

All major regions of Canada are likely to participate in the expanding investment program anticipated for 1956. There are major resources development projects in almost every region, from new pulp mills in British Columbia to base metals and fisheries developments on the Atlantic coast, from oil, natural gas and other mining developments in the Prairie Region to new hydro and secondary industrial developments in the Province of Quebec. In Ontario the expansion is on a very broad front. Heavy industries, such as steel, plan to spend many millions of dollars on expansion projects and so do some fabricating industries including steel pipe and machinery-building, not to mention scheduled major power and transportation developments and a number of large projects being undertaken in the commercial, institutional and public sectors.

I gather that you are particularly interested in the progress in sight for two major development projects: The St. Lawrence Seaway and the Trans-Canada Pipe Lines.

With respect to the Seaway, a considerable speed-up in construction work is expected for 1956. Some 30 contracts have been awarded, involving about \$60 million, and much of this work will be carried out this year. A number of new contracts are expected to be let in the near future, including a \$37 million contract for the building of the Soulanges-Beauharnois section of the Seaway.

As far as the Trans-Canada Pipe Line is concerned, perhaps the most important question that Canadians generally and people in Ontario particularly are asking is: When can we expect western natural gas to reach Toronto and Montreal? Mr. Howe answered this question recently when he said that the "best estimate, made after rather careful study of all the factors, would be the autumn of 1958. The pipe for the western section of the line has been ordered." Mr. Howe expressed the hope "that construction can commence on the western end as early this spring as weather will permit". In a major project like building the trans-Canada pipe line, as well as the supplementary gathering, a cleaning and distribution facilities, some difficulties must be expected, particularly with respect to the financing of the project and in developing markets. As these difficulties are overcome, the sheer physical dimensions of the project, involving as they do something like a billion dollars, will make it necessary to spread out the work over a period of two or three years.

Summing up, with demand in most sectors of the Canadian economy continuing to be fairly strong, we can expect another record year of overall economic activity. I would not be surprised to see Canada's gross national product rise by another billion this year, given fair crops. In being generally optimistic about Canada's future for the coming year, we should remember that, as the year proceeds, we may again encounter some of the difficulties that have receded in importance in the last 12 months.