

approval of the last named Government." It is also provided: "In the event of the failure of the Nova Scotia Government to complete, equip and establish said Extension and Ferry, with all reasonable despatch, or in the event of their failure, for the period of three months, to operate the said railway and ferry, or either of them, efficiently and continuously, the two lines of railway and the ferry shall thereupon be vested in and become the property of the Government of Canada, free from any incumbrance, created either by the Government of Nova Scotia, or by the Company, which may have constructed the Extension."

As a matter of fact, the Eastern Extension was constructed by a Company from whom the Nova Scotia Government have acquired it, and to whom, it is understood, they have paid the purchase money.

The only obligation of the Government of Canada to the Government of Nova Scotia, in respect to the Pictou Branch, is to be found in the Act above recited, and whether into the hands of "the Company" or of the Government of Nova Scotia, it is, in my opinion, contemplated that the Government of the Dominion shall only divest itself of the Pictou Branch after the Eastern Extension and Ferry shall have been "completed, equipped, and established," and the tariff of charges settled. This, it is represented to me, has not been accomplished; the Ferry and the appurtenances have not been "completed and established," the Railway has not been "equipped," and the tariff of charges has not been submitted to the Government of Canada, and approved. A memorandum specifying what rolling stock was necessary to the "equipment" of the road, is stated to have been furnished to the Nova Scotia Government, as far back as last spring.

It will be observed that under the language of the Act, as quoted above, the two lines of railway and the ferry, are to be "efficiently and continuously operated" by the Nova Scotia Government, at a fair and reasonable tariff of charges, to be made and established by the Nova Scotia Government, subject to the approval of the Governor General in Council. The steps which would seem necessary for the Government of Nova Scotia to take in the matter now, in order to become entitled to the transfer of the Pictou Branch, are, first, the providing of the necessary equipment for the two lines of Railway; second, the completion and establishment of the ferry and appurtenances, and third, the submission to the Government of Canada of a tariff of charges, to be approved by His Excellency in Council.

No difficulty or delay need, I understand, be apprehended as regards the tariff of charges, which, I am informed, could be at once settled.

I would recommend that the Government of Nova Scotia be informed that, as soon as the necessary equipment has been placed upon the road and the ferry completed and established, and a tariff of charges submitted to and approved of by the Governor in Council, the Pictou Branch be transferred to the Government of Nova Scotia, in pursuance of the Act of Parliament above cited, by the Government of the Dominion.

A. CAMPBELL.

17th October, 1883.

*Memorandum.*

18th October, 1883.

The undersigned has the honour to represent that, under date the 11th inst., he had an interview with the Hon. Mr. Pipes, the Premier of the Government of Nova Scotia, the Hon. Mr. Fielding, a member of the Government, and Mr. Scott, General Manager of the Provincial Railways, with respect to the transfer of the Pictou Branch Railway, and that at such interview a copy of an agreement was submitted, dated the 1st instant, made between the Halifax and Cape Breton Railway Company and the Government of Nova Scotia, being for the assignment of the Eastern Extension Railway and of the Company's interest in the Pictou Branch, application for the transfer of this Branch was made by the Provincial Government, as assignees of the Company who built the road.