

coming year but probably no significant decline in total outlays.

Defence Expenditures

Defence procurement, in terms of deliveries of end items and work performed, was somewhat higher in 1953 than in 1952. As far as new orders in value terms are concerned, the program, taken as a whole, has passed the peak and shows signs of levelling off. There is, however, considerable variation in the individual parts of the program. In such fields as aircraft, electronics, and shipbuilding continuing orders are being placed and substantial deliveries have yet to be made. In others, while there is still a considerable amount of work in hand, the level of new orders has decreased. Most of the key facilities needed for greater defence production had been established by the end of the year. Capital assistance in 1953 was considerably less than in 1952, and few new projects of major significance were authorized during the year.

Highlights of the individual production programs included full-scale production of the "CF-100" twin-engined all-weather jet fighter, together with the development of a new version, and continued large deliveries of the "F-86 Sabre" jet, including planes which since July have been powered by the all-Canadian "Orenda" engine. Another feature of the aircraft program was the beginning of full-scale deliveries of the "T-33" jet trainer for the R.C.A.F. Deliveries of the "Harvard" trainer and the "Beaver" light general-purpose aircraft continued steadily during the year, and preparations for producing the "T-34" trainer for the United States Air Force were well advanced. The shipbuilding program saw the project for reconverting 20 Bangor minesweepers almost completed, and the production of escort vessels substantially advanced, as well as the reconversion of frigates. The reconverted destroyer "Algonquin" was accepted by the Royal Canadian Navy in March.

The output of guns and other weapons increased during the year, one factor being a substantial increase in output of the 3" 50-calibre twin naval guns and mountings. Under the ammunition programme, many items were produced, and Canada's basic capacity was further expanded. Under the electronics programme, the procurement of a wide variety of complex equipment continued. Considerable progress was made in supplying equipment for the radar defence screen of this continent. The most important individual feature of the mechanical transport programme continued to be the satisfactory delivery of Centurion tanks from the United Kingdom. The peak of activity in defence construction had been passed with the completion of several major projects in 1952, and activity in this field was somewhat lower in 1953.

Most of the new facilities required for a large-scale defence programme were established by the end of 1953. Canada is now able not only to maintain a larger production of defence items, but also to depend less on foreign suppliers. As already mentioned, "Orenda" engines from the new plant at Toronto are now used in the "F-86" instead of jet engines imported from the United States. Other items which replaced United States supplies when they came into production in 1953 included sub-miniature electronic tubes and automatic pilots for aircraft.