

Fenwick Lionel Kelly, Esquire, member for the electoral district of Cape Breton North and Victoria, introduced by Right Hon. W. L. Mackenzie King and Hon. E. M. Macdonald.

William Anderson Black, Esquire, member for the electoral district of Halifax, introduced by Right Hon. Arthur Meighen and Hon. J. B. M. Baxter.

Alexander Joseph Doucet, Esquire, member for the electoral district of Kent, New Brunswick, introduced by Right Hon. Arthur Meighen and Hon. J. B. M. Baxter.

OATHS OF OFFICE

Bill No. 1, respecting the administration of oaths of office, introduced and read the first time.—Right Hon. W. L. Mackenzie King.

THE GOVERNOR GENERAL'S SPEECH

MR. SPEAKER: I have the honour to inform the House that when the House did attend His Excellency the Governor General this day in the Senate chamber, His Excellency was pleased to make a speech to both Houses of parliament. To prevent mistakes, I have obtained a copy, which is as follows:

Honourable Members of the Senate:

Members of The House of Commons:

I am glad to be able to congratulate you upon the many evidences of increased prosperity. Though the general economic situation still reflects the consequences of the World War, the records of production, trade transportation, employment and public finance have been uniformly increasingly favourable throughout the Dominion. The state of general employment has been distinctly better. The volume of business has steadily increased. Especially has the country reason to feel gratified at the expansion to a notable degree of its public revenues and decline of its expenditures.

I am persuaded that a reduction in taxation, and in production and transportation costs, such as will encourage the investment of capital in industrial enterprise and attract settlers in large numbers to our Dominion, are all that are necessary to effect an economic development hitherto unparalleled.

My ministers are strongly of the opinion that a reduction of taxation is of first importance, and that to this end the efforts already put forth to combine strict economy in the administration of the public services with rigorous retrenchment in public expenditures, should be furthered in as many directions as may be possible. This is the more imperative, in that the margin of controllable expenditure within which economies can be effected is necessarily restricted.

My ministers believe, however, that in virtue of economies already effected they will, when the present financial year closes, be able to announce to the country that for the first time since 1912-1913 the national budget has been balanced. They are further of the opinion that when the budget for the ensuing fiscal year is introduced it will be found that the relation between public revenue and public expenditure is such as to justify some immediate reduction of taxation.

In the opinion of the government, such reduction of taxation as it may be possible to effect should aim primarily at reducing the cost of the instruments of

[Mr. Speaker.]

production in the industries based on the natural resources of the Dominion, thereby aiding materially in the development of our natural resources, and, through cheapened production, effecting a diminution also in the cost of living.

Legislation will be introduced making provision for consolidation of the revenue collecting services of the government under one administrative head. With a view to simplifying and improving the existing system, it is also proposed to constitute a board to investigate and study the various modes of taxation.

National unity, not less than national prosperity, depends upon the surmounting of those barriers which have tended to separate western from eastern Canada and to discourage permanent settlement upon the land. Foremost in this regard are the problems incidental to tariff readjustments and to the marketing of agricultural and other natural products.

The stabilization and control of freight rates on grain from the head of the great lakes to Canadian ocean ports and thence to Liverpool, are receiving the closest attention. It is hoped that the report of the Royal Grain Inquiry Commission authorized last session to inquire into the subject of the handling and marketing of grain will be available for presentation to parliament this session, and that legislation based upon its recommendations may be offered for your consideration.

The further development of our magnificent inland water transportation routes, which will result in lower carrying charges for the products of the farms of the West as well as for the products of the mine, the forest, and the diversified industries of the East, is of vital importance. To aid in the accomplishment of this purpose work on the new Welland ship canal is being expedited.

A further interchange of correspondence has taken place between my government and the government of the United States with reference to the St. Lawrence waterway. In the opinion of my advisers, the importance of this question is such that further inquiry should be instituted before a final decision is reached upon the proposals which have been under consideration.

The important subject of marine insurance as affecting our ports; the permanent equalization of the rate on Canadian flour, and the removal of discriminations in ocean rates on other Canadian products are receiving attention.

As a stimulus to stock-raising in the Dominion, and of direct benefit to agriculture, the government has been endeavouring to obtain a lower carrying charge on all shipments of Canadian cattle.

Every effort will be made still further to develop the policy of Canadian trade via Canadian ports.

Particularly satisfactory and promising is the material improvement which has taken place in the financial condition of the Canadian National Railway system.

The Dominion Fuel Board has been created to study and make recommendations in regard to the development of our fuel resources with a view to making Canada independent, so far as possible, of foreign sources of supply. The investigations carried on by this board have already been productive of important results, and legislation to encourage Canadian production will be submitted for your consideration.

The amendments made to the Bank Act in the last decennial revision of the last session provided better guarantees for the public in banking operations; their wisdom has already been abundantly apparent. The depositors in the Home Bank have asked that they should be recouped the amount of their losses, and in their petition made representations which my advisers regard as so important as to warrant full investigation. To that end a commission has been appointed to