

Throughout 1955 attention continued to be given to the maintenance of defence production capacity, as a guarantee of future availability, for those defence supplies for which initial requirements had been met. The Department has, where possible, encouraged contractors to develop commercial work to which defence production facilities may be readily converted. Where the timing of Service requirements permits, facilities have been maintained in operation by stabilizing production over an extended period at lower rates of output. Adjustments of this type were made in 1955 in the aircraft program, in line with the requirements of the RCAF. It has been considered advisable to maintain certain facilities intact on a standby basis such as in the field of metal components for ammunition and certain shell making facilities. In the absence of such arrangements, certain production lines have been permitted to lapse and the Crown-owned capital assistance assets and production tooling have been recovered. In each case a survey was made to determine whether the Crown-owned equipment could be transferred to other programs, should be retained in storage for future use, or declared surplus on the grounds that it is beyond economical repair or obsolete to present-day production methods.

A priority list was completed of machine tools which would be required for immediate production in the event of an emergency, and a number of machine tools were rehabilitated in 1955.

Since the inception of Canada's Mutual Aid contributions to NATO each annual program has included a quantity of new defence equipment shipped directly to European NATO countries from Canadian production lines. In selecting these direct production items for transfer as mutual aid, consideration has been given to the possibility of developing and maintaining production runs in Canada which could not be achieved on the basis of the requirements of the Canadian Armed Forces alone. Although the major aim is to help European members of the alliance to meet their equipment needs, the Mutual Aid Program has added certain elements of strength to the Canadian industrial base and has prevented the disruption of highly specialized production.

During the early part of 1955 defence contractors experienced no major difficulties in obtaining adequate supplies of materials. Subsequently however the defence program felt the effects of a number of shortages. Early in the third quarter a shortage developed in steel. New demands for structural steel for the mid-Canada and Distant Early Warning lines and for an extensive program of expansion in the uranium industry contributed to this situation. Increased demand for steel imports from the United States coincided with the development of shortages in that country similar to those in Canada and as a result supplies became increasingly dependent on allotments under the United States Defence Materials System. Aluminum was in generally short supply throughout 1955. However the impact on the defence program was slight as aircraft manufacturers, the largest defence users of aluminum, had sufficient stocks on hand to meet their needs. Although copper was in short supply in the United States no shortages were experienced in Canada as producers made available sufficient prime metal to keep Canadian mills running at capacity. Throughout 1955 the response of Canadian suppliers to all informal requests for materials needed in the defence production program was such that all requirements were filled satisfactorily without undue disruption to production schedules.

PART III.—CIVIL DEFENCE

The accelerating threat of aggression that began shortly after the completion of demobilization following World War II made necessary the reorganization of military strength. It also made apparent the need for the development of a plan of civil defence as part of Canada's program of defence against direct attack. Thus in October 1948 the Minister of National Defence appointed a Co-ordinator of Civil Defence whose task it was to prepare such a plan. To assist in the co-ordination of the planning, an interdepartmental committee—the Federal Civil Defence Planning Committee—was established as well as a Federal-Provincial Advisory Committee composed of the Federal Minister responsible for civil