

from 1,986 to 2,624. Subcontracts received by Canadian firms increased from 1,111 to 1,769, valued at \$76,500,000. Other prime contracts received directly from the United States Government by Canadian industry and other institutions totalled \$1,300,000.

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 1962, Canadian firms reported that they had received \$45,114,000 in prime contracts and subcontracts from NATO and other countries (excluding the United States) of which prime contracts accounted for \$7,359,000. Subcontracts placed in Canada by overseas countries amounted to \$37,755,000. The major purchases in this group were for inertial navigation systems, vehicle spares, positional homing indicators, *F-104G* support equipment and engine spares.

Emergency Supply Planning.—In 1962, the Department continued with plans and preparations to bring a War Supplies Agency into immediate existence in the event of a nuclear war. The Agency would assume control of the production, distribution and pricing of all civilian and military supplies except for certain aspects of the agricultural and fishing industries. The staffing of the national and regional components of the War Supplies Agency on a standby basis was completed, and progress was made in the selection of zonal standby staffs. In several areas, a beginning was made in the selection of standby staff for local components.

In order to provide a basis on which the War Supplies Agency could make a post-attack assessment of surviving supply resources, the research program was extended to produce in readily usable form comprehensive inventory data on major stocks of essential commodities and related production facilities normally available in this country. New surveys of inventory stocks and related production facilities were initiated in the materials field. In co-operation with the oil industry, energy vulnerability studies were begun and are continuing. In addition, economic studies of two emergency government zones and reports on specific segments of industry were completed. Although the research program as a whole is primarily a long-term project, significant progress was made.

Various emergency regulations and orders required to bring the War Supplies Agency into existence and give it authority under the War Measures Act were reviewed in their peacetime draft form and brought up to date. Manning and warning procedures were revised, and a system for the control of personnel records of the national and regional standby staffs was instituted in co-operation with the Department.

Plans for consumer rationing advanced to the point where sample ration documents were approved by an interdepartmental advisory committee. Agreement was reached on the transfer of a quantity of surplus military clothing to the Department for civilian use under War Supplies Agency control in an emergency. Also, the Government approved a program of industrial preparedness measures.

PART III.—CIVIL EMERGENCY PLANNING (CIVIL DEFENCE)

The present arrangements for civil emergency planning in Canada took form in 1958, when 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