

Canadian plants are now being called upon to produce the bulk of the equipment to be installed in the North American radar screen and to furnish the equipment necessary to complete the network of communications vital to the defence of this continent. Because of the development required in this programme before production can be undertaken, it is unlikely that its full impact will be felt by industry until the last months of 1952.

Defence Construction

Contracts presently being administered or in process of being placed by Defence Construction Limited will amount to \$440 million in the three fiscal years between April 1951 and March 1954. These outlays provide for the erection of radar screen buildings and supporting facilities, airfields, barracks, training facilities and quarters for married personnel. Outlays will probably reach a peak about the middle of next year. Deliveries of scarce building materials, such as structural steel, reinforcing bars, and wire mesh, while presenting a problem in individual cases, are not expected to cause serious delays in the realization of this programme.

Contract awards since the incorporation of Defence Construction Limited late last year have amounted to \$146 million. Fifty-three million dollars' worth of new construction has now been completed.

Machine Tools

Another of our major activities has been in the field of machine tools. The Department of Defence Production has purchased nearly \$17 million worth of tools in the first five months of the present fiscal year. Over \$2½ million worth of these orders have been placed in Canada, approximately \$1½ million in the United Kingdom, and over \$12½ million in the United States and other countries.

These tools, when purchased by the department, are made available to Canadian contractors holding government contracts. Since they are bulk purchased it means not only a saving to the government in purchase price, but it also helps to obviate long delays which would otherwise be inevitable in the various production programmes.

Textiles and Clothing

The 300 million dollar clothing and textiles programme is making rapid progress. Peak production rates of essential primary textiles have already been achieved. By the end of the calendar year the government will have received over 16 million yards of cotton textiles, 4½ million yards of wool fabrics, and over 6 million yards of synthetic textiles. In the case of wool fabrics, this excellent performance was possible only because the government, realizing the urgent need of entering the raw wool market to secure adequate supplies, purchased eight million pounds of raw wool and tops. As a consequence, firms with defence contracts were able to begin production at once on military orders.

Now that primary textiles are coming forward in an increasing flow, the second part of the programme, converting fabrics to garments, can be accelerated. Schedules of production so far outlined call for the delivery by the end of the