

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 "company," as may be named by the Governor General in Council, with all such other persons and corporations as shall become shareholders in the company, shall be and are hereby constituted a body corporate and politic by the name of "*The Esquimalt and Nanaimo Railway Company*."

9. The company and their agents and servants, shall lay out, construct, equip, maintain and work a continuous double or single track steel railway, of the gauge of the Canadian Pacific Railway, and also a telegraph line, with the proper appurtenances, from a point at or near the Harbour of *Esquimalt*, in *British Columbia*, to a port or place at or near *Nanaimo*, on the eastern coast of *Vancouver Island*, with power to extend the main line to *Comox* and *Victoria*, and to construct branches to settlements on the east coast, and also to extend the said railway by ferry communications to the mainland of *British Columbia*, and there to connect or amalgamate with any railway line in operation or course of construction. The company shall also have power and authority to build, own, and operate steam and other vessels in connection with the said railway, on and over the bays, gulfs, and inland waters of *British Columbia*.

10. The company may accept and receive from the Government of *Canada* any lease, grant or conveyance of lands, by way of subsidy or otherwise, in aid of the construction of the said railway, and may enter into any contract with the said Government for or respecting the use, occupation, mortgage, or sale of the said lands, or any part thereof, on such conditions as may be agreed upon between the Government and the company.