

for aircraft. Next in importance is electronics, which represents some \$120 million. Construction has amounted to over \$100 million, as has shipbuilding. Mechanical transport has amounted to some \$80 million. Textiles and clothing including boots and shoes, have amounted to over \$50 million, while ammunition and explosives have amounted to \$60 million, and guns and weapons to some \$50 million. From these rounded figures that I have given totalling about 1 billion dollars it is apparent that the bulk of the program is concentrated in these fields. The balance represents such requirements as fuel, food, barrack-room stores, building supplies, and general supplies.

Another point that should be mentioned at this stage is the element of "insurance" that is included in the program. It is not a program designed solely to produce great quantities of material in short order. That, of necessity, had to be the program when the Department of Munitions and Supply was established, but the program today is concerned with building now for production levels in excess of anything that is included in the present planned procurement. When it becomes necessary to establish special production facilities, the aim is to provide not only for the known requirements but also to arrange so that, with a minimum of further expense, added production can be achieved. The Department, therefore, is concerned with this problem of the development of facilities in the field of specialized equipment for direct use by the Defence Department, as well as for the production of the basic materials entering into that production.

Basic Structure of the Department

The Department's responsibilities and its authorities are set out in the Defence Production Act. The Act follows, in large measure, the provisions of the Munitions and Supply Act, and was drafted in the light of the experience gained under that Act. The rather different nature of the actual program and the great advantage of being able to set up the new Department in the light of experience of the last war meant that it has been possible to organize the Department of Defence Production on rather simpler lines than was possible in the hectic days of 1939-40 when Munitions and Supply was being brought into existence.

Now, gentlemen, I have a chart of the organization of the department. It may help to follow what I will now say if you will just keep an eye on the chart.

The basic organization of the Department rests on three main branches. There is a Production Branch, which, in general terms, is responsible for the major programs that involve specialized production; a General Purchasing Branch, which is concerned by and large, with those things that can be purchased off the shelf; and a Materials Branch, which concerns itself with the problems of the critical materials required either specially for the defence program or those required partly for defence and partly for general civilian use. That is an over-simplification of the division of responsibility between these three main branches, and one notable exception to the general principles that I have stated is that the whole of the textile program, which is very much of a production problem, is, in fact, handled by the General Purchasing Branch. However, it remains true that, by and large, the General Purchasing Branch, which is responsible for fuel, food, clothing, barrack-room stores, and general supplies, can be generally described as purchasing off the shelf, or at least as purchasing items ordinarily produced in this country, as distinct from the highly specialized production programs of aircraft, ships, ammunition, guns, etc.

You will note on the chart that under the general purchasing branch the breakdown is not as clear-cut. There is a division known as general supply