

or by proxy may, from time to time, at their discretion, borrow money for the purposes of the Company and secure repayment thereof in such manner and upon such terms and conditions as they think best, and for this purpose may mortgage, pledge and charge all or any assets and property of the Company, subject, however, to any mortgage mentioned in section 17 hereof.

19. The directors, under such authority from the shareholders as is mentioned in section 18 hereof, may from time to time issue, in addition to those mentioned in section 17 hereof, bonds, debentures, debenture stock, or other securities of the Company, secured by mortgage upon the lands or any parts thereof to be granted by the Government pursuant to clause eleven and subsequent clauses of the said contract, and upon the Company's right therein and thereto, and may sell or pledge them, at the best price and upon the best terms and conditions which they are able to obtain, in order to raise money for the purposes of the Company; but no such security shall be for a less sum than one hundred dollars. The mortgages securing such securities shall be subject to the terms and conditions of the said contract and to the rights and royalties reserved to Her Majesty thereby; but, subject thereto, such mortgages may contain such covenants, powers, rights and remedies, including powers of sale, for the enforcement and realization of the security thereby granted as the directors think proper; and every such mortgage shall be deposited in the office of the Secretary of State of Canada, of which deposit notice shall be given by the Company in the *Canada Gazette*.

Additional issue of bonds secured by mortgage on lands granted by Government.

20. Section 57 of *The Railway Act* shall not apply to the said William Mackenzie or Donald D. Mann or Roderick J. Mackenzie or to their executors or administrators.

1888, c. 20, s. 57.

21. The tolls to be collected upon the said line of railway between the Stikine River and Teslin Lake, whether by the contractors named in the said contract, or by the Company, and whether for passengers or freight, including Her Majesty's forces, police, and others travelling on Government service, and Government stores and freight, shall be first fixed by the Governor in Council, and the tolls so fixed shall not be liable to reduction until the said railway has been in operation for four years; but such tolls shall be reduced by the Governor in Council by twenty-five per cent from and after such four years, and after the said railway has been in operation seven years they shall be reduced twenty-five per cent off the tolls as previously reduced, and after the said railway has been ten years in operation the fixing of tolls shall be subject to the provisions of *The Railway Act*.

Tolls to be fixed by Governor in Council.

Reduction.

How fixed, after ten years.

22. The lands granted to the contractors or to the Company under the said contract, shall be free from taxation for ten years from the granting thereof, except municipal taxation by an incorporated city, town or village within the Provisional District of Yukon.

Taxation of lands.