

Supply—National Defence

hon. friend in any way because it does not relate to the fighting units or sub-units.

Mr. McIntosh: Mr. Chairman, this afternoon the hon. member for Winnipeg South Centre stated that too much emphasis had been placed on the administrative aspect of this department and not enough on the combat aspect. I would suggest that in view of the unhappy events that within the last two or three weeks have taken place in the Middle East, and what has happened to the peace keeping force which was there at the time, the minister should take a second look at any plan that would change the combat structure of our forces. We have time and time again warned the minister that if we cannot live up to our commitments in the collective defence of the North American continent we will place an added strain not only on our ally and good neighbour, the United States, and will be fast approaching a position of neutrality in respect of external affairs, which would be disastrous as far as Canada is concerned.

I referred this afternoon to what would happen to this country in the face of a determined aggressor. Canada is not in a position, because of its geographic location, to adopt a position of neutrality. The minister should look twice before he changes any of the combat units in being at the present time, because they may not fit into the requirements of our collective alliances. I would say again to the hon. member for Carleton that he should not be too sure that there will not be any change in the traditions of these regiments, which he mentioned in such glowing terms a few moments ago, because if this minister and his government remain in power I am quite sure the Canadian forces will in the future not be a source of pride to Canadians because of the actions taken under the guidance of the government.

The Chairman: Shall vote No. 1 carry?

Item agreed to.

The following items were agreed to:

Defence services—

15. Operation and maintenance and construction or acquisition of buildings, works, land and major equipment and development for the Canadian forces and \$1,850,000 for Grants to the Town of Oromocto. \$1,467,713,000.

Defence research—

Defence research board—

20. Operation and maintenance, \$35,670,000.

25. Construction or acquisition of buildings, works, land and equipment, \$8,947,000.

[Mr. Hellyer.]

30. To foster defence research in Canadian industry by supporting selected defence applied research programs, on terms and conditions approved by the treasury board, \$4,500,000.

35. Research satellite program—to provide for the design and instrumentation of a series of satellites to carry out a scientific research program agreed upon jointly by the United States national aeronautical and space administration and the defence research board, \$3,000,000.

Mutual aid—

45. Contributions to infrastructure and the military costs of the North Atlantic Treaty Organization and the transfer of defence equipment and supplies and the provision of services and facilities for defence purposes in accordance with section 3 of the Defence Appropriation Act, 1950, not exceeding a total of \$27,076,000 including the present value of defence equipment or supplies or the cost of services made available by the Canadian forces estimated in the amount of \$9,076,000 and provided by appropriations for those forces in the current and former years in respect of which, notwithstanding subsection (3) of section 3 of the said Act, no amount shall be charged to this appropriation or paid into a special account; provided by this vote, \$18,000,000.

General—

48. To authorize, notwithstanding the financial Administration Act and section 11 of the Surplus Crown Assets Act, the payment into the special account in the consolidated revenue fund referred to in national defence vote 48 of the main estimates for 1965-66 of revenues received during the current and subsequent fiscal years from the sale during the current fiscal year of surplus buildings, works and land not exceeding an aggregate amount of \$10,000,000, \$1.

Mr. Hales: Mr. Chairman, I do not know whether this is the right vote under which to raise the matter I have in mind. This is a department that over the last five years has spent about \$85 million per year in buying equipment, material and supplies. I realize that the department keeps a physical inventory of this equipment, but if any member of parliament should ask the Minister of National Defence to give him the value of this inventory, that is, the cost price of the inventory, the minister could not answer. The department is not keeping a dollar value of its inventory. It is only keeping a record of the physical count. This is no way to run a business. It is obsolete, it is old fashioned, and it is not good housekeeping.

To improve the situation would involve only a matter of tabulating when the equipment was bought, counting it and recording the cost price of the equipment. This record would become very valuable when the Department of National Defence turns its obsolete equipment over to Crown Assets for sale to the public. Goodness knows, the department turns over a great deal of equipment to Crown Assets because the equipment has become obsolete. If we ask Crown Assets