

Forces Base St. Jean; the completion of the science-engineering complex at Royal Military College, Kingston; and a new library for Royal Roads Military College, Victoria. We will also be continuing the modernization program of our married quarters at bases and stations across the country.

Other expenditures planned for the period include a construction and improvement program for Maritime Command headquarters and dockyard complex in Halifax; an expansion of the Combat Arms School in Gagetown, New Brunswick; a new officer-training school in Chilliwack, British Columbia; and the upgrading of airfield facilities across the country.

As you know, the Department has been operating under strict financial constraints for several years. At the same time, the forces have had to maintain operational efficiency at a high level. We have been able to maintain this efficiency in part by cutting back on non-operational maintenance and by allowing back-up stocks of spare parts and ammunition to run down to minimum levels.

The Government has approved changes which will achieve savings gradually increasing to about \$40 million annually by the end of the period, and thus enable us to build up stocks to reasonable levels and resume normal maintenance.

These adjustments, on which we have consulted fully with our NATO allies and our NORAD partner, plus the projects' budgetary increases of 7 per cent annually, will provide a balance and realistic financial base from which to administer the defence program in the future.

Closing of obsolete facilities

I would like to emphasize that the money-saving adjustments in this modernization program which I am announcing today are, for the most part, being phased over a period of time in order to reduce any dislocation to an absolute minimum. Some actions have already been announced, including the consolidation of West Coast flying activities out of Comox, B.C.; the closing of the DND management school in Montreal and the consolidation of some medical training facilities at Kingston. Further actions I am announcing for the first time today are:

- within the next year, we will close the air defence radar sites at Foy-mountain, Armstrong and Ramore;
- within two years, we will take out of service the 38 twenty-year-old CF-100 aircraft in the forces' inventory;
- to coincide with the entry into the Canadian fleet of the four most modern destroyers in the world, the *Iroquois*, *Athabaskan*, *Huron* and *Algonquin*, we will find alternative use, by sale or lease, for the ageing *St. Laurent*, *Chaudiere*, *Columbia* and *St. Croix*, by the end of 1974;
- we will remove anti-submarine warfare equipment from the *Tracker* aircraft fleet and reduce the fleet to 16 from 33, early in 1974;
- we will retire the 29-year-old training submarine HMCS *Rainbow*, based at Esquimalt, within the next year;

- we will reduce by half the \$3-million annual Civil Emergency Measures Financial Assistance Program to the provinces and territories, beginning with fiscal year 1974-75.

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The Defence Department is...working with the Department of Manpower and Immigration and the Public Service Commission to maximize the employment opportunities available to the civilian employees who will be affected by these program adjustments.

For example, qualified civilian employees who are offered and who accept a position at another defence establishment or elsewhere within the Public Service, will be reimbursed for reasonable expenses for the cost of their move.

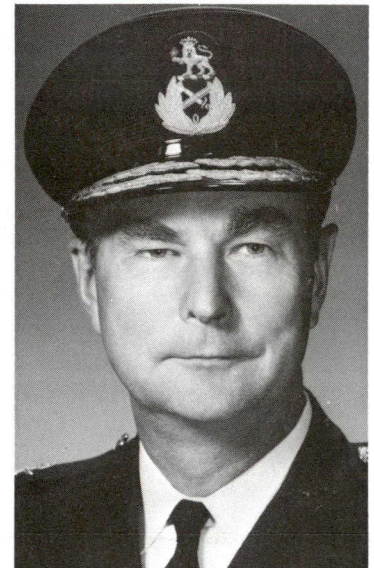
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New chief military medic

Major-General Richard H. Roberts of Ottawa was recently appointed surgeon general to the Canadian Forces, succeeding Major-General J.W.G. Barr, who is retiring.

Major-General Roberts, who was born in Liverpool, England, joined the Royal Naval Volunteer Reserve in 1940 and during the Second World War served on HMS *Furious*, and later at air stations in Britain and India.

He joined the Royal Canadian Navy in 1948 as a surgeon lieutenant-commander and was stationed at the Royal Canadian Naval Hospital in Halifax, Nova Scotia. Major-General Roberts has been commandant of the National Defence Medical Centre since 1971.



Major-General Richard H. Roberts

Export controls on propane, butane gases and heavy fuel oils

Effective October 15 the Federal Government placed export controls on propane and butane gases and on heavy fuel oils. A statement issued by the National Energy Board on October 11 announced that the controls were the result of an unusually heavy flow of these products by all means of transportation to the United States, which is facing an energy crisis. There is a possibility that rising fuel prices in the U.S. would draw larger amounts of Canadian fuel, thereby leaving insuffi-

cient supply for domestic use. The National Energy Board said that, except for any unusual demand, the controls would not reduce the established export levels of the products. "It is the intent, under these controls," it stated, "to retain as far as possible the established trading patterns in these products to the extent that products deemed surplus to Canadian requirements are available for export." Propane is used as a substitute for natural gas in cooking heating.