

guns, depth charges and other types of anti-submarine projectiles. Deliveries to the RCAF include rockets and machine-gun ammunition. Explosives for the ammunition are being produced in two plants, one of which manufactures picrite and the other a number of explosives including RDX/TNT and rifle powder. Phosphorus and hexachlorethane are also being made in Canada to government specifications.

Automobile manufacturers are producing military trucks to North American specifications. Because of the large capacity of these plants, the output of trucks can be expanded quickly to meet any foreseeable demands from the Armed Services. Other types of military vehicles are being produced in smaller quantities and a number of civilian types of vehicles have been purchased for military use. As already mentioned, Centurion tanks are purchased from the United Kingdom as it was decided that the establishment of facilities for manufacturing tanks in Canada would not be justified.

The construction program has involved heavy outlays for barracks and other types of accommodation, buildings for the radar screen, air-strips and other works. These were made necessary by the long-term problems of defence and by increases in the size of the Armed Forces.

Other requirements of the Armed Forces have included food, fuel and lubricants, chemicals, medical supplies, photographic stores, laboratory, scientific and other instruments, barrack-room stores, furniture and furnishings, office equipment, and a wide variety of textile products.

In some cases, defence production has involved the setting up of facilities that will have small residual value after the emergency is over, and capital assistance has been granted in the form either of machinery and equipment or of new buildings or extensions. Everything so provided remains the property of the Crown. Recently, however, since the more specialized types of defence production capacity have been established, there has been less need of capital assistance. Firms are now encouraged to install their own plant, a part of which they may be permitted to write off at a special, faster, rate for income-tax purposes. Some facilities set up as capital assistance have been sold to private firms which will ensure that they will be available to meet defence needs.

Controls and Priorities.—In the early stages of increased defence production it was necessary to direct the use of certain essential materials produced in Canada and elsewhere. The Defence Production Act, Sect. 30, provides that "The Governor in Council may, from time to time, designate as an essential material any material or substance, the control of the supply and use of which is in his opinion essential to ensure the availability of adequate defence supplies or for the construction or operation of defence projects". Orders in Council have designated as essential a number of chemicals and chemical compounds (later reduced to sulphur only), wood-pulp and newsprint (no longer so designated), certain forms of non-ferrous metals and non-metallic minerals, certain forms of iron and steel, and aviation gasoline. After a material has been declared essential, the Minister of Defence Production may regulate its production, supply, distribution and use.

In the case of non-ferrous metals, control was effected by an order approval system whereby purchase orders placed by manufacturers were screened in the Department of Defence Production. These systems were established for primary and wrought aluminum, primary copper and certain copper products, primary nickel and certain nickel products, cadmium, lead and zinc. Sulphur was also controlled under a