

such things as hardware, barrack stores, fuel, photographic equipment, medical supplies, food, petroleum products, etc. The branch also places contracts for repair and maintenance work on National Defence property.

One of the largest programmes being handled by the General Purchasing Branch is in the clothing and textile field. It is expected that about \$150 million will be spent on uniforms, blankets, boots and other items needed by the armed forces in the current fiscal year. Because of the size of this programme the Government, after consultation with the textile industry, decided to proceed with the orderly placing of contracts for about half of the woollen textile requirements. To ensure sufficient wool to meet this volume of orders before the fall sales open in Australia and New Zealand, the Wool Division of the Canadian Commercial Corporation has already ordered 7,100,000 pounds of raw wool and tops. This in turn will be sold to mills manufacturing fabrics and blankets for military use. In this way it is hoped that there will be no undue disruption of civilian requirements in the textile field, and at the same time the defence programme can move ahead in an orderly fashion. In the case of cotton goods, industrial demands are heavy, and as Canadian mills are finding it difficult to fill all our defence needs a good deal of yardage will have to be purchased outside Canada if we are to avoid heavy impingement on the civilian market. Synthetics are being incorporated into cotton and woollen fabrics with excellent results, and this is particularly useful in view of present shortages and high prices of natural fibres.

The majority of contracts awarded by the general purchasing branch are placed as a result of competitive tenders. In certain cases, however, contracts placed by the branch have been allocated throughout industry. This has usually been done because of delivery requirements and the quantities needed, and to make sure we were not placing too heavy a burden on a limited number of manufacturers. For instance, orders are being placed for one million pairs of military footwear with firms located throughout Canada, in order to make the best use of open capacity. Many supplies are bought and services contracted for in the area where the armed forces are located, and purchases of these items have been made from coast to coast by district purchasing offices.

The suggestion has been made recently that there is something unfair about the way in which defence contracts are being awarded to the different provinces; and I refer especially to our friend from Moose Jaw (Mr. W.R. Thatcher, CCF-Moose Jaw). For example, it is claimed that Saskatchewan is not getting its reasonable share of the defence programme. Before commenting on this, I would like to emphasize the fact that capacity for making defence goods is not spread evenly over the country. Modern weapons are made in specialized factories by skilled workers, and it is a basic fact that the bulk of Canada's potential for making munitions is in Ontario and Quebec. It is not necessary for me to dwell on the economic influences which have brought this about, but the fact remains. It is true that the volume of defence contracts for such things as aircraft, military vehicles, weapons, ammunition and electronics will be relatively small outside the central provinces.

However, when other military purchases are examined the provincial distribution seems to be quite reasonable. Not counting the items just mentioned, the prairie provinces got defence contracts in the last fiscal year amounting to about \$25 million, or nearly 13 per cent of total contracts