

similar system. Cadmium, lead and zinc were decontrolled in May 1952 and sulphur in November 1952. Controls on certain copper and aluminum products were cancelled in November 1952, the remaining controls on orders of these metals being removed in March 1953. Controls on nickel and certain of its products were relaxed in June and July 1953 and abolished in October 1953.

In the case of steel, supplies were diverted as necessary to defence and defence-supporting purposes by the direction of individual requirements at the mill, warehousing or fabricating levels. In addition, the use of structural steel for a wide variety of less essential purposes such as places of amusement, liquor stores, hotels, banks and service establishments was placed on a permit basis in February 1951, the system being revised in January 1952. A Ministerial Order of January 1952 prevented the accumulation of excessive inventories of steel and ensured that steel would be used for the purpose for which it was acquired. These controls were abolished on Jan. 1, 1953, from which date end-use certificates were required on purchase orders for steel and the power also remained to direct steel to defence uses. Controls on steel were revoked in October 1953.

In addition to the above controls on specific materials, the Minister of Defence Production has general powers for establishing a priority system for any type of essential supplies, under Order in Council P.C. 2399 of May 16, 1951. It has not been necessary to exercise these powers formally to any great degree, and priorities in Canada have been dealt with largely by informal consultation between the Government and representatives of industry.

Since Canadian firms are dependent on the United States for a considerable proportion of their requirements of materials and semi-finished and finished goods, the system of controls in that country has an important effect in Canada. Under the United States Controlled Materials Plan, which governed the distribution of steel, copper and aluminum, quarterly estimates of Canada's future requirements were made by the Department of Defence Production and considered at Washington, D.C., along with claims from all segments of the United States economy. An allocation was then made to Canada and distribution to Canadian industry was carried out through the Department. The CMP was succeeded on June 30, 1953, by the Defence Materials System, under which a similar approach was adopted towards Canadian requirements.

With respect to the general United States priorities system, the Department screens applications from Canadian firms and assists them in obtaining their approved requirements on a basis generally comparable to that accorded to United States concerns. Similarly, United States procurement agencies or firms that have defence requirements in Canada are given any necessary assistance by the Canadian Department of Defence Production. By agreement, the Department gives such United States orders treatment comparable to that given to orders for the Canadian defence program.

By the end of 1953, the Department's interest in the materials field had ceased, except with respect to materials in short supply in the United States. Its remaining activities, so far as the commercial and general economic aspects of strategic materials were concerned, were therefore transferred to the Department of Trade and Commerce. A priorities and expediting group was retained to assist Canadian firms in obtaining their requirements of items under control in the United States, and to assist Canadian defence contractors with any supply difficulties that they might meet in Canada or the United Kingdom.