

AID TO CEYLON: The Canadian Government will make \$2 million dollars available for assistance to Ceylon under the Colombo Plan during the fiscal year 1956-57.

A variety of economic development projects in Ceylon will receive assistance from Colombo Plan funds provided by Canada in 1956-57. An aerial survey of Ceylon's natural resources, which was begun in 1955, will be continued and a further amount of \$336,000 will be made available, bringing the total provided by Canada for this project to about \$500,000. Canada will supply two more diesel locomotives valued together at \$370,000 to improve Ceylon's transportation system. Eight diesel locomotives have been supplied in previous years. Additional equipment will be provided for the pilot fisheries project at Mutwal, bringing this project to completion. Equipment for agricultural stations and schools and for pest control, will be sent to Ceylon. Canada will provide further electrical transmission lines costing \$400,000 in the Gal Oya Valley, where the Ceylon Government is re-settling people from the more crowded parts of the Island.

In addition Canada will continue sending shipments of flour to Ceylon, for which the Ceylon Government establishes counterpart funds of rupees to be used for agreed economic development purposes. The projects to be financed in this way include a veterinary building for the University of Ceylon, a building for a trade school and the construction of rural roads. The 1956-57 programme provides for Canadian shipments of flour valued at about \$640,000.

Canada will also contribute \$50,000 for assistance to a polytechnic school in Singapore. The Singapore polytechnic school is to be a centre for advanced commercial and engineering training for students from the whole of the south-east Asia area. The grant of \$50,000 is to equip a section of the school which would be identified with the Canadian gift. This will be the first assistance of a capital nature provided to Singapore from Canada under the Colombo Plan.

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ON THE RAILS: In a year-end review of activities of the Canadian National Railways, Chairman Donald Gordon said that the Canadian National Railways' earnings, \$711 millions to the end of November, indicated the high level of business activity that had prevailed throughout 1956, that Canadian National had shared in the growth of Canada and that, in turn, it had made its own contribution to that growth.

Mr. Gordon reported that construction was well under way of a 290-mile line between Beattyville, Quebec, and St. Felicien, Quebec, which cuts through the Chibougamau mining fields, that further east a 22-mile line had been cleared and graded through the New Brunswick forest to reach a new mine site and that,

to the west, Canadian National forces had surveyed a route far up the Hudson Bay railway line into the Mystery-Moak Lake district, where an extensive nickel deposit will be developed over the next four years at a reported cost of \$175 millions.

In addition, Mr. Gordon said that a 40-mile diversion of the Toronto-Montreal line between Cardinal and Cornwall had been constructed and will be ready for operation next summer. The abandoned section will be flooded by the power reservoir in the International Rapids section of the St. Lawrence Seaway.

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ATOMIC TRAINING: Activities of the Canadian Army during 1956, both at home and abroad, definitely had an atomic flavour insofar as training was concerned.

No. 1 Radiation Detection Unit, Barrieffield, Ontario, attended British atomic trials in Australia and Canadian equipment was tested under atomic conditions.

At home, more than 10,000 members of the 1st Canadian Infantry Division under Maj-Gen. John M. Rockingham, carried out Exercise "Morning Star" at Camp Gagetown, New Brunswick, in which simulated atomic blasts were set off and the division followed the rule "disperse and keep mobile", key words of tactical doctrine under atomic conditions.

Aspects of the tactical use of nuclear weapons also were considered during a six-week concentration of some 4,000 troops of the 1st Canadian Infantry Brigade at Camp Wainwright, Alberta, during June, July and August.

In Europe, more than 5,000 troops of the 2nd Canadian Infantry Brigade also practiced various phases of nuclear warfare.

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43 WARSHIPS: At the end of 1956 there were 43 major warships in commission in the Royal Canadian Navy including an aircraft carrier, a training cruiser, an Arctic patrol ship, 15 destroyer escorts, including four of the St. Laurent-class, 10 Prestonian class frigates, six coastal escorts and nine coastal minesweepers. In addition there are a large number of auxiliary craft ranging from a 10,000-ton technical apprentice training ship to small harbour craft.

In addition to ships of the operational fleet, the navy had nine vessels on loan to other government departments including three to the Department of Transport, two to the Department of Mines and Technical Surveys, one to the Department of Fisheries, and three to the RCMP. The RCN has three frigates on loan to the Norwegian Navy, the transfer being made at Halifax early in 1956.

Ships in the reserve fleet at Sydney, Nova Scotia, include one cruiser, three frigates, twenty-two coastal escorts and 12 auxiliary ships.