

back on defence spending; it is, as is known, inflation and rising costs that are preventing us from doing all we would like to do, even within a growing budget.

In looking for an answer to our problem I think it is necessary to study the breakdown of defence expenditures. They are in three main categories. The first is personnel costs, which simply means the cost of pay and allowances. The second is operating costs and maintenance costs, which means the cost of fuel, food, ammunition, and supplies of all kinds. The third is capital cost that is the cost of new equipment.

This year, speaking in approximate terms, it is important to grasp the fact that 67 per cent, or more than two thirds of the national defence budget was spent on personnel costs—pay and allowances; 22 per cent went for operating costs—fuel, food, ammunition and supplies; and 11 per cent was for new equipment.

It is my firmly held belief that, whatever our total expenditure may be, the current ratio between personnel costs, operating costs and capital cost is not the right ratio. In my judgment, we must spend a higher percentage of our total budget on new capital equipment and operations, and a lower percentage on personnel. I want to make it clear at this point that I believe this policy is designed to benefit the men and women who are now in the Canadian Armed Forces. Obviously it is also designed to increase our military capability.

I want to try to illustrate what I am saying, and I have to do this in a somewhat extreme way. Last year and the year before there were about 82,000 to 83,000 men and women in the Canadian Armed Forces. We could have had a force of 120,000, a force armed with clubs and baseball bats. They would not have been a very effective force. To take the other extreme example, one man in charge of a button that is connected to a series of missiles can control a big area of the world. So how is it possible to say that numbers of people is the yardstick, and that military capability depends on having 83,000 85,000 or any number of people? That is the real problem I want to make clear. If we are not talking about numbers of people, what are we talking about?

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An hon. Member: Peacekeeping.

Mr. Richardson: No, peacekeeping is only one of four tasks. We are talking about military capability, and it is on that which we must really focus. As well as improving our equipment, and I have indicated we want to do that, we must reduce some of the commitments entrusted to the Armed Forces if we are to reduce numbers. General Dextraze has pointed this out on a number of occasions, and he and I are in complete agreement on this.

An hon. Member: That is not the way it is coming across.

Mr. Richardson: That is why I am speaking tonight, so it will be quite clear. General Dextraze and I agree that the Armed Forces are now over-tasked, and reduction in numbers inevitably means some reduction in tasks.

The Address—Mr. Richardson

Let me make one other point. A reduction in the percentage of personnel costs as part of our total budget does not adversely affect the men and women now in the Armed Forces. In fact it does the opposite. The people about whom I am most concerned are the men and women now in the Armed Forces. What I intend and hope to do is to get more and better equipment, and more money to operate this equipment.

Mr. Forrestall: I wish you would. You can't even fly a helicopter safely any more because you do not have the money for training.

Mr. Richardson: Understandably there is some limitation in respect of the amount of money available. The only way we can improve the military capability and the conditions of the present members of the Armed Forces is to reduce the number of recruits taken in and put on the payroll. To state the equation in the simplest possible way—we are going to use the payroll that would have been used to pay someone not now a member of the Armed Forces to buy equipment and improve conditions for the people now in the Armed Forces.

We will have to make adjustments as we go along. Another point I want to make clearly is that in order to do this we will not be required to ask anyone to get out of the armed forces. We do not need to do that as we have 8,000 or 9,000 who, for one reason or another, mainly because of retirement, leave the Armed Forces each year. What is involved is simply a matter of adjusting the new flow. We can recruit 5,000, 6,000 or 7,000 and adjust our numbers based on the number of people we take in from the outside, and not on the number of people pushed out from the inside. This adjustment can be made easily and clearly to the benefit of the men and women now in the Armed Forces.

Mr. Forrestall: It still takes 200 men to run a ship and one man to drive a truck.

Mr. Richardson: In a word, our central objective is to improve our military capability. In my view this means that the Canadian Armed Forces must be "better and fewer". What we must aim at is an elite force made up of well fed, well equipped, well trained, well disciplined, well paid and well led and well motivated personnel. In other words, we need an elite force that is proud of the job it is doing for Canada, a force with a high morale, a force to which many more Canadians would be glad to belong. Regrettably we cannot achieve this overnight. We cannot achieve some of our objectives in a few months or perhaps in some cases in a few years, but at least we should recognize the concept and have the vision of the kind of Canadian Armed Forces that we want to build, and we should be working steadily toward that achievement.

I have tried tonight to speak about the great, essential and vital tasks of national defence. I have also tried to indicate the readjustment that may be necessary in order to achieve maximum military capability. Let me now conclude by adding another dimension to our thinking about defence expenditures.

When hon. members think about national defence and the taxpayers' dollars that go into it, they should understand that much more is done than the main tasks about