

cluded is the construction of new plants and additions to existing plants for the manufacture of aircraft and other materials required in the war effort.

EXPLOSIVES AND CHEMICAL
BRANCH

The explosives and chemical program recorded further substantial progress in the three months ended September 30. All the larger projects, with the exception of the ammonia plant at Calgary, are now in operation. The Calgary ammonia plant should start initial production early in October.

Substantial quantities of explosives and chemicals continue to be exported to Great Britain and it also has been possible to supply urgently required chemicals to the United States and to some of the Dominions.

The original explosives and chemical program will reach full production before the end of the year with practically all plants producing in excess of their rated capacities.

The urgent demand for explosives and chemicals from North America continues. Steps already have been taken to eliminate certain bottlenecks in production in some of the larger projects by the installation of additional equipment at comparatively low cost and this will give substantial increases in output from these plants. Study also is being given to a further possible enlargement of the program in view of additional heavier demands being placed upon North America.

The large requirements of raw materials and intermediates to supply the explosives and chemical plants are causing serious shortages in domestic markets. As a result, curtailment and rationing of domestic requirements has been essential and in the past quarter arrangements were completed for the establishment of a Chemicals Controller. It seems probable that further drastic curtailment of certain domestic supplies will be required.

The Branch has continued to work closely with United States' Government authorities controlling essential raw materials and it is receiving excellent co-operation.

Including four projects undertaken during the last three months, the present program is as