

of the planning branch of the British purchasing commission in Washington. It is dated February 5. I quote:

Dear Mr. Fairweather:

It is only in the last day or so that I have had an opportunity to go over the figures you brought down from Canada last week. The more I study them, the more convinced I am that you have given us just what we needed. Mr. Purvis and Mr. Monnet are both very well satisfied.

I shall probably be sending you teletypes from time to time in connection with some of the details as we go deeper into the figures, but the information in your tables is ample for our purposes and gives a comprehensive picture of the entire Canadian effort.

May I thank you for all the trouble you took in preparing the tables and bringing them down to us.

I was sorry that you were not able to stay longer in Washington.

John S. Guest.

There is another letter from Mr. Guest dated February 18:

Many thanks for your letter of February 14 with supplementary forecasts of deliveries of certain items from April-December 1942.

We realize fully that the projection of output shown on your quarterly tables assumes that the capacity continues to be employed on repeat orders and that it makes no allowance for output from new capacity not yet under construction.

Your annual figures for maximum potential output do take account of such possible new capacity. The possession of both of these sets of figures greatly adds to the value of each. We anticipate that our forecast of United States deliveries will be ready by the end of next week, and we shall be glad to send copies up to Mr. Howe.

Notice that; ours is in, and the other is coming.

In discussing our aircraft production, I wish to be exceedingly frank as to how it stands. I think hon. members should bear in mind that all we can do in the Department of Munitions and Supply is to organize industry as efficiently as possible, and to place the work that we are required to place with the firms best able to do it, having in mind their other commitments. If an industry is capable and is working along lines for which it has been organized, we invariably find that that industry is able to meet and in many cases to exceed our expectation. If we are dealing with an industry which has been newly created, one which has little background and has expanded rapidly, we are not able to forecast accurately what that industry will do. I have in mind the aeroplane industry, which in 1937 was practically nothing, but which to-day employs about eighteen thousand people. We study the situation and base our plans upon what we think an industry ought to do. Obviously we are not able to predict with the same degree of exactitude that we can in well-

organized industries, or in connection with a substantial industry performing in its own sphere.

Again, we have reliable industries with established production reputations coming into production on articles the manufacture of which is entirely strange to them. There again predictions are apt to be unreliable. If someone would like to read another view on this point I suggest he might be interested in reading an article by Mr. Charles F. Kettering, president of the General Motors research corporation. I might add that Mr. Kettering is credited with having improved methods of automobile manufacturing to an extent greater than any other man living. The title of that article is "Guns are not Windshield Wipers," and it appears in the *Saturday Evening Post*—

Mr. HANSON (York-Sunbury): What?

Mr. HOWE: —the issue of January 18. It is a warning, particularly to the automobile industry in the United States, that when they step into the manufacture of aeroplanes, guns and aeroplane engines they are stepping into a field unknown to them, and that they will not have a background of twenty years of progress to guide them. It advises them not to make too optimistic promises. We find that borne out in the production situation as it is to-day.

In Canada we have ten major divisions of production. Of those ten divisions, seven are fully up to or ahead of schedule. Three are not up to schedule and are not in as good position as the other seven.

First I refer to personal equipment, the general buying of clothing and articles used by the troops. As is known, we had difficulty in the early days of the war in bringing that industry up to the production level required. There is no difficulty to-day. We are well ahead in every branch of that industry.

As to the construction industry; in the last building season we tested that industry in a way in which I believe it had never been tested before in Canada, and it met every demand made upon it. As hon. members know, so far as the air training programme was concerned we did two years' construction in one, and we carried on a great amount of work in other branches of the service. No difficulty there.

In regard to shipbuilding, when our naval programme was under consideration we made a survey of the shipyards in Canada, and an estimate of the production we could obtain from those shipyards. I can report that those forecasts have been greatly exceeded; we have a much greater output of shipbuilding than we had forecast at the time we laid down our programme.