

## HOUSE OF COMMONS

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Wednesday, October 19, 1966

The house met at 2.30 p.m.

### PUBLIC ACCOUNTS

Fifth report of standing committee on public accounts—Mr. Hales.

[Translation]

#### POST OFFICE DEPARTMENT

##### TABLING OF REPORT ON WORKING CONDITIONS

**Hon. Jean-Pierre Côté (Postmaster General):** Mr. Speaker, I have the honour to table copies, in French and English, of the report of the royal commission on working conditions in the Post Office Department.

**Mr. Stanley Knowles (Winnipeg North Centre):** Explain.

[English]

**Mr. Speaker:** Has the Postmaster General leave to table this report?

**Some hon. Members:** Agreed.

### QUESTIONS

(Questions answered orally are indicated by an asterisk.)

#### ARMED SERVICES SAVINGS THROUGH INTEGRATION

Question No. 1,894—**Mr. Forrestall:**

1. Have there been net savings achieved by integration of the armed services in terms of dollars during the years 1965-66 and 1966-67?

2. What is the forecast net savings for 1966-67 and 1967-68?

**Hon. Léo Cadieux (Associate Minister of National Defence):** 1 and 2. (a) Steps were taken subsequent to July 1964 to integrate headquarters' staffs and services and to consolidate bases in order to achieve reductions in manpower and consequent savings in operating and maintenance costs. It is not possible to relate in detail specific savings in terms of dollars to a particular fiscal year due to the time lapse involved for the necessary reorganization subsequent to actual decisions being taken. Moreover, the closing of

individual bases as part of the base consolidation program requires additional expenditures to provide for the relocation of personnel and equipment and in consequence the full reductions in operating and maintenance costs cannot be realized immediately.

(b) Savings already achieved through the integration of headquarters and services since July 1964 include: Headquarters, a reduction of 26 per cent in staff; Training, a reduction of 13 per cent in staff; Recruiting, a reduction of 33 per cent in staff; Information services, a reduction of 60 per cent in staff; Construction engineering, a reduction of 45 per cent in staff; Cataloguing section material command, a reduction of 26 per cent in staff; Canadian staff London, a reduction of 44 per cent in staff; Canadian staff Washington, a reduction of 34 per cent in staff.

(c) Despite increased costs of materials, supplies and services generally, actual expenditures for 1965-66 compared to 1964-65 show a net saving of \$12 million.

(d) It is forecast that additional savings due to integration in 1966-67 will not be sufficient to compensate entirely for continuing increased costs including the general military pay increase effective 1 October, 1966.

(e) The 1967-68 annual estimates have not been submitted to parliament yet.

#### TAX EXEMPT GIFT OF REAL PROPERTY

Question No. 1,925—**Mr. Bell (Carleton):**

1. In what year was the exemption of \$10,000 from gift tax on a once in a lifetime gift to a spouse or child of an interest in real property first enacted?

2. Has the Minister of Finance given any consideration to increasing the said exemption to a figure comparable in present real property values to that which \$10,000 represented when enacted?

**Hon. Mitchell Sharp (Minister of Finance):**

1. 1958.

2. The Minister of Finance has on various occasions considered the gift tax provisions of the Income Tax Act. Further consideration will be given to these provisions when the report of the royal commission on taxation has been received and studied.