

DEPARTMENT OF RAILWAYS AND CANALS,
OTTAWA, 19th March, 1885.

SIR.—On the 11th June last the Chief Commissioner of Lands and Works in British Columbia forwarded to this Department an application made by the Esquimalt and Nanaimo Railway Company for permission to reserve for town sites certain portions of the lands alongside of the proposed line of their railway. The Provincial Government, at the same time, conveyed their approval of the proposed reservation.

Upon reference of the matter to the Department of Justice, that Department advised, under date the 21st of July, that no right lay with the Government of Canada to consent to the reservation for the purpose indicated. Under date the 14th inst., however, this opinion has been revised, and the Hon. the Minister of Justice considers that under the 10th section of the Act of the Legislature of British Columbia, 1884, chap. 14, relating to the Island Railway, and the railway lands of the Province, an arrangement may be made with the company for the use, occupation or sale of the lands, not inconsistent with the terms of the agreement made with the company and the Provincial Government in respect of timber lands, lands containing coal and other minerals, and agricultural lands. All moneys received on account of the lands so to be disposed of should, the Minister of Justice considers, be deposited with the Receiver-General. The whole matter is one which more properly concerns your Department, and I am accordingly directed to transfer to you the several papers relating thereto, the foregoing explanation serving to summarize the case, for your information.

I have, &c.,

A. P. BRADLEY, *Secretary.*

A. M. BURGESS, Esq., Deputy Minister of Interior, Ottawa.

OTTAWA, 14th February, 1885.

SIR.—With further reference to your letter of the 27th June, 1884, and my answer of 21st July with respect to reserving certain portions of the lands along the proposed line of the Esquimalt and Nanaimo Railway, in Vancouver Island, for town sites, I have the honor to state that my attention has been called by the Hon. Mr. Trutch to the 10th section of the Act of the Legislature of British Columbia, 1884, chap. 14, relating to the Island Railway, the graving dock and railway lands of the Province, which is in the following terms:—

The company may accept and receive from the Government of Canada any lease, grant or conveyance of lands, by way of subsidy or otherwise, in aid of the construction of the said railway, and may enter into any contract with the said Government for or respecting the use, occupation, mortgage or sale of the said lands or any part thereof, on such conditions as may be agreed upon between the Government and the company.

The Minister of Justice is of opinion that under this section an arrangement may be made with the company for the use, occupation or sale of the lands, not inconsistent with the terms of the agreements with British Columbia and with the railway company. These agreements appear to make provision with respect to timber lands, lands containing coal and other minerals, and agricultural lands, the latter of which it is provided shall be kept open for four years from the passing of the Act to actual settlers.

Any arrangement that is made should have the assent both of the British Columbia Government and of the company, and although the Act makes no provision in that behalf, any moneys received on account of these lands should, the Minister thinks, be paid into the Receiver-General. If any arrangement is made, care will have to be exercised in respect to the details thereof, in order to avoid any conflict between the different parties administering the lands.

Your obedient servant,

GEO. W. BURBIDGE, *Deputy Minister of Justice.*

A. P. BRADLEY, Esq., Secretary Department Railways and Canals.