The demand for manufactured timber has increased very greatly in Manitoba and the settled portions of the Territories, and within the past two years a sub-branch of the Dominion Lands Office has been organized, under the supervision of which the forests on the public domain have been protected from the systematic plunder from which they previously suffered, and have become the source of a large and rapidly growing revenue.

GEOLOGICAL SURVEY.

The premises in Ottawa purchased for the accommodation of the Geological Branch have been placed in a state of thorough repair, and are ready for the reception of the staff and effects of the Survey and Museum. The work of removal is now in progress, and is expected to be completed about the beginning of May.

The Annual Report of the Director of the Survey will as usual be printed in a separate volume. In the meantime, I have the honour to submit to Your Excellency the following summary of the operations of the Geological Corps in the field during the year. Those operations were prosecuted in—

- 1. The North-West Territories.
- 2. Manitoba—(Hudson's Bay Basin).
- 3. Quebec, on both sides of the St. Lawrence.
- 4. New Brunswick.
- 5. Nova Scotia—(Cape Breton Island).

An examination was also made of the Magdalen Islands by Mr. Richardson.

THE NORTH-WEST TERRITORIES.

In March it was decided to make an investigation by boring to obtain more precise information respecting the tertiary lignite coal seams of the Souris River Valley, more especially as regards their eastern extension from the known outcrops in the vicinity of the Roche Percée. With this object in view, a contract was entered into with Messrs. McGarvey & Highman, of Petrolia, Ontario, to make two or more borings in the valley of the Souris River, the aggregate depth not to exceed 800 feet, for the sum of six thousand dollars, the sites, not more than 25 miles apart, to be selected after careful examination of the ground. This examination was undertaken by the Director, and occupied him from the 13th May to the 30th August. Expenses, \$1,204.30. The boring commenced about seven miles east of the Roche Percée on the 12th July, and finished on Turtle Mountain on the 6th October. Four bores were made as under .—