

the right of the Province to receive and be paid by the Dominion Government the sum of \$100,000 per annum, in half yearly payments in advance, in consideration of the lands so conveyed, as provided in section 11 of the terms of Union: Provided always, that the line of railway before referred to, shall be one continuous line of Railway only, connecting the seaboard of British Columbia with the Canadian Pacific Railway, now under construction on the east of the Rocky Mountains.

3. There is hereby granted to the Dominion Government, for the purpose of constructing and to aid in the construction of a Railway between Esquimalt and Nanaimo, and in trust to be appropriated as they may deem advisable (but save as is hereinafter excepted) all that piece or parcel of land situate in Vancouver Island, described as follows:—

Bounded on the south by a straight line drawn from the head of Saanich Inlet to Muir Creek, on the Straits of Fuca;

On the west by a straight line drawn from Muir Creek aforesaid to Crown Mountain;

On the north by a straight line drawn from Crown Mountain to Seymour Narrows; and

On the east by the coast line of Vancouver Island to the point of commencement; and including all coal, coal oil, ores, stones, clay, marble, slate, mines, minerals and substances whatsoever thereupon, therein, and thereunder.

4. There is excepted out of the tract of land granted by the preceding section all that portion thereof lying to the northward of a line running east and west half way between the mouth of the Courtney River (Comox District) and Seymour Narrows.

5. Provided always that the Government of Canada shall be entitled out of such excepted tract to lands equal in extent to those alienated up to the date of this Act by Crown grant, pre-emption, or otherwise, within the limits of the grant mentioned in section 3 of this Act.

6. The grant mentioned in section 3 of this Act shall not include any lands now held under Crown grant, lease, agreement for sale, or other alienation by the Crown, nor shall it include Indian reserves or settlements, nor *Naval or Military reserves*.

7. There is hereby granted to the Dominion Government three and a-half million acres of land in that portion of the Peace River District of British Columbia, lying east of the Rocky Mountains and adjoining the North-West Territory of Canada, to be located by the Dominion in one rectangular block.

8. For the purpose of facilitating the construction of the railway between Esquimalt and Nanaimo, it is hereby enacted that such persons, hereinafter called the