

mixed farming, is becoming more clearly established and there is a steady increase in this branch of agriculture.

I regret to have to inform you that our lumber industry has also suffered considerably during the past year, owing to conditions brought about by the world wide depression, and causing a very large falling off in our territorial revenues. I am pleased to be able to say, however, that a considerable improvement has taken place within the past few months, and those engaged in this important industry have been encouraged by a brighter outlook, so much so, that the cut of lumber on our Crown Lands has increased during the present season.

The improvement of the highways of the Province, has been energetically carried on during the past year, and it is pleasing to note that our Province has been able to take the fullest advantage of the aid granted by the Federal Council of highways. The contract made between the provinces and the Federal authorities in 1919, touching the reconstruction of our main trunk roads will terminate this year, and I am pleased to inform you that my Government has every reason to hope for a continuation of this agreement for another period of five years. It will be necessary for the Legislature to make provision to further carry on the important work of reconstruction begun in 1919, and to this end, a Bill will be introduced seeking the necessary authority to continue this undertaking.

It is the intention of my Government to establish a regular patrol system for the proper maintenance of our improved highways, and you will be asked to vote a sum of money estimated as sufficient for the carrying on of such work.

Projects for the development of hydro-electric power have occupied, during the past year, in an especial manner, the attention of the authorities in every section of Canada as well as in many States of the American Union. I am pleased to inform you that in this respect, our Province has kept pace with the times. The Musquash development is practically completed and the energy therefrom is now being utilized in the City of Moncton and Town of Sussex and other smaller sections, for domestic and industrial purposes, while a contract for the supply of energy has been entered into with the City of St. John. All along the line of transmission, villages and smaller districts are seeking to be linked up with the system. To meet the demands made, a Bill will be submitted for your consideration, looking to the incorporation of lighting and power districts, so that all sections within reasonable distance of the main line, may be enabled to take advantage of this important development. The feasibility of the development of the valuable water powers at Grand Falls, in the County of Victoria, has occupied and is still occupying the careful attention of my Government, with a view of ascertaining the cost to the Province of this undertaking and the probable market for the energy. With the necessary information in the possession of my Government, and with due regard to the proper protection of the Province, serious consideration will be given to the advisability of utilizing this valuable asset in an endeavor to reach, as far as possible, those sections of the Province not now served by the present hydro system. Should such a decision be reached before the close of the present Session of the Legislature, you will be asked to pass such Legislation as may be considered necessary to meet the requirements of the case.

The heavy losses incurred by our farmers during the last two years, in