

man himself and his administration are in course of execution, and necessarily swells the interest on the public debt; and there will be a constant increase of taxation to meet that debt. But in all other matters I shall endeavor to see that no public interest shall suffer, although we are bound in a season like the present to avoid any expenditures that can be avoided and to curtail any expenditure where the revenue really fails, rather than impose taxation on the people in order to meet it. The hon. gentleman has referred to my remarks last Session regarding the latest Territorial Act, and he has expressed a hope to-day that having made a saving for this one year I need not put that Act into operation, or appoint a Governor to undertake the government of these Territories in the way provided by that Act. The right hon. gentleman would unfairly interfere; and implies that the Territory might remain in such a condition permanently, as it need require no supervision but that of the Government of Manitoba. But my impression of our duty is that we ought to have that country settled as fast as possible, with the great hope of making a transcontinental railway pass through there to throw in a large population into these Territories. We have been at a very great expense in maintaining British supremacy in these Territories, and we believe that it is absolutely necessary to have an authority within that section for the guidance of its affairs. Last season very nearly two thousand people settled outside the boundaries of the Province, and it is time we should consider how the Government of Manitoba can be relieved of the supervision of such a vast country. The seat of Government is too far distant, and in order to reach remote districts, it is necessary to have some supervision in the Territories. I may mention, for instance, in regard to these Territories, that we found a great deal of difficulty in preventing intoxicating liquors being introduced from the United States. We have succeeded, I believe, in that, and for the last six or nine months, we have reason to think that no liquor has been introduced by the Southern boundary.

HON. MR. MACKENZIE.

The Mounted Police have effectually checked that illicit trade, but, singular as it may seem, we have actually found that United States traders have reached the district of the Peace River with large quantities of intoxicating liquors from Alaska, and have succeeded in that way in turning our flank, [and producing the usual demoralising effects among the Indian tribes. I think it is of the very greatest importance that the British authority should be formally recognised and established among all the tribes of that country, and that they should be assured of our thorough and efficient protection of them, and the justice and liberality of the Canadian or British authorities. Therefore, we have considered this act so desirable. The reason for not placing it in operation I shall give on a future occasion, when I have] to address the House on matters connected with that subject. My right hon. friend was somewhat jocular in his remarks upon the Manitoba terms. He thinks that he was right on former occasions, and that we are wrong because we propose to make some alterations in the terms of union of that Province. Well, Sir, the circumstances are not the same. I never took the ground that it was not desirable to consider the circumstances of any Province in such cases. What I wanted to urge at that time was upon entirely different ground, which I need not enter upon now. Suffice it to say that the Government feel it necessary to bring before Parliament the representations of the ministry of that Province. I am happy to say that they have shown the utmost desire to meet the views of the administration here in curtailing the expenditures. Canada has made very large outlays in that Province and neighboring territories year after year, and it is impossible to consider the position of a small Province struggling under financial difficulties, and having little local revenue of own, without also considering what is necessary for us to do in order to enable them to conduct the government. Great abuses undoubtedly prevailed in that Province some years ago, but these abuses, we have reason to believe, are not carried on at the present time—I mean as to