

Discontinuing the operation of over-age frigates will make available additional personnel for the manning of destroyers and other newer ships of the fleet, and for duties ashore. It will also enable the training of personnel, both in formal courses ashore and in a practical manner at sea, in preparation for service in new ships that will be joining the fleet over the next five years.

This year HMCS *Fraser*, the last of the St. Laurent class conversion should be in the water in mid-September.

The Restigouche class conversion is now in hand and extensive sea trials will be carried out this summer on the prototype ship HMCS *Terra Nova*. The program has been telescoped to some extent and the last ship is now due to be completed in September, 1969, instead of September, 1970.

Tenders for two additional operational support ships will close on July 9 of this year. These 22,000 ton ships have the roles of refuelling and provisioning the fleet at sea, and also the capability of carrying heavy equipment and bulk stores in support of our mobile forces on overseas assignments.

HMCS *Bonaventure* has begun her mid-life refit during which time a number of improvements will be carried out making her a first line contribution to anti-submarine warfare until the mid-seventies.

During the next four years, in addition to the ship construction mentioned earlier, plans are under way to construct four new helicopter destroyers or DDH's. These ships will be powered by gas-turbine engines and will feature the most advanced weapons for the anti-submarine role.

In this period, two more "O" class submarines will join the fleet. The continual acquisition of Sea King Helicopters will provide the fleet with an even greater ASW capability.

I might add that also this summer the prototype hydrofoil will be ready for a testing in the North Atlantic. We hope by this time next year to have a preliminary capability report with respect to the hydrofoil vessel.

The air elements of Maritime Command add an even greater surveillance and attack capability to our surface forces which will be further enhanced as the Argus, Neptune and Tracker aircraft are re-equipped.

These improvements and additions to our maritime forces, Mr. Chairman, will assure the continued readiness of maritime command to carry out its assigned mission.

North American Defence. Our contribution to the defence of the North American Continent continues to be mainly in the field of air defence. The bomber threat to our continent, although diminishing in relation to missiles, still exists, and rather than up-grade that threat by eliminating our substantial anti-bomber defences, we and the United States are continuing to maintain them on a reducing basis. For instance, both countries over the past two years have disbanded a number of overlapping radars and consolidated the remaining interceptors into a lesser number of squadrons, thereby reducing overhead. At the same time, the introduction of a low-cost back-up interceptor control (known as BUIC) has made the remaining forces more realistic in that they would be better able to carry out their missions should an emergency develop.

The main question in the field of air defence, however, is that of whether to deploy an antimissile system. The United States in continuing to invest large