



Statements and Speeches

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A NEW ERA FOR CANADA'S ARMED FORCES

An Address by General J.A. Dextraze, Chief of the Defence Staff,
to the Conference of Defence Associations, Ottawa, January 16, 1976.

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In my talk today, I intend to review the following developments which have occurred since our last gathering: Financial prospects for the present and future; progress in the Defence Structure Review; possible new force posturing; current thinking concerning our forces in NATO Europe; and the reserves.

The source of the majority of problems plaguing the Canadian Forces has been budgetary restraints and inflation. In very simple terms, during the decade from 1965 to 1975 the number of dollars allocated to DND [The Department of National Defence] has almost doubled. However, the price of what we require to continue operating has more than doubled. Today we can purchase only about 75 per cent of the goods and services we should have bought ten years ago. Furthermore, the cost of paying personnel has risen from 55 per cent of our budget ten years ago to 65 per cent today; but the recent Cabinet decision on long-term funding should result in a decrease. The result, of course, was that we have had to reduce our numbers in uniform accordingly. But, even in spite of the personnel reductions, we have also had to reduce our capital spending to meet personnel costs. This reduction in capital over a period of time is what has hurt the Canadian Forces most in recent years. Our equipment has become dated, and in some cases obsolescent.

What have we done about this situation? Obviously, as CDS, I need a clear picture of the full scope of the tasks of the Canadian Forces and the amount of "real" money I can expect to receive on a continuing basis to meet those tasks.

In the fall of 1974, we received our funding level for fiscal 1975-76, which resulted in a reduction to a manpower allocation of 78,000. At that time, I advised the Minister that we could not reduce below that assigned level without running a grave risk of being unable to carry out all of our assigned tasks, as well as of denuding the Canadian military profession to an unacceptable point. I also stressed that, if we were forced to accept any further loss of basic combat capability, that loss should be in response to basic defence-policy objectives and not just current budgetary objectives. This was a

fundamental issue, which resulted in the Prime Minister's deciding that a review should be undertaken of the tasks required of the Canadian Forces, the effectiveness and optional levels of effort at which these tasks could be performed, and the organization and resources necessary to do the job. I want to emphasize that this Defence Structure Review was Cabinet-directed. It was established under the direction of a steering committee chaired by the Secretary to the Cabinet, and comprising our Deputy Minister, the Under-Secretary of State for External Affairs, the Secretary of the Treasury Board and myself.

The steering committee decided to have the review conducted in three broad phases, which would be addressed separately by the Cabinet. The first phase defined tasks the Canadian Forces must perform based on current foreign and defence policy. The Cabinet was invited to accept or modify them on the basis of the rationale developed from the foreign policy review of 1970, the Defence White Paper of 1971 and other Government policy papers. After review, Cabinet accepted the 55 tasks that were presented to them as a basis for further study, and directed that we proceed with Phase II.

The second phase of the review examined optional force structures that provided various levels of effort in meeting the tasks set out in Phase I. The structure of the options was based on tasks requiring a combat capability. The residual capability within the options to conduct sovereignty and peacekeeping tasks were identified so that later "add-ons" could be made to the option selected to ensure that the Forces could undertake all our assigned tasks. You would agree, I hope, that our basic structuring had to be based on hard operational needs. Phase II of the review was just recently completed, and you should be aware that the Minister has advised NATO of the decisions that affect the Alliance.

We are now at Phase III of the review. This phase will be a total package presentation that will include the command and control, logistics and training infrastructure required for the selected force model. In addition, Phase III will recommend a military plan on how the force model may be most effectively "postured" to fulfil our roles in the most efficient manner possible.

I mentioned a few minutes ago that the source of our problems over the last decade has been instability caused by inflation and budgetary restraint. The DND financial picture is now much improved. Recently, the Government announced that our budget would be increased as follows: personnel, operations, and maintenance would increase annually to compensate for the effects of inflation. For capital-equipment procurement expenditures, the Government has agreed,

beginning in the fiscal year 1976-77, to increase our capital budget by 12 per cent in real terms over the next five-year period. These increases will be computed from an initial base of \$470 million. What this means is that our capital budget for 1977-78 will be \$470 million plus the inflation percentage for the year plus 12 per cent. This will go a long way towards giving me the money I need to buy new equipment.

No doubt you have heard that some of these purchases have been identified. Others will follow. For example, the Government recently announced the decision to purchase 18 Lockheed long-range patrol aircraft of a version significantly advanced beyond the current P3C *Orion*, and we expect to make a decision by June 1976 on which tank we should buy. Also, we have begun to examine the detailed requirement for a new fighter aircraft and a ship-replacement program. All of this equipment, and a multitude of less expensive items, will fit into the financial envelope the Government has approved.

However, there is a rider in our capital contract with the Government. You will recall that the calculations for increases are based on the figure \$470 million for 1976-77. Here's the rider -- I must find the initial outlay of money required by the purchase of a new long-range patrol aircraft and tank from the non-capital part of my current budget. This may amount to a total of \$50 million and will form part of the 1976-77 capital budget of \$470 million. This is not an easy task, and I have not yet identified all of it. However, I have directed that the money must be found. We shall cut our costs by making "in-house" economies, further drastic cuts in travel-funding, severe cuts in our activity rates, further energy-conservation measures, disposal of surplus assets, and a number of other money-saving expedients. Although I should have preferred not to have to take these steps, I must be a realist. The Government is fighting a battle with inflation that must be won. This battle concerns all of us. The Government has prudently decided that the defence budget cannot be reduced, and we must help as much as we can. That means we must get full value for every dollar we spend, and we must save dollars wherever we can. This leads me to what I consider as Phase III of the Defence Structure Review.

This phase will include my recommendation to the Minister on how the forces may best be "postured" to execute our tasks. Of course, this matter has been examined concurrently with Phase I and Phase II studies, and hence we shall be ready very shortly to present my recommendations to the Minister. I shall give you my current thinking on one of our possible future postures in a few minutes. But first -- what is our current position? At present we have too many house-keeping units -- that is to say, too much tail and not enough teeth.

The result is that it's costing DND millions of dollars to keep some bases that are not needed to do the job efficiently and effectively. Just as important, these bases must be manned by personnel who could otherwise be employed in "sharp-end" units. I intend to recommend to the Minister that a number of bases be either closed or reduced in size. Most businesses in today's economic climate are examining their posture in the same way. In this fashion, I shall save on operations and maintenance costs, as well as identify surplus establishment positions, which may then be transferred to where they are now urgently required.

The Cabinet may not necessarily accept all of the base-closure or -reduction proposals recommended. This is understandable, because my recommendations will be based on purely military requirements, without regard to the other factors that must be considered by the Government. However, if, for these other reasons, the Government does not accept all my proposals, then, of course, I am sure they will be prepared to adjust the Department's budget so that we can maintain the operational capability agreed on.

I should like to mention one further point on this subject. I've seen a lot of criticism in the media to the effect that our regular force 78,000-man establishment is too small for the needs of the country. Of course, as CDS I should like to have 780,000 men, but I'm a realist. The fact is we have 78,000 men and women now. I believe I can properly serve the country with only a minor increase.

Simply stated, I need about 1,500 more men at the "sharp end" of our Forces. But I cannot go to the Government and say "Give me an additional 1,500 men" until I have done everything possible to ensure that we are using every man in the most efficient way possible. That is, I must eliminate the merely desirable and keep only the essential functions fully manned. If I find, after I have done this, that, for example, 500 more men are still needed, then I shall approach the Government to advise them of our additional requirements. I am confident that they will respond favourably to my request.

Now I should like to share with you some of my thoughts on how the forces could be "postured" more efficiently. Before I do, I should remind you that these are matters that are under study and that these studies are not complete. Already some of the options have been well presented in the press and on television over the past month or so. What I shall be discussing are variations on these options (and I shall be quite prepared to discuss any ideas you have in the question period after).

I intend to cover this part of my talk in three phases. First we'll look at Canada and our requirements at home, next Europe and the NATO picture, and finally our peacekeeping responsibilities.

Canada

First, our Canadian navy. I see no major changes in our navy. It will continue to have its headquarters at Halifax, with a subordinate HQ at Esquimalt. At present, we are developing a 20-year ship-replacement program based upon the requirements for the tasks we have now as well as those tasks we anticipate having in the future. Of course, the size, weight and speed of our replacement ships will be affected by our analysis of these tasks. There will, of course, continue to be combat ships, which will contribute to collective defence.

The Canadian air force

Air Command HQ will remain in Winnipeg.

I see no major changes in the air-transport, maritime-air or air-training activity.

On the air-defence side, we must maintain the integrity of Canadian air-space but, as the Minister announced, we are no longer concerned about providing protection against massive bomber attacks, although we must have a complete capability to deal with air probes. Accordingly, we shall be maintaining our radar-surveillance and fighter-interceptor capability so as to prevent a "free ride" from intruders.

On the fighter side, I believe that we can fulfil national requirements from two major bases, one in the East at Bagotville and the other in the West at Cold Lake. Inherent in the proposal is the necessity for a modern fighter aircraft with sufficient range, combat manoeuvrability, and weapons-payload capacity to do the job. In my opinion, there are new aircraft capable of meeting this requirement that are available now, that could be bought "off the shelf", and for which production-sharing arrangements could be concluded. As an example, one simply has to look at the F14, the F15 or the F16.

I should prefer not to go into any further detail on aircraft at this time, since we have only just begun to refine our new fighter aircraft requirements.

Of course, in addition to the two main fighter-bases, I should need some dispersal bases for these aircraft, one of which should be in

the Arctic above the Sixtieth Parallel. As each day passes, I see an increasing need for an Arctic base, not simply to support the fighter but primarily to open the North by providing the infrastructure to attract commercial interests and to allow a physical presence on the ground through which our sovereignty may be visibly exercised. I see this base being developed under a federal "umbrella" and jointly financed and administered by all federal departments with active northern interests. It would have to be capable of accepting jet-powered aircraft year round, as well as providing harbour facilities for as much of the year as possible. We recently began interdepartmental consultations; however, it is too early to discuss this matter in this forum.

The Canadian army

I see the army being affected most. At present we have four formations in Canada consisting of three combat groups and the Canadian Airborne Regiment. Two of these are located in the West, primarily in Alberta. My two major problems with the current army posture are that it could be better balanced geographically, and that I do not have enough people to fill the "sharp-end" vacancies that exist. I could correct these problems in a number of ways. Something along the following lines could work well:

The Airborne Regiment could be relocated and form part of the order of battle of another formation.

We should then have three, rather than four, major army formations in Canada, each with integral supporting arms and services, as follows:

(a) Brigade West

The headquarters would probably be located in Edmonton, with major units in Victoria, Calgary and Winnipeg.

(b) Brigade East

Headquarters at Valcartier, major units located at Gagetown [New Brunswick], Valcartier and The Citadel [Quebec].

(c) Regimental Combat Group Centre

Here I see the formation of a highly mobile, rapid-reaction formation, with its headquarters at Petawawa [Ontario]. It could consist of an air-landed battalion and a major airborne unit formed from the current Canadian Airborne Regiment, in which there would be: an RCR [Royal Canadian Regiment] Commando,

a PPCLI [Princess Patricia's Canadian Light Infantry] Commando, and an R 22e R [Royal 22nd Regiment] Commando. This airborne unit could be located either at Canadian Forces Base, Camp Borden or Petawawa.

In the hypothetical "scenario" I have just painted, I see 3 Mech Cdo (the Third Mechanized Commando) in NATO being replaced by one of the battalions in Canada. What are the advantages of such a posture? Most important, though total numbers have not changed, this option would give me nearly 1,000 establishment positions to use to bring all my units more nearly up to full peacetime strength. In addition, though a formation would be lost, the geographic balance of the army, with the rapid-reaction force located in the centre, would increase deployment flexibility.

National Defence HQ

I have directed that NDHQ reduce by 10 per cent. This means that a total of about 700 military and civilian positions will be available for redistribution to the commands. These NDHQ positions will be identified by April 1, 1976.

North Atlantic Treaty Organization

Looking to Europe, I should now like to talk about our NATO Forces stationed in Germany. With its headquarters in Lahr, Canadian Forces Europe consists of 1 Canadian Air Group, 4 Canadian Mechanized BDE [Brigade] Group and Canadian Forces Base Europe. Units within these formations are located at Lahr and Baden Sölingen. The total force consists of about 5,000 all ranks.

1 CAG [Canadian Air Group]

At present the Air Group consists of three squadrons of CF-104 aircraft armed with conventional, not nuclear, weapons. The 104 is a good aircraft. We, like other NATO nations, hope to keep it operational until the early or mid-1980s. As I mentioned earlier, we have begun to study the requirements for a new fighter aircraft. Ultimately, I should like to see the operational capability of the CF-104, the CF-101 and the CF-5 replaced by a single new fighter. Thus we could standardize spare parts, training and armaments requirements and, at the same time, save millions of dollars in annual operations and maintenance costs. This would provide the Government a flexibility in the application of policy that specialized types of equipment do not permit. The selection phase will be very thorough. I anticipate that it will cost over \$1 billion to procure the type and the numbers needed. The fighter we buy must meet the military requirement.

4 CMBG [Fourth Canadian Mechanized Brigade Group]

Let us now turn to our NATO Brigade. A fighting brigade equipped and manned for war must be organized at the fighting echelon as follows: three infantry battalions of four companies each; an armoured regiment with three tank squadrons; an artillery regiment with three batteries of eight guns each; and a squadron of combat engineers with three field troops.

4 CMBG does not have all of the elements I have just listed. Rather, the fighting echelon of 4 CMBG looks like this: two infantry battalions of three companies each; an armoured regiment of two tank squadrons; an artillery regiment with three batteries of six guns each; a squadron of combat engineers with two field troops.

One must not surmise that 4 CMBG is not a credible force, which could not be "fielded" into battle. Quite the contrary. Man for man, we are second to none. However, history and our experiences on past conventional battlefields have demonstrated that, if one is to fight and expect to survive, one must be organized to fight with a credible war establishment. 4 CMBG in its present configuration will require augmentation if it appears that it is about to be committed to action. The Government recognizes this fact, and has taken the necessary steps to resolve it. To begin, sufficient tanks, guns, vehicles and weapons will be pre-positioned with the Brigade to bring its equipment establishment up to the following strength: an additional company for each of the two infantry battalions; an additional squadron for the armoured regiment; an additional six guns for the artillery regiment; an additional field troop for the engineer squadron.

I plan to deploy for exercises, on a regular basis, trained troops earmarked in Canada to man this equipment. In addition, I shall have a mechanized infantry battalion in Canada trained and earmarked to form the third battalion in 4 CMBG. If the situation dictates, the Government will have the option to deploy this unit by air. With these plans, I am sure you will agree that the Brigade will have the resources it will require to fulfil whatever task it may be given.

Base Europe

Base Europe is organized in peace to provide housekeeping and administrative services to 1 CAG and 4 CMBG. In war, the base will have a very important role. It will be primarily responsible to receive and distribute national third-line supplies and equipment that are not available to the Brigade and the CAG through NATO sources.

The Base as well must receive personnel augmentation from Canada to fulfil its war tasks. We have contingency plans to deploy the required augmentees.

Because the Brigade will be deployed well away from the base area in time of war, I foresee a horrendous traffic-control problem in the rear area seriously aggravated by refugees. In all probability, the Base will have great difficulty in moving supplies by road or rail to 4 CMBG. I intend to alleviate this problem by recommending the deployment of *Chinook* helicopters to the Base. These helicopters have an excellent heavy-lift capability, of about 12-15 tons, or they may also be used to transport up to 45 troops. I am confident that this addition would give both the Base and the Brigade the added flexibility they will require to ensure that critical requirements are delivered when and where they are needed.

I want to re-emphasize at this point that the ideas I have shared with you are some of the options that must be studied before I submit my recommendations to the Minister by April 1, 1976.

UN peace-keeping

We have over 1,700 people, including reserves, serving with distinction on United Nations duties round the world, but primarily concentrated in the Middle East and Cyprus. Our peace-keepers provide a valuable service, and we may be justly proud of their contribution towards the preservation of world peace and stability.

However, it should also be recognized that maintaining our UN commitments creates a considerable strain on our personnel resources. This is particularly evident when one looks at our force in the Middle East, where we are responsible for providing the administrative support to the UN force, which totals 5,800. The result is that I have over 900 specialists serving in that theatre. These men and women are drawn from units across Canada. They are not replaced during their six-month tour of UN duty. This hurts. We have eased the burden by cross-training at home, but this too costs time, money and manpower. At present we are looking into this problem, and we hope to have recommendations in the near future to present to the Minister for consideration.

To this point, I have hardly mentioned the reserves. The primary role of our reserves is to support the regular force. It has been my aim to integrate our reservists as much as possible with our regular force. I have directed that the reserves be manned at a level of about 20,000. My aim is, initially, to improve their quality and not their quantity. In order to do this, I have in-

creased the size of the regular support staff to about 1,150 positions across the country. Wherever possible, reservists have been integrated with the regular force both on training and operations. For example, 470 reservists were flown to Germany last summer to participate in NATO exercises with 4 CMBG. We now have about 120 men and women serving with our contingent in the Middle East. As well, I have authorized the limited use of reserve personnel for service with our troops in Cyprus. There were also approximately 300 naval-reserve officers and men at sea on both coasts in operational ships during 1975. It is my intention to dress, equip, train, employ and pay the reserve force similarly to the regular force.

We are also working on a submission to the Minister that, if approved, would guarantee job protection and leave of absence for reservists participating on call-out training.

I am a firm believer in the total force concept. More than ever before, we need a strong and credible reserve force, ready to step in to fill the gaps whenever required. I think that, through our current level of effort, that goal will be achieved.

Before I conclude, there is one important announcement I wish to make concerning our air reserves.... I intend to recommend approval of the formation of an Air Reserve Group headquarters, which should be co-located with Air Command headquarters in Winnipeg.

This new headquarters would be the focal-point for all matters common to the air reserves, excluding operational control, which will continue to remain with the appropriate command groups.

This small air-reserve headquarters would be staffed by reserve and regular force personnel....

Since the formation of Air Command headquarters last year, we have found that an essential link is missing between the regular and the reserve air forces. Despite this lack, the total force capability of the air reserves today has been significantly increased as promised by the Minister a year ago. This new headquarters would provide the link to integrate the command, control and administration of our air reserves into Air Command.

I have attempted to be frank and informative. Before I accept questions, I should like to leave this thought with you. For the first time in a long time, we are beginning to achieve stability. I believe that both the Government and the people of Canada understand and support our requirements. The Canadian Armed Forces entered

into a new era last year which marks only the beginning of a five-year plan that will, through our "reposturing" and equipment modernization, permit the Armed Forces to achieve greater stability....

S/A