



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 51/40 CANADA'S DEFENCE PRODUCTION PROGRAMME

A statement by the Minister of Defence Production,
Mr. C.D. Howe, made in the House of Commons,
October 19, 1951.

The defence programme on which we have embarked in discharge of our treaty obligations, and our national responsibilities, falls into two main parts: the direct military programme on the one hand and the vitally important resource development programme on the other. An appreciation of Canada's defence efforts can only be obtained by considering both of these important contributions to the objectives of the North Atlantic Treaty. We are not at war; we are not preparing for war. We, in company with our allies, are strengthening our common defences and expanding our resources so that in the event of an emergency we could sustain the great effort we would have to make. The fact that resource development is more palatable to any country than armament production does not in any way detract from its usefulness or its importance towards the common end. It would not be proper for us to concentrate all our efforts on one, or on the other; the two must go hand in hand.

But first let me deal with the direct programme of the Department of National Defence. The amount of cash appropriated by parliament for the Department of National Defence and the Department of Defence Production during the fiscal year 1951-52 is \$1,729 million. National Defence appropriations total \$1,614 million, including \$166 million for mutual aid. The Department of Defence Production appropriations are \$115 million. Of the total of \$1,729 million about \$1,108 million has been made available for construction, production and procurement through the Department of Defence Production. The remaining funds are required for military pay and allowances, maintenance and other services not provided through the Department of Defence Production.

In addition to this cash disbursement authority, parliament has also authorized the entry into commitments which would enable the government to initiate production now in order to complete its \$5 billion programme by 1954.

Orders for defence goods, excluding capital assistance and stockpiling, placed during the first half of this fiscal year amount to a value of \$1,122 million, as compared with some \$760 million for the whole of the previous fiscal year. Placements rose from \$464 million in the first quarter of 1951-52 to \$658 million in the second quarter.

Expenditures for deliveries and progress payments made in the first half on this fiscal year amounted to \$267 million. In addition, outlays for capital assistance were