

• (10.15 a.m.)

Now, Mr. Chairman, I would like to turn to the questions of morale, recruiting, re-engagements and voluntary retirements. It seems to me that it would be difficult to talk about one without relating it to the others.

Let us look first at recruiting. Recruiting in the first three months of this year is up 17 per cent opposed to the same period in 1964 and 5% over the same period in 1965. This has been achieved despite a raising of enlistment standards and the highly competitive economic situation in the country at large. I think this is a very notable achievement for our integrated recruiting organization, particularly when you consider that their overall numbers are down by 30% and our recruiting advertising budget is much less than it was five or six years ago, both in relative and absolute terms. It is also an indication that service life still has considerable appeal for young Canadians.

Re-engagement figures are also encouraging. For all three services they are up in 1966 as compared to 1965. For example, the re-engagement rate for the navy so far in 1966 is 66.1 per cent as compared to 45.1 per cent in 1965. The army is currently 96.6 per cent as compared to 67.4 per cent. The air force is 85.8 per cent compared to 83.6 per cent. The over-all figure on re-engagement to date this year is 82 per cent as compared to 73 per cent for the same period in 1965.

Looking now to voluntary retirements, in the first three months of this year they are down by one-third over that experienced last year.

Although all of these statistics are encouraging, Mr. Chairman, I agree that it is difficult to rate them directly to morale and attitude towards service. It is the general opinion of the defence staff that, although there is room for improvement, morale is generally good, particularly in the operational commands. By correcting the inequities and inadequacies, previously discussed, that have built up over the years we are quite confident morale will be raised to an even higher point.

Now, Mr. Chairman, in turning our attention to the Estimates for 1966-67, I think it would be more advantageous to the members of the Committee if I addressed my remarks in general terms and leave the specifics to the expert witnesses who will appear in later committee sessions.

In Vote 1 has increased by some \$435,000 largely due to increases in civil salaries and wages.

In Vote 15 on page 267 the two sub totals, one representing Total Operation and Maintenance Costs, which is down by \$29 million, the other Construction and Acquisition of Major Equipment, which is up by \$34 million, provides the evidence that the department has begun to realize the first monetary effects of integration and improved management practices.

In the operation and maintenance costs you will note that there are both increases and decreases in expenditure. For example, clothing and personal equipment is up considerably as we purchase new types of combat and cold weather clothing to protect our troops. Similarly, despite the reduction of "position man years", civil salaries have increased by \$7 million. There have been offsetting factors, however, largely through better management as they have been applied in such areas as the usage of office stationery, supplies, and in telephone and telegraph services. Professional and special services (p. 266), as