

invited during the present Session to some of the more important matters discussed at the Conference.

As a result of the Dominion-Provincial Conference, my advisers have decided, pending a complete revision of the financial arrangements as contemplated by the Duncan Report, to recommend the continuance to the Maritime Provinces of the money grants made at the last session. In the light of the discussions at the Conference, my Ministers are continuing negotiations with the Prairie Provinces for the return of their natural resources and are giving consideration to the restoration to the Province of British Columbia of the lands of the railway belt and the Peace River block. Consideration is also being given to the railway problems of the several provinces, as outlined at the Conference.

The work of reconditioning that portion of the Hudson Bay railway previously constructed has been finished. After most careful examination and consideration, and upon the best advice obtainable, Churchill has been selected as the ocean terminus of the Bay route. A contract has been let for the grading and bridging of the railway extension to Churchill and preparations looking to the establishment of the necessary harbour works there are well advanced.

There has been a substantial increase in the number of British immigrants as well as in the number of immigrants of a suitable type from the continent of Europe. Steps have been taken towards closer co-operation with the Provincial Governments in land settlement, placement and supervisory work. Several provincial centres have already been established for the reception and distribution of British youths for agricultural work, and a constructive settlement scheme has been put into force for settlers of this class.

The opening of new territory by the construction of branch lines of railway is proceeding rapidly, and is providing wider opportunities for settlement.

Harbour Commissions have been established at the ports of St. John and Halifax. This, it is expected, will facilitate and expand the movement of traffic through Atlantic seaports. The volume of trade at other Canadian ports during the past season has increased. In grain shipments, the Port of Montreal attained a pre-eminent position among world ocean ports.

Much progress has been made in the development of aviation in the Dominion. An organization has been established for the administration of civil aviation, distinct from that of the Air Force. To assist in the development of transoceanic air routes, a site for an airship base has been purchased near Montreal. An airship mooring tower will be erected and a public air terminal for aeroplanes provided.

In the postal service the year has been marked by the inauguration of an air mail service between Rimouski and Montreal.

Satisfactory progress has been made in the organization of the Department of National Revenue. The final report of the Royal Commission on Customs and Excise will be presented immediately for your consideration, and legislation based upon the report will be introduced.

It is proposed to amalgamate the Departments of Health and Soldiers' Civil Re-establishment in a single department of National Health and Veterans' Welfare.

A proclamation has been issued bringing the revised Statutes of Canada into force on the first day of February, and copies of the new revision will be available for the present session.

Among other important matters to which your attention will be invited will be measures providing for more favourable trade relations between Canada and certain foreign countries, and for substantial assistance to and improved facilities for industrial and scientific research.