

were manufactured for the Royal Navy and sonobuoys for the United States Navy. A contract was placed for an additional quantity of VT fuses. Work continued on a joint Canada-United States development program for moored sonobuoys.

There was a drop in production of radars for air defence systems in 1961 but design and production for countermeasure equipment, radomes, and counter-mortar radars was continued. Electronic counter countermeasure receiver groups were in production, and production on an order for height-finding radars and spares was nearly completed. Modification kits were being produced for two types of radars so that they could perform airport surveillance as well as a ground controlled approach function. Contracts for electronic countermeasure devices and spares for radars were received from the United States Air Force. Requirements for data processing equipment also began to offset the decline in radar production.

Production of training aid simulators continued. The tactical crew procedure trainer for the *Argus* aircraft and the operational flight trainer for the *Yukon (CC-106)* aircraft were delivered to the Royal Canadian Air Force. Production proceeded satisfactorily on the *CF-104* operational flight and tactics trainer for the Royal Canadian Air Force and other NATO air forces. A models control trainer was completed and delivered to the Royal Canadian Navy.

Maintenance, repair and overhaul, and contracts for leased lines increased significantly during 1961 as a result of progress on the air defence networks and the taking over by the Royal Canadian Air Force of some of the United States Air Force Pinetree Line sites. Operation and maintenance of the Mid-Canada Line was continued.

In order to maintain a satisfactory level of Canadian content in equipment production for both Canadian and foreign requirements, financial support for the establishment of qualified sources for component parts and materials was continued. Financial assistance was also given for the development of new equipment in advance of the formulation of defence requirements so as to ensure future production for the requirements of other countries. A joint Canada-United States financed program for development in this country of an infrared acquisition unit for the Mauler system was approved and a contract awarded to the Canadian contractor

Shipbuilding.—Work continued satisfactorily on all six destroyer escorts in the repeat-Restigouche program. The last two vessels are an improved version of the first four, the major changes involving a helicopter flight deck with hangar and variable depth sonar equipment. All important contracts were placed for the components needed for this program.

Work on the tanker-supply vessel for the Royal Canadian Navy proceeded satisfactorily. A standard diving vessel, a tank cleaning barge and five stevedoring barges were completed and accepted by the Royal Canadian Navy in 1961. A contract was placed for an additional tank cleaning barge as a result of competitive tenders.

Construction continued on a hydrographic and oceanographic survey vessel for the Department of Mines and Technical Surveys. Specifications for two more hydrographic survey vessels were received during 1961.

Drawings and design documents required for tendering of a Pacific Naval Laboratories research vessel were completed. Drawings and procurement of equipment for the modernization of the St. Laurent class destroyer escorts proceeded during 1961. Negotiations were concluded for the establishment in Canada of production facilities for the manufacture of noise-reducing five-bladed propellers for naval ships.

Armament.—Production for the Canadian Armed Services was completed on contracts for .30 calibre small arms ammunition, anti-submarine projectiles, pyrotechnic devices, and naval gun weathershields. Among the major items in production were practice