

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, in 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 Courtenay 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 harbor 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 communication to the mainland of British Columbia, and there to connect or amalgamate with any railway line in operation or in 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,

11. The capital stock of the company shall be three million dollars, and shall be divided into shares of one hundred dollars each, but may be increased from time to time by the vote of the majority in value of the shareholders present in person or represented by proxy at any meetings specially called for the purpose, to an amount not exceeding five million dollars.

12. The persons to be named as aforesaid by the Governor General in Council shall be and are hereby constituted a board of provisional directors of the company,