

Rear Admiral LANDYMORE: You are making their choice an extremely difficult one to take if they are going to have to accept the 5 per cent per year penalty.

Mr. NUGENT: In your brief you put it on the basis of fairness to the officers, and I presume that if they are going to have the choice of going into this new force that it would only be common justice that they should suffer a much lesser penalty to get out than might be the case now.

Rear Admiral LANDYMORE: I do not think they should be exposed to a penalty at all, or to what was termed an actuarial adjustment. I think I put in my brief the financial solution to it, which is 2 per cent per annum.

Mr. NUGENT: Admiral, could I project this a bit further. If this unification bill goes through, and in order to get out, officers will have to suffer a penalty and will not receive that fair treatment which you have recommended, do you think that in the face of those difficulties enough of them are going to get out that the efficiency of the Navy is going to be very seriously impaired?

Rear Admiral LANDYMORE: Yes indeed.

Mr. NUGENT: Then can you see any hope that this unification bill can have any other effect than the paralysis or the near destruction of the Navy immediately?

Rear Admiral LANDYMORE: No, I cannot see any other effect. We are certainly going to lose a lot of experienced people who will go regardless of the pension arrangement, and if the pension arrangement is such that there is no penalty, then I think there will be a general exodus. If you do not do that I think you are going to be left—as I said yesterday—with people who feel that they are prisoners to their pension and who will only be going through the motions of being servicemen.

Mr. NUGENT: One last question, if I might. If there were any benefit to be derived from unification if this bill were passed this year, can you think of any benefit that is available today that would not be available if the whole plan were shelved and thought over for another year or two to reassure ourselves on it and then brought in two years hence? In other words, is there any possible benefit from unification—if one exists now—that would not still be there two years from now?

Rear Admiral LANDYMORE: I think if it were just postponed that we would continue to have the same general feeling of unrest, because people would simply say, "Well, if it is not today it is tomorrow." Under those circumstances I do not think there would be any great improvement by postponement. I would have thought that if you are going to contemplate a postponement, one should cancel the whole issue and say nothing will be changed, and then we will perhaps look again at this matter in five years time, when we have integration completely under control, to ascertain, without the other difficulties in our road, whether it is feasible, and then take it from scratch and study it thoroughly.

Mr. NUGENT: All right, let us put it that way, Admiral; say it took five years to clean up integration and reappraise everything, is there any benefit that could be gained now by unification that would be available five years from now.

Rear Admiral LANDYMORE: No.