

Weapons and Ammunition.—Deliveries were completed in 1955 on one of two types of anti-submarine mortars ordered for the Royal Canadian Navy, and on the medium mortars for the Canadian Army. Deliveries were made on howitzers and light mortars for the Canadian Army, on the second submarine mortar for the RCN and on the conversion of machine guns for the RCAF. Production of the new rocket launcher for the Canadian Army was well advanced by the end of the year. The Department of National Defence announced in June 1955 that the new 7·62mm C-1 rifle was being adopted by the Canadian Army, and an order was subsequently placed for the first quantity from Canadian production. Good progress was made on development contracts for the adaption of other small arms to the new cartridge, the design of torpedo tubes and the improvement of existing weapons. In addition to work on the weapons themselves, a number of projects were devoted to the study of sighting, fire control and other ancillary equipment.

Production of complete rounds of ammunition increased both in volume and in variety during 1955, although delivery schedules were adjusted early in the year to stretch out some existing orders. The main items of production included .30, .50, and 20mm small arms ammunition, 40mm, 60mm, 81mm, 90mm, 105mm, 155mm, and 3"50 cal. artillery and mortar ammunition, anti-tank and air-to-air rockets, depth charges, flares, signals, explosives and chemicals. New items reaching volume production included Heller anti-tank rockets, smoke shells, mortar training ammunition, a new type of anti-submarine projectile and 17 pdr. ammunition. A number of new types of ammunition, of both Canadian and foreign design, underwent either design development or pre-production trials, and progress was made in the build-up of component production on other new items.

General Purchasing.—The principal objects of the general purchasing program are the clothing, equipping, feeding, maintaining and servicing of the Canadian Armed Forces, and the purchase of certain supplies for the Defence Research Board and the Inspection Services of the Department of National Defence. During 1955 these general purchases of supplies and services not normally requiring special production facilities included such items as: textiles and all types of clothing; footwear and leather goods; military patterns, standard and special commercial vehicles together with replacement parts; the repair and reconditioning of all types of Service vehicles; food and catering services; furniture and furnishings; petroleum products and hard fuels; medical and dental supplies; research and development projects; building supplies; and all types of barrack stores.

Major orders placed during 1955 included electric generating sets for *CF-100* and *F-86* fighter aircraft, electric distribution transformers for Camp Gagetown, N.B., prototypes and drawings for steel shipping cases for aero engines, shipboard cable for the destroyer escort program and for normal maintenance needs, and motor generating sets for the conversion of World War II frigates from direct to alternating current. Standard packaging methods were developed and a re-packaging program undertaken to obtain more efficient use of space in the Department's cloth warehouse by eliminating wide variations in the packing of fabrics.

There was an increase in 1955 in the number of orders placed by the district purchasing offices in Canada to meet the needs of units of the Canadian Armed Forces stationed in the corresponding areas. These local purchases are generally small in value but involve the letting of a very large number of contracts to meet local and urgent needs, mainly for food, hardware, electrical and building supplies, barrack stores and many types of services.

Orders and Expenditures.—In 1954 the value of new orders and amendments exceeded the value of expenditures but in 1955 expenditures were more than one-third greater than net defence orders. In the earlier year, the net value of orders placed was particularly high as a result of large longterm contracts for increased numbers of *CF-100* and *F-86* jet fighter aircraft and for engineering, tooling and production of the *CL-28* maritime reconnaissance aircraft, and the 1955 figure of \$726,000,000 was about 40 p.c. lower. The largest decline in 1955 was the almost \$500,000,000 decrease that occurred in the aircraft program; orders for aircraft and related equipment accounted for only 23 p.c. of the total value of orders compared with 54 p.c. in 1954. Other important declines took place in the tank-automotive and ammunition and explosives programs. On the other