

are reflected in Canada by expanding trade, improving revenues, increasing employment, and a more confident outlook upon the future. Canada occupies a leading position amongst those countries where the evidence of a return to permanent prosperity is most convincing.

Since I have been associated with you as the representative of His Majesty in Canada, I have visited every Province of the Dominion. I have been greatly impressed by the loyalty, devotion and friendliness of the people, as well as the high courage with which men and women were meeting and overcoming abnormal difficulties in their daily lives.

The Ottawa Trade Agreements have now been in operation for a full year and the results indicate substantial expansion of Canadian-Empire trade over the preceding year. It is worthy of note that the Agreements are proving beneficial to all Empire countries. The trading position of the Empire in the world has steadily improved. Canada has again resumed her place as the fifth exporting nation. Our favourable trade balances have enabled us to discharge our international obligations and have greatly lessened the difficulties of the international exchange situation.

The temporary trade arrangements made with Germany and Austria have been further extended. Canadian products are now receiving most favoured tariff treatment in those countries in exchange for the grant of our intermediate tariff on their products.

The prices of agricultural products, which have fallen in recent years to the lowest level in history, have shown substantial improvement in the last few months. My Government realize, however, that further increases in price levels are necessary to insure success to those engaged in agriculture. You will be invited to consider legislation designed to facilitate the efficient and profitable marketing of livestock and agricultural products.

Members of my Government participated in the World Monetary and Economic Conference convened in London in June of last year. The Reports approved by the Conference and the Resolutions adopted by the Bureau and the Executive Committee as well as certain agreements entered into by my Government designed to mitigate fluctuations in the price of silver will be laid before you. The Conference adjourned without dealing with many important subjects, but arrived at conclusions of especial interest and concern to Canada in respect to central banks, the gold standard, and the percentage of metallic coverage essential to the successful functioning of gold as a medium of international exchange. During the Conference, my Ministers informally met the representatives of the United Kingdom and other countries of the British Commonwealth of Nations, with a view to the further development of Empire co-operation; and adopted certain resolutions with respect to monetary and financial policies, which will be laid before you.

In July of last year, my Government appointed a Royal Commission to inquire into and report upon the operation of the banking and monetary system of Canada, with particular reference to the provisions and working of the Bank Act, the Dominion Notes Act, the Finance Act and the Currency Act, and the advisability of establishing a central banking institution. You will be invited to consider legislation for the establishment of a Central Bank, the extension and revision of Bank Charters, which were extended at the last session of Parliament to the first day of July, 1934, and to consider further appropriate additions and amendments to our banking and monetary legislation.