

possible familiar with some part of our requirements. This is well illustrated in what has been done so far in the ammunition programme. This programme is essentially a series of individual contracts placed directly with industry by the Department, and with Canadian Arsenals doing the final assembly. Another illustration of the same objective is in the aircraft programme, in which prime contractors are encouraged to do as much as possible through sub-contractors. A.V. Roe, I believe, already has over 400 sub-contractors. In this way we are endeavouring not only to make the best use of existing facilities, and thereby minimizing the cost of establishing new facilities, but we are also bringing as many people as possible into direct contact with the defence production programme.

It has been pointed out before, but I believe it is worth reminding you again of the special nature of the whole programme and of the large element of insurance that is included in it. It is not a programme designed solely to produce great quantities of material in short order. That, of necessity, had to be the programme when the (Wartime) Department of Munitions and Supply was established, but our problem today is to build now for production levels in excess of anything that is included in the present planned procurement. Accordingly, when it becomes necessary for us to arrange for the creation of new facilities, the basic plans are always made to handle increased levels of production. I could give you numerous examples to illustrate this point, but one that comes to mind immediately is the new facility being erected by John Inglis for the manufacture of the propulsion units for the destroyer escorts. The present programme contemplates fourteen destroyer escorts to be produced in a period of three years, but the Inglis plant will have capacity to produce more than that number of turbines in a single year should the need arise. This principle needs no elaboration to this audience, because the very nature and, indeed, the name of your organization is based on preparedness.

I know that many of you in the past have, and perhaps not without some reasons, been impatient of the apparent lack of planning in Ottawa to meet the production problems with which we would be faced in the event of an emergency. A great deal of planning along these lines has been undertaken in the United States, and much has been made of the shadow orders that were to be placed with industry. The nature of our programme in Canada, at least so far, has not been such as to persuade us of the usefulness of following a similar course here. Little could profitably be done until firm decisions had been made as to the size and nature of our requirements. These are now beginning to clarify, and we are getting on with placing orders, as evidenced by the very rapid increase in the value of orders placed in the first and second quarters of this fiscal year which, in the aggregate, are almost half as much again as the total placed in the year 1950-51.

Our present preoccupation, however, is to get on with the placing of orders for the balance of the programme and to get actual production rolling. Although the pattern has been largely set, there is still a good deal of work to be done. As and when we--and in that I include not only our Department but also industry--have digested the programme that is before us, it may be possible to take some useful