able to fulfil certain