

His Excellency the Governor General was then pleased to open the fourth Session of the eighteenth Parliament by a Gracious Speech to both Houses, as follows:—

*Honourable Members of the Senate:*

*Members of the House of Commons:*

The announcement that Their Majesties King George VI and Queen Elizabeth have graciously decided to visit Canada in the months of May and June has been received with rejoicing throughout the Dominion. The honour of welcoming their King and Queen, in person, on their own soil, is a privilege which will be shared with enthusiasm and pride by all His Majesty's Canadian subjects. The visit will be the first paid by the reigning Sovereign to any of His self-governing Dominions. It will be the first time a British King and Queen have been in North America. It is deeply gratifying that Their Majesties' tour will embrace all the provinces of Canada.

The official visit paid Canada in August last by the President of the United States was the occasion of unusually warm demonstrations of friendship and understanding upon both sides of our common border. It is particularly pleasing to the citizens of our country that the King and Queen have found it possible to accept the invitation of the President to visit the United States before the conclusion of their Canadian tour.

My ministers have found it necessary to give anxious and continuous consideration to developments in the international situation and their effects upon Canada. Our own relations with other countries continue friendly, but the aggressive policies actively pursued in other continents have inevitably had a disturbing effect upon every part of the world.

The Government shared in the general sense of relief that the appalling disaster of war, which threatened Europe during the month of September last, was averted, and in the recognition which that crisis manifested of the widespread will of the peoples for peace. They are hopeful that the efforts now being made to find a solution for the specific differences which are causing friction will meet with success. They recognize, nevertheless, that time is required for these forces to work, and that the possibility of further tension in the meantime must be faced. In this situation, the Government have considered that the uncertainties of the future, and the conditions of modern warfare, make it imperative that Canada's defences be materially strengthened.

Two years ago, the appropriations for defence were substantially increased, and a beginning made on a program of modernization to safeguard the country from the dangers of attack. The Government intend to pursue this policy vigorously, and to propose to Parliament that the program of defence should be further augmented, and that particular emphasis should be laid upon air defence.

Legislation will be introduced to establish a Defence Purchasing Board with power to purchase equipment for the defence services and to ensure that, where private manufacture is necessary, profits in connection with such are fair and reasonable, and that the public interest is protected.

While taking the measures necessary to assure the maintenance of our national integrity against the possibility of external aggression, the Government have sought in positive ways to strengthen the mutual interests which unite Canada in friendly relations with other countries.

You will be asked to approve the Trade Agreement with the United States of America, signed at Washington on November the 17th, 1938. This agreement fulfils the hope expressed in the Speech from the Throne, last year, for an agreement with the United States, which would confirm and enlarge the advantages of the agreement concluded in 1935.