

In the field of shipbuilding, the last ten of the Canadian-designed non-magnetic coastal minesweepers were completed in 1954. Work advanced on the destroyer escort and frigate conversion programmes. The Arctic patrol vessel "Labrador", which is the first specifically designed for operation in northern waters, was accepted by the Navy in July. She has since successfully completed her first Arctic mission, having penetrated the northern ice floes last summer, en route from Halifax to Esquimalt, B.C. The "Labrador" is the first naval vessel to complete this difficult journey. There was a continuing uptrend in the development and production of new electronic devices. This has been necessary in order to keep pace with the expanding use of electronics in the control and guidance of aircraft and ships, as well as for the extension of ground radar warning systems. The production of guns and other weapons continued satisfactorily during the year and deliveries of four major weapons were completed. Development work on new and improved weapons continued, and engineering studies in connection with small arms production have been in progress since international agreement on a standard small arms cartridge was reached early in the year. Ammunition production included various types of cartridges, shells and rockets and the required propellants and explosives.

General purchases during the year covered a wide range of goods needed for clothing, equipping, feeding, maintaining and servicing the Canadian Armed Forces. The volume of orders in this category increased in 1954, because of the greater amount of military items in use and the larger number of personnel in the Armed Services. Expenditures on defence construction in 1954 showed some reduction. The urgent requirements of the R.C.A.F., which had received priority in previous years, neared completion, and the emphasis on defence construction began to shift to army home station development.

Few projects requiring capital assistance were initiated during 1954. The major facilities required for the production of large quantities of a greater variety of defence items had already been established by the beginning of the year. Wherever practical, private industry was encouraged to take over ownership of these facilities with the proviso that their defence potential be protected. Private industry has also been encouraged by accelerated depreciation to create its own facilities necessary to handle defence production. The new facilities that have been created in various ways have resulted in a broadening of Canada's industrial base, particularly in such fields as the production of aircraft engines and instruments and electronic equipment. This expansion has made Canada less dependent on foreign sources for its necessary defence equipment.

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