

Prime contracts placed by the United States Government with the Canadian Commercial Corporation increased from 1,561 in 1964, to 1,707 in 1965, the latter having a total value of \$146,500,000. Subcontracts received directly by Canadian firms increased from 2,445 to 2,895 and were valued at \$109,800,000. Other prime contracts received directly from the United States Government by Canadian industry and other institutions had a value of \$3,221,505.

In 1965, continued assistance was given to Canadian industry under the development-sharing program for research and development projects of interest to the United States Services; 56 development-sharing contracts were in effect with expenditure totalling \$22,000,000.

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 1965, 80 Canadian firms reported the receipt of \$67,736,000 in prime contracts and subcontracts from 43 NATO and other countries (excluding the United States), although over 95 p.c. of this business came from some 14 countries. Of this total, which was an increase of 11 p.c. over 1964, prime contracts accounted for \$46,076,000 and subcontracts placed in Canada by overseas countries, for \$21,660,000. The major purchases in this group were for *Caribou*, *Otter* and *Twin Otter* aircraft, F-104G simulator spares, rocket launchers and nosecon assemblies for the NATO M-72 light antitank weapon program, navigational equipment for the F-104G aircraft, position and homing indicators, spares for vehicles, aircraft engines and spares, MK44 torpedoes and spares, and a contribution to the shared development of the CL-89 surveillance drone.

During 1965, Canadian defence contracts placed in overseas countries on behalf of the Canadian Armed Services amounted to \$51,011,000, consisting of \$31,259,000 in prime contracts and \$19,752,000 in sub-contracts, so that Canada benefited from this exchange of defence contracting by \$16,725,000.

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 re-arrangement 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.

The Canada Emergency Measures Organization is the federal co-ordinating agency for all civil emergency planning. The Civil Emergency Measures Planning Order (Order in Council PC 1965-1041) dated June 8, 1965, defines the functions of the Canada Emergency Measures Organization, designates it as a department for administrative purposes and places it under the control and supervision of the Minister of Industry. Its functions include:—

- (1) the development of policies and a program to ensure the continuity of government in an emergency;
- (2) the co-ordination of civil emergency planning and training within the Federal Government;
- (3) in conjunction with provincial authorities, the development of policies and a program for the control of civil road transport resources;