

Defence construction activity was up in 1955 over the previous year. The highlights of this program were the substantial amount of the construction work at Camp Gagetown and the construction requirements of the Mid-Canada line. For the latter a successful summer airlift was completed and arrangements were made for a winter airlift.

The growing ability of Canadian industry to meet the needs of the current defence program has resulted in a substantial reduction in new orders being placed abroad. However, during the year defence expenditures in the United States and the United Kingdom, on orders placed in earlier years, have continued at about the 1954 level. The United States' defence orders in Canada increased in 1955, with purchases of aircraft and parts, picrite, light machine guns, spare parts for radars, and contracts for the overhaul and maintenance of electronic, communication and power generating equipment.

A further decline in expenditures for capital assistance during the year reflects the improved ability of Canadian industry to meet defence production requirements with existing or privately financed facilities.

Once again, no government regulations were needed during the year to obtain the essential materials for the defence program, although some shortages of steel, cement, copper and aluminum were encountered.

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