

North-South Relations

States which spends \$527 and the United Kingdom which spends \$276. In 1978 when the 3 per cent decision was taken, Canada was already low man on the totem pole in terms of defence spending. It is interesting to see how we have done since then.

In 1978-79 Canada increased its defence budget in real terms by 2.79 per cent. In 1979-80 the defence budget decreased in real terms by .23 per cent. That was the year the Conservative government was in power and spending Liberal estimates. The final figures have not yet been made available for 1980-81, but it is estimated that the budget increased by 3.5 per cent. That was last year when the Liberals were spending Conservative estimates. It appears as if we might be pulling up our socks, but let us look closely at 1981-82.

When the estimates were tabled in March of this year, the minister appeared before the Standing Committee on External Affairs and National Defence and explained that the increased budget contained provisions for a 3.1 per cent increase in real terms, plus an increase due to inflation of 11.7 per cent. This was based on the November, 1980 economic model, as it is called in the Department of National Defence. The May, 1981 economic model revises the inflation figure upward to 13.4 per cent. The extra 1.6 per cent to cover inflation can only come from the funds allocated to the 3.1 per cent real growth.

Since we are operating under the envelope system and that no further funds except to cover higher than anticipated pay raises can be allocated to the department, the real growth for 1981-82 can only be a maximum of 1.5 per cent and in all likelihood will be much less. This funding problem is exacerbated by a minister who at times does not seem to know what funds he needs to meet his commitments.

I should like to say at the outset that the Senate committee on defence has done a much better job this spring than the Standing Committee on External Affairs and National Defence in the way it has heard witnesses, gathered information and formed opinions. Frankly, I read the minutes of the Senate committee to get much of the evidence we seem unable to obtain in front of the standing committee of the House of Commons. At a Senate committee meeting in December, 1980, the minister listed what equipment the Department of National Defence will need to purchase between now and the year 2000. It was a long, expensive list but when questioned about the costs, the minister said:

If we had 3 per cent till the year 2000, I think you can say we can cover that.

However, at a meeting of the standing committee in May, 1981, the minister appeared to change his mind because he said:

Obviously, I do not think that with a 3 per cent growth for the next 19 or 20 years that we could have all that—

He was speaking of the list of equipment he had mentioned before. When figures are published showing how little Canada contributes to defence, the standard government story is that money does not tell the whole story. We are upgrading the quality of the forces commitment to NATO, and that is just as important.

● (2040)

Well, it behooves us to have a look at what we do contribute in manpower and equipment to the defence of the free world. At first glance it may appear that we have an 80,000 strong fighting force to contribute to the defence of Canada and the West; but that is not entirely accurate. According to the 1980-81 military balance which is published by the International Institute of Strategic Studies, our forces, at the time of compilation, had a total strength of just over 78,000. However, 45,317 of that total are support staff. While these people are vital to the effective operation of the forces, they do not make up the fighting arms of the forces. The other 33,000 in forces personnel are divided into army, 12,675; navy, 5,327; and air force, 15,327. That is an interesting figure in itself. Canada is the only country which has more manpower in its air force than in its army. Despite this fact, our air force has a very serious shortage of pilots.

The army, our mobile command, is comprised of three brigade groups and the special service force. One of the three brigade groups, 4 Canadian Mechanized Brigade, is stationed in Germany and has a peacetime strength of approximately 3,400. In times of crisis, that group will be brought up to a strength of 5,600. The 4 CMBG, the Canadian Mechanized Brigade group, operates with only two infantry battalions instead of three; so, while it is called a brigade group, it is actually incomplete.

Mobile command also has committed 4,000 troops to Norway. Part of that commitment is formed by the special service force which, Your Honour may remember, is currently serving in Cyprus on peacekeeping duties. In times of tension, these 4,000 troops will be carried over by airlift to northern Norway; their equipment will arrive by ship three weeks later. One does not have to be a tactician or strategist or genius to see that there is something that does not quite balance in these figures. The fact is that we do not have sufficient numbers in mobile command to carry on peacekeeping duties and at the same time to send the 4,000 troops to Norway, which we might be asked to do.

Adding these figures up, in times of tension, Canada will have 10,000 troops overseas, including those on peacekeeping duties, out of a total of 12,600. Therefore, in Canada, we are left with 2,600 troops to provide reinforcements for our brigade in Europe, to protect our borders and to cope with any problems, such as an apprehended insurrection in Canada. Your Honour may recall that this government, at times, declares apprehended insurrections with very little evidence.

Obviously, mobile command needs more troops if it is to handle all the tasks which are assigned to it. General Paradis, the former commander of mobile command, estimated that he needed 5,000 more men in the army alone to achieve a balanced organization and realism in our tasks.

In the event of war, our troops in Europe will have to be reinforced. Our reinforcement plan is based on various statistics. Admiral Allan, now deputy chief of the defence staff, told the Senate committee: