

The Minister states that the matter was referred to the Minister of Justice, who, under date the 17th inst., furnished an opinion herewith attached, as to the position in which the Dominion Government stands in the premises and, after reciting the pertinent clauses of the Act 42 Vic., chap. 12, 1879, authorizing the transfer of this Branch, the Minister of Justice expresses the opinion that it is thereby 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 tariff of charges settled.

That the ferry and 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, although a memorandum specifying what rolling stock is necessary to the equipment of the road was furnished to the Provincial Government last spring.

That, in the opinion of the Minister of Justice, it is necessary, in order to entitle the Nova Scotia Government to the transfer of this Branch, that the several conditions shall be fulfilled, and he advises that they be informed accordingly.

The Minister further states that the following are the conditions suggested by the Chief Engineer of Government Railways, as constituting a basis upon which the transfer of this Branch might be made.

1. That the assignees agree to a tariff of rates upon a mileage basis, framed on the Intercolonial Railway tariff of charges for traffic to and from the Pictou Branch.

2. That they provide the following rolling stock:—

	Halifax and Cape Breton Ry.	Pictou Branch.	Total.
Engines.....	7	14	21
1st Class.....	4	6	10
2nd ".....	4	6	10
Baggage.....	3	4	7
Box Cars.....	60	80	140
Flat Cars.....	60	90	150
Coal Cars (10 tons).....	100	450	550

The Minister, in view of the opinion of the Minister of Justice, recommends that he be authorized to inform the Government of Nova Scotia, in reply to their application, that so soon as the necessary equipment, as above detailed, be placed on the road, and the ferry is completed and established, and further, a tariff of charges submitted to the Governor in Council and approved of by him, the Pictou Branch will be transferred to the Government, in pursuance of the Act of Parliament to that intent.

The Committee concur in the foregoing recommendations, and they respectfully submit the same for Your Excellency's approval.

JOHN J. MCGEE.

THIS AGREEMENT, made the first day of October, in the year of Our Lord one thousand eight hundred and eighty-three, between the Halifax and Cape Breton Railway and Coal Company, hereinafter called "The Company" of the one part, and Her Majesty the Queen, represented in that behalf by the Honorable Albert Gayton, Commissioner of Public Works and Mines, a member of the Executive Council of the Province of Nova Scotia, on behalf of the Government of the said Province, hereinafter called "The Government" of the other part.

Whereas, under a certain agreement heretofore made between the Government and the Company, and certain Acts of the Parliament of the Dominion and of the Legislature of the said Province, the Government have the right to take over and acquire all the railway of the said Company, known as the Eastern Extension Railway, running from New Glasgow to the Strait of Canso, with all its rolling stock and plant, and all the rights of the Company in and to the railway running from Truro to Pictou, in said Province, known as the Pictou Branch, with all its rights and claims in connection therewith, and all the property of said Company of every kind, on pay-