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a PPCLI [Princess Patricia's Canadian Light Infantry] Commando, and an R 22e R [Royal 22nd Regiment] Commando. This airborne unit could be located either at Canadian Forces Base, Camp Borden or Petawawa.

In the hypothetical "scenario" I have just painted, I see 3 Mech Cdo (the Third Mechanized Commando) in NATO being replaced by one of the battalions in Canada. What are the advantages of such a posture? Most important, though total numbers have not changed, this option would give me nearly 1,000 establishment positions to use to bring all my units more nearly up to full peacetime strength. In addition, though a formation would be lost, the geographic balance of the army, with the rapid-reaction force located in the centre, would increase deployment flexibility.

#### National Defence HQ

I have directed that NDHQ reduce by 10 per cent. This means that a total of about 700 military and civilian positions will be available for redistribution to the commands. These NDHQ positions will be identified by April 1, 1976.

#### North Atlantic Treaty Organization

Looking to Europe, I should now like to talk about our NATO Forces stationed in Germany. With its headquarters in Lahr, Canadian Forces Europe consists of 1 Canadian Air Group, 4 Canadian Mechanized BDE [Brigade] Group and Canadian Forces Base Europe. Units within these formations are located at Lahr and Baden Sölingen. The total force consists of about 5,000 all ranks.

#### 1 CAG [Canadian Air Group]

At present the Air Group consists of three squadrons of CF-104 aircraft armed with conventional, not nuclear, weapons. The 104 is a good aircraft. We, like other NATO nations, hope to keep it operational until the early or mid-1980s. As I mentioned earlier, we have begun to study the requirements for a new fighter aircraft. Ultimately, I should like to see the operational capability of the CF-104, the CF-101 and the CF-5 replaced by a single new fighter. Thus we could standardize spare parts, training and armaments requirements and, at the same time, save millions of dollars in annual operations and maintenance costs. This would provide the Government a flexibility in the application of policy that specialized types of equipment do not permit. The selection phase will be very thorough. I anticipate that it will cost over \$1 billion to procure the type and the numbers needed. The fighter we buy must meet the military requirement.

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