

A second type of direct control is exemplified by the order forbidding the use of steel in certain types of less essential buildings. This prohibition has funnelled the available supplies of steel into those direct defence and defence supporting programmes which might otherwise have been delayed.

A third control mechanism which is related to the American CMP has been the distribution of materials of U.S. origin through the issue of CMP tickets. Each quarter, Canada receives an allotment of U.S. materials under CMP and our Department has issued tickets, up to the amounts available to us, to Canadian companies which require these materials of U.S. origin for their operations. I am sure that many of you know that the issue of tickets for steel coming to Canada in mill forms is handled by our Steel Division, and that mill forms of copper and aluminum are processed through our Non-Ferrous Metals Division. Where the controlled materials are to be fabricated in the United States for Canadian account, the Priorities Division arranges for the issue of the necessary tickets.

One of the major problems in this part of our operations has been the need to forecast requirements many months ahead. As the system has operated, we must make our submission to Washington about five months before the beginning of the quarter in which the materials will be delivered. This requirement of a long lead-time explains why our people have been forced to ask Canadian manufacturers about their plans so far ahead. It also explains why, in some cases, it has not been possible to provide additional supplies of materials when the need for them has developed after our submission has gone in.

A very large part of the raw materials needed in Canadian industry is of course produced in Canada and our Department is continuously giving assistance in obtaining supplies of these materials for defence supporting projects. This type of assistance is normally on an informal basis and I have no doubt that many in this audience have received calls from members of our staff in Ottawa requesting that certain shipments should be expedited in order to avoid delays in the defence programme. Because of the willing co-operation of Canadian industry, it has been possible to keep to a bare minimum the issue of formal production directives, and I am sure that our system has been the more effective because it has been carried on in an atmosphere of friendly co-operation.

The last type of control and priority support to which I wish to refer is the work which we have done in obtaining priority ratings in the United States for materials and equipment required in the defence programme. Where promised delivery dates obtainable through normal commercial channels are not satisfactory, companies have made frequent use of our Department in obtaining priority ratings to improve delivery schedules. This type of activity has occupied a large proportion of the time of our Priorities Division and the number of requests have if anything been increased during the last several months. Although it is difficult to be sure why this is so, I think perhaps the reason may be found in the fact that delays in the delivery of steel and other raw materials have been decreasing recently. When it took six or eight months to get steel for a new plant, a delivery date of six to eight months hence for equipment would not delay the completion of a project. However, if the steel can be obtained in three