

"The great public works connected with the St. Lawrence navigation, and the canals required to complete the system, have been prosecuted with success during the past year.

"Nearly all the works on the Welland and Lachine Canals have been placed under contract on terms favourable to the country.

"The active prosecution of these works during the last three years has necessarily increased the public debt, and, though expectations are entertained that the outlay may ultimately be repaid to the country, it may be considered advisable not to press all the works, contemplated in the earlier years of Confederation, to completion at present.

"I am happy to state that the Intercolonial Railway was opened for traffic, throughout its entire length, early in the summer, with as favourable results as could have been expected.

"One of the immediate advantages of the completion of the Railway was the delivery and reception of the British Mails at Halifax after the closing of the St. Lawrence; and I am happy to say that, up to the present time, mails and passengers have been successfully carried over the line without any interruption.

"The exhibition of Canadian products, manufactures, and works of art at the United States National Exposition at Philadelphia was eminently successful, and proclaimed to the world that Canada had already taken a high place as a farming, manufacturing and mining country.

"It is gratifying to be able to state that the expenditure was kept well within the estimate.

"It is but just that I should acknowledge that the success achieved by the enterprise of our people was largely aided by the energy and wisdom of the Commissioners who had charge of the arrangements.

"I have considered it advisable in the interest of the country to make arrangements for exhibiting Canadian products at the Exhibition to be held at Sydney, New South Wales, for which you will be asked to make provision.

"Notwithstanding the loss of revenue, consequent chiefly on the diminution of our importations, the reductions effected during the current year have gone far to restore the equilibrium between income and expenditure, though great economy will be still needful to attain this object.

"I regret that I am still unable to announce any progress in obtaining a settlement of the Fishery claims under the Washington Treaty, though my Government has made every effort to secure that result.

"My Commissioners have made further treaty arrangements with certain of the Indian tribes of the North-West territories, by which their title is extinguished to a very large portion of the territories west of Treaty No. 4; and, although some of the provisions of this treaty are of a somewhat onerous and exceptional character, I have thought it nevertheless advisable on the whole to ratify

it. This treaty will be placed before you. I have made an engagement to negotiate a treaty with the remaining tribes east of the Rocky Mountains.

"The expenditure incurred by the Indian Treaties is undoubtedly large, but the Canadian policy is nevertheless the cheapest, ultimately, if we compare the results with those of other countries; and it is above all a humane, just, and Christian policy.

"Notwithstanding the deplorable war waged between the Indian tribes in the United States territories, and the Government of that country, during the last year, no difficulty has arisen with the Canadian tribes living in the immediate vicinity of the scene of hostilities.

"You will be asked to consider the expediency of making such changes in the Joint Stock Companies Act as may obviate for the future the passage of special Acts of Parliament for the incorporation of various classes of Companies, including such corporations as seek to engage in the borrowing and lending of money, by providing for their organization by Letters Patent.

"The desirability of affording additional security to policy-holders of Life Assurance Companies has engaged the attention of my Government, and I trust that the measure which will be submitted will accomplish the desired object.

"A measure will be submitted to you for the purpose of extending to the navigation of the great inland waters rights and remedies at present confined to waters within the jurisdiction of the Courts of Vice-Admiralty.

"You will be asked to amend and consolidate the laws relating to Customs.

"I have considered it advisable to provide for the permanent prosecution of the Geological Survey, which has heretofore been carried on under temporary enactments, and to make this a distinct branch of the Civil Service; your attention will be invited to a Bill for that purpose.

"Measures will be submitted also for the amendment of the Weights and Measures Act, the Excise laws, and other Acts, and also a Bill relating to Shipping.

*"Gentlemen of the House of Commons:*

"The accounts of the past year will be laid before you.

"The Estimates of the next financial year will also be submitted, and will, I trust, be found to be framed with a view to meet the existing circumstances of the country, while, at the same time, providing for carrying on the administration of affairs with efficiency.

*"Honourable Gentlemen of the Senate:*

*Gentlemen of the House of Commons:*

"I place full reliance on your prudence and ability, and your devotion to the work of legislation, which, I trust, may be carried on and completed in such a way as to minister to the prosperity of the country, and the unity of the people."