

" Provided that the *quantity* of land which may be held under Pre-emption right or " by Crown grant within the limits of the tract of land in British Columbia to be so " conveyed to the Dominion Government, shall be made good to the Dominion from " *contiguous* Public Lands; and, provided further, that until the commencement, " within two years, as aforesaid, from the date of the Union, of the construction of " the said Railway, the Government of British Columbia shall not sell or alienate " any further portions of the Public Lands of British Columbia in any other way " than under right of Pre-emption, requiring actual residence of the Pre-emptor on " the land claimed by him. In consideration of the land to be so conveyed in aid of " the construction of the Railway, the Dominion Government agree to pay to British " Columbia, from the date of the Union, the sum of 100,000 Dollars per annum, in " half-yearly payments in advance."

In view of the statement made in the preceding paragraph, it now becomes necessary that an understanding be arrived at with the Government of the Province by which the Dominion may receive an equal area of lands available for farming or economical purposes in lieu of those which, on investigation, may be found to be unavailable within the forty-mile belt, and the Dominion Government urgently request the concurrence of the Government of British Columbia in the following arrangements: *i. e.*, That such territory situate within the forty-mile belt referred to in the section of the "Terms and Conditions" above quoted as may be found on a thorough examination and investigation useless for farming or other valuable purposes, may not be regarded as properly forming part of the land consideration to be received by the Dominion, but that the same be eliminated from the area in the belt described, and that an equal area of land suitable for farming or other valuable purposes be selected elsewhere in the Province in lieu thereof. The area to be selected outside of the belt mentioned should, in addition, include a quantity of land to represent that in the Fraser River Valley and elsewhere along or in the vicinity of the Railway line which may be found to have been already disposed of by the Province, or with regard to which valid claims may be preferred, as also to cover the deficiency caused by the International Boundary on the Mainland and the coast line on Vancouver Island respectively falling within the forty-mile belt.

The Dominion Government cannot doubt that the Provincial Government will consider itself pledged in good faith in view of the whole circumstances, and of the actual money consideration stipulated for in the section of the "Terms and Conditions" above cited, and which has been regularly paid, to place the Dominion Government in possession of land elsewhere in lieu of the corresponding area within the railway belt, which may be found to be useless for agricultural or other valuable purposes.

In accordance with these views, and acting as the Agent of the Dominion Government, duly accredited to the Government of British Columbia under authority of the Order in Council, dated the 25th February last, a copy of which has been received by His Honor the Lieutenant Governor, I have the honor to prefer the request that the right above defined of selecting lands outside of the forty-mile belt in lieu of lands within that limit which, on investigation, shall be found to be valueless, and to supply the deficiency caused by the International Boundary on the Mainland and the coast line on Vancouver Island respectively falling within the forty-mile belt, be specifically conveyed to the Dominion by the insertion of provisions to that effect in the "Railway Lands Reservation Bill," now under consideration in the Legislative Assembly.

I have, etc.,

(Signed)

JOSEPH W. TRUTCH.