

and to Fugitive Offenders within the Empire; and your attention will be called to the present anomalous position of the Vice-Admiralty jurisdiction.

The work of construction on that portion of the Canadian *Pacific* Railway between *Prince Arthur's Landing* and *Winnipeg* is being pressed to completion, and it is confidently expected that in July next, railway communication will be established between those places. The section between *Rat Portage* and *Winnipeg*, one hundred and thirty-five miles in length, has been completed and transferred under the terms of the contract, to the Canadian *Pacific* Railway Company, by whom it is now operated. Considerable progress has been made on the Eastern Section, commencing at *Callander* Station, and the vigorous prosecution of the work on that portion of the line during the present year provided for.

In *British Columbia* the work upon the section between *Swona's Ferry* and *Emory's Bar* is being carried on, with every prospect of its completion within the time specified in the contract, and the line from the latter place to *Port Moody*, which has been carefully located during the past season, is now being placed under contract with a view to its completion at the same date as the section from *Savona's Ferry* to *Emory's Bar*.

Upon the sections to be constructed by the Railway Company, the work has been most energetically carried forward. During the past summer the road has been graded for the distance of two hundred and eighteen miles, and of this, one hundred and sixty-one miles are open for traffic.

The Company have, in addition, graded eighty-nine miles of branch lines.

I am pleased to be able to state that the traffic on the Intercolonial Railway has largely increased, and that this line was during the last fiscal year, for the first time in its history, worked without loss to the country.

The works on the *Welland* Canal were so far advanced that the waters of *Lake Erie* were introduced for its supply in June last, and in September the new portion of the Canal between *Allanburg* and *Port Dalhousie* was opened for traffic.

You will be pleased to know that a monthly line of steamers which has been subsidized under the authority of Parliament, is now plying between the Dominion and *Brazil*, with good hopes of a mutually profitable trade.

The Report of a Royal Commission issued to inquire into the question of factory labor, and into the best means of promoting the comfort and well-being of the workingman and his family, without undue interference with the development of our manufacturing industries, will be laid before you, and I invite your earnest consideration of this report.

*Gentlemen of the House of Commons :*

The Accounts of the last year will be laid before you. It will be satisfactory to you to find that the Expenditure has been less and the Revenue considerably more than the Estimates of last year, leaving a surplus of over four millions of dollars. A portion of this sum has been used in the reduction of the public debt by the redemption of matured debentures bearing six per cent. interest, and the remainder applied to the payment for public works chargeable to capital account. The necessity of issuing the Debenture Loan authorized by Parliament for those purposes has therefore been obviated.

The Estimates of the ensuing year will also be submitted, and will, I trust, be found to have been framed with due regard to economy and the efficiency of the public service.

*Honorable Gentlemen of the Senate :*

*Gentlemen of the House of Commons :*

I now invite your attention to the several subjects mentioned and to the general business which will come before you, with full confidence in your ability and patriotic desire to forward the best interests of the country.