

mostly took the form of raw materials or of such simple articles as shells and ammunition to sealed patterns designed elsewhere. Not a single gun or novel major piece of military equipment was made in Canada in World War I and the whole of the industrial organization which was then set up was under the direction of the Imperial Munitions Board, an organization directed and financed from London.

In World War II it was shown conclusively that we need not doubt our ability to invent, develop and produce any article of war short of the larger battlecraft which were, in size, beyond the capacity of our plants. We did not undertake to make everything because this would have been uneconomic in the case of supplies of satisfactory types otherwise available in sufficient quantities.

We are in no doubt that we must again endeavour to balance our industrial efforts with those of our other allies and particularly with the United States in order to gain the best overall advantage. This, as you know, is a matter which is under discussion between the countries.

I should now like to turn for a moment to the Canada - United States Permanent Joint Board on Defence, the body set up by the President of the United States and the Prime Minister of Canada in August 1940, with terms of reference to undertake studies relating in the broad sense to the defence of the North Half of the Western Hemisphere in order to ensure the continued safety of our two countries.

The Permanent Joint Board is not a combined staff and likewise, in its national sections, it is not a rival to the Military Staffs in Washington or in Ottawa. Its strength for its special task lies in the fact that it has not been clothed with any executive responsibility. The Board's procedure provides for the comprehensive interchange of information and its free discussion, and the Board has the duty constantly to review the situation - and if any of its suggestions have not been acted upon it can draw this situation to the attention of the President and the Prime Minister. In practice this has proved to be ample authority.

During the war it was under the auspices of the Permanent Joint Board that the basic plans for the defence of Canada and Alaska were drawn up and that arrangements were made for such important defence undertakings as the Alaska Highway, the Northwest Staging Route for ferrying aircraft to Russia and China, the Crimson Route across Hudson Bay, Baffin Land, Greenland, etc. to Europe, etc.

It was at the instance of the Board also, that towards the end of the war in the immediate and post-war period, steps were taken to transform the international character of the various installations of these joint undertakings to ensure that full ownership and clear title to all establishments in Canadian territory should vest in Canada. Large sums were of course paid by Canada to the United States in this process of liquidation.

Since then the Board has concerned itself with the future. At an early meeting the Board recognized the need for wider interchange of officers and specialists, including those concerned with the design of new weapons, with a view to eventual standardization; for joint tests of new equipment and