

*Committee on Defence Expenditure*

It is only fair to say, and I wish the minister were here to hear me say it, that the minister had previously—notably in September of 1950, I think—given us a most glowing account of the work of the department. It was like a department made in heaven. There did not seem to be any defect of any kind that could approach it. Nevertheless the minister did say in this house last Tuesday quite frankly that certain things had had to be neglected. I do not suppose that the minister found it pleasant to say that. It was making a certain concession which the minister has not been very good at making. I say that it is very much as if the chief executive of a company had been given a job to do, had been authorized to go and make certain expenditures and so on, and had come back at the end of the time and said: I have made these expenditures. The building is built, but I cannot tell you how much it cost because we could not follow ordinary business procedure. I do not know how much it cost; I do not know how much material was wasted, and I cannot tell you anything about it except that we did get the building built. Now, Mr. Speaker, I believe that if in civilian or business life the chief executive came back and made such a statement to his directors—well, let us say that he would be in some difficulty; leave it at that.

The *Montreal Star* had something to say about this, and the *Montreal Star* is not exactly unfriendly to this government. It made what I would call a valiant attempt to come to the minister's assistance. It praised his speech and said it had lifted the subject onto a higher plane. Nevertheless it seemed to admit and did admit indeed that there were very serious questions that needed looking into. It said this:

It is Mr. Currie's belief that this failure to keep accounts properly opened the way to waste and inefficiency which might be far more costly than anything actually stolen by a handful of crooks. This is the point on which the opposition can most usefully direct its fire and a debate on that level should be welcomed by all sides.

I hope to confine myself to that, Mr. Speaker, except that I wish to point out that in Mr. Currie's report there is a suggestion that the task to be done goes far beyond anything that the *Montreal Star* seems to have thought of, far beyond what the minister seems to have thought of, which puts this problem in its position as a tremendous problem which needs all the energy, knowledge and ability that we can put into it.

First of all it needs a full investigation of the facts so that we know where we start. That, incidentally, is one of the things which

we on this side of the house have been asking for, and I find it utterly impossible to understand why it should be denied.

Coming to the set-up of the committee, the first thing I shall refer to is the fact that the committee is going to be asked to operate without the assistance of the man who has already made this inquiry and who apparently is going to be stopped from going any farther. I want to read what Mr. Currie said about the broad over-all problem which we face. It states the problem in language so clear that no one can possibly misunderstand it. I just want to point out that I think the idea is getting more and more abroad that this problem is far more than the problem Mr. Currie covered. It is hard, as I shall point out, to assess that problem in terms of money because Mr. Currie told us that he found it impossible to find out how much money had been spent. I read now the part of the report which I think sets out the real problem, and it is a problem of magnitude and importance that is hard to exaggerate:

What is needed now is the creation of a system—

Mark the words “the creation of a system”—not the remedying or alteration or modification, but “the creation of a system”.

—designed to fit the economic and efficient administration of a large and long-sustained preparedness program inside a national economy operating at full blast.

I doubt that words can make that clearer. I doubt if it is possible to make it clearer that it is a tremendous problem. We on this side of the house have always contended that it was a tremendous problem and that those who sit on the other side have never understood that problem. I think we have clear-cut evidence now that they never did. I will go on:

This involves the abandonment, by all administrators of the program, of the war psychology with its emphasis on speed with resultant wastefulness and extravagance, and the substitution of an alert, economic and efficient operation, flexibly designed, to be sure to meet emergencies, but designed also to become a more or less permanent part of Canadian life and government.

I repeat, Mr. Speaker, that this goes far beyond the task given to Mr. Currie at Petawawa, but it is presented by him as a result of his experience and with his knowledge of the need that we have today. Now, if there is any doubt whatever as to the gaps in our organization, as to the want of organization, let me turn for a moment to the report of the Auditor General. In section 56 of his report under the heading “Service Forces Accounting” he says:

Stores. Surveys made of accounting systems—there are at least eight—