

set apart in lieu as school lands, care being taken to select lands for this purpose as nearly as possible equal in value to those disposed of.

When the Act 56 Victoria, chapter 18, under which these grants were made, was framed, it was supposed from the information then in the department that it included all claims that could be made to school lauds through occupation prior to the 1st of January, 1880. Several applications have, however, since been filed by persons claiming to have been in occupation of specified school lands from a date prior to 1880, and who are not included in the schedule to the Act. In regard to such cases you decided that if the applicants could prove residence and cultivation from a date prior to 1880, they should as a matter of equity be granted the same privileges as those who were provided for by the Act before mentioned, and that legislation should be sought at the next session of Parliament to extend the provisions of the Act to meet these cases, if the government of the province consented. Accordingly by your instructions the Hon. Clifford Sifton, Provincial Lands Commissioner, was advised of the position of these claims, and on behalf of his government expressed concurrence in your views as to the advisability of procuring additional legislation to include them. As a preparatory step, a notice was published in the Manitoba papers stating that it was proposed to seek from Parliament legislation to extend the provisions of the Act 56 Victoria, chapter 18, to cover additional claims that might be made to school lands through occupation prior to the 1st of January, 1880, and calling upon all such claimants to file such evidence as they might have to offer with the Commissioner of Dominion Lands on or before the 15th day of March, 1895.

No auctions of school lands in Manitoba were held during the past year, the only sales being to the Canadian Pacific Railway Company of the lands in school sections required for the right of way and station grounds for certain portions of the railway, and for substitutional highways in cases where the regular road allowance was occupied or interfered with by the railway. These sales were made in accordance with the provisions of the Railway Act, and under the authority of and at a price per acre fixed by the Governor in Council.

The gross receipts on account of maturing instalments accruing due on sales during the twelve months ending the 31st of December, 1894, were \$49,890.90. Deducting from this sum refunds on overpayments, &c., and also the refunds made on account of the conversion of certain sales into homesteads under the provisions of the Act 56 Vic., chap. 18, the net amount credited to the Manitoba School Endowment Fund for the year 1894 was \$48,841.02, as shown in the statement herewith, against \$76,116.72 for the year ending the 31st of December, 1893. This decrease in the receipts is due to the scarcity of money among the settlers consequent upon the low prices received for grain; but it should be explained that while in cases of necessity the payment of instalments of principal moneys due on purchases of school lands have been extended, the payment of interest has invariably been made a condition of the extension. This practice was adopted with a view of helping settlers, but it is at the same time a benefit to the School Endowment Fund, for although the annual revenue is temporarily reduced thereby, the fund is receiving interest at the rate of six per cent on all principal moneys outstanding, instead of the regular government rate.