

The exhibition of Canadian manufactures and products at *Sydney, New South Wales*, was successfully carried out. I trust that the result will be the opening up of a new market for Canadian goods even in so remote a region as the Australasian colonies, shipments of Canadian productions having already been made. The expenditure will slightly exceed the estimate, but I doubt not the cost to *Canada* will be amply repaid by the extension of her trade.

Preparations have been uninterruptedly carried on, during the last six months, for securing an ample but select exhibition of *Canada's* products and manufactures at the great exhibition to be held at *Paris* during the current year. A further estimate will be required to meet the expenditure. His Royal Highness the Prince of Wales, as Chairman of the British Commissioners, has assigned a most prominent place to *Canada* in one of the main Towers, where a Canadian Trophy is now being erected.

A very disastrous fire occurred in June last, in the City of *St. John*, which caused the destruction of a large portion of the City, including all the public buildings owned by the Dominion Government. My Government deemed it necessary to contribute \$20,000 to assist in relieving the immediate wants of the people who were rendered destitute by so appalling a calamity. I also sanctioned the appropriation of some public money, with which to commence the erection of new buildings for the public business, which acts you will be asked to confirm in the usual way.

During last summer my Commissioners made another Treaty with the *Blackfeet, Blood and Piegan* Indians, by which the Indian title is extinguished over a territory of 51,000 square miles west of Treaty No. 4, and south of Treaty No. 6. The Treaty has been made on terms nearly the same as those under Treaty No. 6, though somewhat less onerous. The entire territory west of *Lake Superior* to the *Rocky Mountains*, and from the boundary nearly to the 55th degree of North latitude, embracing about 450,000 square miles, has now been acquired by peaceful negotiation with the native tribes, who place implicit faith in the honour and justice of the British Crown.

Early in the past summer a large body of Indians, under *Sitting Bull*, from the *United States*, crossed into British territory, to escape from the *United States* troops, and have since remained on the Canadian side.

The *United States* Government made a friendly but unsuccessful attempt to induce these Indians to return to their reservations. It is to be hoped that such arrangements may yet be made as may lead to their permanent and peaceful settlement, and thus relieve *Canada* of a source of uneasiness and a heavy expenditure.

The surveys of the *Pacific* Railway have been pressed to completion during the past season. A complete instrumental survey of the route, by the valleys of the *North Thompson* and *Lower Fraser* Rivers, has been made with a view to ascertain definitely, whether that route presents more favourable features than the routes already surveyed to *Dean Inlet* and *Bute Inlet* respectively. It is believed that the additional information now obtained will enable my Government to determine which route is the most advantageous from *Tête Jaune Cache* to the sea. Full information will be laid before you at an early day, of the season's work in this and other directions.

I am happy to be able to congratulate you on the abundant harvest reaped in all quarters of the Dominion; and I rejoice that under this and other influences there has been some improvement in the Revenue returns, thus indicating, I trust, that the commercial depression that has so long afflicted *Canada*, in common with other countries, is passing away.

My attention has been called to some imperfections in the existing system of auditing the Public Accounts, and a measure providing for their more thorough and effective supervision will be submitted for your consideration.

The prospect of obtaining, at an early day, greater facilities for reaching the *North Western Territories* and the Province of *Manitoba*, is sure to attract a larger number of settlers every year, and as much of the prosperity of the Dominion depends on the rapid settlement of the fertile lands in these Territories, it is desirable and