

PREFATORY REMARKS.

The labours of the Joint High Commission at Washington have produced anything but satisfaction here. Great fears are entertained on the San Juan question, as elsewhere dissatisfaction on the fisheries question. Reliable maps have been found in the archives of this colony, bearing the impress of high official sanction in the United States, which clearly give San Juan and other islands over to the British.

A. PREAMBLE.

During the last Session of the Legislative Council, the subject of the admission of the Colony of British Columbia into the Union or Dominion of Canada was taken into consideration, and a resolution on the subject was agreed to, embodying the terms upon which it was proposed that this Colony should enter the Union.

At the close of the Session, delegates were sent by the Government of this Colony to Canada, to confer with the Government of the Dominion with respect to the admission of British Columbia into the Union upon the terms proposed.

After considerable discussion by the delegates with the Members of the Government of the Dominion of Canada, the Terms and Conditions hereinafter specified were adopted by a Committee of the Privy Council of Canada, and were by them reported to the Governor General for his approval.

Such Terms were communicated to the Government of this Colony by the Governor-General of Canada, in a dispatch dated July 7th, 1870, and are as follow :

TEXT OF THE TERMS.

1. Canada shall be liable for the debts and liabilities of British Columbia existing at the time of Union.

2. British Columbia not having incurred debts equal to those of the other Provinces now constituting the Dominion shall be entitled to receive, by half-yearly payments in advance from the General Government, interest at the rate of five per cent. per annum on the difference between the actual amount of its indebtedness per head of the population of Nova Scotia and New Brunswick (\$27-77), the population of British Columbia being taken at 60,000.

3. The following sums shall be paid by Canada to British Columbia, for the support of its Government and Legislature, to wit, an annual subsidy of \$35,000, and an annual grant equal to 80 cents per head of the said population of 60,000, both half-yearly in advance, such grant of 80 cents per head to be augmented in proportion to the increase of population, as may be shown by each subsequent decennial census, until the population amounts to 400,000 at which rate such grant shall thereafter remain, it being understood that the first census be taken in the year 1881.

4. The Dominion shall provide an efficient mail service, fortnightly, by steam communication between Victoria and San Francisco, and twice a week between Victoria and Olympia; the Vessels to be adapted for the conveyance