

mileage allowance. For example, five Army members travelled singly from Calgary, Alberta, to Meaford, Ontario, and return, each using his motor car and claiming the mileage allowances provided for by the regulations. Had they travelled as a group by rail, a saving of some \$400 would have been effected. When this matter was brought to the attention of the Department, instructions were issued to assist Commanding Officers to determine whether approval should be granted servicemen to use personally-owned motor cars for their own convenience on duty travel.

National Defence administrative regulations and practices. This note can go forward to 1965 but I would like to place on the record that two of the four items included in this note have since been satisfactorily cleared up. The first one is item one: Release from service through purchase. In April, 1965, the acting chief of personnel directed that release by purchase be reinstated in the Canadian army and the practice is now uniform throughout the service.

Item three: Excessive payments for travel on transfer. By an order promulgated in December, 1964, the entitlement to two allowances simultaneously for meals and accommodation under the circumstances described in the note was removed. We will, of course, be discussing, as I say, this total subject in the 1965 report.

The CHAIRMAN: Paragraph 57.

Mr. HENDERSON:

57. *Lease termination payments.* The Public Accounts Committee has been recommending since 1960 that the maximum term for lease termination payments to servicemen be reduced from three months' rent as presently permitted to the equivalent of one month's rent. Following the recommendation contained in its Fifth Report 1961, the Department amended the regulations to provide for discretionary powers to be exercised in dealing with individual cases, but it did not go as far as to reduce the maximum period from three months to one month.

In its Sixth Report 1964 the Public Accounts Committee expressed the opinion that the present regulation permitting payment of three months' rent is too susceptible to abuse and results in a waste of public funds. The Committee again recommended that the regulations be changed to reduce the maximum period to one month, but as it does not wish to see servicemen penalized, it further recommended that there be a proviso that payment up to three months may be made in cases of hardship, provided such cases are approved by the Deputy Minister (see Appendix 1, item 23). We have been informed that the matter is currently under review by the Department.

*Lease termination payments.* This is a matter on which your Committee has been making recommendations since 1960. As stated here in its Sixth Report 1964, the Committee recommended that the regulation be changed to reduce the maximum period of lease termination payment to one month, but as it does not wish to see servicemen penalized, it made the further recommendation that there be a proviso that payment up to three months may be made in cases of hardship, providing such cases are approved by the Deputy Minister. I am pleased to advise the Committee that this matter, although it has