

Every exertion has been made to settle the Indian Bands on Reserves, and to induce them to betake themselves to the raising of cattle and cultivating the soil.

These efforts have met with a fair measure of success, but we can only expect by a long continuance of patient firmness to induce these children of the Prairie and the Forest to abandon their nomadic habits, become self-supporting, and ultimately add to the industrial wealth of the country.

The influx of a white population has greatly increased the danger of collision between the settler and Red man, and in my opinion renders an augmentation of the Mounted Police a matter of urgency. Your sanction to this increase will be sought.

The second Report of the Commission appointed to investigate the existing system of the Civil Service will be laid before you, and a measure on the subject submitted for your consideration.

The decennial Census having been taken last year, the duty of reconsidering and re-adjusting the representation in the House of Commons is imposed upon you. A measure for the purpose will be laid before you.

Several other measures of importance will be submitted to you. Among them will be Bills for the winding up of Insolvent Banks, Insurance Companies and Trading Corporations; for the consolidation and amendment of the Laws respecting the Dominion Lands; for the amendment of the Acts relating to the Supreme Court of Canada, and Bills relating to the tenure of office of the Judges of County Courts, 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 *Savona'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.