

*National Defence Act Amendment*

forces and for the intelligence necessary as a basis for these plans or operations; a chief of personnel, responsible for the men and women of the navy, the army and the air force, responsible for individual training in all these forces including trade training and pilot training to wing standard; a chief of technical services responsible for the procurement of the hardware required by our armed forces, for the depots in which equipment is stockpiled, for the distribution of that equipment to the users, and for its maintenance in an acceptable state of repair and, finally, a comptroller general responsible for the accounting of the navy, the army and the air force and for the allocation of manpower to all of the requirements.

In the process of designing the headquarters organization the staff soon found they could not complete the design until they knew what the field formations would look like and what the command structure would be. The second stage was therefore accelerated. I should like to underline this. The second stage was accelerated because in practice we found there was such a close relationship between the first and the second stages that we had to know what the second would look like before we could complete the first. Therefore, several months before the date originally scheduled stage two was designed by the military staffs, presented to the defence council for concurrence, approved, and subsequently implemented many months earlier than we had thought at the beginning of the reorganization.

A year ago April 1 the bases were integrated as part of the over-all command structure reorganization. One of the primary purposes of the integration-unification cycle—as I have indicated earlier, these purposes cannot really be separated when we go as far as we are going and intend to go—was an increase in the effectiveness of money being spent. I should like to give five or six examples in specific areas which can be isolated to show that savings are and have been possible.

Previously we had five intelligence organizations in this country. We were interested in the experience in the United States where they had brought together their sources of strategic intelligence but left tactical intelligence to the services. Their reorganization did not result in any economy of manpower. Our reorganization has meant the formation of one intelligence agency to replace five. It has involved a reduction in personnel of 30 per cent and the result has been

better service than we have ever had from our intelligence organization in recent years. This is not just my opinion; it is the opinion of the director general of intelligence as well.

Second, let us consider the field of construction engineering. These are the men who build the runways for our air force the dry-docks for our ships, the hangars for our airplanes, the buildings which house the men and women of the armed forces. There are, of course, specialities within this field but there is also a great deal of common knowledge which cuts right across previous service lines. Here a new organization was set up and it was possible to reduce the number of personnel required at headquarters by 44 per cent and the number of personnel involved in the national organization by 30 per cent. The latest report I have received is that the service being provided is excellent. In a number of individual cases I have been told that the service exceeds that provided previously. In theory this can be expected in some areas because there is a greater pool of engineering knowledge available to be applied to specific tasks which arise.

My third example concerns recruiting. When I first came to the House of Commons almost 18 years ago I can remember discussion about the possibility of integrating the recruiting system in Canada. The idea was talked about repeatedly down through the years but never implemented. Last year it was implemented with a reduction in personnel of 33 per cent. For the first time recruiting centres were not just co-located, as some had been previously, but integrated and given authority to enroll men and officers in the navy, the army and the air force. Notwithstanding the problems which inevitably arise in the first year, and a reduction of 33 per cent in personnel, we were able to recruit more people in 1966 than in the previous year.

**Mr. Churchill:** How many did you lose?

**Mr. Hellyer:** The next example I should like to give is that of the information services. This is one which was singled out by the Glassco commission, if I recall correctly. This was one of the most dramatic cases and the reduction in personnel amounted to 60 per cent with a consequential saving to the Canadian taxpayers of more than a million dollars in this limited area alone.

North NORAD region and Air Defence Command are being amalgamated and here again the expected reduction in personnel—it