

Co-operation in NATO on RDP and Exports Overseas.—This program of research, development and production endeavours to attain maximum efficiency in standardization and production of military equipment by member countries of the North Atlantic Treaty Organization. Canada has submitted for consideration by the NATO groups a number of projects in the fields of vertical and short take-off and landing (V/STOL) aircraft, mobile radar, vehicle navigation equipment, sonar equipment, personnel carriers, anti-tank weapons, anti-personnel land mines, airborne navigation aids, aircraft engines, and telephone terminal equipment.

Canadian industry was encouraged to participate in supplying the defence needs of European and other countries in such areas as aircraft, navigation aids and engine spares. During 1961, Canadian firms reported that they had received \$41,954,000 in prime contracts and subcontracts from NATO and other countries (excluding the United States). Prime contracts accounted for \$24,893,000, of which the major items were *Otter* and *Caribou* aircraft for Ghana, flight simulators for a number of NATO countries that have adopted the *F-104G* aircraft, and engine spares and power flight controls. Subcontracts placed in Canada by overseas countries amounted to \$17,060,000, the largest being for position and homing indicators.

Emergency Supply Planning.—During 1961, significant progress was made with preparations necessary to bring a War Supplies Agency into effective existence immediately on the outbreak of nuclear war, should one occur. This Agency would assume full control over all aspects of the production, distribution and pricing of supplies for both civil and military purposes, except certain aspects of agriculture and fishing. An interim organizational structure for the War Supplies Agency, designed to meet anticipated supply requirements during the first few weeks after nuclear attack, was developed and approved.

The staffing of the national component of the War Supplies Agency was completed by the selection, on a standby basis, of suitably qualified persons from various government departments and agencies in Ottawa. The staffing of the ten regional components, also on a standby basis, neared completion and arrangements were under way with the various provincial governments to draw on their personnel resources for this purpose, as well as on business and industry and the field staffs of various federal departments and agencies.

In order to provide a basis on which the War Supplies Agency could make a post-attack assessment of surviving supply resources, a research program was initiated to produce in readily usable form comprehensive inventory data on major stocks of essential commodities and related production facilities normally available in this country. Substantial progress was made in the collecting and processing of data on stocks of food and petroleum products. Also, methods were developed in co-operation with the Canadian Army and the Emergency Measures Organization for evaluating surviving resources after attack. Various regulations and orders likely to be required by the War Supplies Agency in exercising effective control of supplies under conditions of nuclear war were prepared in draft form. Considerable work was done on the development of an industrial preparedness program.

PART III.—CIVIL EMERGENCY PLANNING (CIVIL DEFENCE)

In 1958, the Canadian Government instituted a survey of the civil defence situation in Canada in the context of the total military and civilian arrangements necessary to prepare the nation for the possibility of nuclear war. This review led to a major rearrangement of federal civil defence functions, together with an offer from the Federal Government to assume certain responsibilities previously carried out by the provinces and municipalities. This reorganization of civil defence became effective on Sept. 1, 1959, and was based on the two principles that, first, civil defence should be considered a function or activity of government rather than a separate organization as such and, second, the civil defence