

The widespread and substantial improvement in economic conditions is evidence of continued progress towards national recovery. Export trade exceeds in value that of any year since 1929. Expansion in employment is now accompanied by a pronounced decrease in the number of persons on relief.

Convinced that recovery is dependent upon the development of trade, my Ministers have pursued their efforts to negotiate Agreements with countries willing to trade with Canada on a reciprocal basis.

The Trade Agreement concluded between Canada and the United Kingdom has received your approval, and effect has been given to the changes in the customs tariff for which it made provision. Ensuring as it does a freer exchange of commodities, through a lowering of trade barriers, the new Agreement will, it is believed, bring substantial benefits to producers and consumers alike. It will serve as well to strengthen understanding and goodwill between the United Kingdom and the Dominion.

Approval has also been given to a Trade Agreement with Uruguay and to a Provisional Trade Agreement with Germany. Progress has been made in negotiations with the Government of the Commonwealth of Australia for the revision of the existing Agreement with that country.

Special provision has been made for the promotion of the sale of farm products.

Appropriate action has been taken to give effect to Conventions between Canada and the United States for the preservation of the Sockeye Salmon and Pacific Halibut fisheries.

With a view to fostering increased activity and employment in the construction industries, an Act has been passed to facilitate the granting of loans to finance improvements in rural and urban homes. Provision has also been made for the extension of the work of farm rehabilitation in the drought areas of Western Canada, for assistance to the fishing industry, and, in co-operation with the provinces, for the further alleviation of unemployment and agricultural distress.

Provision has been made for pensions to blind persons who have attained the age of forty years.

Measures have been enacted to provide for the establishment of a trans-Canada air service, and for revision of the capital structure of the Canadian National Railways.

More effective provision has been made for the defence of Canada.

Measures have been enacted to prevent enlistments from this country in foreign wars, and to provide for the control of exports of munitions and war materials. The profound desire of the Canadian people to discourage resort to armed force, and to promote peace has found further expression in departmental measures to control profits in the manufacture of defence equipment and supplies.

In the opinion of my Ministers, economic and social developments since Confederation necessitate re-adjustments in the governmental structure of Canada. As a necessary first step, it has been decided to appoint a Royal Commission of Inquiry to investigate the allocation of financial powers and responsibilities as between the Dominion and the provinces.

The Coronation of Their Majesties King George the Sixth and Queen Elizabeth, on May the twelfth, is an event of unprecedented significance to the Nations of the British Commonwealth. Arrangements are being completed for the appropriate representation of Canada at the ceremonies.

Canada will also be duly represented at the Imperial Conference to be held in London immediately following the Coronation.