

which represents over 350 naval vessels of all types, excluding small craft, and 172 merchant vessels already ordered. At the end of 1941 over one hundred naval vessels of all types, excluding small craft, and the first of the merchant vessels had been delivered; the rate of deliveries will increase throughout 1942.

Shipyards in Canada have been expanded and new yards constructed. At the beginning of 1942, 17 major shipyards and 58 smaller yards were engaged in construction of ships, employing more than 22,000 men and women. Nearly every industry in Canada is participating in one way or another in supplying parts and equipment for the ship-building program.

This major construction program is supplemented by an expansion of ship repair and conversion facilities. Since the outbreak of war, merchant vessels have been converted to war use and armed. The Battle of the Atlantic has accelerated the expansion of drydocks, marine railways and port equipment at a cost of many millions of dollars. These are permanent facilities which will be available to Canadian shipping in post-war years.

*Automotive Vehicles.*—By collaboration with army engineers before the outbreak of hostilities in designing vehicles for military purposes, motor companies were prepared to divert their productive facilities to the manufacture of this equipment when war was declared. Since that time Canadian vehicles have served in every campaign in which Empire forces have participated, and their efficiency and durability have been proved in the field. So great has been the demand for Canadian-built vehicles that the companies have been forced to suspend manufacture of civilian vehicles to conserve materials and man-power for the war effort.

The vehicles produced by the Canadian automotive industry include a wide range of defence vehicle types, service trucks, transports, field-artillery tractors, personnel carriers, field work-shops, ambulances, etc., which are largely adaptations of commercial types. In addition, the industry now produces armoured cars, reconnaissance armoured cars and armoured scout-cars. One of the most important single types produced is the universal carrier, which is proving to be a most useful armoured fighting unit. By the beginning of 1942 a single Canadian plant was able to turn out enough of these carriers in a day to equip a battalion, and in 14 days enough to equip an infantry division.

*Tanks.*—In this war, tanks are playing an important role, and Canada has undertaken to produce two types of this vital armament. These machines, heavier than motor-vehicles, are being produced by the Railway Equipment and Locomotive Manufacturers, and one plant ranks with the largest in the British Empire. Canadian engineering talent has been instrumental in modifying and improving their design for more efficient fighting service.

*Guns and Small Arms.*—In the First World War some rifles were produced in Canada, but no artillery nor naval guns. In the present conflict, however, arms production includes field artillery, tank and anti-tank guns, anti-aircraft guns and naval guns, as well as rifles, machine guns and anti-tank rifles. Long months of effort were required to change over existing plants, create new ones, secure the specialized equipment and train personnel to the intricate operations required for production to exacting specifications. Millions of dollars were expended for plant and equipment but, having passed the period of planning, building and tooling, Canada's gun production is now a major contribution to the war effort. One of the largest plants producing automatic weapons in the Empire has been brought into production as well as one of the largest factories in the world for manufacturing artillery from