

value of new contracts issued as well as amendments that increased or decreased existing contracts.) The net value of contracts in 1962 according to the various sources for which they were issued was as follows:—

<u>Source</u>	<u>Net Value</u>	<u>P.C. of Total Value</u>
	\$	
Department of National Defence.....	536,666,324	67.28
Department of Defence Production (DDP Votes).....	9,387,255	1.18
Foreign Governments—		
United States.....	202,886,820	25.44
Britain.....	1,147,166	0.14
Other.....	21,586,283	2.71
Canadian Sources other than DND and DDP—		
Colombo Plan.....	24,981,231	3.13
Other.....	984,688	0.12
TOTALS.....	<u>797,639,767</u>	<u>100.00</u>

Of the \$410,015,000 in contracts issued during the first half of 1963, \$344,190,000 or 84 p.c. was for the Department of National Defence.

The \$536,666,000 in contracts placed for the Department of National Defence in 1962 was 1.5 p.c. above the value in 1961. The aircraft program accounted for most of the increase; it rose from \$112,693,000 to \$205,252,000, due in a substantial measure to contracting for the *F-104G* aircraft for the Canada–United States mutual aid program. Contracting for the electronics and communication equipment program showed a net decrease from 1961 of 32.4 p.c. to \$82,785,000. Shipbuilding and repairing contracts increased to \$27,841,000 compared with \$26,585,000 in 1961. Significant reductions in contracting appeared in the defence construction program which declined by 56.4 p.c. to \$39,443,000 in 1962. Armament program contracts (including weapons, ammunition and explosives) increased to \$25,466,000 from \$11,812,000 in 1961.

Contracts placed outside Canada on behalf of the Department of National Defence in 1962 amounted to \$50,143,000, which was 9 p.c. of the total net value of prime contracts issued. Contracts valued at \$32,117,000 were placed in the United States, \$5,171,000 in Britain and \$12,855,000 in other countries.

Expenditures on contracts placed for the Department of National Defence amounted to \$606,374,000 or 2.5 p.c. less than in 1961. Expenditures against aircraft programs declined from 1961 levels by \$30,851,000 or 13.9 p.c. and those for electronics and communication equipment by \$10,301,000 to \$113,537,000 in 1962. Expenditures for ships increased to \$53,503,000 as a result of increasing work done on the destroyer escort program. In the first half of 1963, expenditures against prime contracts placed for the Department of National Defence stood at \$270,614,000.

The Department of Defence Production placed \$9,387,000 in contracts in 1962 and \$5,562,000 in the first half of 1963 against certain appropriations to assist Canadian defence industry. The major area of assistance in 1962, which involved contracts totalling \$8,466,000, was to sustain research and development capability in Canadian industry related to the needs of the Canada–United States development and production sharing program. Revolving Fund contracts amounted to \$115,386,000 in 1962, primarily to make funds available for production in connection with the Canada–United States *F-104G* mutual aid program. Revolving Fund contracts amounted to \$17,033,000 in the first half of 1963.