
Not Responsive

From: Andrews, Alison FIN:EX
Sent: Tuesday, August 23, 2011 1:55 PM
To: Andrews, Alison FIN:EX
Cc: Latham, David FIN:EX
Subject: Province of British Columbia bond issue - series BCCD-26 3.25%
18Dec21, settled August 22, 2011

The Province of British Columbia launched a bond issue under our Domestic Debt Issuance Program. Details are attached. Please let me know if you require any further information.

Regards,

Alison Andrews
Manager, Debt Services
Debt Management Branch
Provincial Treasury, Ministry of Finance
Phone: (250) 387-4583
Fax: (250) 387-3024
E-mail: Alison.Andrews@gov.bc.ca



\$500,000,000

Province of British Columbia
3.25% Bonds, Series BCCD-26 to mature December 18, 2021
(Non-callable)

To be dated August 22, 2011
Price: 99.751 to yield approximately 3.279%

The Bonds will bear interest at the rate of 3.25% per annum, payable half-yearly on June 18 and December 18, with the first interest payment to be made on December 18, 2011 for the period from August 22, 2011 to December 18, 2011.

The Bonds will be issued by the Province of British Columbia (the "Province") under its Domestic Debt Issuance Program in the form of a fully registered global certificate (the "Global Bond") in the name of CDS & Co. as nominee of CDS Clearing and Depository Services Inc. ("CDS"), and held by CDS. Beneficial interests in the Bonds will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants of CDS. Except in the limited circumstances described in the Fiscal Agency Agreement (defined below) and the Global Bond, owners of beneficial interests in the Global Bond will not be entitled to have Bonds registered in their names and will not receive nor be entitled to receive Bonds in definitive form.

The Bonds will be issued with the benefit of and subject to a fiscal agency agreement dated July 15, 2002, as amended (the "Fiscal Agency Agreement") between the Province and BNY Trust Company of Canada as the Fiscal Agent (as defined in that agreement, which term includes any replacement fiscal agent). Registered holders of the Bonds and any owners of beneficial interests therein shall be bound by, and deemed to have notice of, all the provisions of the Fiscal Agency Agreement. Copies of the Fiscal Agency Agreement (to which is annexed the form of Global Bond) will be available for inspection at the principal office of the Fiscal Agent in Vancouver, British Columbia.

Neither the Province nor the Fiscal Agent will have any responsibility or liability for payments of principal and interest under the Bonds other than to cause those payments to be made to the registered holders thereof in accordance with the Fiscal Agency Agreement and the Bonds. As long as CDS (or its nominee) is the registered holder of the Global Bond, payments of principal and interest to owners of beneficial interests in the Bonds will be governed by the customary procedures of CDS.

The Province reserves the right to issue additional Series BCCD-26 Bonds, which would become interchangeable with the Bonds that are presently being offered for sale.

In the opinion of counsel, the Bonds will be direct obligations of the Province, and principal and interest will be payable out of the Consolidated Revenue Fund of the Province.

As principals, we offer these Bonds on the terms and conditions described herein and in the Fiscal Agency Agreement, if, as and when issued and accepted by us, subject to prior sale and change in price and subject to approval of all legal matters by Farris, Vaughan, Wills & Murphy LLP, Vancouver.

It is expected that the Global Bond will be delivered to CDS on or about August 22, 2011.

FITCH AFFIRMS PROVINCE OF BRITISH COLUMBIA, CANADA RATING AT 'AAA'; OUTLOOK STABLE

Fitch Ratings-New York-08 June 2011: Fitch Ratings affirms the following ratings on the Province of British Columbia, Canada (the province) as part of its continuous surveillance effort:

- Long-term obligations at 'AAA';
- Short-term obligations at 'F1+'.

The Rating Outlook for the long-term rating is Stable.

RATING RATIONALE:

- British Columbia has a demonstrated commitment to balanced fiscal operations, reflecting disciplined and centralized financial management. Although deficits have been realized in the downturn, the province has a reasonable plan to return to fiscal balance by fiscal 2014;
- The province's economy has broadened and expanded. Although both the economy and revenues are sensitive to fluctuations in the natural resources sector and markets abroad, recent performance has indicated stabilization;
- The debt burden, which was substantially reduced in the last decade, remains manageable although it has increased in the downturn due to borrowing to cover operating deficits and provide for economic stimulus. The province expects tax-supported debt levels as a percent of GDP to peak in fiscal 2013 at levels well below the prior peak, and decline thereafter.

KEY RATING DRIVERS:

- Continued commitment to returning to balanced fiscal operations by fiscal 2014 and controlling debt levels;
- Rejection of the new harmonized sales tax (HST) in this summer's voter referendum, and a subsequent reversion to the former sales tax, could require the return of C\$1.6 billion in transitional monies to the federal government. The province has a stated commitment to balanced operations by 2014 regardless of the outcome of the vote.

SECURITY:

Senior, unsecured obligations of the Province of British Columbia, Canada.

CREDIT SUMMARY:

British Columbia's economy accounts for about 13% of Canada's gross domestic product (GDP) and the province's economic influence continues to rise. The economy is driven by Vancouver, the nation's third largest city (after Toronto and Montreal), which accounts for more than 50% of jobs in the province. Vancouver serves not only as British Columbia's financial and industrial center, but also as a principal Canadian trade and transportation hub and Pacific gateway for foreign migration and investment. Vast, resource-rich interior plateaus support the province's important forestry, mining, and agricultural industries. Tourism is also significant.

The economic health of the province is tied broadly to external economic factors, including the health of the U.S. economy, global commodity trends, and Asian growth. Employment in British Columbia experienced faster growth than Canada overall leading into the recent recession and then was hit harder in the downturn. The province is now in recovery, although unemployment levels, which fell to historic lows before the downturn, remain elevated. The province's economic projections tend to be conservative, and the forecast that informs the current budget is lower than that provided by the economic forecast council.

Fitch considers the province's financial planning and controls to be strong. The province has a demonstrated commitment to sound fiscal operations, and in a period of economic strength in the last decade operating surpluses were used toward paying down debt and investing in infrastructure.

As the downturn affected the province's economy and finances, fiscal 2010 closed with a deficit of C\$1.8 billion following five years of surplus operations. The province has increased debt to fund operations and economic stimulus in the downturn. However, fiscal 2012 marks the third year of a plan to return to surplus operations by fiscal 2014. Deficits are being steadily reduced and actual performance has been better than plan to date. The estimate of the fiscal 2011 deficit, originally forecast at C\$1.7 billion, has been reduced to C\$1.3 billion (3% of revenues).

British Columbia operates on an April 1 - March 31 fiscal year. Revenues are about 45% taxes (primarily personal income and sales taxes) and 20% federal (primarily support for social programs). Health and education are the largest expenditure categories. The fiscal 2012 budget was released on the statutory deadline of Feb. 15, 2011, before the majority party elected a new premier in March 2011. The budget was in line with the pre-established fiscal plan, with a deficit forecast of C\$925 million for fiscal 2012 and C\$440 million for fiscal 2013. Forecasts appear conservative, with contingencies built in, leaving the possibility that the province's budget will be balanced sooner than planned.

British Columbia implemented the Harmonized Sales Tax (HST, a value-added tax) on July 1, 2010. The HST applies to the same goods and services that are taxable under the federal Goods and Services Tax (GST), although the program includes some provincial point-of-sale rebates and credits. The stated goal of the change was to enhance competitiveness, encourage new investment, and reduce administrative costs for taxpayers; the province received C\$1.6 billion dollars in funding from the federal government to support the transition. The change has met opposition in the province, and there will be a referendum this summer on repealing the HST. Although not legally required to do so, the government has stated that the province will return to the previous sales tax system should the HST fail at referendum.

Following release of an independent report that found British Columbian families pay more for routine expenditures under the HST than the prior system, on May 25, 2011 the finance minister proposed HST reforms and a binding motion on the reforms was approved by the legislature on May 31, 2011. Assuming that the HST remains in place, the province will lower the HST rate from 12% to 10% in two steps (down to 11% July 1, 2012 and 10% July 1, 2014) and provide some one-time transitional payments to individuals. This reduction will be partially offset by increasing the general corporate income tax rate from 10% to 12% effective January 1, 2012 and delaying a scheduled small business tax rate cut that was to take effect April 1, 2012. Repeal of the HST could require repayment of transitional funds from the federal government, the timing of which would be uncertain. The province remains committed to balanced operations by fiscal 2014 regardless of the outcome of the vote.

British Columbia's debt position has proven to be manageable, with significant debt paydowns in the middle part of the last decade, and compares favorably to the other Canadian provinces. As noted above, borrowing and debt levels have increased more recently for economic stimulus and deficit financing purposes. The province expects tax-supported debt levels as a percent of GDP to peak at 17.8% in fiscal 2013, well below the prior peak, and decline thereafter. Debt management is centralized and well managed. The province prepares a three-year capital improvement plan for both tax-supported and self-supported capital spending.

Fitch affirms the following ratings of the province:

Long-term issuer rating 'AAA';

Short-term issuer rating 'F1+';

Local-currency long-term rating 'AAA'.

Contact:

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Additional information is available at 'www.fitchratings.com'.

Applicable Criteria and Related Research:

--'Tax-Supported Rating Criteria' (Aug. 16, 2010);

--'International Local and Regional Governments Rating Criteria, Outside the United States' (April 19, 2011).

Applicable Criteria and Related Research:

Tax-Supported Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=548605

International Local and Regional Governments Rating Criteria - Outside the United States

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=611485

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Bulletin:

British Columbia Voters' Rejection Of HST Should Have No Impact On The Provincial Rating

Primary Credit Analyst:

Mario Angastiniotis, Toronto (1) 416-507-2520; mario_angastiniotis@standardandpoors.com

Secondary Contact:

Stephen Ogilvie, Toronto (1) 416-507-2524; stephen_ogilvie@standardandpoors.com

TORONTO (Standard & Poor's) Aug. 26, 2011--Standard & Poor's Ratings Services today said that the ratings on the Province of British Columbia (AAA/Stable/A-1+) are unchanged following voters' rejection of the harmonized sales tax (HST) just announced in the referendum results. We believe that the outcome creates a near-term budgetary challenge for the province, but in our opinion, British Columbia has the flexibility to mitigate any fiscal impact and remains committed to achieving budgetary balance by fiscal 2013-2014.

In our view, the challenges British Columbia faces are twofold. First, the province will need to replace the forgone HST revenue and will likely need to repay C\$1.6 billion in HST transitional assistance provided by the federal government. Second, British Columbia will need to fund one-time transition costs associated with reverting back to the combined provincial sales tax and goods and service tax structure.

To date, the province has made good progress in repairing the fiscal damage from the recession, its tax-supported debt burden remains moderate, and Standard & Poor's believes British Columbia has the revenue and expenditure flexibility necessary to meet its deficit targets.

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The McGraw-Hill Companies

From: Klear, Darshi D FIN:EX [mailto:Darshi.Klear@gov.bc.ca]
Sent: Friday, August 26, 2011 4:41 PM
To: Angastiniotis, Mario
Subject: RE: revised

Hi Can you send me pdf.

Darshi

From: Angastiniotis, Mario [mailto:Mario_Angastiniotis@standardandpoors.com]
Sent: Friday, August 26, 2011 1:11 PM
To: Klear, Darshi D FIN:EX
Subject: revised

Mario Angastiniotis
Director
Public, Project & Infrastructure Finance Ratings
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From: Angastiniotis, Mario [mailto:Mario_Angastiniotis@standardandpoors.com]
Sent: Friday, August 26, 2011 1:46 PM
To: Klear, Darshi D FIN:EX
Subject: RE: revised

Sorry for the delay. Here it is.

Thanks for your help.

See you on Monday.

Have a nice weekend.

Mario

Not Responsive

From: Harris, Stephen
Sent: Monday, August 29, 2011 09:57 AM
To: Howard, Samantha A FIN:EX; Phelps, Blair; Gordon, Matt GCPE:EX
Subject: FW: DIX IS A THREAT TO B.C.'s AAA CREDIT RATING

Does anyone have this info handy?

-----Original Message-----

From: STEPHEN SMART [<mailto:STEPHEN.SMART@CBC.CA>]
Sent: August-29-11 9:49 AM
To: Harris, Stephen
Subject: Re: DIX IS A THREAT TO B.C.'s AAA CREDIT RATING

Hey there,

Do you have #'s for BC's credit rating under the NDP? What it was and when?

Thanks!

S.

-----Original Message-----

From: "Harris, Stephen" <Stephen.Harris@leg.bc.ca>

Sent: 8/29/2011 12:30:35 PM

Subject: DIX IS A THREAT TO B.C.'s AAA CREDIT RATING

BC LIBERAL GOVERNMENT CAUCUS

NEWS RELEASE

For immediate release

August 29, 2011

DIX IS A THREAT TO B.C.'s AAA CREDIT RATING

CHILLIWACK - The decision by Standard & Poor's to reaffirm British Columbia's top-rated AAA credit rating is a reminder of the recklessness of the NDP's economic policies.

"During these tough economic times, Standard & Poor's has given the nod to British Columbia's fiscally conservative approach and reaffirmed our AAA credit rating," says Chilliwack MLA John Les. "Contrast that with when Adrian Dix and the BC NDP were in charge of the province's finances and B.C. suffered constant downgrades."

While Adrian Dix and the NDP were responsible for the economy, British Columbia suffered two credit rating downgrades. Under the BC Liberals, we've experienced seven upgrades.

"Adrian Dix is offering up the same recipe of high taxes and reckless spending that caused British Columbia great economic pain," says Les.

"Premier Christy Clark and the BC Liberals have clear plans for keeping B.C. on a solid economic footing and continued growth."

-30-

For more information, contact

Stephen Harris

Director of Communications, B.C. Government Caucus

250-208-7052

Connect with Caucus

Website: www.governmentcaucus.bc.ca

Twitter: www.twitter.com/BCLiberalCaucus

Latham, David FIN:EX

From: Joanne Chen [JChen@dbrs.com]
Sent: Thursday, June 16, 2011 8:08 AM
To: Latham, David FIN:EX
Subject: Re: DBRS Conference Call Follow-Up

Hi David,

June 30th would work for us still.

Regards,
Joanne

From: Latham, David FIN:EX [mailto:David.Latham@gov.bc.ca]
Sent: Wednesday, June 15, 2011 12:02 AM
To: Joanne Chen
Subject: RE: DBRS Conference Call Follow-Up

Hi Joanne,

Would June 30th at 10:00am work instead? (apologies but it turns out there is a scheduling conflict on the 29th).

Regards,
David

From: Joanne Chen [mailto:JChen@dbrs.com]
Sent: Tuesday, June 14, 2011 3:38 PM
To: Latham, David FIN:EX
Subject: Re: DBRS Conference Call Follow-Up

Hi David,

10am Victoria time on June 29th works for us.

Please use the dial-in below:

Toll free #: S15, S17
Conference ID: S15, S17

We look forward to the call.

Regards,
Joanne

From: Latham, David FIN:EX <David.Latham@gov.bc.ca>
To: Joanne Chen
Sent: Tue Jun 14 16:36:51 2011
Subject: RE: DBRS Conference Call Follow-Up

No problem Joanne. A conference call on **June 29th** will work for us. Will 10:00am (Victoria time) be okay on your end?

Regards,
David

From: Joanne Chen [mailto:JChen@dbrs.com]
Sent: Tuesday, June 14, 2011 1:16 PM
To: Latham, David FIN:EX
Subject: Re: DBRS Conference Call Follow-Up

Hi David,

I did not realize that we confirmed for a meeting. Unfortunately, Michael and Jireh will be unable to travel to Victoria due to a conference here in Toronto. I apologize for the extremely late notice. Could we schedule for a conference call during the week of June 27th instead?

Once again, sorry for the late notice.

Regards,
Joanne

From: Latham, David FIN:EX <David.Latham@gov.bc.ca>
To: Joanne Chen
Sent: Tue Jun 14 16:06:39 2011
Subject: RE: DBRS Conference Call Follow-Up

Hi Jennifer,

If you would please let Jireh and Michael know that Jim Hopkins (Assistant Deputy Minister) will be unavailable on June 16th for our 10:00am meeting. Darshi Klear will be available until approx. 10:45am and then will need to leave for another appointment which has come up.

I will let the security desk know to issue passes to you, Jireh and Michael upon your arrival.

Regards,
David

From: Latham, David FIN:EX
Sent: Monday, May 9, 2011 2:10 PM
To: 'Joanne Chen'
Subject: RE: DBRS Conference Call Follow-Up

Hi Joanne,

Will DBRS be coming out to Victoria? If so, please confirm those who will be attending the meeting (also do the same if the meeting will be via conference call).

Thanks,
David

From: Joanne Chen [mailto:JChen@dbrs.com]
Sent: Monday, May 9, 2011 2:07 PM

To: Latham, David FIN:EX
Subject: RE: DBRS Conference Call Follow-Up

Hi David,

This would be for a meeting right? June 16th at 10am should work for us.

Regards,

Joanne Chen
Associate
Business Development

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From: Latham, David FIN:EX [mailto:David.Latham@gov.bc.ca]
Sent: Monday, May 09, 2011 12:57 PM
To: Joanne Chen
Subject: RE: DBRS Conference Call Follow-Up

Hi Joanne,

June 16th will work on our end....would 10:00am Victoria time (1:00pm EST) work on your end?

Thank,
David

From: Joanne Chen [mailto:JChen@dbrs.com]
Sent: Monday, May 9, 2011 8:35 AM
To: Latham, David FIN:EX
Subject: RE: DBRS Conference Call Follow-Up

Hi David,

Hope all is well. Would June 15th or 16th work for Darshi and you?

Regards,

Joanne Chen
Associate
Business Development

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From: Klear, Darshi D FIN:EX [mailto:Darshi.Klear@gov.bc.ca]
Sent: Tuesday, April 26, 2011 5:12 PM
To: Joanne Chen; Latham, David FIN:EX
Subject: RE: DBRS Conference Call Follow-Up

We should be available the week of June 13 or 20. David will organize from our end if you suggest some dates.

Darshi

From: Joanne Chen [mailto:JChen@dbrs.com]
Sent: Tuesday, April 26, 2011 1:26 PM
To: Klear, Darshi D FIN:EX; Latham, David FIN:EX
Subject: RE: DBRS Conference Call Follow-Up

Hi Darshi,

Thank you for your response.

We are now just scheduling meetings with the provinces and would be available to meet you, Jim, and David in BC in June rather than May. Is there a week that would be the most convenient for you and your team?

Regards,

Joanne Chen
Associate
Business Development

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From: Klear, Darshi D FIN:EX [mailto:Darshi.Klear@gov.bc.ca]
Sent: Tuesday, April 26, 2011 3:10 PM
To: Joanne Chen; Latham, David FIN:EX
Subject: RE: DBRS Conference Call Follow-Up

Hello Joanne,

Both Jim Hopkins and I will be at the BMO Investor Conference next week. Unfortunately, we have other meetings scheduled and will not be able to meet with you during our stay in Toronto. I suggest we set up a conference call in mid June to discuss. Could you and David set something up that will work for us. Thanks.

Darshi

From: Joanne Chen [mailto:JChen@dbrs.com]
Sent: Tuesday, April 19, 2011 8:30 AM

To: Latham, David FIN:EX; Klear, Darshi D FIN:EX

Subject: DBRS Conference Call Follow-Up

Hello David and Darshi,

We would like to thank you for taking the time to take the conference call with us in March. We hope you've had some time to review our proposal and evaluate the value provided by the DBRS rating. We would like to take the time to reiterate a few key points from our discussion:

- Global sovereign risk is a growing concern and DBRS is focused on maintaining and improving our coverage and expertise in the area. The last recession has taught us how truly tied global markets have become. A sovereign issue that develops outside of Canada could have a significant material effect on global markets - global liquidity is truly linked.
- Costs of producing a rating and related research has grown substantially in the last 5 years. Such costs include electronic products & credit risk management systems, compliance to increased regulatory requirements around the globe, increased surveillance research and services, and increased liability concerns, to name a few.
- We want to remain competitive on a global scale by being able to keep top analysts and produce high quality research. We are kindly seeking the support of our provinces to help us maintain strong Canadian coverage and to continue to facilitate the Canadian "good news" story.

In light of this, the fees that have been proposed to all provinces were:

Provinces	Annual Flat Fee
British Columbia	S17, S21
Alberta	
Ontario	
Quebec	
New Brunswick	
Nova Scotia	S16, S17, S21
Manitoba	
Saskatchewan	
Newfoundland & Labrador	
PEI	

- DBRS has always operated on an Issuer-pay model. We believe this to be the most equitable model to investors without giving regard to their size or ability to pay. In our experience, this is the most effective method of distributing our ratings and to provide transparency to the market place.

- We have proposed a discounted fee schedule - our standard corporate fee schedule is based on a based on basis points charge on volume. For the provinces, we are proposing a fixed fee, regardless of issuance, and holding that consistent for a term of 3 years, a substantial departure from our standard practice.

We would like to further continue our discussions with a meeting in person. We understand that there is an Annual Government Finance Conference hosted by BMO Capital Markets here in Toronto on May 4th. We would appreciate the opportunity to meet with you while you are in town if that's possible.

Otherwise, we would like to set up a meeting in B.C. with you to further discuss our value proposition towards the end of May. Please kindly provide dates that would best fit your schedule.

Thank you once again for your consideration. Feel free to contact me with any questions or concerns.

Regards,

Joanne Chen
Associate
Business Development

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Latham, David FIN:EX

From: Latham, David FIN:EX
Sent: Monday, August 22, 2011 11:17 AM
To: 'Moody's GMO QSTIF'
Subject: RE: re: Quarterly update - Province of British Columbia

Thanks Milissa.

David

From: Russelburn, Milissa [<mailto:Milissa.Russelburn@moodys.com>] **On Behalf Of** Moody's GMO QSTIF
Sent: Monday, August 22, 2011 10:54 AM
To: Latham, David FIN:EX
Subject: RE: re: Quarterly update - Province of British Columbia

Hello David,

Thank you for the notification. I will update our database accordingly.

Regards,

.....
Milissa Russelburn
Global Middle Office
(P): 212.553.7898
(F): 212.298.7281
.....

From: Latham, David FIN:EX [<mailto:David.Latham@gov.bc.ca>]
Sent: Monday, August 22, 2011 1:21 PM
To: Moody's GMO QSTIF
Subject: RE: re: Quarterly update - Province of British Columbia

Hello,

Once your Quarterly reporting website is up and running again, would you please add the following individual to have the capability to submit information on behalf of the Province:

Add:
Alison Andrews
Email: Alison.Andrews@gov.bc.ca

Remove:
Sharon Hutchings (retired)
Old email: Sharon.Hutchings@gov.bc.ca

If you have any questions or require any further information please let me know.

Thanks,
David Latham
Sr. Manager, Legal and Corporate Affairs
Debt Management Branch, Provincial Treasury
Province of British Columbia

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Latham, David FIN:EX

From: Latham, David FIN:EX
Sent: Wednesday, July 20, 2011 8:30 AM
To: 'Moody's GMO QSTIF'
Subject: RE: Quarterly update - Province of British Columbia
Attachments: QSTIF email form June2011.doc

Hi Jessica,

Please find attached the completed report for June 30, 2011.

Regards,
David

From: Lamour, Jessica [<mailto:Jessica.Lamour@moodys.com>] **On Behalf Of** Moody's GMO QSTIF
Sent: Wednesday, July 20, 2011 6:53 AM
To: Latham, David FIN:EX
Subject: RE: Quarterly update - Province of British Columbia

David,

The reporting website is currently down due to technical difficulties. Please fill out the hard copy of the form attached. I apologize for the inconvenience.

Regards,
Jessica

From: Latham, David FIN:EX [<mailto:David.Latham@gov.bc.ca>]
Sent: Tuesday, July 19, 2011 6:39 PM
To: Moody's GMO QSTIF
Subject: re: Quarterly update - Province of British Columbia

Hello,

I usually have the ability to update our quarterly results online using the following link; however, the webpage no longer comes up? (error received) Please confirm there are no problems on your end or if my access has changed?

Username: S22

<http://update.moodys.com>

Regards,
David Latham
Sr. Manager, Legal and Corporate Affairs
Debt Management Branch, Provincial Treasury
Province of British Columbia
Box 9423 Stn Prov Govt, Victoria, BC V8W 9V1
☎: 250-387-7144 ☎: 250-356-2121 ✉: david.latham@gov.bc.ca

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U.S. \$500,000,000

PROVINCE OF BRITISH COLUMBIA
(Canada)

6½% Bonds, Series BCUSD-2, due January 15, 2026

Interest Payable January 15 and July 15

Principal of and interest on the Bonds are payable in U.S. dollars in The City of New York. The Bonds will mature on January 15, 2026. Interest on the Bonds is payable semi-annually on January 15 and July 15 of each year, commencing July 15, 1996, until and including maturity. The Bonds will not be redeemable prior to maturity.

The Bonds will be represented by two or more Global Bonds registered in the name of The Depository Trust Company's (the "Depository") nominee. Beneficial interests in the Global Bonds will be shown on, and transfers thereof will be effected only through records maintained by the Depository and, with respect to the beneficial owners' interests, by the Depository's participants. Except as described herein, Bonds in definitive form will not be issued. Settlement for the Bonds will be in same-day funds.

The Bonds will be unsecured direct and unconditional general obligations of the Province of British Columbia.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE BASIC PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Discount(2)	Proceeds to the Province(1)(3)
Per Bond	99.279%	0.875%	98.404%
Total	U.S. \$496,395,000	U.S. \$4,375,000	U.S. \$492,020,000

- (1) Plus accrued interest, if any, from January 24, 1996 to date of delivery.
- (2) The Province has agreed to indemnify the several Underwriters with respect to certain liabilities, including liabilities under the Securities Act of 1933.
- (3) Before deducting expenses payable by the Province estimated at U.S. \$200,000.

The Bonds offered by this Prospectus Supplement are offered by the Underwriters subject to prior sale, withdrawal, cancellation or modification of the offer without notice, to delivery to and acceptance by the Underwriters and to certain other conditions. It is anticipated that delivery of the Global Bonds will be made through the facilities of the Depository on or about January 24, 1996.

LEHMAN BROTHERS

MERRILL LYNCH & Co.

CS FIRST BOSTON

**RBC DOMINION SECURITIES
CORPORATION**

SCOTIAMCLEOD (USA) INC.

UBS SECURITIES INC.

January 17, 1996

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Prospectus Supplement should be read together with the Prospectus dated March 8, 1994 (the "Basic Prospectus") of the Province of British Columbia (the "Province") which contains information regarding the Province and other matters, including a description of certain terms of the Province's securities. Further information regarding the Province and the Bonds offered hereby may be found in the registration statements (the "Registration Statement") relating to the securities of the Province described in the Basic Prospectus on file with the United States Securities and Exchange Commission.

RECENT DEVELOPMENTS

The Province's 1995/96 budget contemplated a surplus for the fiscal year ended March 31, 1996 of Cdn. \$114 million, which the Province expects to meet.

The Quarterly Report detailing the Province's revenues and expenditures for the six months ended September 1995 was filed as an amendment to the Province's Annual Report on Form 18-K for the fiscal year ended March 31, 1994.

DESCRIPTION OF THE BONDS

General

The 6½% Bonds, Series BCUSD-2, Due January 15, 2026 (the "Bonds") in the aggregate principal amount of U.S. \$500,000,000 will be issued pursuant to a Fiscal Agency Agreement to be dated as of January 24, 1996 (the "Fiscal Agency Agreement") between the Province and Bank of Montreal Trust Company (the "Fiscal Agent").

The Bonds will be direct and unconditional general obligations of the Province. The Bonds will not be secured but will rank pari passu with all other general obligations of the Province outstanding on the date hereof without any preference granted by the Province.

The following statements are subject to, and are summaries of, the detailed provisions of the Fiscal Agency Agreement and the exhibits thereto, including the form of Bond, a copy of which will be filed as an exhibit to the Registration Statement. Additional terms of the Bonds are described in the Basic Prospectus under the heading "Description of the Securities".

The Bonds will be issued in the form of two or more fully registered Global Bonds (the "Global Bonds") which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York (the "Depository") and registered in the name of Cede & Co., the Depository's nominee. The Global Bonds may be transferred, in whole and not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee. Except to the extent modified herein, the Basic Prospectus describes the provisions of the Global Bonds.

The Bonds will mature on January 15, 2026. The Bonds will bear interest from January 24, 1996 at a rate of 6½% per annum, payable in semi-annual installments in arrears on January 15 and July 15, commencing July 15, 1996, until and including maturity (each an "Interest Payment Date"), to the persons in whose names the Bonds are registered at the close of business on the January 1 or July 1 (each a "Record Date") immediately preceding the relevant Interest Payment Date. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The interest payment to be made on July 1, 1996 will be in the aggregate amount of U.S. \$15,437,500.

If the date of maturity or an Interest Payment Date falls on a day which is not a Business Day, then payment of principal or interest need not be made on such date but may be made on the immediately following Business Day with the same force and effect as if made on such date of maturity or Interest Payment Date, as the case may be, and no additional interest shall accrue as a result of any such delay in payment. If a Record Date falls on a day which is not a Business Day, then that Record Date shall be deemed to be the immediately preceding Business Day. For the purpose of this paragraph, "Business Day" means a day other than a Saturday or a Sunday or a day on which banks in The City of New York are authorized or obligated by law or regulation to close.

The principal of the Bonds will be payable to the registered holder thereof against surrender of the Bonds, at maturity, at the specified office of the Fiscal Agent in The City of New York. Payments of principal of and interest on the Bonds will be made by the Province in immediately available funds and will be credited to participants' accounts with the Depository in accordance with the Depository's same-day payment procedures.

The Depository has advised as follows: it is a limited-purpose trust company which holds securities for its participating organizations (the "Participants") and facilitates the settlement among Participants of securities

transactions in such securities through electronic book-entry changes in its Participants' accounts. Participants include securities brokers and dealers (including certain of the Underwriters), banks and trust companies, clearing corporations and certain other organizations. Access to the Depository's system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("indirect participants"). Persons who are not Participants may beneficially own securities held by the Depository only through Participants or indirect participants.

Redemption

The Bonds will not be redeemable prior to maturity.

Canadian and British Columbian Income Tax with Respect to the Bonds

The Basic Prospectus contains a general summary of Canadian and British Columbian income tax considerations applicable to a holder of certain of the Province's securities who is a non-resident of Canada and is not deemed to be a resident of Canada (the "Tax Summary"). Any prospective investor in the Bonds should read the Tax Summary, all the terms and conditions of which apply to the Bonds.

Payments Without Tax Deduction

All payments of principal of and interest on the Bonds will be made by the Province without deduction for or on account of any present taxes or duties of whatever nature, imposed or levied by Canada, or any province, political subdivision or taxing authority therein or thereof. If, as a result of the laws of Canada, the official application of the laws of Canada or the regulations of any taxing authority therein or thereof or any treaty affecting taxation to which Canada is a party or the official application thereof, the Province shall be required to deduct or withhold any taxes or duties from any payments due under the Bonds, the Province will pay such additional amounts as may be necessary in order that every net payment of the principal of and interest on the Bonds will be not less than the amount provided for in the Bonds. The Province shall not, however, be obliged to pay such additional amounts on account of any such taxes or duties (a) to which any registered holder of a Bond is subject otherwise than solely by reason of such holder's ownership of Bonds or the receipt of income therefrom or (b) which become payable as a result of any Bond being presented for payment on a date more than 10 days after the relevant date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such tenth day. For this purpose the "relevant date" means (x) the date on which payment of the Bonds first becomes due or (y) if the full amount of the moneys payable shall not have been duly provided to the Fiscal Agent on or prior to such due date, the date on which such moneys shall have been so provided.

Same-Day Settlement and Payment

Settlement for the Bonds will be made in immediately available funds. It is anticipated that the Bonds will trade in the Depository's Same-Day Funds Settlement System until maturity and that secondary market trading activity in the Bonds will therefore settle in immediately available funds.

UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement, the Province has agreed to sell to each of the Underwriters named below, and each of the Underwriters, for whom Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, CS First Boston, RBC Dominion Securities Corporation, ScotiaMcLeod (USA) Inc. and UBS Securities Inc. are acting as Representatives, has severally agreed to purchase the principal amount of Bonds set forth opposite its name below:

<u>Underwriter</u>	<u>Principal Amount of Bonds</u>
Lehman Brothers Inc.	U.S. \$100,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	100,000,000
CS First Boston	40,000,000
RBC Dominion Securities Corporation	40,000,000
ScotiaMcLeod (USA) Inc.	40,000,000
UBS Securities Inc.	40,000,000
Goldman, Sachs & Co.	30,000,000
Salomon Brothers Inc.	30,000,000
J.P. Morgan Securities Inc.	20,000,000
Nesbitt Burns Securities Inc.	20,000,000
SBC Capital Markets Inc.	20,000,000
Wood Gundy Corp.	20,000,000
Total	<u>U.S.\$ 500,000,000</u>

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent. The Underwriters will be obligated to purchase all of the Bonds if any of the Bonds are purchased.

The Province has been advised that the Underwriters propose to offer the Bonds to the public initially at the offering price set forth on the cover page of this Prospectus Supplement and to certain dealers at such price less a concession not in excess of .50% of the principal amount of the Bonds; that the Underwriters may allow, and each such dealer may reallow, a discount not in excess of .25% of such principal amount on sales to other dealers; and that the public offering price and concession and discount to dealers may be changed by the Representatives.

The Bonds are a new issue of securities with no established trading market. No application has been made to list the Bonds on any securities exchange. However, the Province has been advised by the Underwriters that one or more of them intend to make a market in the Bonds, but that they are not obligated to do so and may discontinue making a market at any time without notice. No assurance can be given as to the liquidity of, or the trading market for, the Bonds.

LEGAL OPINIONS

The validity of the Bonds (and certain other matters of Canadian and British Columbia law) will be passed upon by the Deputy Attorney General of the Province (or another officer of the Ministry of Attorney General of the Province satisfactory to the Underwriters) as counsel for the Province and by Farris, Vaughan, Wills & Murphy of Vancouver, British Columbia, Canadian counsel for the Underwriters. The validity of the Bonds (and certain matters of United States law) will be passed upon by Davis Polk & Wardwell, of New York, New York, United States counsel for the Underwriters, who may rely as to all matters of Canadian and British Columbia laws on Farris, Vaughan, Wills & Murphy and the Deputy Attorney General of the Province (or another officer of the Ministry of Attorney General of the Province satisfactory to the Underwriters), who may rely as to all matters of United States law on Davis Polk & Wardwell. From time to time Davis Polk & Wardwell and Farris, Vaughan, Wills & Murphy have rendered legal services to the Province.

AUTHORIZED AGENTS IN THE UNITED STATES

The Authorized Agents of the Province in the United States are the Honorable George Haynal, David Ryan and Richard Davis of the Canadian Consulate General, 1251 Avenue of the Americas, New York, N.Y. 10020.

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U.S. \$1,500,000,000
Province of British Columbia
(Canada)

Debt Securities
and/or Warrants to Purchase Debt Securities

The Province of British Columbia (the "Province") may from time to time offer up to U.S. \$1,500,000,000 or the equivalent in other currencies aggregate principal amount of its debt securities (plus such additional principal amount as may be necessary such that, if the Debt Securities are issued at an original issue discount, the aggregate initial offering price will not exceed \$1,500,000,000) consisting of notes and/or bonds (the "Debt Securities") and, jointly or separately, warrants to purchase such Debt Securities (the "Warrants" and, together with the Debt Securities, the "Securities") in amounts and at prices and on terms to be determined at the time of sale and to be set forth in supplements to this Prospectus. Each such supplement is hereinafter referred to as a "Prospectus Supplement". The Securities will be direct and unconditional general obligations of the Province.

Prospectus Supplements will set forth the terms of the Securities, including the specific designations, aggregate principal amounts, currencies of denomination and payment (which may include composite currencies such as the European Currency Unit), denominations, maturities, rates and times of payment of interest (if any), terms for redemption, the initial public offering prices and the other terms in connection with the offering and sale of the Securities in respect of which this Prospectus is being delivered.

The Securities will be sold directly or through agents or underwriters, each as designated from time to time. If any agents or underwriters are involved in the sale of the Securities, the names of such agents or underwriters, the principal amounts to be offered by them, the underwriting discounts and commissions and the other terms of the plan of distribution in connection with the offering and sale of the Securities will be set forth in a Prospectus Supplement.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OTHER THAN THE SECURITIES DESCRIBED IN A PROSPECTUS SUPPLEMENT. THE DELIVERY OF THIS PROSPECTUS AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE AND THE INFORMATION CONTAINED IN THIS PROSPECTUS IS QUALIFIED IN ITS ENTIRETY BY SUPPLEMENTARY INFORMATION PROVIDED IN AN ACCOMPANYING PROSPECTUS SUPPLEMENT.

March 8, 1994.

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No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Prospectus or any related Prospectus Supplement in connection with the offering made by this Prospectus and any related Prospectus Supplement and, if given or made, such information or representations must not be relied upon as having been authorized by the Province or any other person. Neither the delivery of this Prospectus nor any related Prospectus Supplement nor any sale made in connection therewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Province since their respective dates.

AVAILABLE INFORMATION

The Province is not subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Province has commenced filing annual reports on Form 18-K with the Securities and Exchange Commission (the "Commission") on a voluntary basis. These reports include certain financial, statistical and other information concerning the Province. The Province may also include exhibits to its annual reports on Form 18-K and file amendments thereto for the purpose of filing with the Commission information that has not been included in the registration statement or registration statements to which this Prospectus and any related Prospectus Supplement relate, which information would thereby be incorporated by reference into such registration statement or registration statements. Such annual reports and amendments can be inspected and copied at the public reference facilities maintained by the Commission at: Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549; Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and 7 World Trade Center, New York, New York 10048. Copies of such reports may also be obtained at prescribed rates from the Public Reference Section of the Commission at its Washington address.

DOCUMENTS INCORPORATED BY REFERENCE

The Annual Report on Form 18-K of the Province for the fiscal year ended March 31, 1993 and all amendments thereto filed on or prior to the date hereof, are incorporated by reference in this Prospectus.

All Annual Reports on Form 18-K and any amendments thereto filed with the Commission by the Province subsequent to the date of this Prospectus and prior to the termination of the offering of the Securities offered hereby shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or in any Prospectus Supplement modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any person receiving a copy of this Prospectus may obtain, without charge, upon written or oral request, a copy of any of the documents incorporated by reference herein. Written requests for such documents should be directed to the Province of British Columbia, Provincial Treasury, Ministry of Finance and Corporate Relations, 620 Superior Street, Victoria, British Columbia V8V 1X4, Canada (telephone: (604) 387-4541).

PROVINCE OF BRITISH COLUMBIA

General

British Columbia is a Province of Canada located on the Pacific Coast of Canada and has an area of 95 million hectares, or about 9.5% of Canada's total surface area. More than one-half of British Columbia is covered by forests, which constitute one of British Columbia's major natural resources. The provincial government owns 94% of British Columbia's land area and also owns or administers the use of 94% of its forests. There are 1.8 million hectares of lakes and rivers, and the coast line, which has many ice-free, deep water inlets and ports, measures 7,022 kilometres in length.

British Columbia is the third largest Canadian province in terms of population, which was 3,371,200 or 12.2% of the total population of Canada on June 1, 1992. British Columbia's population grew at an average annual compound rate of 2.8% between 1987 and 1992, 1.3% faster than the growth of the Canadian population as a whole.

Vancouver, which is a principal Canadian financial, shipping and manufacturing centre, has the largest urban population in British Columbia and is the third largest metropolitan area in Canada with a census metropolitan area population of 1,643,500 persons in 1992. Victoria, the capital of British Columbia, is located on Vancouver Island and had a census metropolitan area population of 293,100 persons in 1992.

Constitutional Framework

Canada is a constitutional monarchy and structured as a federal state with a division of responsibilities between the federal and provincial governments. Under the Constitution of Canada, the provincial governments have authority to raise revenue through direct taxation within their territories and to borrow on provincial credit, have ownership of and jurisdiction over natural resources and have jurisdiction over education, health and social services, municipal institutions, property and civil rights, administration of justice and other matters of purely provincial or local concern. The federal government is empowered to raise money by any mode or system of taxation and has jurisdiction over matters of a national nature not assigned exclusively to the provinces, including federal public debt and property, regulation of trade and commerce, currency and coinage, banks and banking, national defence, foreign affairs, postal services, navigation, shipping and inter-provincial transportation.

Provincial Government

Legislative power at the provincial level in British Columbia is exercised by a unicameral legislature elected for a term of five years subject to earlier dissolution. The most recent general election was held on October 17, 1991. There are 75 seats in the Legislative Assembly, of which 51 are currently held by the New Democratic Party,

13 seats are held by the Liberal Party, 6 seats are held by the Social Credit Party, 3 seats are held by independents and two seats are vacant. By constitutional custom the Lieutenant Governor of the Province is appointed by the Governor General in Council of Canada to represent the Crown. The Lieutenant Governor calls upon the leader of the political party with the largest number of elected members to serve as Premier and to form the government. On the recommendation of the Premier, the Lieutenant Governor convenes, prorogues and dissolves the Legislative Assembly and assents to acts adopted by it.

The Lieutenant Governor appoints members of the Executive Council (the "Cabinet") on the advice of the Premier of British Columbia. Cabinet members are usually appointed from the Legislative Assembly and usually head government ministries. The Cabinet determines government policy and is responsible to the Legislative Assembly for the operation of the Government. The Cabinet at present consists of the Premier and 18 other ministers.

DESCRIPTION OF THE SECURITIES

General

The Securities may be sold as one or more issues as may be authorized from time to time by the Province. Reference is made to the applicable Prospectus Supplement for the following terms of Securities offered thereby: (i) the designation, currency or currencies of denomination and payment; (ii) the maturity date or dates; (iii) the percentage of their principal amount at which the Debt Securities will be issued; (iv) the interest rate or rates, if any, the manner in which such rate or rates will be determined, and the dates when interest payments, if any, will be made; (v) the paying agencies where payments will be made; (vi) any optional or mandatory redemption terms or repurchase provisions or provisions regarding repayment of such Securities prior to maturity at the option of the holders or the Province; and (vii) other specific provisions. Reference is also made to the applicable Prospectus Supplement for the following terms of any Warrants offered thereby: (i) the terms and conditions of the Debt Securities that may be purchased upon exercise of the Warrants; (ii) the terms and conditions governing such exercise; and (iii) other specific provisions.

The Securities will be direct and unconditional general obligations of the Province. The Securities will not be secured but will rank *pari passu* with all other general obligations of the Province outstanding from time to time without any preference granted by the Province.

Debt Securities

Unless otherwise specified in a particular series of Securities and the related Prospectus Supplement, the Debt Securities will be issued only in fully registered form, without coupons, in denominations of U.S.\$1,000 and multiples thereof with provision for exchange for other authorized denominations of equal aggregate amount. All such exchanges of Debt Securities will be free of charge to the holder.

The Province may, but is not required to, appoint a fiscal agent or agents to act on its behalf in connection with the Debt Securities. If appointed, the duties of the fiscal agent with respect to any series would be governed by a fiscal agency agreement applicable to such series. The Province may appoint different fiscal agents for different series of Debt Securities and may vary or terminate the appointment of any fiscal agent from time to time. The Province may maintain deposit accounts and conduct other banking and financial transactions with the fiscal agent. The fiscal agent, if any, would be the agent of the Province, would not be trustee for the holders of Debt Securities and would not have the same responsibilities or duties to act for such holders as would a trustee.

Unless otherwise specified in the Prospectus Supplement relating to the Debt Securities, the Province will maintain at an office in the Borough of Manhattan, The City of New York, a register for the registration of transfers of Debt Securities issued in registered form, subject to any restrictions set forth in the applicable Prospectus Supplement.

Except as described under "Global Securities" below, principal of, and premium and interest, if any, on the Debt Securities will be payable at such place or places or by such means as are designated by the Province and set forth in the applicable Prospectus Supplement.

If so indicated in the Prospectus Supplement, the Debt Securities may be redeemable prior to maturity.

Global Securities

The Debt Securities of a series may be issued in the form of one or more fully registered global Debt Securities (a "Registered Global Security") that will be deposited with a depositary (a "Depositary") or with a nominee for a Depositary identified in the Prospectus Supplement relating to such series. In such case, one or more Registered Global Securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal amount of outstanding registered Debt Securities of the series to be issued in the form of a Registered Global Security or Securities. Unless and until it is exchanged in whole for Debt Securities in definitive registered form, a Registered Global Security may not be transferred except as a whole by the Depositary for such Registered Global Security to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor of such Depositary or a nominee of such successor.

The specific terms of the depositary arrangement with respect to any portion of a series of Debt Securities to be issued in the form of a Registered Global Security will be described in the Prospectus Supplement relating to such series. The Province anticipates that the following provisions will apply to all depositary arrangements.

Upon the issuance of a Registered Global Security, the Depositary for such Registered Global Security will credit, on its book-entry registration and transfer system, to the accounts of persons that have accounts with such Depositary ("Participants") the principal amount of Debt Securities proportionate to their respective interests in such Registered Global Security. The accounts to be credited shall be designated by any underwriters, dealers or agents participating in the distribution of such Debt Securities. Ownership of beneficial interests in a Registered Global Security will be limited to Participants or persons that may hold interests through Participants. Ownership of beneficial interests in such Registered Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depositary for such Registered Global Security (with respect to interests of Participants) or by Participants or persons that hold through Participants (with respect to interests of persons other than Participants). The ability of an owner of a beneficial interest in a Registered Global Security to pledge its interest to persons other than Participants with such Depositary may be limited.

So long as the Depositary for a Registered Global Security, or its nominee, is the registered owner of such Registered Global Security, such Depositary or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities for all purposes under the applicable fiscal agency agreement (if any). Except as set forth below, owners of beneficial interests in a Registered Global Security will not be entitled to have the Debt Securities registered in their names, will not receive or be entitled to receive physical delivery of such Debt Securities in definitive form and will not be considered the owners or holders thereof under the applicable fiscal agency agreement (if any).

Principal, premium (if any) and interest payments (if any) on Debt Securities issued in the form of a Registered Global Security registered in the name of a Depositary or its nominee will be made to such Depositary or its nominee, as the case may be, as the registered owner of such Registered Global Security. None of the Province, the fiscal agent (if any) or any paying agent for such Debt Securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in such Registered Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Province expects that the Depositary for any Debt Securities issued in the form of a Registered Global Security, upon receipt of any payment of principal, premium or interest, will immediately credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of

such Registered Global Security as shown on the records of such Depositary. The Province also expects that payments by Participants to owners of beneficial interests in such Registered Global Security held through such Participants will be governed by standing instructions and customary practices as is now the case with securities held for the accounts of customers registered in "street name" and will be the responsibility of such Participants. Under the terms of the fiscal agency agreement (if any), the Province and the fiscal agent (if any) will treat the persons in whose names the Debt Securities are registered as owners of such Debt Securities for the purpose of receiving payments of principal, premium (if any) or interest (if any) on the Debt Securities and for all other purposes whatsoever. Therefore, none of the Province, the fiscal agent (if any) or any paying agent has any direct responsibility or liability for the payment of principal, premium (if any) or interest (if any) on the Debt Securities to owners of beneficial interests in a Registered Global Security.

If the Depositary for any Debt Securities issued in the form of a Registered Global Security is at any time unwilling or unable to continue as Depositary and a successor Depositary is not appointed by the Province within 90 days, the Province will issue such Debt Securities in definitive form in exchange for such Registered Global Security. In addition, the Province may at any time and in its sole discretion determine not to have any of the Debt Securities of a series held in the form of one or more Registered Global Securities and, in such event, will issue Debt Securities of such series in definitive form in exchange for the Registered Global Security or Securities. In either instance, an owner of a beneficial interest in a Registered Global Security will be entitled to have Debt Securities equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such Debt Securities in definitive form.

Warrants

The Province may issue, together with any Debt Securities offered by any Prospectus Supplement or separately, Warrants for the purchase of other Debt Securities. The Warrants are to be issued under warrant agreements to be entered into between the Province and a bank or trust company, as warrant agent, all as set forth in the Prospectus Supplement relating to a particular issue of Warrants. The Prospectus Supplement relating to the particular series of Warrants offered thereby will set forth: (1) the terms referred to on the cover page hereof of the Debt Securities purchasable upon exercise of such Warrants; (2) the principal amount of Debt Securities purchasable upon exercise of one Warrant, the exercise price and the procedures of, and conditions to, exercise for purchasing such Debt Securities; (3) the dates on which the right to exercise the Warrants shall commence and expire; (4) the date (if any) on and after which such Warrants and the related Debt Securities will be separately transferable.

Canadian and British Columbian Income Tax with Respect to the Securities

The following summary is general in nature only and does not constitute tax advice to any prospective investor in the Debt Securities or the Warrants. Persons who consider investing in the Debt Securities or the Warrants are advised to consult their own tax advisers with respect to their individual tax positions.

In the respective opinions of Swinton & Company, Canadian counsel for the underwriters, and the Deputy Attorney General of the Province, this summary fairly describes the principal income tax considerations which arise in Canada under the *Income Tax Act (Canada)* (the "Federal Act"), which arise in British Columbia under the *Income Tax Act (British Columbia)* (the "BC Act") and which are applicable to a holder of Debt Securities or Warrants who is a non-resident of Canada and is not deemed to be a resident of Canada (a "Non-Resident Holder"). This summary is based on the provisions of the Federal Act, the BC Act and regulations under those acts as they exist on the date of this Prospectus.

This summary includes Canadian and British Columbian income tax considerations only. It does not include United States, provincial (other than British Columbia), territorial or other income tax considerations nor does it include income tax considerations arising under any income tax convention or treaty between Canada and another country.

Any interest, premium or principal paid or credited by the Province to a Non-Resident Holder in respect of the Debt Securities is not subject to withholding tax in Canada nor British Columbia under the Federal Act or the BC Act, except that withholding tax thereon may be payable where such interest is contingent or dependant upon

the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class of shares of the capital stock of a corporation.

No other tax on income or capital gains is payable by a Non-Resident Holder under the Federal Act or the BC Act in respect of the Debt Securities, whether as a result of interest, premium or principal being paid or credited by the Province to the Non-Resident Holder, a purchase or repayment by the Province from or to the Non-Resident Holder, a redemption or other disposition, except that tax on such income or capital gains may be payable if the Non-Resident Holder uses or holds (or is deemed to use or hold) the Debt Securities in carrying on business in Canada.

No tax on income or capital gains is payable by a Non-Resident Holder under the Federal Act or the BC Act in respect of the Warrants, whether as a result of their expiry or their exercise or disposition by the Non-Resident Holder, except that tax on such income or capital gains may be payable if the Non-Resident Holder uses or holds (or is deemed to use or hold) the Warrants in carrying on business in Canada.

The last paragraph under the heading "Global Securities" above states that, in certain circumstances, the Province may issue Debt Securities to a Non-Resident Holder in exchange for a Registered Global Security. No tax on income or capital gains is payable under the Federal Act or the BC Act as a result of any such exchange.

Canada and British Columbia do not levy estate or inheritance taxes or succession duties.

Governing Law and Jurisdiction

Unless otherwise specified in a Prospectus Supplement, the Securities, the fiscal agency agreement (if any) and the underwriting agreement (if any) will be governed by the law of British Columbia.

The Province has not agreed to waive any immunity from jurisdiction nor has it appointed an agent in New York upon which process may be served. In the absence of such a waiver of immunity by the Province, it may not be possible to obtain in British Columbia a judgment based solely on an order of a court in another jurisdiction.

Proceedings may be brought against the Province in the Supreme Court of British Columbia, and no applicable law requires the consent of any public official or authority for proceedings to be brought, or judgment to be obtained against the Province arising out of or relating to its obligations under the Securities, nor is any immunity from jurisdiction available to the Province in any proceedings in the Supreme Court of British Columbia, brought in accordance with the *Crown Proceeding Act* (British Columbia) and within applicable limitation periods, whether or not a party to the proceedings or the holder of a Security is resident within British Columbia or is a citizen of Canada.

Although the remedies of injunction and specific performance are not available against the Province under the *Crown Proceeding Act* (British Columbia) and any order obtained in proceedings brought against the Province in the Supreme Court of British Columbia may not be enforced by execution, the *Crown Proceeding Act* (British Columbia) provides that upon the receipt of a certificate of the proper officer of the Supreme Court of British Columbia, in the event of a money judgment or an order for costs, or both, against the Province, the Minister of Finance and Corporate Relations of the Province shall pay out of the Consolidated Revenue Fund of British Columbia to the person entitled, or to his order, the amount due together with interest, if any, lawfully due.

The *Currency Act* (Canada) precludes a court in Canada from giving a judgment in any currency other than Canadian currency.

APPLICATION OF PROCEEDS

The Province will deposit the net proceeds from the sale of the Securities to the Consolidated Revenue Fund of British Columbia. Unless otherwise indicated in applicable Prospectus Supplements, the net proceeds will be applied toward authorized disbursements from the Consolidated Revenue Fund of British Columbia, including redemption and repayment of securities issued by the Province of British Columbia, or lent to government bodies or government corporations.

PLAN OF DISTRIBUTION

The Province may sell the Securities in any of three ways: (i) through underwriters or dealers; (ii) directly to a limited number of institutional purchasers; or (iii) through agents.

The Prospectus Supplement with respect to each issue of Securities will set forth the terms of the offering of such Securities, including the name or names of any underwriters or agents, the purchase price and the proceeds to the Province from such sale, any underwriting discount and other items constituting underwriter's compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers.

If underwriters are used in the sale, the initial Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including the negotiated transactions, at a fixed public offering price or various prices determined at the time of sale. Unless otherwise set forth in the Prospectus Supplement, the obligations of the underwriters to purchase Securities will be subject to certain conditions precedent and the underwriters will be obligated to purchase all the Securities of an issue if any are purchased.

The Securities may be sold directly by the Province from time to time. Any agent involved in the offer or sale of the Securities in respect of which the Prospectus is being delivered will be named, and any commission payable by the Province to such agent will be set forth in the applicable Prospectus Supplement. Unless otherwise indicated in such Prospectus Supplement, any such agent will be acting on a best efforts basis during the period of its employment.

Underwriters, dealers and agents that participate in the distribution of Securities may be deemed to be underwriters, and any discounts or commissions received by them from the Province and any profit on the resale of Securities by them may be deemed to be underwriting discounts and commissions under the Securities Act of 1933, as amended (the "Securities Act"). Any such underwriter or agent will be identified, and any such compensation received from the Province will be described in a Prospectus Supplement.

Under agreements which may be entered into by the Province, dealers and agents who participate in the distribution of Securities may be entitled, and the Province has agreed that underwriters, if any, will be entitled, to indemnification by the Province against certain liabilities, including liabilities under the Securities Act.

DEBT RECORD

The Province of British Columbia has never defaulted on any of its direct or guaranteed obligations. Payments have been made when due, subject during wartime to any applicable laws and regulations forbidding such payment.

LEGAL OPINIONS

Unless otherwise specified in a Prospectus Supplement, the validity of the Securities (and certain other matters of Canadian and British Columbian law) will be passed upon by the Deputy Attorney General of the Province (or another officer of the Ministry of Attorney General of the Province satisfactory to the underwriters) as counsel for the Province and by Swinton & Company of Vancouver, British Columbia, Canadian counsel for the underwriters. Davis Polk & Wardwell of New York, New York will pass on certain matters of United States law in connection with the offering of the Securities on behalf of the underwriters. From time to time Davis Polk & Wardwell and Swinton & Company have rendered legal services to the Province.

AUTHORIZED AGENTS IN THE UNITED STATES

The Authorized Agents of the Province in the United States are Alan Sullivan, David G. Ryan and Pierre Bergeron of the Canadian Consulate General, 1251 Avenue of the Americas, New York, N.Y. 10020.

EXPERTS AND PUBLIC OFFICIAL DOCUMENTS

All financial and statistical information on the Province included or incorporated by reference herein has been taken or derived from the records and publications of the Province, including the Public Accounts, and are included herein on the authority of the Honourable Elizabeth Cull, Minister of Finance and Corporate Relations. Information included or incorporated by reference herein which is designated as being taken from a publication of the Province of British Columbia or Canada, or an agency or instrumentality of either, is included herein on the authority of such publication as a public official document.

The Minister of Finance and Corporate Relations for the Province has supplied in her official capacity as such minister the information set forth herein, other than that set forth under the heading "Plan of Distribution".

No dealer, salesman or other person has been authorized to give any information or to make any representation not contained in this Prospectus Supplement or the accompanying Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Province or any agent or underwriter. This Prospectus Supplement and the accompanying Prospectus do not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. Neither the delivery of this Prospectus Supplement or the accompanying Prospectus nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Province since the date hereof.

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U.S. \$500,000,000

PROVINCE OF BRITISH COLUMBIA (CANADA)

6½% Bonds, Series BCUSD-2,
due January 15, 2026

PROSPECTUS SUPPLEMENT January 17, 1996

LEHMAN BROTHERS

MERRILL LYNCH & CO.

CS FIRST BOSTON

RBC DOMINION SECURITIES
CORPORATION

SCOTIAMcLEOD (USA) INC.

UBS SECURITIES INC.



U.S. \$300,000,000

PROVINCE OF BRITISH COLUMBIA (Canada)

7 $\frac{1}{4}$ % Bonds, Series BCUSD-3 due September 1, 2036

Interest Payable March 1 and September 1

Principal of and interest on the Bonds are payable in U.S. dollars in The City of New York. The Bonds will mature on September 1, 2036. Interest on the Bonds is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 1997, until and including maturity. The Bonds will not be redeemable prior to maturity unless certain events occur involving Canadian taxation.

The Bonds will be represented by two or more Global Bonds registered in the name of The Depository Trust Company's (the "Depository") nominee. Beneficial interests in the Global Bonds will be shown on, and transfers thereof will be effected only through records maintained by the Depository and, with respect to the beneficial owners' interests, by the Depository's participants. Except as described herein, Bonds in definitive form will not be issued.

The Bonds will be unsecured direct and unconditional general obligations of the Province of British Columbia.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE BASIC PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Discount(2)	Proceeds to the Province(1)(3)
Per Bond	99.225%	.875%	98.350%
Total	U.S. \$297,675,000	U.S. \$2,625,000	U.S. \$295,050,000

- (1) Plus accrued interest, if any, from August 29, 1996 to date of delivery.
- (2) The Province has agreed to indemnify the several Underwriters with respect to certain liabilities, including liabilities under the Securities Act of 1933.
- (3) Before deducting expenses payable by the Province estimated at U.S. \$150,000.

The Bonds offered by this Prospectus Supplement are offered by the Underwriters subject to prior sale, withdrawal, cancellation or modification of the offer without notice, to delivery to and acceptance by the Underwriters and to certain other conditions. It is anticipated that delivery of the Global Bonds will be made through the facilities of the Depository on or about August 29, 1996.

LEHMAN BROTHERS

MERRILL LYNCH & CO.

SCOTIA CAPITAL MARKETS (USA) INC.

CIBC WOOD GUNDY SECURITIES CORP.

RBC DOMINION SECURITIES
CORPORATION

UBS SECURITIES

August 21, 1996

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IT IS EXPECTED THAT DELIVERY OF THE BONDS WILL BE MADE AGAINST PAYMENT THEREFOR ON OR ABOUT THE DATE SPECIFIED IN THE LAST PARAGRAPH OF THE COVER PAGE OF THIS PROSPECTUS SUPPLEMENT WHICH IS THE SIXTH BUSINESS DAY FOLLOWING THE DATE HEREOF (SUCH SETTLEMENT CYCLE BEING HEREIN REFERRED TO AS "T+6"). PURCHASERS OF BONDS SHOULD NOTE THAT TRADING OF THE BONDS ON THE DATE HEREOF AND THE NEXT TWO SUCCEEDING BUSINESS DAYS MAY BE AFFECTED BY THE T+6 SETTLEMENT.

This Prospectus Supplement should be read together with the Prospectus dated March 8, 1994 (the "Basic Prospectus") of the Province of British Columbia (the "Province") which contains information regarding the Province and other matters, including a description of certain terms of the Province's securities. Further information regarding the Province and the Bonds offered hereby may be found in the registration statements (the "Registration Statement") relating to the securities of the Province described in the Basic Prospectus on file with the United States Securities and Exchange Commission.

RECENT DEVELOPMENTS

The most recent general election was held on May 28, 1996. There are 75 seats in the Legislative Assembly, of which 39 are currently held by the New Democratic Party, 33 seats are held by the Liberal Party, two seats are held by the Reform Party and one seat by the Progressive Democratic Alliance Party.

The Province's 1996/97 budget was re-introduced on June 26, 1996, and the Legislative Assembly granted final approval on August 15, 1996.

On July 2, 1996, the Minister of Finance and Corporate Relations reported that preliminary actual results for 1995/96 showed a deficit of Cdn.\$235 million. Revenue totalled Cdn.\$19,920 million, Cdn.\$338 million or 1.7% lower than the 1995/96 budget estimate. Expenditure of Cdn.\$20,155 million was Cdn.\$11 million above budget.

DESCRIPTION OF THE BONDS

General

The 7¼% Bonds, Series BCUSD-3, Due September 1, 2036 (the "Bonds") in the aggregate principal amount of U.S. \$300,000,000 will be issued pursuant to a Fiscal Agency Agreement to be dated as of August 29, 1996 (the "Fiscal Agency Agreement") between the Province and Bank of Montréal Trust Company (the "Fiscal Agent").

The Bonds will be direct and unconditional general obligations of the Province. The Bonds will not be secured but will rank pari passu with all other general obligations of the Province outstanding on the date hereof without any preference granted by the Province.

The following statements are subject to, and are summaries of, the detailed provisions of the Fiscal Agency Agreement and the exhibits thereto, including the form of Bond, a copy of which will be filed as an exhibit to the Registration Statement. Additional terms of the Bonds are described in the Basic Prospectus under the heading "Description of the Securities".

The Bonds will be issued in the form of two or more fully registered Global Bonds (the "Global Bonds") which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York (the "Depository") and registered in the name of Cede & Co., the Depository's nominee. The Global Bonds may be transferred, in whole and not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee. Except to the extent modified herein, the Basic Prospectus describes the provisions of the Global Bonds.

The Bonds will mature on September 1, 2036. The Bonds will bear interest from August 29, 1996 at a rate of 7¼% per annum, payable in semi-annual installments in arrears on March 1 and September 1, commencing March 1, 1997, until and including maturity (each an "Interest Payment Date"), to the persons in whose names the Bonds are registered at the close of business on the February 15 or August 15 (each a "Record Date") immediately preceding the relevant Interest Payment Date. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

If the date of maturity or an Interest Payment Date falls on a day which is not a Business Day, then payment of principal or interest need not be made on such date but may be made on the immediately following Business Day with the same force and effect as if made on such date of maturity or Interest Payment Date, as the case may be, and no additional interest shall accrue as a result of any such delay in payment. If a Record Date falls on a day which is not a Business Day, then that Record Date shall be deemed to be the immediately preceding Business Day. For the purpose of this paragraph, "Business Day" means a day other than a Saturday or a Sunday or a day on which banks in The City of New York are authorized or obligated by law or regulation to close.

The principal of the Bonds will be payable to the registered holder thereof against surrender of the Bonds, at maturity, at the specified office of the Fiscal Agent in The City of New York. Payments of principal of and interest on the Bonds will be made by the Province in immediately available funds and will be credited to participants' accounts with the Depository in accordance with the Depository's same-day payment procedures.

The Depositary has advised as follows: it is a limited-purpose trust company which holds securities for its participating organizations (the "Participants") and facilitates the settlement among Participants of securities transactions in such securities through electronic book-entry changes in its Participants' accounts. Participants include securities brokers and dealers (including certain of the Underwriters), banks and trust companies, clearing corporations and certain other organizations. Access to the Depositary's system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("indirect participants"). Persons who are not Participants may beneficially own securities held by the Depositary only through Participants or indirect participants.

Further Issues

The Province may from time to time, without notice to or the consent of the registered holders of the Bonds, create and issue further bonds ranking *pari passu* with the Bonds in all respects (except for the payment of interest accruing prior to the issue date of such further bonds or except for the first payment of interest following the issue date of such further bonds) and so that such further bonds shall be consolidated and form a single series with the Bonds and shall have the same terms as to status or otherwise as the Bonds. Any further bonds shall be issued subject to an agreement supplemental to the Fiscal Agency Agreement.

Canadian and British Columbian Income Tax with Respect to the Bonds

The Basic Prospectus contains a general summary of Canadian and British Columbian income tax considerations applicable to a holder of certain of the Province's securities who is a non-resident of Canada and is not deemed to be a resident of Canada (the "Tax Summary"). Any prospective investor in the Bonds should read the Tax Summary, all the terms and conditions of which apply to the Bonds.

Payments Without Tax Deduction

All payments of principal of and interest on the Bonds will be made by the Province without deduction for or on account of any present taxes or duties of whatever nature, imposed or levied by Canada, or any province, political subdivision or taxing authority therein or thereof. If, as a result of the laws of Canada, the official application of the laws of Canada or the regulations of any taxing authority therein or thereof or any treaty affecting taxation to which Canada is a party or the official application thereof, the Province shall be required to deduct or withhold any taxes or duties from any payments due under the Bonds, the Province (subject to its right of redemption described herein) will pay such additional amounts (the "Additional Amounts") as may be necessary in order that every net payment of the principal of and interest on the Bonds will be not less than the amount provided for in the Bonds. The Province shall not, however, be obliged to pay such Additional Amounts on account of any such taxes or duties (a) to which any registered holder of a Bond is subject otherwise than solely by reason of such holder's ownership of Bonds or the receipt of income therefrom or (b) which become payable as a result of any Bond being presented for payment on a date more than 10 days after the relevant date except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on such tenth day. For this purpose the "relevant date" means (x) the date on which the payment in respect of the Bonds first becomes due or (y) if the full amount of the moneys payable shall not have been duly provided to the Fiscal Agent on or prior to such due date, the date on which such moneys shall have been so provided.

Maturity, Redemption and Purchases

The principal amount of the Bonds shall be due and payable on September 1, 2036. The Bonds are not redeemable prior to maturity unless certain events occur involving Canadian taxation as provided below.

The Bonds may be redeemed at the option of the Province in whole, but not in part, at any time, on giving not less than 30 days' and not more than 60 days' notice to registered holders of Bonds in accordance with the Fiscal Agency Agreement (which notice shall be irrevocable), at 100% of the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, if (a) the Province has or will become obliged to pay Additional Amounts as provided or referred to in "Payments Without Tax Deduction" above as a result of any

change in, or amendment to, the laws or regulations of Canada, or any province or political subdivision thereof, or any authority thereof or agency therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of this Prospectus Supplement, and (b) such obligation cannot be avoided by the Province taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Province would be obliged to pay such Additional Amounts were a payment in respect of the Bonds then due. Prior to the issuance of any notice of redemption pursuant to this paragraph, the Province shall deliver to the Fiscal Agent a certificate signed by an officer of the Province stating that the Province is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Province so to redeem have occurred.

The Province may, if not in default under the Bonds, at any time purchase Bonds in the open market, or by tender or by private contract at any price and may cause the Fiscal Agent to cancel any Bonds so purchased.

Modification

The Fiscal Agency Agreement and the Bonds may be amended or supplemented by the Province on the one hand, and the Fiscal Agent, on the other hand, without notice to or the consent of the holder of any Bond, for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provisions contained therein, or effecting the issue of further bonds as described under "Further Issues" above, or in any manner which the Province may deem necessary or desirable and which, in the reasonable opinion of the Province, on the one hand, and the Fiscal Agent, on the other hand, will not adversely affect the interests of the holders of Bonds.

The Fiscal Agency Agreement will contain provisions for convening meetings of registered holders of Bonds to modify or amend by Extraordinary Resolution (as defined below) the Fiscal Agency Agreement (except as provided in the immediately preceding paragraph) and the Bonds (including the terms and conditions thereof). An Extraordinary Resolution duly passed at any such meeting shall be binding on all holders of Bonds, whether present or not; *provided, however*, that no such modification or amendment to the Fiscal Agency Agreement or to the terms and conditions of the Bonds may, without the consent of the registered holder of each such Bond affected thereby: (a) change the stated maturity of any such Bond or change any interest payment date; (b) reduce the principal amount of any such Bond or the rate of interest payable thereon; (c) change the currency of payment of any such Bond; (d) impair the right to institute suit for the enforcement of any payment on or with respect to such Bond; or (e) reduce the percentage of the principal amount of Bonds necessary for the taking of any action, including modification or amendment of the Fiscal Agency Agreement or the terms and conditions of the Bonds, or reduce the quorum required at any meeting of registered holders of Bonds.

The term "Extraordinary Resolution" will be defined in the Fiscal Agency Agreement as a resolution passed at a meeting of holders of Bonds by the affirmative vote of the holders of not less than 66⅔% of the principal amount of the then outstanding Bonds represented at the meeting in person or by proxy and voting on the resolution or as an instrument in writing signed by the holders of not less than 66⅔% in principal amount of the then outstanding Bonds. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing at least a majority in principal amount of the then outstanding Bonds, or at any adjourned meeting called by the Province or the Fiscal Agent, one or more persons being or representing holders of Bonds whatever the principal amount of the Bonds so held or represented.

UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement, the Province has agreed to sell to each of the Underwriters named below, and each of the Underwriters, for whom Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Scotia Capital Markets (USA) Inc., CIBC Wood Gundy Securities Corp., RBC Dominion Securities Corporation and UBS Securities LLC are acting as Representatives, has severally agreed to purchase the principal amount of Bonds set forth opposite its name below:

<u>Underwriter</u>	<u>Principal Amount of Bonds</u>
Lehman Brothers Inc.	U.S.\$ 60,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	60,000,000
Scotia Capital Markets (USA) Inc.	60,000,000
CIBC Wood Gundy Securities Corp.	21,000,000
RBC Dominion Securities Corporation	21,000,000
UBS Securities LLC	21,000,000
Goldman, Sachs & Co.	15,000,000
Nesbitt Burns Securities Inc.	15,000,000
CS First Boston Corporation	15,000,000
J.P. Morgan Securities Corp.	12,000,000
Total	U.S.\$300,000,000

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent. The Underwriters will be obligated to purchase all of the Bonds if any of the Bonds are purchased.

The Province has been advised that the Underwriters propose to offer the Bonds to the public initially at the offering price set forth on the cover page of this Prospectus Supplement and to certain dealers at such price less a concession not in excess of .50% of the principal amount of the Bonds; that the Underwriters may allow, and each such dealer may reallow, a discount not in excess of .25% of such principal amount on sales to other dealers; and that the public offering price and concession and discount to dealers may be changed by the Representatives.

The Bonds are a new issue of securities with no established trading market. No application has been made to list the Bonds on any securities exchange. However, the Province has been advised by the Underwriters that one or more of them intend to make a market in the Bonds, but that they are not obligated to do so and may discontinue making a market at any time without notice. No assurance can be given as to the liquidity of, or the trading market for, the Bonds.

It is expected that delivery of the Bonds will be made against payment therefor on or about the date specified in the last paragraph of the cover page of this Prospectus Supplement, which is the sixth business day following the date hereof. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Bonds on the date hereof or any day prior to the third business day before the date of delivery of the Bonds will be required, by virtue of the fact that the Bonds will settle in T+6, to agree to a delayed settlement cycle at the time of any such trade to prevent a failed settlement. Those who purchase the Bonds and wish to trade the Bonds on the date hereof or the next two succeeding business days should consult their own advisor.

LEGAL OPINIONS

The validity of the Bonds (and certain other matters of Canadian and British Columbia law) will be passed upon by the Deputy Attorney General of the Province (or another officer of the Ministry of Attorney General of the Province satisfactory to the Underwriters) as counsel for the Province and by Farris, Vaughan, Wills & Murphy of Vancouver, British Columbia, Canadian counsel for the Underwriters. Certain matters of United States law in connection with the offering of the Bonds will be passed upon on behalf of the Province by Shearman & Sterling, New York, New York, and on behalf of the Underwriters by Davis Polk & Wardwell, New York, New York. From time to time, Davis Polk & Wardwell and Farris, Vaughan, Wills & Murphy have rendered legal services to the Province.

AUTHORIZED AGENTS IN THE UNITED STATES

The Authorized Agents of the Province in the United States are the Honorable George Haynal, David Ryan and Richard Davis of the Canadian Consulate General, 1251 Avenue of the Americas, New York, N.Y. 10020.



U.S. \$1,500,000,000
Province of British Columbia
(Canada)

Debt Securities
and/or Warrants to Purchase Debt Securities

The Province of British Columbia (the "Province") may from time to time offer up to U.S. \$1,500,000,000 or the equivalent in other currencies aggregate principal amount of its debt securities (plus such additional principal amount as may be necessary such that, if the Debt Securities are issued at an original issue discount, the aggregate initial offering price will not exceed \$1,500,000,000) consisting of notes and/or bonds (the "Debt Securities") and, jointly or separately, warrants to purchase such Debt Securities (the "Warrants" and, together with the Debt Securities, the "Securities") in amounts and at prices and on terms to be determined at the time of sale and to be set forth in supplements to this Prospectus. Each such supplement is hereinafter referred to as a "Prospectus Supplement". The Securities will be direct and unconditional general obligations of the Province.

Prospectus Supplements will set forth the terms of the Securities, including the specific designations, aggregate principal amounts, currencies of denomination and payment (which may include composite currencies such as the European Currency Unit), denominations, maturities, rates and times of payment of interest (if any), terms for redemption, the initial public offering prices and the other terms in connection with the offering and sale of the Securities in respect of which this Prospectus is being delivered.

The Securities will be sold directly or through agents or underwriters, each as designated from time to time. If any agents or underwriters are involved in the sale of the Securities, the names of such agents or underwriters, the principal amounts to be offered by them, the underwriting discounts and commissions and the other terms of the plan of distribution in connection with the offering and sale of the Securities will be set forth in a Prospectus Supplement.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OTHER THAN THE SECURITIES DESCRIBED IN A PROSPECTUS SUPPLEMENT. THE DELIVERY OF THIS PROSPECTUS AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE AND THE INFORMATION CONTAINED IN THIS PROSPECTUS IS QUALIFIED IN ITS ENTIRETY BY SUPPLEMENTARY INFORMATION PROVIDED IN AN ACCOMPANYING PROSPECTUS SUPPLEMENT.

March 8, 1994.

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No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Prospectus or any related Prospectus Supplement in connection with the offering made by this Prospectus and any related Prospectus Supplement and, if given or made, such information or representations must not be relied upon as having been authorized by the Province or any other person. Neither the delivery of this Prospectus nor any related Prospectus Supplement nor any sale made in connection therewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Province since their respective dates.

AVAILABLE INFORMATION

The Province is not subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Province has commenced filing annual reports on Form 18-K with the Securities and Exchange Commission (the "Commission") on a voluntary basis. These reports include certain financial, statistical and other information concerning the Province. The Province may also include exhibits to its annual reports on Form 18-K and file amendments thereto for the purpose of filing with the Commission information that has not been included in the registration statement or registration statements to which this Prospectus and any related Prospectus Supplement relate, which information would thereby be incorporated by reference into such registration statement or registration statements. Such annual reports and amendments can be inspected and copied at the public reference facilities maintained by the Commission at: Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549; Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and 7 World Trade Center, New York, New York 10048. Copies of such reports may also be obtained at prescribed rates from the Public Reference Section of the Commission at its Washington address.

DOCUMENTS INCORPORATED BY REFERENCE

The Annual Report on Form 18-K of the Province for the fiscal year ended March 31, 1993 and all amendments thereto filed on or prior to the date hereof, are incorporated by reference in this Prospectus.

All Annual Reports on Form 18-K and any amendments thereto filed with the Commission by the Province subsequent to the date of this Prospectus and prior to the termination of the offering of the Securities offered hereby shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or in any Prospectus Supplement modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any person receiving a copy of this Prospectus may obtain, without charge, upon written or oral request, a copy of any of the documents incorporated by reference herein. Written requests for such documents should be directed to the Province of British Columbia, Provincial Treasury, Ministry of Finance and Corporate Relations, 620 Superior Street, Victoria, British Columbia V8V 1X4, Canada (telephone: (604) 387-4541).

PROVINCE OF BRITISH COLUMBIA

General

British Columbia is a Province of Canada located on the Pacific Coast of Canada and has an area of 95 million hectares, or about 9.5% of Canada's total surface area. More than one-half of British Columbia is covered by forests, which constitute one of British Columbia's major natural resources. The provincial government owns 94% of British Columbia's land area and also owns or administers the use of 94% of its forests. There are 1.8 million hectares of lakes and rivers, and the coast line, which has many ice-free, deep water inlets and ports, measures 7,022 kilometres in length.

British Columbia is the third largest Canadian province in terms of population, which was 3,371,200 or 12.2% of the total population of Canada on June 1, 1992. British Columbia's population grew at an average annual compound rate of 2.8% between 1987 and 1992, 1.3% faster than the growth of the Canadian population as a whole.

Vancouver, which is a principal Canadian financial, shipping and manufacturing centre, has the largest urban population in British Columbia and is the third largest metropolitan area in Canada with a census metropolitan area population of 1,643,500 persons in 1992. Victoria, the capital of British Columbia, is located on Vancouver Island and had a census metropolitan area population of 293,100 persons in 1992.

Constitutional Framework

Canada is a constitutional monarchy and structured as a federal state with a division of responsibilities between the federal and provincial governments. Under the Constitution of Canada, the provincial governments have authority to raise revenue through direct taxation within their territories and to borrow on provincial credit, have ownership of and jurisdiction over natural resources and have jurisdiction over education, health and social services, municipal institutions, property and civil rights, administration of justice and other matters of purely provincial or local concern. The federal government is empowered to raise money by any mode or system of taxation and has jurisdiction over matters of a national nature not assigned exclusively to the provinces, including federal public debt and property, regulation of trade and commerce, currency and coinage, banks and banking, national defence, foreign affairs, postal services, navigation, shipping and inter-provincial transportation.

Provincial Government

Legislative power at the provincial level in British Columbia is exercised by a unicameral legislature elected for a term of five years subject to earlier dissolution. The most recent general election was held on October 17, 1991. There are 75 seats in the Legislative Assembly, of which 51 are currently held by the New Democratic Party,

13 seats are held by the Liberal Party, 6 seats are held by the Social Credit Party, 3 seats are held by independents and two seats are vacant. By constitutional custom the Lieutenant Governor of the Province is appointed by the Governor General in Council of Canada to represent the Crown. The Lieutenant Governor calls upon the leader of the political party with the largest number of elected members to serve as Premier and to form the government. On the recommendation of the Premier, the Lieutenant Governor convenes, prorogues and dissolves the Legislative Assembly and assents to acts adopted by it.

The Lieutenant Governor appoints members of the Executive Council (the "Cabinet") on the advice of the Premier of British Columbia. Cabinet members are usually appointed from the Legislative Assembly and usually head government ministries. The Cabinet determines government policy and is responsible to the Legislative Assembly for the operation of the Government. The Cabinet at present consists of the Premier and 18 other ministers.

DESCRIPTION OF THE SECURITIES

General

The Securities may be sold as one or more issues as may be authorized from time to time by the Province. Reference is made to the applicable Prospectus Supplement for the following terms of Securities offered thereby: (i) the designation, currency or currencies of denomination and payment; (ii) the maturity date or dates; (iii) the percentage of their principal amount at which the Debt Securities will be issued; (iv) the interest rate or rates, if any, the manner in which such rate or rates will be determined, and the dates when interest payments, if any, will be made; (v) the paying agencies where payments will be made; (vi) any optional or mandatory redemption terms or repurchase provisions or provisions regarding repayment of such Securities prior to maturity at the option of the holders or the Province; and (vii) other specific provisions. Reference is also made to the applicable Prospectus Supplement for the following terms of any Warrants offered thereby: (i) the terms and conditions of the Debt Securities that may be purchased upon exercise of the Warrants; (ii) the terms and conditions governing such exercise; and (iii) other specific provisions.

The Securities will be direct and unconditional general obligations of the Province. The Securities will not be secured but will rank *pari passu* with all other general obligations of the Province outstanding from time to time without any preference granted by the Province.

Debt Securities

Unless otherwise specified in a particular series of Securities and the related Prospectus Supplement, the Debt Securities will be issued only in fully registered form, without coupons, in denominations of U.S.\$1,000 and multiples thereof with provision for exchange for other authorized denominations of equal aggregate amount. All such exchanges of Debt Securities will be free of charge to the holder.

The Province may, but is not required to, appoint a fiscal agent or agents to act on its behalf in connection with the Debt Securities. If appointed, the duties of the fiscal agent with respect to any series would be governed by a fiscal agency agreement applicable to such series. The Province may appoint different fiscal agents for different series of Debt Securities and may vary or terminate the appointment of any fiscal agent from time to time. The Province may maintain deposit accounts and conduct other banking and financial transactions with the fiscal agent. The fiscal agent, if any, would be the agent of the Province, would not be trustee for the holders of Debt Securities and would not have the same responsibilities or duties to act for such holders as would a trustee.

Unless otherwise specified in the Prospectus Supplement relating to the Debt Securities, the Province will maintain at an office in the Borough of Manhattan, The City of New York, a register for the registration of transfers of Debt Securities issued in registered form, subject to any restrictions set forth in the applicable Prospectus Supplement.

Except as described under "Global Securities" below, principal of, and premium and interest, if any, on the Debt Securities will be payable at such place or places or by such means as are designated by the Province and set forth in the applicable Prospectus Supplement.

If so indicated in the Prospectus Supplement, the Debt Securities may be redeemable prior to maturity.

Global Securities

The Debt Securities of a series may be issued in the form of one or more fully registered global Debt Securities (a "Registered Global Security") that will be deposited with a depositary (a "Depositary") or with a nominee for a Depositary identified in the Prospectus Supplement relating to such series. In such case, one or more Registered Global Securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal amount of outstanding registered Debt Securities of the series to be issued in the form of a Registered Global Security or Securities. Unless and until it is exchanged in whole for Debt Securities in definitive registered form, a Registered Global Security may not be transferred except as a whole by the Depositary for such Registered Global Security to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor of such Depositary or a nominee of such successor.

The specific terms of the depositary arrangement with respect to any portion of a series of Debt Securities to be issued in the form of a Registered Global Security will be described in the Prospectus Supplement relating to such series. The Province anticipates that the following provisions will apply to all depositary arrangements.

Upon the issuance of a Registered Global Security, the Depositary for such Registered Global Security will credit, on its book-entry registration and transfer system, to the accounts of persons that have accounts with such Depositary ("Participants") the principal amount of Debt Securities proportionate to their respective interests in such Registered Global Security. The accounts to be credited shall be designated by any underwriters, dealers or agents participating in the distribution of such Debt Securities. Ownership of beneficial interests in a Registered Global Security will be limited to Participants or persons that may hold interests through Participants. Ownership of beneficial interests in such Registered Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depositary for such Registered Global Security (with respect to interests of Participants) or by Participants or persons that hold through Participants (with respect to interests of persons other than Participants). The ability of an owner of a beneficial interest in a Registered Global Security to pledge its interest to persons other than Participants with such Depositary may be limited.

So long as the Depositary for a Registered Global Security, or its nominee, is the registered owner of such Registered Global Security, such Depositary or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities for all purposes under the applicable fiscal agency agreement (if any). Except as set forth below, owners of beneficial interests in a Registered Global Security will not be entitled to have the Debt Securities registered in their names, will not receive or be entitled to receive physical delivery of such Debt Securities in definitive form and will not be considered the owners or holders thereof under the applicable fiscal agency agreement (if any).

Principal, premium (if any) and interest payments (if any) on Debt Securities issued in the form of a Registered Global Security registered in the name of a Depositary or its nominee will be made to such Depositary or its nominee, as the case may be, as the registered owner of such Registered Global Security. None of the Province, the fiscal agent (if any) or any paying agent for such Debt Securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in such Registered Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Province expects that the Depositary for any Debt Securities issued in the form of a Registered Global Security, upon receipt of any payment of principal, premium or interest, will immediately credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of

such Registered Global Security as shown on the records of such Depositary. The Province also expects that payments by Participants to owners of beneficial interests in such Registered Global Security held through such Participants will be governed by standing instructions and customary practices as is now the case with securities held for the accounts of customers registered in "street name" and will be the responsibility of such Participants. Under the terms of the fiscal agency agreement (if any), the Province and the fiscal agent (if any) will treat the persons in whose names the Debt Securities are registered as owners of such Debt Securities for the purpose of receiving payments of principal, premium (if any) or interest (if any) on the Debt Securities and for all other purposes whatsoever. Therefore, none of the Province, the fiscal agent (if any), or any paying agent has any direct responsibility or liability for the payment of principal, premium (if any) or interest (if any) on the Debt Securities to owners of beneficial interests in a Registered Global Security.

If the Depositary for any Debt Securities issued in the form of a Registered Global Security is at any time unwilling or unable to continue as Depositary and a successor Depositary is not appointed by the Province within 90 days, the Province will issue such Debt Securities in definitive form in exchange for such Registered Global Security. In addition, the Province may at any time and in its sole discretion determine not to have any of the Debt Securities of a series held in the form of one or more Registered Global Securities and, in such event, will issue Debt Securities of such series in definitive form in exchange for the Registered Global Security or Securities. In either instance, an owner of a beneficial interest in a Registered Global Security will be entitled to have Debt Securities equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such Debt Securities in definitive form.

Warrants

The Province may issue, together with any Debt Securities offered by any Prospectus Supplement or separately, Warrants for the purchase of other Debt Securities. The Warrants are to be issued under warrant agreements to be entered into between the Province and a bank or trust company, as warrant agent, all as set forth in the Prospectus Supplement relating to a particular issue of Warrants. The Prospectus Supplement relating to the particular series of Warrants offered thereby will set forth: (1) the terms referred to on the cover page hereof of the Debt Securities purchasable upon exercise of such Warrants; (2) the principal amount of Debt Securities purchasable upon exercise of one Warrant, the exercise price and the procedures of, and conditions to, exercise for purchasing such Debt Securities; (3) the dates on which the right to exercise the Warrants shall commence and expire; (4) the date (if any) on and after which such Warrants and the related Debt Securities will be separately transferable.

Canadian and British Columbian Income Tax with Respect to the Securities

The following summary is general in nature only and does not constitute tax advice to any prospective investor in the Debt Securities or the Warrants. Persons who consider investing in the Debt Securities or the Warrants are advised to consult their own tax advisers with respect to their individual tax positions.

In the respective opinions of Swinton & Company, Canadian counsel for the underwriters, and the Deputy Attorney General of the Province, this summary fairly describes the principal income tax considerations which arise in Canada under the *Income Tax Act (Canada)* (the "Federal Act"), which arise in British Columbia under the *Income Tax Act (British Columbia)* (the "BC Act") and which are applicable to a holder of Debt Securities or Warrants who is a non-resident of Canada and is not deemed to be a resident of Canada (a "Non-Resident Holder"). This summary is based on the provisions of the Federal Act, the BC Act and regulations under those acts as they exist on the date of this Prospectus.

This summary includes Canadian and British Columbian income tax considerations only. It does not include United States, provincial (other than British Columbia), territorial or other income tax considerations nor does it include income tax considerations arising under any income tax convention or treaty between Canada and another country.

Any interest, premium or principal paid or credited by the Province to a Non-Resident Holder in respect of the Debt Securities is not subject to withholding tax in Canada nor British Columbia under the Federal Act or the BC Act, except that withholding tax thereon may be payable where such interest is contingent or dependant upon

the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class of shares of the capital stock of a corporation.

No other tax on income or capital gains is payable by a Non-Resident Holder under the Federal Act or the BC Act in respect of the Debt Securities, whether as a result of interest, premium or principal being paid or credited by the Province to the Non-Resident Holder, a purchase or repayment by the Province from or to the Non-Resident Holder, a redemption or other disposition, except that tax on such income or capital gains may be payable if the Non-Resident Holder uses or holds (or is deemed to use or hold) the Debt Securities in carrying on business in Canada.

No tax on income or capital gains is payable by a Non-Resident Holder under the Federal Act or the BC Act in respect of the Warrants, whether as a result of their expiry or their exercise or disposition by the Non-Resident Holder, except that tax on such income or capital gains may be payable if the Non-Resident Holder uses or holds (or is deemed to use or hold) the Warrants in carrying on business in Canada.

The last paragraph under the heading "Global Securities" above states that, in certain circumstances, the Province may issue Debt Securities to a Non-Resident Holder in exchange for a Registered Global Security. No tax on income or capital gains is payable under the Federal Act or the BC Act as a result of any such exchange.

Canada and British Columbia do not levy estate or inheritance taxes or succession duties.

Governing Law and Jurisdiction

Unless otherwise specified in a Prospectus Supplement, the Securities, the fiscal agency agreement (if any) and the underwriting agreement (if any) will be governed by the law of British Columbia.

The Province has not agreed to waive any immunity from jurisdiction nor has it appointed an agent in New York upon which process may be served. In the absence of such a waiver of immunity by the Province, it may not be possible to obtain in British Columbia a judgment based solely on an order of a court in another jurisdiction.

Proceedings may be brought against the Province in the Supreme Court of British Columbia, and no applicable law requires the consent of any public official or authority for proceedings to be brought or judgment to be obtained against the Province arising out of or relating to its obligations under the Securities, nor is any immunity from jurisdiction available to the Province in any proceedings in the Supreme Court of British Columbia, brought in accordance with the *Crown Proceeding Act* (British Columbia) and within applicable limitation periods, whether or not a party to the proceedings or the holder of a Security is resident within British Columbia or is a citizen of Canada.

Although the remedies of injunction and specific performance are not available against the Province under the *Crown Proceeding Act* (British Columbia) and any order obtained in proceedings brought against the Province in the Supreme Court of British Columbia may not be enforced by execution, the *Crown Proceeding Act* (British Columbia) provides that upon the receipt of a certificate of the proper officer of the Supreme Court of British Columbia, in the event of a money judgment or an order for costs, or both, against the Province, the Minister of Finance and Corporate Relations of the Province shall pay out of the Consolidated Revenue Fund of British Columbia to the person entitled, or to his order, the amount due together with interest, if any, lawfully due.

The *Currency Act* (Canada) precludes a court in Canada from giving a judgment in any currency other than Canadian currency.

APPLICATION OF PROCEEDS

The Province will deposit the net proceeds from the sale of the Securities to the Consolidated Revenue Fund of British Columbia. Unless otherwise indicated in applicable Prospectus Supplements, the net proceeds will be applied toward authorized disbursements from the Consolidated Revenue Fund of British Columbia, including redemption and repayment of securities issued by the Province of British Columbia, or lent to government bodies or government corporations.

PLAN OF DISTRIBUTION

The Province may sell the Securities in any of three ways: (i) through underwriters or dealers; (ii) directly to a limited number of institutional purchasers; or (iii) through agents.

The Prospectus Supplement with respect to each issue of Securities will set forth the terms of the offering of such Securities, including the name or names of any underwriters or agents, the purchase price and the proceeds to the Province from such sale, any underwriting discount and other items constituting underwriter's compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers.

If underwriters are used in the sale, the initial Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including the negotiated transactions, at a fixed public offering price or various prices determined at the time of sale. Unless otherwise set forth in the Prospectus Supplement, the obligations of the underwriters to purchase Securities will be subject to certain conditions precedent and the underwriters will be obligated to purchase all the Securities of an issue if any are purchased.

The Securities may be sold directly by the Province from time to time. Any agent involved in the offer or sale of the Securities in respect of which the Prospectus is being delivered will be named, and any commission payable by the Province to such agent will be set forth in the applicable Prospectus Supplement. Unless otherwise indicated in such Prospectus Supplement, any such agent will be acting on a best efforts basis during the period of its employment.

Underwriters, dealers and agents that participate in the distribution of Securities may be deemed to be underwriters, and any discounts or commissions received by them from the Province and any profit on the resale of Securities by them may be deemed to be underwriting discounts and commissions under the Securities Act of 1933, as amended (the "Securities Act"). Any such underwriter or agent will be identified, and any such compensation received from the Province will be described in a Prospectus Supplement.

Under agreements which may be entered into by the Province, dealers and agents who participate in the distribution of Securities may be entitled, and the Province has agreed that underwriters, if any, will be entitled, to indemnification by the Province against certain liabilities, including liabilities under the Securities Act.

DEBT RECORD

The Province of British Columbia has never defaulted on any of its direct or guaranteed obligations. Payments have been made when due, subject during wartime to any applicable laws and regulations forbidding such payment.

LEGAL OPINIONS

Unless otherwise specified in a Prospectus Supplement, the validity of the Securities (and certain other matters of Canadian and British Columbian law) will be passed upon by the Deputy Attorney General of the Province (or another officer of the Ministry of Attorney General of the Province satisfactory to the underwriters) as counsel for the Province and by Swinton & Company of Vancouver, British Columbia, Canadian counsel for the underwriters. Davis Polk & Wardwell of New York, New York will pass on certain matters of United States law in connection with the offering of the Securities on behalf of the underwriters. From time to time Davis Polk & Wardwell and Swinton & Company have rendered legal services to the Province.

AUTHORIZED AGENTS IN THE UNITED STATES

The Authorized Agents of the Province in the United States are Alan Sullivan, David G. Ryan and Pierre Bergeron of the Canadian Consulate General, 1251 Avenue of the Americas, New York, N.Y. 10020.

EXPERTS AND PUBLIC OFFICIAL DOCUMENTS

All financial and statistical information on the Province included or incorporated by reference herein has been taken or derived from the records and publications of the Province, including the Public Accounts, and are included herein on the authority of the Honourable Elizabeth Cull, Minister of Finance and Corporate Relations. Information included or incorporated by reference herein which is designated as being taken from a publication of the Province of British Columbia or Canada, or an agency or instrumentality of either, is included herein on the authority of such publication as a public official document.

The Minister of Finance and Corporate Relations for the Province has supplied in her official capacity as such minister the information set forth herein, other than that set forth under the heading "Plan of Distribution".

No dealer, salesman or other person has been authorized to give any information or to make any representation not contained in this Prospectus Supplement or the accompanying Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Province or any agent or underwriter. This Prospectus Supplement and the accompanying Prospectus do not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. Neither the delivery of this Prospectus Supplement or the accompanying Prospectus nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Province since the date hereof.

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U.S. \$300,000,000

PROVINCE OF BRITISH COLUMBIA (CANADA)

7¼% Bonds, Series BCUSD-3,
due September 1, 2036

PROSPECTUS SUPPLEMENT August 21, 1996

LEHMAN BROTHERS

MERRILL LYNCH & CO.

SCOTIA CAPITAL MARKETS (USA) INC.

CIBC WOOD GUNDY SECURITIES CORP.

RBC DOMINION SECURITIES
CORPORATION

UBS SECURITIES



\$500,000,000

Province of British Columbia
4.30% Bonds, Series BCCD-25 to mature June 18, 2042
(Non-callable)

To be dated June 6, 2011
Price: 100.443 plus accrued interest to yield approximately 4.274%

The Bonds will bear interest at the rate of 4.30% per annum, payable half-yearly on June 18 and December 18, with the first interest payment to be made on June 18, 2011 for the period from December 18, 2010 to June 18, 2011.

The Bonds will be issued by the Province of British Columbia (the "Province") under its Domestic Debt Issuance Program in the form of a fully registered global certificate (the "Global Bond") in the name of CDS & Co. as nominee of CDS Clearing and Depository Services Inc. ("CDS"), and held by CDS. Beneficial interests in the Bonds will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants of CDS. Except in the limited circumstances described in the Fiscal Agency Agreement (defined below) and the Global Bond, owners of beneficial interests in the Global Bond will not be entitled to have Bonds registered in their names and will not receive nor be entitled to receive Bonds in definitive form.

The Bonds will be issued with the benefit of and subject to a fiscal agency agreement dated July 15, 2002, as amended (the "Fiscal Agency Agreement") between the Province and BNY Trust Company of Canada as the Fiscal Agent (as defined in that agreement, which term includes any replacement Fiscal Agent). Registered holders of the Bonds and any owners of beneficial interests therein shall be bound by, and deemed to have notice of, all the provisions of the Fiscal Agency Agreement. Copies of the Fiscal Agency Agreement (to which is annexed the form of Global Bond) will be available for inspection at the principal office of the Fiscal Agent in Vancouver, British Columbia.

Neither the Province nor the Fiscal Agent will have any responsibility or liability for payments of principal and interest under the Bonds other than to cause those payments to be made to the registered holders thereof in accordance with the Fiscal Agency Agreement and the Bonds. As long as CDS (or its nominee) is the registered holder of the Global Bond, payments of principal and interest to owners of beneficial interests in the Bonds will be governed by the customary procedures of CDS.

The Province reserves the right to issue additional Series BCCD-25 Bonds which would become interchangeable with the Bonds that are presently being offered for sale.

In the opinion of counsel, the Bonds will be direct obligations of the Province, and principal and interest will be payable out of the Consolidated Revenue Fund of the Province.

As principals, we offer these Bonds on the terms and conditions described herein and in the Fiscal Agency Agreement, if, as and when issued and accepted by us, subject to prior sale and change in price and subject to approval of all legal matters by Farris, Vaughan, Wills & Murphy LLP, Vancouver.

It is expected that the Global Bond will be delivered to CDS on or about June 6, 2011.

June 1, 2011

NEW ISSUE OFFERING MEMORANDUM

TO: ALL BANKING GROUP MEMBERS

FROM: **BMO NESBITT BURNS INC.**

ISSUE: **PROVINCE OF BRITISH COLUMBIA BONDS 4.30% DUE JUNE 18, 2042 (RE-OPENING)**

DATE: June 1, 2011

BMO NESBITT BURNS, CIBC WORLD MARKETS, RBC CAPITAL MARKETS, SCOTIA CAPITAL, NATIONAL BANK FINANCIAL, AND THE TORONTO-DOMINION BANK ARE OFFERING THE ABOVE NEW ISSUE AT THE FOLLOWING TERMS:

AMOUNT:	\$500,000,000		
ISSUE PRICE:	\$100.443		
COUPON:	4.30%		
COUPON PAYMENTS:	JUNE 18 AND DECEMBER 18		
INITIAL YIELD:	4.274%		
SPREAD:	+78.5 BPS VS CANADA 4.00% JUNE 1, 2041 (\$109.45 / 3.489%)		
MATURITY:	JUNE 18, 2042		
DELIVERY:	JUNE 6, 2011 (INTEREST ACCRUED FROM DECEMBER 18, 2010)		
RATING:	DBRS:	AA(H)	S&P: AAA
	MOODY'S:	Aaa	
OFFERING TERMS:	ISSUE PRICE:	\$ 100.443	
	SELLING GROUP DRAWDOWN:		
	BANKING GROUP COST:	S17	
	COST OF ISSUE:		

BANKING GROUP MEMBERS HAVE 98% OF THEIR PARTICIPATION FIRM. ADDITIONAL BONDS MAY OR MAY NOT BE AVAILABLE.

By: BMO Nesbitt Burns Inc.
Per: Susan Schaufert-Tam

Phone: (416) 359-6528
Fax : (416) 359-1636

Klear, Darshi D FIN:EX

From: Travis Shaw [tshaw@dbrs.com]
Sent: Thursday, August 25, 2011 9:08 AM
To: Klear, Darshi D FIN:EX
Cc: Eric Beauchemin
Subject: RE: HST Referendum Outcome

Thanks Darshi. We did hear about the delay. One question I have is that, in the event of a Yes vote and the HST is repealed, has the Province reached an agreement with Ottawa on how repayment of the transition funding will be handled? Presumably these discussion are taking place but perhaps it's too early to know the outcome?

regards,
-Travis

From: Klear, Darshi D FIN:EX [<mailto:Darshi.Klear@gov.bc.ca>]
Sent: Thursday, August 25, 2011 12:00 PM
Subject: HST Referendum Outcome


Good morning,


As you may have heard, the HST Referendum results are expected to be released and made public on Friday morning (Aug 26th). If you have specific questions on Friday, as always, I will send you the links to the announcements and will take any questions that you have and will do my best to get you answers. If you would like some time with the Deputy or others, please let me know Friday or Monday and I will do my best to set up an appropriate time.


Thanks.

Darshi

Darshi Klear
Executive Director
Debt Management Branch

 Box 9423 Stn Prov Govt, 620 Superior Street,
Victoria, BC V8W 9V1

 (250) 387-8815
(cell) (250) 415-7228

 Fax: (250) 387-3024

 Email: darshi.klear@gov.bc.ca

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www.dbrs.com, DBRS Limited

Klear, Darshi D FIN:EX

From: Angastiniotis, Mario [Mario_Angastiniotis@standardandpoors.com]
Sent: Thursday, August 25, 2011 8:40 AM
To: Klear, Darshi D FIN:EX
Cc: Latham, David FIN:EX
Subject: RE: HST Voter Turnout

Hi Darshi

Could we arrange a conference call tomorrow afternoon (maybe 3 PM Toronto time) to discuss the outcome of the HST referendum results?

Mario

From: Klear, Darshi D FIN:EX [<mailto:Darshi.Klear@gov.bc.ca>]
Sent: Tuesday, August 16, 2011 6:35 PM
Cc: Latham, David FIN:EX
Subject: RE: HST Voter Turnout

Also, I should have mentioned that after release of the HST results, I will be checking in with you to see if you have any questions and/or would like some time with the Deputy to discuss. We may not be able to do that on the day of release, but will endeavour to try and get some time with the Deputy within a couple of days of release. We do not believe that we will have any advance notice of the results since Elections BC, which is a separate organization from gov't, is responsible for compiling the results and releasing them.

If you have any questions at this time, please do not hesitate to contact me. Thank you!

Darshi



From: Klear, Darshi D FIN:EX
Sent: Tuesday, August 16, 2011 10:30 AM
Subject: HST Voter Turnout

<< File: Voter turnout articles.docx >>

Here is a compilation of news articles regarding voter turnout for the HST Referendum. Just thought you might be interested. Results are expected to be released on or about Aug 25th. Hope you are having a good summer!

Darshi

Darshi Klear
Executive Director
Debt Management Branch

 Box 9423 Stn Prov Govt, 620 Superior Street,
Victoria, BC V8W 9V1
 (250) 387-8815

BC voters mail it in

By Vaughn Palmer

Amid indications of a heavier-than-expected **turnout** in the harmonized sales tax referendum, one hears competing explanations for why British Columbia voters took a heightened interest in this particular election.

Those leading the fight against the tax say people have been waiting for two years to vent their anger over harmonization. Hence the surge in voting.

Those who defend the HST say a silent majority (at least they hope it is a majority) of those who don't want to go back to the old tax regime have pushed the vote count past early expectations of a **turnout** of 40 to 45 per cent.

Both explanations are plausible. Each probably contributed to a **turnout** that is now expected to be in the 55-per-cent range.

But as the ballots continue to accumulate at the Elections BC warehouse in the provincial capital - between 1.6 million and 1.7 million apparently - another factor in the **turnout** was likely the sheer convenience of voting by mail.

No scrambling to locate the voting card, nor dragging yourself off to a polling station on a busy morning. No lineups. No parking, child care or workplace concerns.

And isn't it usually raining on election day?

Instead the ballot is delivered to your home through the mail slot.

There's several weeks to make up your mind. Then you pop the sealed envelope into a mailbox on a day when you are running a half-dozen other errands.

The convenience theme is supported by surveys conducted by Elections BC into the reasons why people did not vote in the 2005 and 2009 elections. In both cases, voter "distraction" was found to be a significant factor affecting **turnout**.

People meant to vote. But they were busy on election day. Or ill and unable to get to the polls. They were out of the province and neglected to vote absentee or in advance.

Or they just plain forgot, then something came up and they never got around to it.

Experience elsewhere suggests that voters readily embrace the advantages of voting by mail.

Three decades ago the state of Oregon began phasing in the option alongside the more traditional form of voting in person at polling stations scattered around the state. Now postal voting is the only option, thanks to a 70-per-cent endorsement from the electorate in a referendum in the late 1990s.

The switch was a boon to voter **turnout**.

In the final presidential election under the combined system, about 70 per cent of Oregon's registered voters cast ballots.

In the three elections since then, **turnout** was 80, 85 and 86 per cent respectively.

Cost-effective too. Oregon saved millions of dollars by eliminating polling stations altogether.

Here in B.C., preliminary estimates suggest that the mail referendum will end up costing about a third as much as a full-blown provincial election.

No wonder Washington, which has been following in Oregon's wake, this year adopted postal voting exclusively for future elections in the state.

Still the option has its drawbacks, starting with the passing of the election day trip to the neighbourhood polling station, a civic ritual in established communities.

"Voting alone," goes the lament from one critic, deliberately echoing *Bowling Alone*, the title of the book by political scientist Robert Putnam on the decline of social interaction in modern-day communities.

For those who move around, postal voting obliges you to keep your address up to date on the voters' list and to react in time if a ballot package doesn't arrive.

Experience from Oregon suggests that about five per cent of the mail out from the elections office will be returned as undeliverable.

But in a year when a labour dispute necessitated a two-week delay in the referendum timetable, there's no need to remind British Columbians about the risks of relying on the post office.

There are concerns that voting by mail, being a more time-consuming process, will prolong the uncertainty after election day (defined as the end of voting), while the final ballots are delivered, certified and counted.

Oregon has addressed the latter with a requirement that mail ballots have to be not just posted by election day, but delivered into the custody of the officials who'll count them. Postmarked on election day is not enough.

Then there's the allegation that voting by mail is more open to fraud and other electoral abuses. The polling station, policed by election officials, is regarded as the surest guarantee of the secret

ballot. Critics say a mail ballot could be coerced, intercepted, or cast in bulk along with a lot of others.

But those complaints are commonly associated with places plagued with other kinds of electoral fraud as well. Chicago, for instance. Oregon, which polices its system carefully, is not considered a haven for fraud and B.C. could adopt proper safeguards as well.

In any event, if the province were to go that route, it would likely proceed as other jurisdictions have done, by phasing in the option over time and giving people an election or two to get used to it.

No need to go postal (sorry) overnight.

But if the HST referendum is any indication, B.C. voters would appear to welcome the convenience of receiving and casting their ballots through the mail.

vpalmer@vancouver.sun.com

Ballots pile in for HST referendum

By Sean Sullivan

More than 1.6 million British Columbians participated in the HST referendum, almost matching the **turnout** for 2009's provincial election, Elections B.C. announced Thursday.

Roughly 52 per cent of registered voters submitted ballots by the Aug. 5 deadline, said acting chief electoral officer Craig James.

Fight-HST strategist Bill Tieleman said the results show people took the harmonized-sales-tax ballot as seriously as they do a provincial election.

"It makes me even more confident that we're going to win," Tieleman said.

The 2009 provincial election saw 55 per cent of registered voters - 1,651,139 people - cast a ballot.

Tieleman said the **turnout** for the HST vote shows the referendum is both legitimate and a testament to voters' concerns.

"The fact that as many people would vote on a referendum on this tax as would vote to have representation in the legislature for four years means it's extremely important," he said.

As of July 22, Elections B.C. says 3,063,170 people were registered to vote.

University of B.C. political scientist Richard Johnston said the results shouldn't be seen as a clear win for either the pro-or anti-HST contingents.

The lack of precedent makes it hard to analyze the **turnout**, he said.

"There's no norm to compare it to," Johnston said. "It seems high, but on the other hand it's still only half of the registered electorate."

While higher **turnout** in an election is generally bad news for the status quo, Johnston said it's not that simple for this referendum.

"If this vote is an opportunity to send a negative signal to the government of B.C., then that would be a good news to the 'yes' [eliminate the HST] side," he said.

On the other hand, there was little doubt that the anti-HST forces were rallying their troops, suggesting residents in favour of the tax may be the ones to tip the scales.

"It's all conjecture, frankly. I think we won't really be able to answer that until we see the ballots of opinion," Johnston said.

Each registered voter was mailed an HST referendum voting package beginning June 13. The results of the referendum are expected to be reported on or about Aug. 25.

Peter Leitch, a spokesman for Smart Tax Alliance, did not return a call for comment.

ssullivan@theprovince.com

twitter.com/seanpatricks

Times Colonist (Victoria), Page A01, 12-Aug-2011

HST ballots runneth over

By Richard Watts

Just over half of B.C.'s registered voters cast ballots in the referendum on the harmonized sales tax, Elections B.C. said Thursday, prompting both tax supporters and opponents to voice optimism.

More than 1.6 million voters returned ballots by the 4: 30 p.m. Aug. 5 deadline. As of July 22, there were 3,063,170 registered voters in B.C.

The HST **turnout**, coming in summer when many residents are on holiday, impressed people who campaigned on both sides of the 12 per cent tax, which combines the provincial sales tax with the federal goods and services tax.

"The very large **turnout** means voters were very engaged," New Democrat MLA Maurine Karagianis said. "The more families have felt the pinch over the last couple of months, the more motivated they have become to send government a very clear message they want this tax gone."

The NDP objects to the Liberal flip-flop on the tax. During the 2009 election campaign, the Liberals said they would not impose the tax, but changed course after being re-elected.

The NDP says the HST unfairly burdens small businesses and working families, and means the province has less freedom to act independently of the federal government.

But Mike Jagger, president of a Vancouver security firm and an HST supporter, said he hopes the high **turnout** means people have given thought to the advantages of the tax. Polls showing voters are almost evenly split on the issue, combined with a high **turnout**, means it will not only be angry, anti-tax voters who cast ballots, he said.

Jagger said his business has already seen the advantage of a simplified tax. It has saved the company enough to add two employees to its workforce of about 100. "The PST was obscenely expensive and complicated," he said.

Final referendum results are expected on or about Aug. 25.

Elections B.C. said the cost of the referendum is \$8.9 million, less than the originally estimated \$12 million. That happened despite an unexpected \$500,000 expense to extend deadlines after disruptions at Canada Post.

Former premier Bill Vander Zalm, who organized a campaign against the HST, predicted a close result and was impressed with the **turnout**. He said in an interview that he believes the **turnout** shows new possibilities for democracy in B.C.

"I think we are going to see the process used a lot more."

rwatts@timescolonist.com

More than 1.6-million referendum votes cast

By Tamsyn Burgmann

VANCOUVER

Almost as many British Columbians voted in the mail-in HST referendum as those who cast ballots in the last provincial election, despite a postal strike and the possibility of summertime lethargy.

More than 1.6-million voting packages were sent back to Elections BC during the almost-eight-week voting period, the independent agency said Thursday. That's 52 per cent of the more than three million registered voters in the province.

The **turnout** was lauded by all sides of the controversial debate, but a pollster said the bags of ballots are still no crystal ball for which side wins.

Mario Canseco, vice-president with Angus Reid Public Opinion, said it's difficult to call because unlike an election, the usual demographics don't apply.

"There's no indication where these votes are coming from, and whether these votes are coming from specific people who may have been opposed to the HST from the get go or those who are actually worried about it being replaced," he said.

"When you have an election, it's a little bit easier to figure it out in the early stages as you see which areas are voting more."

Bill Tieleman, a spokesman for Fight HST, said he's feeling more confident now than ever B.C. will soon kick the tax to the curb.

Fight HST is the group that masterminded the grassroots petition that prompted the referendum.

"We're very pleased. It certainly means the government cannot ignore the results of this referendum," he said.

"It is a clear, solid find that when as many people turned out to vote in a referendum as turned out in a provincial election, that they take it extremely seriously."

He added that if his group gets the majority required to nix the tax, more people will have agreed with the group's initiative than favoured the B.C. Liberals as the governing party in 2009.

Ticking yes on the mail-in ballot was a vote to extinguish the 12-per-cent HST, which combines the 5-per-cent federal foods and services tax with the former 7-per-cent B.C. provincial sales tax.

Mike Jagger, co-chair of the Smart Tax Alliance group that encouraged the public to keep the HST, said the more people who voted, the better chances the policy wouldn't be decided by emotions.

"My sense is that would far supersede the number of really angry people," he said.

"So the bigger the number, the broader cross-section of people that were actually participating and the more likely that we'll get the support."

Finance Minister Kevin Falcon wasn't available for comment. The ministry deferred to Transport Minister Blair Lekstrom, who has often taken on the spokesman role on the issue since being returned to cabinet.

Mr. Lekstrom quit former premier Gordon Campbell's government in protest of how the tax was introduced, but was welcomed back earlier this year after Mr. Campbell resigned in fallout over the issue.

Mr. Lekstrom said it was too tricky to make predictions either way, but his government will "make the best" of whatever the outcome may be.

"It's a summertime vote, we had all those challenges," he said, noting they also contended with cries by the tax's opponents that the system is broken.

"Boy, when you have this many people engaged. ... I just don't see the problem here."

Elections BC said the number of referendum ballots cast is double those sent back for the last B.C. referendum, on the first nations treaty process in 2002.

Acting Chief Electoral Officer Craig James said the Canada Post strike also added \$500,000 to the cost. Even so, the price tag is expected to ring in at \$8.9-million, down from the estimated \$12-million.

A target date of Aug. 25 has been set for the results.

BC Local News, Page 01, 11-Aug-2011

Half of 3 million HST ballots returned

By Tom Fletcher

VICTORIA - More than 1.6 million voters sent in their ballots for B.C.'s referendum on the harmonized sales tax, a participation rate that matches the 51 per cent **turnout** for the 2009 B.C. election.

Elections BC sent out just over three million ballot packages starting in June, then extended the deadline for returning them by two weeks after a labour dispute at Canada Post delayed distribution.

Temporary staff at Elections BC are working seven days a week in two shifts, intending to have the ballots verified and counted by the end of August. A simple majority of votes cast will decide whether B.C. keeps the HST and lowers the rate by two points to 10 per cent in the next three years, or reinstates the former seven per cent provincial sales tax on top of the five per cent federal GST.

Acting chief electoral officer Craig James said the time extension increased the cost of the referendum by \$500,000 but the total cost is estimated to be \$8.9 million, well under the initial estimate of \$12 million.

The only other mail-in referendum in B.C. was the 2002 vote on aboriginal treaty principles, which saw a return of 790,182 votes, about one third of the total sent out.

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Vernon Morning Star

Both sides optimistic with HST voter turnout

By Richard Rolke

Fans and critics of the harmonized sales tax are bolstered by voter **turnout**.

About 1.6 million people cast ballots in the mail-in referendum on the future of the HST - or 52 per cent of all voters in B.C.

"Both sides in the issue will say it's good for them and that they got their supporters out," said Eric Foster, Vernon-Monashee MLA.

Foster wouldn't speculate on the outcome of the referendum - results should be known by about Aug. 25 - but he is confident that the government's implementation of the levy will be vindicated.

"I'm optimistic the HST will be saved and we'll go on from there," he said.

Foster admits he is somewhat surprised by the voter **turnout**.

"I thought it would have been a little higher than 52 per cent because it was in the papers and people were talking about it," he said.

Voter participation in the 2009 provincial election was 55.14 per cent.

The most recent referendum in B.C. was in 2002 on treaty negotiations. There were 790,182 ballots then.

Members of the Fight HST organization believe voter **turnout** sends a message to the Liberal government.

"It tells us people were keenly interested in the issue and passionate about it," organizer Chris Delaney told The Morning Star.

"It indicates that democracy is more robust. People want to participate."

While the results won't be known for almost two weeks, Fight HST is already declaring victory in its campaign to scrap the harmonized tax.

"Voter **turnout** will lend credibility to the results when we win," said Delaney, who anticipates future governments will have to hold referendums more often.

"A precedent has been set. If government wants to expand the tax base, they have to go to the people."

The recent postal strike forced Elections B.C. to extend the HST referendum dates for requesting a voting package and submitting the ballot.

"Despite the extension adding approximately \$500,000 to the cost of the referendum, I am pleased to report that our revised estimate as to the overall cost is \$8.9 million, down from \$12 million," said Craig James, B.C.'s acting chief electoral officer.

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Not Responsive

From: Douglas.Offerman@fitchratings.com [mailto:Douglas.Offerman@fitchratings.com]
Sent: Wednesday, June 8, 2011 11:28 AM
To: Latham, David FIN:EX
Cc: 'Laura.Porter@fitchratings.com'; Klear, Darshi D FIN:EX
Subject: RE: Revised Fitch draft release

David,

Thanks for your comments--and for your assistance throughout the process! We incorporated some of the comments into the final round of edits, and have posted the release to our website. A copy of the release is attached for your files. Please let me know if you have any questions.

Douglas Offerman
Senior Director
Public Finance
Fitch Ratings
One State Street Plaza
New York, NY 10004

tel. 212-908-0889
fax 212-480-4421

From: "Latham, David FIN:EX" <David.Latham@gov.bc.ca>
To: "'Douglas.Offerman@fitchratings.com'" <Douglas.Offerman@fitchratings.com>
Cc: "'Laura.Porter@fitchratings.com'" <Laura.Porter@fitchratings.com>
Date: 06/07/2011 07:11 PM
Subject: RE: Revised Fitch draft release

Hi Douglas,

Here are some final comments on the revised draft of the second to last paragraph....

Following **the** release of **anthe Independent Panel** report that found British Columbian families pay more for routine expenditures under the HST than the prior system **and after extensive public consultation**, on May 25, 2011 the finance minister announced **proposed** HST reforms and a binding motion on the reforms **was approved inpassed** the legislative assembly on May 31, 2011. Assuming that the HST remains in place, the province will lower the HST rate from 12% to 10% in two steps (down to 11% July 1, 2012 and 10% July 1, 2014) and provide some one-time transitional payments to individuals. This reduction will be **partially** offset by increasing the general corporate **income** tax rate from 10% to 12% effective January 1, 2012 and delaying a scheduled small business tax **rate** cut that was to take effect April 1, 2012. Repeal of the HST **would** require repayment of transitional funds from the federal government, **subject to negotiation**, the timing of which **would-beis** uncertain. The province remains committed to balanced operations by fiscal 2014 regardless of the outcome of the vote.

Also, the 1st sentence in the 2nd bullet under KET RATING DRIVERS should be changed similar to below – ie **could require** – not would require
... and a subsequent reversion to the former sales tax, **would** require the return of \$1.6 billion in transitional monies

Thanks,
David

From: Douglas.Offerman@fitchratings.com [<mailto:Douglas.Offerman@fitchratings.com>]
Sent: Tuesday, June 7, 2011 1:09 PM
To: Latham, David FIN:EX
Cc: Laura.Porter@fitchratings.com
Subject: Revised Fitch draft release

David,

Sorry for the delay in getting the draft to you. The major change in the draft release is the second to the last paragraph, which covers the government's tax policy changes in late May. Please let me know if you have any corrections.

Douglas Offerman
Senior Director
Public Finance
Fitch Ratings
One State Street Plaza

New York, NY 10004

tel. 212-908-0889

fax 212-480-4421

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Not Responsive

From: Hopkins, Jim FIN:EX
Sent: Tuesday, August 30, 2011 07:43 AM
To: 'Angastiniotis, Mario' <Mario_Angastiniotis@standardandpoors.com>
Subject: S and P Affirmation for BC on Friday

Mario..the affirmation and timeliness was much appreciated ..as you know , markets are prone these days to race ahead on speculation and a timely and extraordinary initiative from S and P was a helpful and calming influence -- evidence of which is that investors continue to trade BC bonds well in the secondary market without any price impact

Cheers Jim

From: [Latham, David FIN:EX](#)
To: [Latham, David FIN:EX;](#)
Subject: Province of British Columbia bond issue - series BCCD-25 4.30% 18JUN42 (Fourth Reopening) settled: June 6, 2011
Date: Tuesday, June 7, 2011 2:04:00 PM
Attachments: [BC 4 30%-42 - Circular \(6-1-11\) \(BCCD-25\)reopen.pdf](#)
[BC 4.30% 06-18-42reopen \(BKGWIRE\).doc](#)

The Province of British Columbia launched a bond issue under our Domestic Debt Issuance Program. Details are attached. Please let me know if you require any further information.

Regards,

David Latham
Sr. Manager, Legal and Corporate Affairs
Debt Management Branch, Provincial Treasury
Province of British Columbia

Box 9423 STN PROV GOVT, VICTORIA, BC V8W 9V1

☎: 250-387-7144 🖨: 250-356-2121 ✉: david.latham@gov.bc.ca

From: [Latham, David FIN:EX](#)
To: [Latham, David FIN:EX;](#)
Subject: re: BC Government releases outcome of its review of British Columbia Hydro - August 11, 2011
Date: Monday, August 15, 2011 12:18:00 PM

Review of BC Hydro reduces rate impacts on customers

http://www.bchydro.com/news/articles/conservation/2011/government_review_message.html

BC Government Review of BC Hydro:

<http://www.newsroom.gov.bc.ca/downloads/bchydroreview.pdf>

Regards,

David Latham
Sr. Manager, Legal and Corporate Affairs
Debt Management Branch, Provincial Treasury
Province of British Columbia

Box 9423 STN PROV GOVT, VICTORIA, BC V8W 9V1

☎: 250-387-7144 🖨: 250-356-2121 ✉: david.latham@gov.bc.ca

From: [Latham, David FIN:EX](#)
To: ["Sherman, Michael";](#)
Subject: RE: Ratings for Province of British Columbia bond issues
Date: Wednesday, August 31, 2011 12:06:00 PM
Attachments: [BCUSD-2 Prospectus.pdf](#)
[BCUSD-3 Prospectus.pdf](#)

Michael,

Attached are the prospectus for each issue.

Thanks,
David

From: Sherman, Michael [mailto:michael_sherman@standardandpoors.com]
Sent: Wednesday, August 31, 2011 11:49 AM
To: Latham, David FIN:EX
Subject: RE: Ratings for Province of British Columbia bond issues

David,

Just to clarify, back in 1996, these bonds were drawn down off of a specific US shelf? If so, I need you to provide the base prospectus. We may already have a copy on file, if you provide the size and date of the program, we can check.

Thanks,

Michael Sherman
Relationship Manager
New Issuance Desk
Standard & Poor's
(t) +1 (212) 438-8089 | (m) +1 (646) 438-0643

From: Latham, David FIN:EX [mailto:David.Latham@gov.bc.ca]
Sent: Wednesday, August 31, 2011 2:37 PM
To: Sherman, Michael
Subject: RE: Ratings for Province of British Columbia bond issues

Hi Michael,

Please find below the information requested for the two USD issues:

1) ISIN: CA11067ZDG15 BRCOL 6.5% 15JAN2026

Settlement Date: January 24, 1996
Maturity Date: January 15, 2026
Program (if a drawdown): Yankee
Identifiers (if available): n/a
2) ISIN: CA11067ZDF32 BRCOL 7.25% 01SEP2036
Settlement Date: August 29, 1996
Maturity Date: September 1, 2036
Program (if a drawdown): Yankee
Identifiers (if available): n/a

Regards,
David

From: Sherman, Michael [mailto:michael_sherman@standardandpoors.com]
Sent: Wednesday, August 31, 2011 11:09 AM
To: Latham, David FIN:EX
Subject: RE: Ratings for Province of British Columbia bond issues

Hi David,

For the two USD issues, can you provide the following:

- Settlement Date
- Maturity Date
- Program (if a drawdown)
- Identifiers (if available).

If you have proper term sheets, that would be the preferred documentation.
Otherwise you can just send me the information in an e-mail.

Thanks,

Michael Sherman
Relationship Manager
New Issuance Desk
Standard & Poor's
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From: Latham, David FIN:EX [mailto:David.Latham@gov.bc.ca]
Sent: Tuesday, August 30, 2011 5:13 PM
To: Sherman, Michael
Subject: RE: Ratings for Province of British Columbia bond issues

Hi Michael,

Please find attached the Dealer term sheet for CH0111865611. I've also attached the two Memorandum's for the other issues which were done back in 1996. If you are unable to rate them based on the information provided please let me know and I will see what else I am able to find.

Regards,
David

From: Sherman, Michael [mailto:michael_sherman@standardandpoors.com]
Sent: Monday, August 29, 2011 3:08 PM
To: Latham, David FIN:EX
Subject: RE: Ratings for Province of British Columbia bond issues

Good Afternoon David,

Yes, we will rate them. Please send the term sheets.

Thanks,

Michael Sherman
Relationship Manager
New Issuance Desk
Standard & Poor's
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From: Latham, David FIN:EX [mailto:David.Latham@gov.bc.ca]
Sent: Monday, August 29, 2011 3:32 PM
To: Sherman, Michael
Subject: RE: Ratings for Province of British Columbia bond issues

Hi Michael,

Thank you for providing the rating on our latest bond issue. Please note, in looking at the outstanding bond issues for the Province, there are three other issues which do not currently have a rating from S&P.

- 3) ISIN: CH0111865611 BRCOL 2.5% 18APR2030 Issued in: 2010
- 4) ISIN: CA11067ZDG15 BRCOL 6.5% 15JAN2026 Issued in: 1996
- 5) ISIN: CA11067ZDF32 BRCOL 7.25% 01SEP2036 Issued in: 1996

Would S&P also assign a rating to these issues? If so, please let me know and I'll forward the Term Sheets.

Regards,
David

From: Latham, David FIN:EX
Sent: Thursday, August 25, 2011 11:53 AM
To: 'Sherman, Michael'
Subject: RE: ISIN: CA110709BJ01

Hi Michael,

Please find attached the Offering Circular and Term Sheet for the latest Province of BC issue. As per note below, please confirm the fee charged by S&P for providing the rating prior to proceeding.

Regards,
David

From: Latham, David FIN:EX
Sent: Wednesday, August 24, 2011 9:25 AM
To: 'Sherman, Michael'
Subject: RE: ISIN: CA110709BJ01

Hi Michael,

What would be the fees for S&P to provide a rating on each new debt issue for the Province?

Regards,
David

From: Sherman, Michael [mailto:michael_sherman@standardandpoors.com]
Sent: Tuesday, August 23, 2011 8:45 AM
To: Latham, David FIN:EX
Subject: ISIN: CA110709BJ01

Good Afternoon David,

I see that you recently issued CAD 500m. If you would like to have this issue rated, please send us the deal terms.

Thanks,

Michael Sherman

Relationship Manager

New Issuance Desk

Standard & Poor's

(t) +1 (212) 438-8089 | (m) +1 (646) 438-0643

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