

A year ago our aircraft industry was turning out about two aircraft a week. To-day the industry is producing more than forty planes a week, of which about twenty are fighting craft, and the remainder, training planes. The industry is also servicing aeroplanes and engines used in the air training schools, which is in itself no small project.

A year ago Canada had converted a few smaller vessels to naval use, and ship contracts had been placed to the extent of about \$50,000,000. To-day, of eighty corvettes on order, fifty-nine have been launched. Of the sixty mine-sweepers on order, twenty-four have been launched. Three merchant vessels have been converted into auxiliary cruisers, and twenty-seven other boats have been converted to naval needs. In addition, we are building twenty-four patrol vessels and twelve mine-sweepers of a special type. Work is under way on a cargo vessel programme, involving an expenditure of over \$200,000,000. We have also in progress a substantial small boat programme. Seventeen major shipyards and forty-five smaller shipyards are occupied on this programme. The major shipyards are being substantially enlarged to accommodate the cargo vessel programme.

Our industrial expansion and other war activities have involved a very large building programme. My department has placed construction contracts involving an expenditure of over \$120 million for the erection of some 3,000 buildings. More than 100 aerodromes have been constructed.

We Canadians are accustomed to think of Canadian industry as being on a small scale compared with those of Britain and the United States. We need have no inferiority complex in the matter of armament plants. To illustrate, we have in Canada the largest factory in the world producing machine guns. We have the largest plant in the English-speaking countries producing field artillery, and this is the only plant anywhere manufacturing field artillery from scrap iron to the finished product. One of our government arsenals has the highest output of small arms ammunition in the English-speaking countries. Our chemical and explosives plants are among the largest to be found anywhere. Our war production has been organized on a vast scale, but we have not overlooked the small shop. Our "bits and pieces" programme has brought work not only to the small commercial machine-shops, but to machine shops built for the private use of newsprint, mining and other domestic industries. We are constantly in search of new productive capacity, and if any has been overlooked, my officers would like to be advised of it.

To sum up the situation, I think we can be reasonably satisfied with our armament programme. Generally speaking, the plants have come into production as anticipated. I had thought that we would reach our