

Committee on Defence Expenditure

any other military officer, under our form of constitutional usage, to engage in controversy with any critic.

And more especially the elected critics of this house. The editorial goes on:

Quite possibly in all this there is only fumbling, and a failure to recognize clearly what is happening. But if matters are permitted to proceed in this manner, the government cannot escape the charge that it is either permitting the chief of the general staff to play politics, or it is playing politics with the chief of the general staff.

That is a situation which should not prevail in connection with a matter such as this. If there was any doubt cast upon the efficiency of the Department of National Defence in the general findings of the Currie report, then I think the facts are pretty well borne out by the public accounts of Canada and the Auditor General's report for the year 1952 which was tabled in the house the other day. The first item on page 24 of the Auditor General's report was referred to by the hon. member for Greenwood (Mr. Macdonnell) who just took his seat. It deals with service forces accounting. Section 56 on page 24 states:

Stores. Surveys made of accounting systems—there are at least eight—indicate that no sustained effort has been made to achieve uniformity in systems within the services. The result is that mandatory directives are specialized, particularly with respect to the army. Various other special problems also exist, in particular:

The hon. member for Greenwood pointed out these eight different systems. I think he said there was one for the navy, one for the air force and six for the army. The section goes on:

(a) No clear distinction has been drawn between stores procured for stockpiling or the equivalent, and those for normal peacetime needs;

(b) Long-term usage is to regard stores as service property with responsibility for accounting and custody vested in various components of the service forces. The consequence is that no civilian authority answerable to parliament exercises direct control after procurement;

(c) Each service accounting system has forms for similar purposes but the forms, generally, are not standardized throughout the services;

He deals at considerable length with this matter of accounting in the services. Then in section 62 on page 25 he says:

On February 11, 1952, the state of the army pay accounts was drawn to the notice of the department as it was felt corrective action should immediately be taken. The department has acted, but the basic problem remains—that of adjusting an accounting system, designed after the recent war for a permanent force smaller than it now is, to a widely scattered and relatively large number of accounts.

Then in section 63, page 26, he points out that another case was in connection with the assignment of pay to the wife of a soldier. It was put into effect; but after some \$508

[Mr. Ross (Souris).]

was paid it was ascertained that (a) the soldier had not signed the form, (b) he was not married and (c) \$508 had not been deducted from his pay.

Then in section 65, on the same page, we find this:

A presumption would be that a serviceman on becoming a civil servant is not eligible to receive two pay cheques for his services. However, in the audit five cases were noted where officers continued to receive service pay after they became civil employees of the Department of National Defence. One case will be used to illustrate. A brigadier was posted at Ottawa and during 1951 was in status of seconded to civil duties under the deputy minister of the department. Order in council P.C. 44/5733 of October 27, 1951, founded on a recommendation of the civil service commission, created an \$11,500 civil position and authorized appointment of the brigadier without a public competition being held to fill the position. From January 1, he has received civil pay at the \$11,500 annual rate. From January 1 to March 31 he was also paid the pay and allowances for his rank, he being treated for service purposes as on service special termination leave. As a result, in the three months period he received \$2,790 from the army and \$2,875 as a civil servant.

An order in council of the government permitted this condition. Other irregularities are listed in this Auditor General's report. That, in itself, is a far greater indictment than the Currie report. Hon. members will realize, of course, that the Auditor General is responsible to parliament, rather than the government. Had he not been directly responsible to parliament I presume the Minister of National Defence (Mr. Claxton), or someone on behalf of the government, might have urged him to change his report and recommendations as, admittedly, the Minister of National Defence hoped to have Mr. Currie do in his report to the house.

Mr. Hosking: He did not say that.

Mr. Ross (Souris): He said he had discussed it with Mr. Currie, and that Mr. Currie thought he should report direct.

Mr. Hosking: What page is that on?

Mr. Ross (Souris): In the minister's speech the other day. If the hon. member will look up that speech he will see where he mentioned this matter, and that it was the wish of Mr. Currie that he should not adjust these paragraphs in his recommendations.

Mr. Hosking: I do not want the hon. member to make any mistakes.

Mr. Ross (Souris): There is credit coming to Mr. Currie for having wanted to make an independent report. Yet by some manner of means some changes were made in his recommendations.

When he was appointed to investigate the works services branch his very fine qualifications were pointed out by the minister. It