

Short-term gaps in supplies and equipment have been closed by getting materials from the other country. Canada shipped to the United States 500,000 each of shell bodies, fuses and tracers for a certain type gun during a period when Canadian supply was running ahead of schedule. The shells were loaded and are now being used by United States troops. On the other hand the United States shipped 150,000 body castings for a certain type shell, with the result that Canadian plants were able to load and ship finished rounds on schedule.

Steel plates and frames for Canadian merchant shipbuilding were delivered quickly from the United States, following prompt action by the Maritime Commission. As a result, several hundred thousand tons of merchant ships slid down Canadian ways in 1942; without the plates, it is estimated that output would have been not more than two-thirds of this amount. In another instance, working through the Joint Committee, the United States Navy Department got quick delivery from Canada of 30,000 pounds of urgently needed optical glass for sights.

Transportation facilities have been diverted to more essential war work, and Canadian Great Lakes grain boats were changed over to the movement of iron ore between United States ports. This made possible the shipment of an extra 2,500,000 tons.

Elimination of tariffs and delay at the border has removed barriers to effective integration of production facilities. By a series of broad orders in council, Canada permits entry, free of duty and taxes, of practically all war production goods purchased by the Department of Munitions and Supply or its duly authorized agents. For its part the United States, under provisions of an executive order of June 1, 1942, suspends tariff barriers on all war supplies imported by government departments. Canada is modifying her regulations with respect to the movement of goods by truck in bond across Ontario between Michigan and New York so as to permit free movement of all war materials.

Close to one-quarter of Canadian war production at the present time is going to fill U.S. orders. \$1,000,000,000. in war orders have been placed by the United States in Canada. Half of Canada's production of machine tools now is being supplied to the United States. United States war equipment manufactured in Canada includes M-4 tanks, Curtiss dive-bombers, PB-Y flying boats, anti-aircraft and anti-tank guns, aviation instruments, communication equipment, shells and bombs. Besides the Liberty-type merchant ships, Canada is beginning to build combat vessels for the U. S. Navy.

On November 10, 1942, Canada became a full member of the Combined Production and Resources Board, formed in the previous June by the United States and the United Kingdom. Canada was admitted because of the very close relations in the field of production already existing between Canada and the United Kingdom and Canada and the United States. The principal objective of the Board is to combine the production programs of the United States, the United Kingdom and Canada into a single integrated program, adjusted to the strategic requirements of the war, as indicated by the combined chiefs of staffs, and to all relevant production factors. The Board consists of:

- Hon. C. D. Howe, Minister of Munitions and Supply - Canada
- Donald M. Nelson, Chairman of the War Production Board - United States
- Oliver Lyttleton, British Minister of Production - United Kingdom

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