

international commitments; to lay the groundwork for effective action in whatever circumstances may develop; and to carry on with those long-range programmes that will keep our economy strong.

I thought that this audience might be interested to know what the Government has been doing about this situation, what we are doing right now, and what we are going to do as the situation clarifies itself. Perhaps in the few minutes at my disposal I can best describe this under three general headings: direct defence preparations, co-operation in the international field, and economic preparedness in Canada.

Our defence preparations date back to decisions made soon after the end of World War II, when it was decided to retain the nucleus of a munitions and supply department. On the production side this has been done through Canadian Arsenals Limited. Canada, as you know, has no munitions industry to correspond to our aircraft and shipbuilding industries and since the war Canadian Arsenals have maintained their normal operations in the production of small arms and ammunition. In recent months, their programme has been greatly expanded. In addition, they have kept in reserve large quantities of tools and other supplies that would be needed in time of war.

On the procurement side, we have the Canadian Commercial Corporation. This group of more than 300 trained purchasing personnel, many with extensive experience during the last war, has acted as the purchasing agency for foreign governments in addition to the work it has done for the Canadian Government. Today, C.C.C. is responsible for letting out all the contracts for munitions and military equipment needed in our expanded defence programme.

On the development side, there has been a continuing programme since the war in the contracts for the production of a new type of night fighter, a jet transport plane, and a jet engine -- the first aircraft engine to be both designed and manufactured in Canada. In all three fields, Canadians can be proud of the work that has been done. Since the outbreak of fighting in Korea, we have started to produce the F.86 jet fighter, the Canadian-designed Canuck night fighter, and the Orenda engine. Just recently, naval shipbuilding contracts have been let, bringing the total up to more than \$70 million for this year. The contracts have been awarded on the basis of a careful allocation to ensure the maintenance of shipbuilding facilities on our inland waters as well as on both coasts. About 30 per cent of the total programme has been awarded to British Columbia yards. Then there is the recently awarded contract for the production of the most modern design naval guns. I mention this contract specifically because it is a joint contract with the United States and illustrates what can be done in the way of co-operation between our two countries to produce the arms and equipment needed to stop the forces of aggression.

This is neither the time nor the place to give a complete catalogue of our stepped-up production programme, nor yet of our greatly-increased construction programme for defence purposes. But the overall measure of the increase in what we are doing now and what we will soon be doing is to be found in the doubling of the defence budget.