
 WATER SUPPLY.

So far the progress of settlement in the Province has been along the immediate banks of the principal rivers and lakes. The desirable lands so situated, will, however be gradually taken up, and people will be forced to settle outside on the prairies.

There are vast tracts of prairie land, the soil of which is known to be excellent and having timber within a reasonable distance, but, so far as known, without running waters. It is suggested that settlements in many of these localities might be stimulated were it shewn that water can be had at a reasonable expense by digging or boring. It might be in the interests of the country to take steps to ascertain this.

Wherever it was evident that water was readily obtained by digging, such lands would be speedily taken up, and in the few places where it is possible that to obtain water in this manner might involve more cost than would be within the means of settlers; it might be desirable that the government should cause to be made a certain number of wells in such locality, placing the same at the intersections of main roads, in this manner they might be made to serve the wants of many families on the adjoining quarter sections. Even were the cost of such wells assessed on and added to the price of the lands benefited by them, it is likely that settlers would consider the very slight increase in cost per acre as more than counterbalanced by the advantage conferred.

DOMINION LANDS.

The Lands Act passed during the last session has so far worked well and gives every satisfaction.

The facilities of access to Manitoba have not hitherto, been such as to afford much encouragement to immigration. During the coming year however, the improvements on the Dawson Route and the probable completion of the Northern Pacific Railway to Pembina will greatly contribute to the comfort of families seeking a home in Manitoba as well as enable them to take in their stock, furniture, &c.

Under all the circumstances quite as much business has been done in the Land Office as could have been expected. The result already has been that a number of thriving settlements such as Springfield, North East from Fort Garry, ten miles; Victoria, Northwesterly from Fort Garry twenty two miles, and the "Third Crossing," of the White Mud River, Northwesterly from Prairie Portage some forty miles, have been founded during the past season.

The returns of the Dominion Lands Agent at Winnipeg shew that the transactions in lands have been as follows:

	ACRES.
Sales.....	23,200 at \$1.00 per acre.
Homestead Entries.....	97,760 at \$10 fee for each entry.
Military Bounty Entries....	33,440.
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Total.....	154,400.

The allotment of the fourteen hundred thousand (1,400,000) acres set apart under the Manitoba Act, for Half Breeds is now on the point of being commenced. Pursuant to late instructions which I have had the honor to receive from you, every possible means is being used to hasten the preparation of plans and other data giving the necessary information to enable His Honor the Lieutenant Governor to proceed with the allotment.

There is every prospect that during the coming year not only this allotment but all other land claims created or provided for under the Manitoba Act will be settled and finally disposed of.