



Statements and Speeches

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A NEW ERA FOR CANADA'S ARMED FORCES

An Address by General J.A. Dextraze, Chief of the Defence Staff,
to the Conference of Defence Associations, Ottawa, January 16, 1976.

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In my talk today, I intend to review the following developments which have occurred since our last gathering: Financial prospects for the present and future; progress in the Defence Structure Review; possible new force posturing; current thinking concerning our forces in NATO Europe; and the reserves.

The source of the majority of problems plaguing the Canadian Forces has been budgetary restraints and inflation. In very simple terms, during the decade from 1965 to 1975 the number of dollars allocated to DND [The Department of National Defence] has almost doubled. However, the price of what we require to continue operating has more than doubled. Today we can purchase only about 75 per cent of the goods and services we should have bought ten years ago. Furthermore, the cost of paying personnel has risen from 55 per cent of our budget ten years ago to 65 per cent today; but the recent Cabinet decision on long-term funding should result in a decrease. The result, of course, was that we have had to reduce our numbers in uniform accordingly. But, even in spite of the personnel reductions, we have also had to reduce our capital spending to meet personnel costs. This reduction in capital over a period of time is what has hurt the Canadian Forces most in recent years. Our equipment has become dated, and in some cases obsolescent.

What have we done about this situation? Obviously, as CDS, I need a clear picture of the full scope of the tasks of the Canadian Forces and the amount of "real" money I can expect to receive on a continuing basis to meet those tasks.

In the fall of 1974, we received our funding level for fiscal 1975-76, which resulted in a reduction to a manpower allocation of 78,000. At that time, I advised the Minister that we could not reduce below that assigned level without running a grave risk of being unable to carry out all of our assigned tasks, as well as of denuding the Canadian military profession to an unacceptable point. I also stressed that, if we were forced to accept any further loss of basic combat capability, that loss should be in response to basic defence-policy objectives and not just current budgetary objectives. This was a
