

Special reference should be made on this occasion to the conditions that have somewhat seriously affected two basic industries of this Province, namely agriculture and lumbering. The prices of farm products have decreased in a much greater degree than the prices of those commodities which every farmer has to purchase, and therefore the prosperity of those engaged in this most important industry has been greatly affected, and in addition the climatic conditions of last summer had a serious result upon many of the most valuable of the crops. The price of lumber also decreased to a remarkable extent, and financial conditions in the Old Country, as well as in the United States, where our lumber products have been largely sold, were such as to gravely menace the prosperity of an industry which figures so constantly and so largely in the commercial success of this Province. I am pleased to inform you that every possible effort will be made to encourage agriculture, and a Bill will be introduced to assist in co-operative selling and marketing of the products of the farm. My Government has had the lumber situation before it for consideration and has made certain alterations in the regulations which will affect the stumpage upon the cut of disease infected lumber, and afford a certain measure of relief to this industry. Unfortunately, during the last summer, a drought the like of which has not been experienced in this Province for nearly one hundred years, made the suppression of forest fires very difficult, but I am pleased to state that through the efforts of the organization and officials of the Forest Service the damage was kept within reasonable limits.

During the recess, I am pleased to inform you, a change was made in the Trustees of the funds held for the benefit of the Saint John and Quebec Railway and the trusteeship is now located in this Province. A bill will be introduced confirming the agreement reached between the Government, the Saint John and Quebec Railway Company and the Prudential Trust Company, and also authorizing the incorporation of a Trust Company in this Province to act as Trustees.

The improvement of the highways of the Province has been carried on energetically during the past year, and substantial progress has been made with regard to completing the highway program called for by the agreement with the Federal Highway Branch, which contributes forty per cent of the cost of construction. The secondary trunk roads being built from the proceeds of bonds specially secured by the automobile funds have had their fair share of attention, but the cost of the upkeep of these improved highways is a matter to which serious consideration must be given.

The teachers of the province having signified their willingness to co-operate with the government in the matter of pensions by an annual contribution on their part and without materially increasing the financial burdens of the province, you will be asked to give attention to legislation along these lines which will provide for a more liberal retiring compensation for those engaged in this pre-eminent public service.

One of the most important of the Government Public undertakings in many years is the development of the water powers at Musquash and elsewhere, and I am happy to inform you that the work at Musquash has been practically completed and that electric current will be produced, and made available for distribution within a very short time. My Government will inform you as to what has been done in bringing electric current from the Grand