

fiscal year gives promise of being the largest on record.

The flow of immigrants seeking homes in the three prairie provinces still continues, and from the present outlook the number will be in excess of any previous year, and it is gratifying to note the increasing proportion from the British Isles.

A treaty on behalf of Canada has now been concluded between the United Kingdom and Japan which it is confidently hoped will largely increase our trade with the people of that progressive empire. When the formal documents have been received they will be laid before you.

The rapid destruction of our forests now going on will, unless the operations of the lumbermen be prudently regulated in the future, and a system of reforestation adopted, result in grave consequences—affecting the uniform flow of our rivers and limiting our valuable water powers to a few months in the year. A Bill will be submitted for your consideration empowering the government to set apart forest reserves on lands under its control.

In accordance with the offer made by my ministers to the government of the United Kingdom, the imperial treasury has now been relieved from the cost of garrisoning Halifax, and arrangements are in progress for taking over the defence of Esquimalt, and hereafter detachments from the Permanent Force of Canada will have charge of both those important stations.

You will be invited to consider the propriety of making such a change in the fiscal year as will bring it more in harmony with the active business season.

The result of the investigation into the administration of leading life insurance companies in the neighbouring Republic has naturally created some uneasiness in the public mind as to the condition of Canadian companies. A commission has therefore been issued to inquire into and report on the management and financial standing, not only of companies holding Canadian charters, but also of all companies doing business under license in Canada.

Satisfactory progress is being made in the exploration and surveys of the Eastern Division of the National Transcontinental Railway, and it is expected that contracts for the construction of two important sections embracing together about 400 miles will shortly be executed.

The interim report of the Canadian section of the International Waterway Commission will be laid before you. The work of the joint commission has been somewhat delayed owing to a doubt as to the jurisdiction of the American section. The great development of commerce on the waters dividing the two countries and the opportunities for the generating of electric power at many points necessarily evolve questions which can only be dealt with by international arrangement or by treaty. At Niagara the commission will have to consider how best to preserve the scenic effect of the falls, while not unduly restricting the use of the flow of the Niagara river so valuable for power purposes.

A report has been received from the Transportation Commission containing several important recommendations; the document will be laid before you.

The legal experts appointed to revise, classify and consolidate the public general statutes passed since the revision in 1886 have completed their task, and it is expected that the volumes will be ready for distribution before July.

A measure for the better observance of the Lord's Day will be submitted for your consideration.

You will be invited to consider among other subjects Bills to amend the Railway Act, the Fruit Marks Act, an Act respecting Usury and also the Dominion Elections Act.

*Gentlemen of the House of Commons:*

The accounts for the past year will be laid before you; the estimates for the nine months embracing a portion of the proposed fiscal year terminating on the thirty-first of March, 1907, will be submitted for your approval at an early day.

*Honourable Gentlemen of the Senate:*

*Gentlemen of the House of Commons:*

I invite your earnest attention to the several subjects I have mentioned and to the general business that will come before you, and I trust your deliberations will be guided by wisdom and moderation.

His Excellency the Governor General was pleased to retire, and the House of Commons withdrew.

The Senate adjourned until Monday next at 3 p.m.