

operation received from all mills and fabricating facilities in Canada made it possible, as in 1955, to meet defence production schedules without resort to any form of direct controls. The supply of steel from the United States, particularly plate and structural mill forms, remained critical throughout the year, but no persistent shortages of other United States materials were encountered.

The continued stability in overall defence purchasing was generally reflected in all parts of the programme with the exception of defence construction for which expenditures rose steeply. Spending was reduced in some procurement categories, including aircraft, munitions and ships, and there was some increase for electronic equipment. In the defence construction programme, 1956 was a year of greatly increased activity, with a 60 per cent increase over the level of expenditures of the two preceding years. Work on the Mid-Canada Line and Camp Gagetown, the two major projects in the programme, progressed rapidly and accounted for almost half the total outlay. Both projects were brought near completion during the year. Special attention was again given to the problem of seasonal variations in construction activity, and a policy of continuous winter work was followed whenever possible.

Orders placed in the United States for defence supplies reached approximately the same level as in 1955. There was, however, a substantial drop in expenditures in that country, reflecting the sharp decline in orders placed during the preceding year. United States purchases of defence supplies in this country were also down. On the other hand, Canadian orders placed in the United Kingdom rose slightly in value over 1955, with little or no change in the level of spending.

* * * *

COLLECTIVE AGREEMENTS: A total of 1,561,800 Canadian workers were covered by collective agreements in 1955 according to a study of agreements by the Labour Department.

Hon. Milton F. Gregg, Minister of Labour, in commenting on the study, pointed out that many of the agreements of which his department has a record are re-negotiated each year with comparatively little disruption to production although it is the relatively few strikes and rumours of strikes which attract attention.

The total of 1,561,792 wage and salary workers in Canada covered by the provisions of collective agreements in 1955 is three per cent higher than the 1954 figure of 1,515,010.

The study showed that wage and salary workers covered by collective agreements in 1955 represented a wide variety of industries. Changes in the number of manufacturing workers covered by collective agreements corresponded to some extent with changes in the level of employment. For example, cotton goods, pulp and paper, primary iron and steel and motor vehicles showed substantial increases, while shipbuilding declined from the 1954 level.

HEAVY AIR TRAVEL: Trans-Canada Air Lines experienced outstanding growth in almost every phase of its operations in 1956.

In an annual review, TCA President, G.R. McGregor, said the airline had greatly stepped up its activities to meet the demands of what has been described by economists as the most prosperous year in Canadian history.

The transportation industry as a whole shared in the buoyancy of the national economy, and the record levels of production and trade, Mr. McGregor said. The upward trend of air travel popularity was more apparent than ever before and all previous peaks of traffic volume were exceeded. To keep pace with Canadian transportation needs, TCA made available for sale the greatest number of seat miles in its history--some 1,635,000,000.

COMMERCIAL JET AGE

The year was outstanding also in that TCA took the first step toward the commercial jet age in Canada with an order for four long-range Douglas DC-8s. An option was taken on two more. These huge aircraft will have British Rolls-Royce Conway turbo-jet engines of the by-pass type and will carry 120 passengers and three tons of cargo at 550 miles an hour. They will go into service on TCA's long-range routes across the continent and the Atlantic Ocean in 1960 and will cut present flying times almost in half.

For the first time in TCA's history more than 2,000,000 passengers were carried during a single year. The airline accommodated 1,682,195 travellers in 1955, and the 1956 total, based on 10 months actual and two months estimated figures, was expected to reach 2,100,000 for an increase of 25 per cent.

Approximately a billion revenue passenger miles were flown on TCA's routes in Canada and the United States while another 188,000,000 were flown on the trans-Atlantic routes to the United Kingdom and Europe and on the southern services to Bermuda and the Caribbean area. The total represented a 23 per cent increase from 1955.

Air freight traffic on TCA's routes rose by 19 per cent during the year with approximately 11,815,000 ton miles being flown. TCA provided cargo accommodation on all scheduled flights in addition to a daily transcontinental freight service using North Stars each capable of carrying nine tons. Approximately 2,590,000 ton miles of air express were flown, a 20 per cent increase over 1955.

The volume of air mail has grown in impressive fashion, the review stated, since the Post Office Department pioneered the "all-up" carriage of mail in 1948, giving Canada one of the fastest mail services in the world.

TCA flew some 8,640,000 mail ton miles in 1956, a 12 per cent increase over the previous year. About 7,310,000 ton miles were flown on the North American services and the remainder on the overseas routes.