

12. establishments on the present basis and gradually build up the operational forces, which would have the effect of reducing the overhead of staff and training personnel.

13. In this connection, it is pointed out that -

- (a) The planned figures of 10,000 for the Navy, 25,000 for the Army and 16,100 for the Air Force were very much lower than those considered desirable by the Ministers and Services concerned, but were finally determined by budgetary considerations;
- (b) they were arrived at shortly after V-J Day, when the international horizon was very much clearer than it is today. Indeed, at that very time no one thought that there would be talk of war in the immediate future or that a very considerable proportion of people would come to regard a war with Russia as virtually inevitable.
- (c) at every establishment on Canadian soil there should be a preponderant number of Canadian personnel; such forces are essential in order to enable Canada to play her proper part in carrying out the defence arrangements with the United States and avoid any charge that we are not doing everything necessary to preserve our sovereignty and maintain our self-respect;
- (d) without this authorized increase, it will be impossible to build up the forces to the very much larger figures regarded as essential to meet the real threat of armed attack on this continent which the General Staffs of the United States, the United Kingdom and Canada believe will be possible about the year 1957. Unless there is a major change one way or the other before then, my conviction is that a very considerable proportion of the national income of Canada will then have to be spent on national defence;
- (e) in the meantime, the armed forces we have today are not sufficiently large to enable us to provide the nucleus of training and administrative staffs to permit the rapid expansion of the forces in the event of an emergency. Thus, with what we have

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