

for foreign purchases of complete rounds of explosives inserts is expected to diminish. A nitroglycerin plant was completed in 1954, and work proceeded toward the manufacture of solventless cordite and double base cast or extruded rocket propellants. Shells and cartridges were produced for the United States Government and new orders received for picrite and hexachlorathene. In addition to metal ammunition components, NATO countries were supplied with flashless cordite, rifle powder, Composition "B", and picrite.

General Purchasing.—The general purchasing program involves the procurement of a wide range of items required for clothing, equipping, feeding, maintaining and servicing the Canadian Armed Forces. This has involved the procurement of many types of defence supplies and services, including textiles and all types of clothing, footwear and leather goods, military pattern, standard commercial and special commercial vehicles, together with parts, replacements, and the reconditioning of service vehicles, food and catering services, furniture and furnishings, petroleum products and hard fuels, medical and dental supplies, research and development projects, building supplies, and all types of barrack stores and other related items.

Special requirements purchased for other governments, Canadian and international agencies, include wheat and flour for the United Kingdom, West Germany and Ceylon, and mechanical transport equipment for the United States. Purchases were also made for stores and products in connection with the contribution of Canada, under the Colombo Plan, to the governments of India, Pakistan, and Ceylon. These have included the purchase of steam and diesel locomotives, agricultural equipment, electric generators, and supplies for a hydro-electric project to serve a large area of Ceylon.

The District Purchasing Offices of the General Purchasing Branch are responsible for the purchase of food and other defence supplies and services of a local or urgent nature, which are required by the Department of National Defence establishments located in the vicinity of the District Office. The principal purchases include food, hardware, electrical and building supplies, electrical and electronic equipment, and barrack stores. Service contracts are arranged for repairs to buildings and to ships, laundry and dry cleaning, repairs to footwear and clothing, coal hauling, disposal of ashes and refuse, snow removal, transportation, and other related requirements.

New Production Facilities.—Technological developments in military equipment which have taken place since World War II, and the desirability of making a greater variety of component parts in Canada have necessitated the establishment of new production facilities in this country. By building new plants or, more frequently, by the installation of new machinery and equipment, Canada has been able to maintain a higher rate of defence production with less dependence on outside sources of supply. Private industry was encouraged to set up these defence production facilities by being granted additional capital cost allowances (commonly known as "accelerated depreciation") for income tax purposes. Many of the applications for these allowances have been for the expansion of facilities to produce basic materials required for the defence program. More recently, however, there have been an increasing number of applications in connection with facilities for direct defence production.