

(F) WAR ORGANIZATION AND REGULATIONS

1. DEVELOPMENT OF WAR PRODUCTION, EXTRACT FROM SPEECH OF THE MINISTER OF MUNITIONS AND SUPPLY, NOVEMBER 20, 1940.

In the last statement which I made in this house with respect to Canada's war effort, toward the close of the last session, I explained that the nature of our problems was changing. I pointed out that, in the first period of the war, the United Kingdom appeared to believe that she would be in a position largely to depend on her own munitions industry. The successive over-running of Denmark, Norway, Holland, and Belgium, and the collapse of France changed the entire situation. Britain was now left alone in Europe and besieged. All her production was immediately necessary at home. The earlier plans for our joint effort, therefore, had to be revised. Where originally these plans called for special equipment to be supplied to Canada from Great Britain, now alternative sources had to be found in Canada and the United States. Britain's need for supplies from overseas jumped, and Canada was requested to go full speed ahead.

The work which had already been done in Canada greatly facilitated the placing of new orders, and the rapid increase of production. Contracts were awarded with increasing speed. In the first quarter of this year, the number of contracts averaged approximately 1,910 per month; in the second quarter, approximately 4,070 per month; and, in the third quarter, nearly 7,500 per month. During the month of September, contracts were awarded at the average rate of 325 per working day, as compared with 170 per working day in June. As of November 11, the total of orders placed for Canadian account totalled 540 million dollars, and for British account a total of 309 million dollars. Thus, the grand total of orders placed by the Department of Munitions and Supply has reached 849 million dollars. We were not engaged, however, merely in awarding contracts. As a result of the contracts awarded, the tempo of Canadian industry has risen to record heights.

Construction contracts for the nine months ending September 30, 1940, amounted to \$195,490,000, as compared with \$150,781,000 for the corresponding period of 1939—an increase of 30 per cent. The month of September, 1940, alone showed an increase in construction contracts of 161 per cent over September, 1939.

The acceleration of the air training, militia and other construction programmes incident to our war efforts necessitated the absorption, for war purposes, of a substantial proportion of Canada's construction capacity—equal to about 60 per cent of the capacity used for all purposes in 1938.