

"To ensure that the redistribution of electoral districts is made objectively and impartially, you will be asked to approve a bill to establish an independent commission to recommend redistribution.

INDIAN CLAIMS

"A measure will be placed before you to establish an Indian Claims Commission to investigate claims on the part of various tribes and bands that certain of their rights have been restricted or abrogated, and to make recommendations for the equitable and final settlement of such claims....

"Canada's prosperity and growth must ultimately rest in large measure upon its exports. To achieve adequate export levels it will be necessary to increase further Canada's capacity to produce competitively and its ability to sell in export markets. The Government's industrial programmes are directed toward these ends. Its commercial policy negotiations have the objective of opening additional markets to Canadian producers in fair exchange for opportunities for others to sell in Canada. The vigorous campaign of export-trade promotion will be expanded to enlarge the sales of Canadian products in foreign markets. You will be asked to provide the funds necessary for this increasing trade-promotion work. Amendments to the Export Credits Insurance Act will also be placed before you, to double the insurance liability which the Corporation may assume and to improve the arrangements for long-term financing....

"It is hoped that arrangements will soon be completed that will make it possible to submit for your approval the Columbia River Treaty and the legislation required in Parliament to implement it....

"My Ministers have come to the conclusion that large-scale, long-term contracts for the export of power surplus to Canada's needs, present and potential, should now be encouraged in order to expedite the development of major power projects in Canada which are too large to be supported by the domestic market. Such exports can also strengthen our balance of payments....

"You will be asked to approve amendments to the Food and Drugs Act to provide for more effective control of the distribution and sale of drugs in the interests of the public health...."

WATERBORNE FARM MACHINERY

Anyone who thinks that a contraption he sees on the Rideau Canal these days looks like a floating sickle-bar cutter or a hay loader or an ensilage cutter is right; it is all these things and more. The waterborne collection of farm machinery is the Department of Transport's new weed cutter.

Built at the Department's marine agency at Prescott, Ontario, from standard farm implements, the device is still in the experimental stage and will be tested during next summer's weed season.

Designed to cut weeds down to six feet below the water, it will be used to clear the navigation channels in the Rideau and Trent Canals.

Cutting weeds under water has never been a great problem but getting rid of the cuttings has. Unlike the small weed cutters which have been in use on the canals for some time, the new machine uses an ensilage cutter to chop the water plants up fine enough to make sure they sink to the bottom.

The apparatus consists of two pontoons 30 inches wide and 38 feet long, on which are mounted a 10-foot sickle-bar cutter, adjustable from water level to six feet below the surface, a nine-horsepower, air-cooled gasoline motor, a standard hay loader to gather the cut weeds, an endless belt to transport them, an ensilage cutter, a six-cylinder gasoline engine to drive loader and ensilage cutter and two 40-horsepower outboard motors to propel the entire machine.

The ingenious device cuts a swath ten feet wide at a speed of four miles per hour.

NATIONAL ACCOUNTS

There was a further expansion in economic activity in the second quarter of this year as the gross national product rose to a seasonally-adjusted annual rate of \$39,424 million, 1.5 per cent higher than in the first quarter. Higher prices accounted for a third of the increase; thus the rise in real gross national product amounted to about 1 per cent. The rate of increase in prices was of the same magnitude as that during the immediately preceding quarter.

MAIN INFLUENCES

The major expansionary influences came from exports and from government expenditure on goods and services, which was higher at all levels. There was a modest increase in consumer expenditure, with services absorbing most of the gain. Business gross fixed-capital formation was up slightly, construction activity showing no change and expenditure on machinery and equipment rising fractionally. Imports were higher, but to a much smaller extent than exports. The devaluation of the Canadian dollar has, of course, affected both import prices and export prices, making for a significant rise in prices in the external sector. As in the first quarter, investment in business inventories was virtually negligible and farm inventories continued to be drawn down.

On the income side, the salient developments were the further expansion in labour income (but at a lower rate than in the preceding quarter) and the small advance in corporate profits (before dividends paid abroad), which regained the level prevailing before the decline in the first quarter. Accrued net farm income increased substantially.