

Contracts placed for all sources other than the Departments of National Defence and Defence Production totalled \$151,261,000 in 1964, of which \$84,557,000 was for the United States Government and \$2,018,000 for the British Government.

Defence Production and Development Sharing.—In 1964, \$166,800,000 worth of United States defence production-sharing business was placed with Canadian industry, an increase of 16.8 p.c. over 1963. The higher level in 1964 was partly accounted for by an increased level of incremental funding on the F-104G MAP aircraft program. The total United States defence production-sharing business in Canada during the six years of the program was \$914,700,000.

United States inquiries to Canadian industry increased from 12,858 in 1963 to 19,654 in 1964, and responses by Canadian companies from 2,853 to 3,509. Prime contracts placed by the United States Government with the Canadian Commercial Corporation increased from 1,130 to 1,548, the latter having a total value of \$89,900,000. Subcontracts received directly by Canadian firms increased from 2,075 to 2,445 valued at \$74,800,000. Other prime contracts received directly from the United States Government by Canadian industry and other institutions had a value of \$2,000,000.

In 1964, assistance was given to Canadian industry under the development-sharing program for research and development projects of interest to the United States Services; contracts amounting to \$27,800,000 were issued, with expenditure totalling \$20,000,000.

Co-operation in NATO and RDP (Research, Development and Production) and Exports Overseas.—Canadian industry is encouraged to participate in supplying the defence needs of European and other countries in such areas as aircraft, training and navigational aids and engine spares. During 1964, 77 Canadian firms reported the receipt of \$59,770,000 in prime contracts and subcontracts from 40 NATO and other countries (excluding the United States), although over 90 p.c. of this business came from 11 countries. Of the total, which was an increase of 12 p.c. over 1963, prime contracts accounted for \$48,564,000 and subcontracts placed in Canada by overseas countries for \$11,206,000. The major purchases in this group were for *Caribou*, *Beaver* and *Otter* aircraft, F-104G simulators, rocket launchers and noscap assemblies for the NATO M-72 light anti-tank weapon program, navigational equipment for the F-104G aircraft, spares for vehicles, aircraft and aircraft engines, and a contribution to the shared development of the CL-89 surveillance drone.

During 1964, Canadian defence contracts placed in overseas countries on behalf of the Canadian Armed Services amounted to \$43,169,000, consisting of \$24,973,000 in prime contracts and \$18,196,000 in subcontracts, so that Canada benefited from this exchange of defence contracting by \$16,601,000.

PART III.—CIVIL EMERGENCY PLANNING (CIVIL DEFENCE)*

The present arrangements for civil emergency planning in Canada took form in 1958 following an analysis by the Canadian Government of the kind of 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 borne by provinces and municipalities. The reorganization, which became effective on Sept. 1, 1959, was based on the principles that: (1) civil defence was properly a function or activity of government rather than a separate organization as such, and (2) this function should be divided into clearly defined tasks assigned to the appropriate levels of government, and at each governmental level made the responsibility of those departments or agencies best able to undertake and discharge them.

* Prepared (November 1965) by the Director General of the Emergency Measures Organization, Ottawa.