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*Prince Edward Island.*

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four millions seven hundred and one thousand and fifty dollars, and shall be chargeable with interest at the rate of five per cent. per annum on such excess ;

5. That as the Government of Prince Edward Island holds no lands from the Crown, and consequently enjoys no revenue from that source for the construction and maintenance of local works, the Dominion Government shall pay by half-yearly instalments, in advance, to the Government of Prince Edward Island, forty-five thousand dollars per annum, less interest at five per cent. per annum, upon any sum not exceeding eight hundred thousand dollars, which the Dominion Government may advance to the Prince Edward Island Government for the purchase of lands now held by large proprietors ;

6. That in consideration of the transfer to the Parliament of Canada of the powers of taxation, the following sums shall be paid yearly by Canada to Prince Edward Island, for the support of its Government and Legislature, that is to say : thirty thousand dollars, and an annual grant equal to eighty cents per head of its population, as shown by the Census Returns of 1871, viz., 94,021, both by half-yearly payments in advance—such grant of eighty cents per head to be augmented in proportion to the increase of population of the Island, as may be shown by each subsequent decennial Census, until the population amounts to four hundred thousand, at which rate such grant shall thereafter remain, it being understood that the next Census shall be taken in the year 1881 ;

7. That the Dominion Government shall assume and defray all the charges for the following services, viz. :—

- A. The salary of the Lieutenant Governor ;
- B. The salaries of the Judges of the Superior Courts and of the District or County Courts when established ;
- C. The charges in respect of the Department of Customs ;
- D. The Postal Department ;
- E. The protection of the Fisheries ;
- F. The provision for the Militia ;
- G. The Lighthouses, Shipwrecked Crews, Quarantine and Marine Hospitals
- H. The Geological Survey ;
- I. The Penitentiary ;
- J. Efficient Steam Service for the conveyance of mails and passengers, to be established and maintained between the Island and the mainland of the Dominion, winter and summer, thus placing the Island in continuous communication with the Intercolonial Railway and the railway system of the Dominion ;