

of lands situated within the railway belt on Vancouver Island, whose claims are described in the schedule enclosed herewith.

Each of these persons has deposited in this office his original pre-emption record certificate of purchase receipt in full payment for the land, the right to which was acquired under the provisions of "An Act relating to the Island Railway, the Graving Dock and Railway Lands of the Province."

I have the honor, &c.,

WM. SMITHE, *Chief Commissioner of Lands and Works.*

Hon. JOSEPH W. TRUTCH, C.M.G.,

Agent of Canada for British Columbia, Victoria, B.C.

VICTORIA, B.C., 29th December, 1884.

SIR,—I have the honor to submit, for your consideration, the enclosed copy of a letter recently received by me from the Hon. Mr. Smith, representing that it is urgently desirable that lands within the railway belt on Vancouver Island, valuable for lumbering, pastoral and other purposes, should be at once made available for settlement, and pointing out that, under the provisions of the so-called "Settlement Act," the fullest powers are given to the Dominion Government to deal with these lands, and that it is, in his opinion, urgently required, in the interests of the section of the country through which the Esquimalt and Nanaimo Railway passes, that the authority so conferred should be exercised.

As I shall shortly be in Ottawa, I shall be glad if you will then afford me an opportunity of communicating to you personally my views on the subject matter of Mr. Smith's letter, in accordance with his request.

I have the honor to be, Sir, your obedient servant,

JOSEPH W. TRUTCH.

Hon. the Minister of Railways and Canals, Ottawa.

VICTORIA, B.C., 22nd December, 1884.

SIR,—It is a matter of importance that the settlement of the east coast of Vancouver Island should proceed as rapidly as possible during the construction of the Esquimalt and Nanaimo Railway, and with a view to that object, provision was made in the Esquimalt and Nanaimo Railway Bill for the acquisition of land by pre-emption, and it is a satisfactory circumstance that under the pre-emption clause a great many settlers of the agricultural class have located upon the railway lands.

It was not intended, however, to restrict settlement on these lands to the one class, and it is well known that there are large areas of land within the belt valuable for lumbering and pastoral purposes, to which the pre-emption clause of the Act is quite inapplicable; in fact, timber lands are specially excepted from the operation of the clause. Section 25 of the Act provides for the selling of timber lands at a price to be fixed by the Dominion Government or by the railway company, which clearly indicates that the locking up of timber belts was not contemplated by the framers of the Bill.

Section 10 provides for 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.

This seems to give the fullest power to deal with the land in any way which the Dominion Government may consider to be desirable in the interests of the section of country through which the railway passes, and I think it is urgently required that the authority so conferred should be exercised.

The Minister of Railways and Canals, with whom I have communicated upon the subject, is of opinion that the Government at Ottawa can do nothing beyond what they have already commissioned me, as their agent, to do, but I think the Minister is under a misapprehension, resulting, probably, from a perusal of the Dominion Act alone, which does not, in direct terms, deal with the question.