1 must not, however, omit to mention that when the second band was driven in by the contractors, they most willingly exchanged every horse to which objection was raised, replacing them by others in all respects up to the required standard.

The manner in which the Stewart Ranch Company fulfilled their contract was entenmtly satisfactory.

In my Annual Report for 1880, I called your attention to the necessity of a new post being erected at Fort MacLeod.

The danger which I then pointed out still exists, of the island on which the post is now built being entirely washed away.

The present condition of the post is wretched, notwithstanding that repairs have been made every year, and a few additional buildings erected.

The number of the buildings at the post are entirely inadequate to accommodate the force now stationed there, which, as you are aware, has been increased.

I have already forwarded you a sketch of the country about Fort MacLeod, showing the sites suitable for the erection of a post.

I would strongly recommend that one of the sites be at once decided upon, and arrangements made immediately for building a substantial brick post.

I do not consider that any saving would be effected by longer delay.

A new post must be built, and one which will suffice for many years; a strong police force will be required about that point for a very considerable time. The number of Indians, their proximity to the boundary line, and the large cattle interests will alone necessitate a force in that quarter.

This being the case, a saving will be effected by the Government by erecting a substantial post of brick.

All the material for building with brick can be obtained at or near Fort Macleod. And the extra cost entailed by building permanently will be ultimately saved by the substantibility.

Another reason why this should be done at once is that the people at the small village of MacLeod are all delaying building until the site of the post is chosen.

When this is decided upon a fine town will soon spring up.

Fort Calgary having been created a district post, and "E" Division removed there, under the command of Superintendent Mcllree, the buildings were entirely inadequate to accommodate the Division, and were so entirely useless and out of repair that I gave instructions to that officer to commence building at once on his arrival, and to retain for use during the winter such buildings as, with little or no expense could be made habitable for the winter. The buildings to be erected were to be laid out in a general plan for a new post.

Superintendent McIlree immediately on his arrival commenced work. Several of the old buildings were pulled down to make way for the new ones, all the same logs being utilized. A contract was at once let for the erection of a new Barrack Room, 110 ft long by 30 ft. wide, with dining-room 30 ft. square, and kitchen 15 ft. square; attached, 1 guard room, 30x50, with 12 cells; 1 hospital, and 1 officers' quarters. These buildings have all been completed. The walls of the buildings throughout are 9 ft high and constructed of logs, with the exception of the officers' quarters, which are frame. The chinks are filled with mortar. Floor, $1\frac{1}{2}$ inch planed lumber, tongued and grooved, roof of shingle laid in mortar. The buildings erected are good substantial ones, neat in appearance, well ventilated and suited for the requirements to which they will be put.

The men are very much crowded, though, at present, and as the old buildings will not last another year, the post will require to be completed in the ensuing year. I annex a plan which shows the buildings that have already been erected, also the additional ones which are required. They are:

1 Barrack room, dining room and kitchen, same dimensions as ones already erected.

2 Officers' quarters same as one now built.

1 Quartermasters' store, 30 ft. widelby 150 ft. long.

1 Reading and Recreation room, 35 ft. wide by 50 ft. long.