

ERNMENT
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STATEMENTS AND SPEECHES

INFORMATION DIVISION
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No. 51/45 SOME ASPECTS OF THE CANADIAN DEFENCE
PRODUCTION PROGRAMME

An address by the Deputy Minister of Defence Production, Mr. M.W. Mackenzie, at the Annual Meeting of the Canadian Industrial Preparedness Association, made in Toronto on November 8, 1951.

...I thought that what I could do today would be first to say a few words about the progress that has been made so far in the programme on which we have embarked, to get into perspective what has been accomplished with what still remains to be done within the known programme, and then to say a word or two about what other steps can be taken towards the overall objective, thinking particularly of where we fit in to the overall North American programme as distinct from the Canadian programme.

Let us start with the \$5 billion which the Canadian government has announced as its programme for the three-year period from April 1, 1951, to March 31, 1954. Out of this total, provision must first be made for military pay and allowances, Department of National Defence administrative costs, rentals, purchases of land, and all other services which are dealt with by the Department of National Defence. Over a three-year period, these costs are estimated to amount to something over one and a half billion, which would leave just under \$3½ billion for the purchase of goods and materials. Orders for defence goods which were placed during the first half of the current fiscal year have totalled just over \$1,100 million, leaving something over \$2,300 million yet to be committed. While this large sum is still to be covered by the placing of specific contracts, it is a fact that the pattern in which it will be spent has largely been established.

For example, the largest part of our production programme is, of course, in aircraft, not only because of the responsibilities allocated to the Air Force itself, but also by reason of the fact that the Army's programme contemplates mobile airborne units, and Naval aviation is playing an increasing part in the operations of the R.C.N. The aircraft requirements of the three services constitute over one-third of the whole procurement programme, and will represent, over the three-year period, purchases amounting to some \$1,200 million. Only one-third of this is covered by actual orders, but the pattern of what is to come is pretty well known. As you all know, Canadair in Montreal is now producing the F86E in quantity, although it has not yet hit its maximum anticipated capacity. It is also preparing to produce the Lockheed T33 Jet Trainer and the