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It is expected that, in the course of the coming season, the new ferry between North Sydney and Port aux Basques will be in operation and the ferry service between Yarmouth and Bar Harbour started. Construction of a new ferry to operate between Nova Scotia and Prince Edward Island will be undertaken early in the present year.

To improve navigation on the Pacific Coast, you will be asked to make provision at this session for the removal of Ripple Rock.

Canadians learned with deep regret of the loss of life and damage to property caused by two severe storms felt heavily in the Province of Ontario and the Province of Nova Scotia. An agreement has been reached with the Province of Ontario to assist those persons whose homes were damaged or destroyed and assistance has been given under the Agricultural Prices Support Act to the producers of apples in Nova Scotia. You will be asked to make the necessary financial provision for these arrangements.

The Disabled Persons Act which you passed at the last session was proclaimed to come into force at the beginning of the present year. The governments of all the provinces have announced their intention to participate in implementing the programme to assist those who are totally unable to care for themselves; and my Ministers are now in a position to conclude the necessary federal-provincial agreements to bring this humanitarian measure into operation.

Although the national economy is in a generally healthy condition, the relatively poor wheat crop is being reflected by a small decline in the total national income. Some unemployment of a regional and seasonal nature is being experienced. To help meet this situation work on public construction projects already approved is being accelerated and you will be asked to make financial provision for construction in the programmes of various departments and agencies on a scale that will make possible a substantial increase in the total expenditures for this purpose.

The government proposes to introduce legislation immediately for the amendment of the Unemployment Insurance Act to provide for an increase in the duration and scale of supplementary winter benefits. It is also proposing to introduce, during the session, broader amendments designed to make Unemployment Insurance a more effective instrument in providing financial support to unemployed workers.

The National Housing Act, 1954, enacted early in the last session, which authorized lower down-payments and larger loans, and which enabled the chartered banks for the first time to make loans on the security of residential mortgages, has been an important factor in stimulating the construction of a record number of houses in the past year. The prospects are favourable for a high level of house building in 1955.

It is proposed to bring into general operation on the first of February the provision of the Act under which loans may be made for home improvements. In accordance with an undertaking given at the last Session, this section was proclaimed for small holders under the Veterans' Land Act with effect from the first of this year.