

been necessary to exercise these powers formally to any great degree, and priorities in Canada have been largely dealt with by informal consultation between the Government and representatives of industry.

Since Canadian firms are dependent on the United States for a considerable proportion of their requirements of materials and semi-finished and finished goods, the system of controls in that country has an important effect in Canada. Under the United States Controlled Materials Plan, which governs steel, copper and aluminum, quarterly estimates of Canada's future requirements are made by the Department of Defence Production and are considered in Washington, D.C., along with claims from all segments of the United States economy. An allocation is then made to Canada and distribution to Canadian industry is carried out through the Department. With respect to the general United States Priorities System covering machinery, components and items other than steel, copper and aluminum, the Department screens applications from Canadian firms and assists them in obtaining their approved requirements on a basis generally comparable to that accorded to United States concerns.

When United States procurement agencies or firms have defence requirements in Canada, the Canadian contractor makes application for priority treatment on behalf of the United States customer. By agreement, the Department gives such United States orders treatment comparable to that given to orders for the Canadian defence program.

Strategic Resources.—The industrial effort involved in the defence program is making heavy demands on raw materials which Canada produces, not only for its own defence effort, but also for that of friendly countries. In the case of nickel, in fact, Canada produces about four-fifths of the world supply. Table 3 gives statistics for the leading strategic minerals. The high proportion of output exported is apparent.

3.—Canadian Production, Exports and Imports of Principal Non-Ferrous Metals, 1951

(Thousands of short tons)

Metal	Domestic Production	Exports to—			Imports	Domestic Supply
		United States	United Kingdom	Elsewhere		
Aluminum, primary.....	445	105	191	58	—	91
Copper, refined.....	246	29	52	21	2	146
Lead, refined ¹	162	60	35	11	1	57
Nickel, refined.....	79	70.6	1.6	0.2	—	6.6
Zinc, refined.....	220	84	55	7	—	74

¹ Includes lead smelted from imported ore.

Canadian output of strategic materials, on the whole, increased rapidly in 1951, thus strengthening the base of the defence effort. Table 4 compares the output of a number of strategic commodities in 1951 with that of the previous year. Of special interest are the increases in petroleum and natural gas owing to the development of the western oil fields.