developments like the Persian Gulf crisis. Equipment needs remain extensive, but the long-term prospect for the defence budget is probably for cuts rather than expansion. At most it might remain stable. To cope with this situation, economies must be made in some areas of defence activity; others, however, cannot be reduced significantly without risking an implosion of the defence structure or the abandonment of vital national interests at home or abroad.

Difficult choices will have to be made, aiming at striking a realistic balance between defence commitments and associated equipment, command structures and personnel on the one hand, and financial resources on the other. The marginal costs of changing present arrangements will have to be looked at very carefully, to make sure that Canada has a well-rounded and coherent defence system for the coming decades rather than a hotchpotch of defence activities which may function well in some areas but leave major gaps in others.

The aim of the present paper is to provide a framework for looking at the future of Canadian defence policy. It sets out the main parameters that need to be considered in any effort to develop a coherent national defence structure, and pays particular attention to the critical relationship between changing tasks and available resources. The treatment is a broad-brush one, because what is most required at this point is a sound overview of developments, requirements and possibilities, rather than a discussion on details. A subsequent paper will attempt to carry the debate a stage further, aiming at a more definitive statement of principles and requirements.