

The rapid increase of population in the North-West, renders some amendments in the North-West Territories Act expedient, and your attention will be called to this important matter.

The progress of the Indians in Manitoba and the North-West during last year has been, on the whole, satisfactory. The Bands included in the several Indian Treaties have for the most part betaken themselves to their Reserves. A Bill for the further promotion of their interests will be submitted to you as well as a measure applicable to the whole Dominion, for the purpose of encouraging the more advanced Indian communities to assume the responsibilities of self-government.

The Bill laid before you last Session for the representation of the people in Parliament and the assimilation of the electoral franchises existing in the several Provinces has now been before the Country for a year. The measure will be re-introduced and I commend it to your attention.

I would also urge upon you the expediency of providing for the regulation of factory labour and the protection of the workingman and his family. The measure submitted last Session, with some amendments, will be laid before you.

The rapid progress of the Canadian Pacific Railway has been maintained throughout the past year. Of the two thousand eight hundred and thirty-three miles of the main line between *Pembroke* and *Port Moody*, one thousand seven hundred and thirty-eight miles are now constructed, rendering practicable the completion of that great work within the next two years. Although the time within which the Railway Company is bound to finish the road will not expire until 1891, my Government has thought it of the greatest importance for the settlement of the North-West and the development of our trade that its completion from sea to sea should be hastened and the Company enabled to open the line throughout by the spring of 1886. With this view, and in order to aid the Company in procuring sufficient capital for the purpose, by the disposal of its unsold shares, the Government agreed to receive a deposit of money and securities sufficient to pay a minimum three per cent. dividend for ten years on sixty-five millions of the stock. That arrangement was made on the belief that it would give steadiness and increased value to the shares on the market. A combination of unfavorable circumstances has prevented the fulfilment of these expectations, and the Company has not been able to obtain the required capital by a sale of its stock. The best means of preventing any delay in the great object of the early completion of the railway, demands your earnest consideration.

I am pleased to be able to state that the operation of that portion of the railway already opened affords the most gratifying evidence of its soundness as a commercial enterprise and of its great value to *Canada*.

The large increase of the volume of traffic on the Intercolonial Railway over that of any previous year, without involving any burden upon the country, is a satisfactory proof of the continued development of trade between the eastern and western portions of the Dominion.

A provisional arrangement made with the Government of *Nova Scotia* for the retention of the *Pictou* Branch and the acquisition of the Eastern Extension Railway to the Strait of *Canso* will be submitted for your approval.

*Gentlemen of the House of Commons :*

The accounts for the past year will be laid before you. You will find that the expenditure has been considerably less and the receipts larger than the estimates, the surplus exceeding that of any previous year. The revenues of the first half of the current year, notwithstanding the large importations of last season, have been such that we may reasonably expect that the estimates for the year will be fairly maintained.

The estimates for the ensuing year will also be submitted to you. They will, I trust, be found to have been prepared with due regard to economy.