

the two Governments, that of the Dominion paying the salary of judges, and that of the Province the salary of stipendiary magistrate. This arrangement will leave a Supreme Court, composed of three members, the Chief Justice, Mr. Justice Crease and Mr. Justice Gray, at Victoria, the seat of the court for the transaction of business at the capital and on the Island of Vancouver. I have the honor to submit herewith a memorandum, dated the 20th of August, embodying the agreement between the two Governments on the various points referred to. I have to report further, for the information of Your Excellency, that I executed at Victoria, on behalf of the Minister of Railways, a provisional contract for the construction of the Island Railway, and that Messrs. Robert and James Dunsmuir and John Bryden executed it on their own behalf, and deposited with me the \$250,000 required as security for its performance. I afterwards proceeded to San Francisco and procured the execution of the contract there by the remaining contractors. The contract thus executed I transmitted from San Francisco to the agent of the Dominion Government in British Columbia, Mr. Trutch, to be held by him in accordance with the terms of the memorandum, until such time as the necessary legislative authority should be given by the Parliament of Canada and the Legislature of British Columbia. I enclose herewith a copy of the contract. I have the honor further to state, that prior to leaving the Province I instructed Mr. Trutch to take over from the local authorities, on behalf the Dominion, the graving dock, and to take such steps as were necessary for the safety of the work and materials on hand and the plant. The Minister of Public Works has, I understand, since received an intimation from Mr. Trutch that he has assumed possession of the work accordingly. The petition for the disallowance of the Act to incorporate the Columbia and Kootenay Railway and Transportation Company, referred to me by an Order of Your Excellency in Council on the 14th June, I have reported upon in a separate paper. During my stay in British Columbia I had occasion to examine into a number of matters for the different Departments of the Government, and to report on them to several of my colleagues, as per margin.

The whole humbly submitted.

A. CAMPBELL.

OTTAWA, 25th September, 1883.

(Margin.)

Sir John Macdonald—On all the topics herein referred to and on Indian affairs.

The Minister of Finance—On the extent of circulation of Dominion notes in the Province.

The Minister of Public Works—The graving dock; the public buildings at New Westminster, the site of provincial penitentiary, another necessity of new wing; temporary telegraph connection for Mr. Onderdonk, contractor for Canadian Pacific Railway.

Minister of Railways—The Island Railway.

Minister of Agriculture and Immigration—The site of a quarantine station; provincial immigration matters.

Minister of Militia—The site of barracks for new battery; the rifle butts.

Minister of Marine—Necessity for salmon hatcheries on Fraser River, particularly for propagation of spring salmon; snag boats for Fraser River; protection of fisheries.

Postmaster-General—Organization of Post Office Service; expediency of discontinuing services to San Francisco; also as to service between Victoria and Port Townsend and to Port Simpson.

MEMORANDUM of Arrangement made at Victoria on the 20th day of August, 1883, relative to the various points remaining unsettled between the Government of the Dominion and that of the Province of British Columbia.

Island Railway.

1. The Government of British Columbia will invite the adoption by the Legislature of the Province of certain amendments to the Act of 1883, entitled: