

Our trade with foreign countries has shown marked increase. During the year additional Trade Commissioners' offices have been opened in several countries, and additional steamship services inaugurated to Australia and South America. Tenders have been called for proposed extensions of steamship services to India and British East Africa.

Our two railway systems have carried out extensive construction and development plans, and are contemplating further construction and developments. The final section of the Hudson Bay Railway has been completed. The construction of the Welland Ship Canal is now nearing completion. On the opening of the new canal the Upper Lake grain carriers will be able to reach Lake Ontario and Upper St. Lawrence ports. The work of providing suitable terminals is proceeding.

Legislation will be introduced respecting the several railway properties formerly privately owned and now embraced in the Canadian National Railway system.

For some time past my Ministers have been giving special attention to those problems which for many years have been a source of controversy between the provinces of Canada and the Dominion. Among matters of concern have been certain economic and financial readjustments deemed by the provinces essential to their being placed in a position of equality one with the other. To a greater or lesser extent, problems have arisen with respect to all the provinces of Canada. Those of the Maritime provinces were investigated by the Royal Commission on Maritime Claims and have been in large part solved by the effect given to the recommendations of that body. Consideration is at present being given to the final revision of the financial arrangements contemplated by the Commission's report.

The provinces of Manitoba, Saskatchewan and Alberta have negotiated for many years with the Government of Canada for the return of their natural resources. The province of British Columbia has sought the restoration to the province of lands comprising what is known as the railway belt and Peace River block. With the provinces of Manitoba and Alberta and with the province of British Columbia agreements have been reached, which will be submitted to you for approval. An offer similar in character and terms to that accepted by Alberta has been made to Saskatchewan with respect to the transfer to that province of its natural resources.

The provinces of Ontario and Quebec have been concerned over the question of water powers in their relation to navigation. It having become apparent, through a reference to the Supreme Court, that this question cannot readily be settled by judicial determination, a solution has been sought by conference which it is hoped will lead to a satisfactory settlement of this highly controversial problem.

My Ministers have also been making careful inquiry into the workings of the provisions and administration of the Pensions Act with a view to ascertaining what, in the light of past and present experiences, may be necessary to ensure full effect being given to the purpose of Parliament in that enactment. As a result your attention will be invited to legislation to make more adequate provision for the needs of the veterans of the Great War and their dependents.

The report of the Royal Commission appointed to inquire into the existing situation with respect to radio broadcasting in Canada will be presented for your consideration.

The report of the Royal Commission appointed to inquire into the classification and remuneration of technical and professional officials of the Civil Service of Canada will also be presented for your consideration.

During the year a complete reorganization was effected in the personnel of the Board of Grain Commissioners. Men of outstanding business, agricultural and scientific experience have been appointed to administer the Canada