

has been carried out, and a formal lease has been entered into which you will be asked to approve. That railway is now in the possession of your Company, and its extension westward from Robson to the Boundary Creek Mining District (100 miles), to which your assent was also given, is now well advanced, and is expected to be completed about midsummer. This extension, although unusually expensive in construction, is fully justified by the extensive developments in the districts it is intended to serve, and which are as yet without railway facilities.

12. The Company will acquire, in connection with this line, 1,600,000 acres of land from the Province of British Columbia; but it is probable that this grant will be converted into a cash subsidy.

13. The attractions of the Klondyke drew away many prospectors and miners from Southern British Columbia early in the year, but the development of the mines of the latter district has continued and the shipments of ores have increased as rapidly as the means of transportation would permit. The much desired shipping facilities afforded by the new Crows Nest Pass line and the facilities which will soon be afforded by the Boundary Creek line, will, without doubt, give a great impetus to ore shipments and to business generally in the Kootenay, Rossland and Boundary Creek districts.

14. Two extensions of branch lines in Manitoba were made during the year, one of the Stonewall Branch northward to Foxton, $19\frac{6}{10}$ miles, and one of the Pipestone Branch westward 17 miles; the settlement of the country having made both of these necessary.

15. Your Company expended a considerable amount, about the beginning of the year, in ocean and river steamers