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Canadian Armed Forces: a modernization and renewal program

The Minister of National Defence, James Richardson, announced on October 10 a plan to streamline the Armed Forces by increasing substantially the amount to be spent on new equipment and facilities. Under the program, almost 20 per cent of the defence budget will have been spent on new equipment by the end of the 1970s, compared to the present figure of 11 per cent.

The additional expenditures, which have been approved by Cabinet would, said Mr. Richardson, allow for more effective planning, up-to-date equipment, and personnel who could "pursue more effective and satisfying careers" to give a "higher level of service to Canada".

Excerpts from the Minister's statement follow:

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Under the newly-approved formula, the National Defence budget will increase by 7 per cent a year for the next five years, starting from a base of \$2,143 million in fiscal year 1973-74. This annual increase will allow for substantial increases in capital expenditure, particularly for greatly-needed new equipment. At the present time, National Defence is spending approximately 11 per cent of its budget for new equipment and facilities. Under the modernization and renewal program almost 20 per cent of the total budget will be spent for new equipment by the end of the Seventies. In other words, the percentage of the defence budget to be spent on new equipment will almost double during this decade.

Modern equipment of all kinds is not only essential in itself, but it is also important in retaining the high morale of the Canadian Forces personnel who use it.

The modernization and renewal program takes effect in the next fiscal year and is designed:

- to double by 1978-79 the funds available to purchase new equipment of all kinds;
- to maintain the strength of the Canadian Forces at approximately the current level;
- to provide, after a number of money-saving changes in the defence program, for increases in salaries on a scale equal to our experience in recent years;

- to provide for increases in operation and maintenance costs also on a scale equal to recent experience;

- to maintain Canada's defence contribution to NATO, while continuing, in line with the general NATO trend, to decrease gradually the percentage of our gross national product allocated to the defence budget.

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A substantial portion of our capital expenditures during the five-year period will be spent on equipment programs already announced. These include: a new maritime long-range patrol aircraft; the modernization and automating of the defence communications system (SAMSON program); a surface-to-air self-defence missile system (BLOW-PIPE) for our forces in Europe; eight Boeing Vertol *Chinook* medium transport helicopters for the land forces of Mobile Command; and a major improvement program for Maritime Command's *Sea King* helicopters.

In addition, we will be buying a replacement truck for the forces' ageing fleet of 3/4-ton trucks; a wide range of electronic equipment for the sea, land and air elements of the forces and large amounts of ammunition and spare parts to bring depleted stocks up to the required level.

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New construction

Our capital expenditures on construction will include four projects already announced: the expansion of Canadian