

of its size and scope.

One factor affecting the size of the programme has been the broader international commitments which the Government has assumed. Our first plans called for one brigade. Today we have one brigade fighting in Korea and a second forming a part of the NATO Army in Europe. We have also increased our Air-Force commitment to 12 squadrons of F-86 "Sabre" fighters. We are supplying additional equipment for NATO, including a large number of aircraft for the R.A.F. as part of our mutual aid programme.

I know that you, as production men, will be familiar with some of the factors that have affected the length of the programme. As a result of the decision to standardize on U.S.-type equipment and because we are producing a number of items in this country for the first time, there have been delays in securing detailed plans and specifications and in acquiring manufacturing "know-how". Machine tools have presented a problem; in fact, for a time, we faced a worse bottleneck than during the last War. This was especially true of tools required for U.S.-types of military production, where we are competing with the United States Services for limited supplies. Many of you here today have also personal experience in dealing with some of those difficulties that we have encountered in moving from the development to the production stage. All of these delaying factors have tended to stretch out the programme. These have now been largely overcome and we are well into the production phase.

The most important point to be remembered in considering the length of the programme is the fact that we are dealing not with one programme but with several, and each has its own individual characteristics and problems; and consequently the impact and completion of these will be felt at different times. In a programme ranging from shoes to minesweepers and from serving forks to jet aircraft, it is only natural that this should be so.

In looking at the question "What's ahead for industry?", there are a number of factors to be taken into account. In the first place, as I have pointed out, there will be no abrupt cessation of activity on the 31st of March, 1954, and certain programmes will continue beyond that date.

In any case it should be realized that, even when the original physical objectives have been reached, there will continue to be defence spending to support a certain level of defence preparedness. We will still keep our military establishments in Canada in operation, and we will have continuing commitments under the United Nations and the North Atlantic Treaty Organization. Another factor that has a bearing on the future of the defence programme is the significance of obsolescence in equipping a modern military machine. It sometimes seems to me these days that there isn't even time to take a good deep breath before some piece of military equipment becomes obsolete. Undoubtedly, we will have to continue to keep pace with major technological advances, since the staying power of the democracies is a basic condition for their survival, and neither peace nor war remains static.

Furthermore, the effect of the gradual fulfilment of the current accelerated defence programme on industry, will be conditioned by the state of the Canadian economy. Since the end of the last War, Government policy has been directed towards ensuring and maintaining a greater degree of economic stability.