

*National Defence Act Amendment*

has not yet been fully achieved but it is forecast for achievement some time next year—is 30 per cent. The Canadian defence liaison staff in Washington was fully integrated with a reduction of 34 per cent in personnel. The Canadian defence liaison staff in London was integrated with a reduction of 44 per cent in personnel.

My next example relates to our communications system.

**The Chairman:** I must advise the minister that the time allotted to him has expired.

**Some hon. Members:** Go on.

**Mr. Churchill:** Before giving consent I should like to ask the minister a question. Does he intend to deal with the question of unification and the establishment of a single service? Everything he has said so far has dealt with integration; it has nothing whatever to do with unification. This is another instance of misleading the House of Commons.

**Some hon. Members:** Hear, hear.

**Mr. Hellyer:** I appreciate the indulgence of the committee and if the hon. gentleman does give me permission to continue I will undertake to deal with that matter as soon as I have finished my introductory remarks.

**The Chairman:** Does the committee agree to allow the minister extra time in which to complete his statement?

**Some hon. Members:** Agreed.

**Mr. Lambert:** I assume we will be granted suitable time in which to reply.

• (5:00 p.m.)

**Mr. Hellyer:** Thank you very much, Mr. Chairman, and I also thank members of the committee. It had long been suggested that a single long-line communications system for our armed forces would be more efficient and would save some money. That was undertaken in the 1950's and it fell flat on its face. It failed, and the reason it failed was that the three services could not agree even after agreeing that they should agree. Each service thought that its system was best. They were not willing to make the necessary compromises and to seek out the best system or a better one, and they were not willing to fund in a manner which would make the development of a new system possible. The experiment, therefore, did not succeed.

We have developed a new long-line communications system for the Canadian Armed

[Mr. Hellyer.]

Forces which will result in savings of 18 per cent. This new system is already working very satisfactorily. But more important than either the savings which have taken and are taking place, or the modest improvement in efficiency which I think we can claim, is the fact that it is enabling us to have studies made by the Canadian National-Canadian Pacific telecommunications system which will allow us to take a quantum jump in communications once the report has been made and has been acted upon. Our experts are convinced that very great improvements are possible in this area. As a result of the single system which has been put into effect those improvements are now almost certain and require only the funding necessary for the new capital equipment once the plan has been presented and approved.

With respect to our cataloguing system I do not think it is any secret to members of the committee that the services have had separate cataloguing systems in the past. Air Marshal Annis, who appeared before the committee, used to say to me, "You know, we stored washers and shims under five different categories, five part numbers for the same thing." There were many cases where one service declared equipment surplus at the same time that another service was acquiring the same kind of equipment through the Department of Defence Production for use by that service. One of the first things to be undertaken was a new combined cataloguing system. The peak load which resulted from this combination was considerably greater than the previous load on the people involved, but the ultimate saving in personnel once the new system is complete will be 26 per cent.

These are just examples, Mr. Chairman, to show that where duplication and triplication can be eliminated savings are made, to show that the basic conclusion of the Glasco commission was a valid one, and to show also that acting upon that conclusion will be of considerable benefit to the Canadian people and to the armed forces who will get greater value for the money being spent.

One of the stated intentions of the savings that could be made was to use those savings for new equipment for the armed forces. No one regrets more than I do that last year we were not able to increase the amount of money being spent. This was partly due to technical considerations. We did not spend all of the money that was voted for equipment.