

These programmes that I have mentioned, when added to the amounts that will have to be spent for fuel, food, barrack-room stores, and all the other miscellaneous items which are required by the Services, account for the great bulk of the \$3½ billion that is planned for procurement in the three-year period. The remainder of the programme, which is not yet so firm, covers the fields of electronics, guns, and ammunition.

The first, and by far the largest, of these is the electronics programme, which will amount to some \$560 million over the three-year period. This programme has not developed as rapidly as some of the others due to the fact that so much depends on development work before orders can be placed, and on detailed plans and specifications which are not yet available. Consequently, the full impact on industry has yet to be felt. We are anxious to place as much of this business in Canada as is possible, and indeed, production of many items is now being developed in this country for the first time. However, it is obvious that we will have to depend, to some extent, on outside sources, particularly the United States and the United Kingdom. A substantial part of the programme represents electronics gear to be installed in the F86 and the CF 100 aircraft. Another large part of the programme is to produce the bulk of the equipment to be installed in the North American radar screen and to furnish the equipment necessary to complete the network of communications necessary for the defence of this continent. Still another part of the programme, which is of considerable importance to Canadian industry, is the requirement for Proximity Fuses, which are to be made here for the first time. The part of the programme that is best known to industry, of course, includes the No. 4 Mark VI Radar Sets, now in production, and the One-mile Infantry Pack Set, deliveries of which are expected to begin in December. So far, orders placed amount to approximately \$120 million.

The guns and ammunition programmes have presented particular difficulties. Having taken the decision to standardize on United States type guns and ammunition as far as is practicable, we have had to make a detailed study of the various types of ammunition and weapons in order to determine which we can usefully produce in this country. This involved securing from the United States detailed plans and specifications. It has also been necessary to make arrangements for production experts from this country to visit the various arsenals of the United States in order to survey production methods and techniques. Despite the fact that we have enjoyed the greatest co-operation from the United States military authorities, this has been, of necessity, a time-consuming operation. It will probably be another year before the full impact is made on Canadian industry.

I have not thought it necessary to go over the programme with you in great detail, particularly as a lot of information and statistics of orders actually placed were given by Mr. Howe in his speech on October 19 in the House. The fact remains, however, that for the great bulk of the three-year programme, the procurement pattern has been set.

In so far as it is consistent with our overall procurement policy, we are doing our best to spread this programme, for the obvious purpose of having as many manufacturers as