

first deliveries of the heavy-barreled automatic version were made. Production of snipers' telescopes for use with the new rifle was begun. Tool-proving and other pre-production processes were carried out in preparation for production of the 9mm sub-machine gun. Some 105mm recoilless rifles were procured from United States stocks for the Canadian Army. Deliveries were continued from the United Kingdom of 3"/70 cal. twin naval guns and mounts for installation in the later destroyer escorts. The first phase of a project to provide weather-shields for naval guns was also completed during the year. Heavy anti-submarine mortars continued to be produced.

Production of ammunition and explosives declined in 1958 from the preceding year, with the completion of such production items as high explosive and practice anti-submarine projectiles, 3"/70 cal. practice and dummy ammunition, 3"/50 cal. anti-aircraft ammunition, "T" cutters and various types of small arms ammunition for the Royal Canadian Navy; 105mm and 90mm artillery ammunition of various functional types, 60mm white phosphorus mortar ammunition, 2" mortar illuminating and red flare bombs, anti-tank training mines, and 3.2", 100mm and 3.5" infantry rockets for the Canadian Army; and 3 lb. signal and practice bombs, an explosive link assembly and various pyrotechnics for the Royal Canadian Air Force. The manufacture of artillery and mortar ammunition, infantry and air rockets, mines, small arms ammunition, demolition stores and pyrotechnics continued throughout the year. The main items of production included practice depth charges, 4" and 3"/70 cal. ammunition, 81mm white phosphorous and 60mm illuminating ammunition, 105mm, 90mm and 20 pdr. rounds of several kinds, 7.62mm ammunition, marine markers and air-to-air rockets. Production commenced in 1958 on a 2.75" rocket propellant, under-water fuzes, a high explosive filling for torpedo warheads and a 60mm illuminating round. In addition, stocks of ammunition received from depots were repaired and modified.

A quantity of *Sidewinder* guided missiles, too few for economical manufacture in Canada, was purchased in the United States for the Royal Canadian Navy.

Construction.—Construction activity for the Canadian Armed Forces, as measured in terms of payments to contractors, declined substantially in 1958 although the net value of contracts placed increased. The largest contract awarded by Defence Construction (1951) Limited was for the construction of a tri-Service hospital in Ottawa. Construction work was started on a program of additions and improvements to Pinetree radar stations. In Europe, construction work continued on additional facilities for the Canadian Air Division at Metz and for two *Fighter Wings* stationed at Marville and Gros Tenquin in France. Two of the largest projects undertaken for the Army were the paving of 50 miles of the Northwest Highway System and the construction of the new Peace River bridge. Other large projects included work at Sarcie Camp, Alta., at Barriefield, Ont., and at the Royal Military College, Kingston, Ont. The major Navy projects were at Esquimalt, B.C., and at Cornwallis, N.S.

General Purchasing.—The procurement of supplies and services not normally requiring special production facilities declined slightly in 1958 to \$177,000,000 from \$184,000,000 in 1957.

Purchases by the headquarters organization included such items as mechanical transport, road maintenance equipment and aircraft ground support equipment, together with their necessary maintenance spares and servicing; petroleum products and hard fuels; canned foods; furniture and furnishings; medical and dental stores, building supplies and hardware; all types of barrack and naval stores; electrical equipment and cable; clothing, footwear and leather goods. Services covered certain research and development projects, aerial surveys, engineering, and food catering. Major contracts placed during the year covered an electronic control aerial survey in the Baker Lake area; the rental of helicopters and fixed-wing aircraft to support ground survey teams of the Department of National Defence operating in the district of Franklin, N.W.T.; and meteorological, geophysical and glaciological studies in connection with the International Geophysical Year expedition in the Northwest Territories. Other contracts covered the purchase of