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Canada's Defence: Continental defence plans call for immediate United States armed intervention if any sizeable enemy force strikes Canada, informed sources said on August 9, the Canadian Press reported at Ottawa today.

That was part of the official reaction to press reports on Exercise Eagle, Canada's biggest peacetime land-air manoeuvres, which were critical of the state of national preparedness it bared, the report proceeded.

It was held along the first 50 miles of the Alaska Highway last week-end.

More specifically, on the subject of Canada's own preparedness, high Defence Department quarters said reporters were wrong indicating that the exercise showed the full force Canada is capable of mustering to meet the sort of diversionary raid that is considered the only likely present menace to the country.

"That was not the best effort we could mount," one source said flatly. "It was not an operation to test Canadian defence or to impress any potential enemies... It was a small-scale controlled exercise on a battalion level to find answers to some of the questions that face us."

At Fort St. John, B.C., centre of the manoeuvre, reporters were told it had the four-fold purpose of testing training given the Princess Patricia's Canadian Light Infantry in their role as an airborne infantry battalion - the only one ready - of testing the R.C.A.F. in a support role, of testing staffs and of testing the R.C.A.F. in defence of its Fort St. John airfield.

Reporters generally praised the lessons it taught, but hammered at the type and quantity of equipment used.

The Chiefs of Staff met with Deputy Defence Minister C.M. Drury to consider the press reports. It was not a special meeting, however, but an informal discussion after one of their regular sessions....

Trans-Canada Highway: The first session of the new Parliament, due to begin Sept. 15, will be asked to ratify legislation providing for the construction of a trans-Canada highway, it was learned today, the Canadian Press reported this morning.

Reconstruction Minister Winters said in an interview that the legislation will provide for a federal financial contribution toward the multi-million dollar project.

No financial agreement has yet been reached with the provinces, but Mr. Winters estimated that the federal contribution will run between \$150,000,000 and \$200,000,000. Total cost of laying down a 5,000 mile hard surfaced highway is expected to run about \$400,000,000.

Work will be under the jurisdiction of the provinces and is expected to start next spring. It is estimated that it will take about five years to complete the route in most provinces.

Mr. Winters said he considers the project as part of a public investment program. It will provide employment in the provinces and will also open up the country to further development.

The route for the highway has not yet been selected. The provinces have not yet reached an agreement on that point....

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