

"That after considerable discussion by the delegates with the Members of the Government of the Dominion of Canada, the terms and conditions hereinafter specified were adopted by a Committee of the Privy Council of Canada, and were by them reported to the Governor General for his approval ;

"That such terms were communicated to the Government of this Colony by the Governor General of Canada, in a despatch dated July 7th, 1870, and are as follows:—

"1. Canada shall be liable for the debts and liabilities of British Columbia existing at the time of the Union.

"2. British Columbia not having incurred debts equal to those of the other Provinces now constituting the Dominion, shall be entitled to receive, by half-yearly payments, in advance from the General Government, interest at the rate of five per cent. per annum on the difference between the actual amount of its indebtedness at the date of the Union, and the indebtedness per head of the population of Nova Scotia and New Brunswick (27.77 dollars),—the population of British Columbia being taken at 60,000.

"3. The following sums shall be paid by Canada to British Columbia for the support of its Government and Legislature, to wit, an annual subsidy of 35,000 dollars, and an annual grant equal to 80 cents per head of the said population of 60,000, both half-yearly in advance, such grant of 80 cents per head to be augmented in proportion to the increase of population, as may be shown by each subsequent decennial census, until the population amounts to 400,000, at which rate such grant shall thereafter remain, it being understood that the first census be taken in the year 1881.

"4. The Dominion will provide an efficient mail service, fortnightly, by steam communication between Victoria and San Francisco, and twice a week between Victoria and Olympia,—the vessels to be adapted for the conveyance of freight and passengers.

"5. Canada will assume and defray the charges for the following services :

"A. Salary of the Lieutenant-Governor ;

"B. Salaries and allowances of the Judges of Superior Courts and the County or District Courts ;

"C. The charges in respect to the Department of Customs ;

"D. The Postal and Telegraphic Services ;

"E. Protection and encouragement of Fisheries ;

"F. Provision for the Militia ;

"G. Lighthouses, Buoys and Beacons, Shipwrecked Crews, Quarantine and Marine Hospitals, including a Marine Hospital at Victoria ;

"H. The Geological Survey ;

"I. The Penitentiary ;

And such further charges as may be incident to and connected with the services which by the "*British North America Act, 1867*," appertain to the General Government, and as are or may be allowed to the other Provinces.

"6. Suitable pensions, such as shall be approved of by Her Majesty's Government shall be provided by the Government of the Dominion for those of Her Majesty's servants in the Colony whose position and emoluments derived therefrom would be affected by political changes on the admission of British Columbia into the Dominion of Canada.