

Work has been done on both of these approaches to the problem. The first that I should mention resulted from discussions between Mr. Howe and Mr. Charles Wilson, when it was agreed to re-activate the Joint Industrial Mobilization Committee. Mr. Howe and Mr. Wilson are the joint-chairmen, with Mr. S.D. Pierce, the Director of our Washington Office, and the Co-ordinator of Production being the two Canadian members. I act as Mr. Howe's alternate in the event of his being unable to attend a meeting. As in the case of the Joint War Production Board of the last war, it is not expected that this Committee will meet frequently, but the work that it will accomplish will be carried out by sub-committees which, in effect, provide an arrangement whereby the Directors of the various divisions of the Department of Defence Production can meet with their opposite numbers in the United States. This type of co-ordination between the two countries does not give rise to spectacular announcements, but by bringing together our respective senior procurement officers, it does provide an excellent means of meshing the programmes of the two countries.

These sub-committees deal not only with direct procurement problems such as aircraft, machine tools, and electronics, but also cover the field of essential materials. Some very useful discussions were held, for example, in connection with the problems arising in lead and zinc prices. As you know, the open market price for these two metals was causing concern to both governments. On the one hand, the United States was finding it difficult to secure sufficient supplies at the domestic price, while Canadian suppliers felt, justifiably, that their position was unsatisfactory if they had to continue to sell in the American market at prices far below what was being paid to other suppliers. This problem was raised through the Joint Industrial Mobilization Committee, as a result of which the United States came forward with a proposal, which they have since acted upon, designed towards stabilization of the price of these two metals.

Much of the work which is being carried on in this general field is handled by the Department's staff in Washington. As you know, we have set up a Washington office, with Mr. S.D. Pierce as Director. More recently, Mr. Roy Peers was appointed Vice-President of the Canadian Commercial Corporation and stationed in Washington, for the express purpose of making known in the appropriate quarters in the United States the availability of facilities in Canada. You will probably not hear very much in the nature of formal activities of the Joint Industrial Mobilization Committee, but it is a very necessary part of our overall arrangements between the two governments. Already we are beginning to see the results of this endeavour, and more inquiries from the United States will undoubtedly be forthcoming.

It is one thing to get inquiries from the United States, either for supply of major items through prime contracts to be awarded in Canada or for Canadian industry to stir up inquiries for sub-contracts. It is another matter to deal with the problems that are met between the receipt of an inquiry and the signing of a firm order. Two of the most common problems which are met concern United States tariffs and the Buy American Act. I think, therefore, that you will be interested to learn that arrangements have been made which will go quite a long way to dealing with both of these problems.