

million dollars, or the equivalent thereof in sterling money of Great Britain, bearing five per cent. per annum interest, for a term not exceeding fifty years—such bonds to constitute and be a first lien and charge on the entire property of the Company, real and personal, now owned or hereafter to be acquired or owned by it (save and except the lands granted or to be granted by the Government to the Company under the contract between Her Majesty and the Company and the Acts relating thereto), including its main line of railway with its tolls and revenues, the extensions thereof, its branch lines of railway (except the Algoma Branch), the whole of its equipment, rolling stock and plant, and all its steamers and vessels; saving always, however, the rights of the holders of the existing mortgages on the extensions of the line of the railway from Callander to Brockville and Montreal, as security for the unpaid balances of the purchase money of the said extensions.

not more than fifty years, as a first charge on property of Company.

Except mortgages on extension from Callander to Brockville and Montreal.

2. The Company may secure the payment of the said bonds and of the interest thereon by a deed of mortgage executed by the Company to trustees to be approved by the Government, with the authority and of the tenor and purport, and containing the conditions, remedies, provisions and powers authorized and provided for by the twenty-eighth section of the charter of the Company, to such extent and in such manner and form as shall be approved by the Governor in Council; and the provisions of the thirty-fifth section of the charter of the Company shall apply to the bonds to be issued, or to any mortgage deed to be executed under this Act.

Bonds may be secured by mortgage deed to trustees, as per sect. 28 of charter of Co.

Sect. 35 of charter to apply.

3. Upon the issue and delivery of the said bonds to the Government, the lien and charge created by the Act forty-seventh Victoria, chapter one, intituled, "*An Act to amend the Act intituled, 'An Act respecting the Canadian Pacific Railway,' and for other purposes,*" upon the railway, revenues and property of the Company affected by the said bonds and by the deed of mortgage securing the same, shall cease to exist, and shall be released and discharged in respect of the railway, revenues and property so affected; and the shares in the capital stock of the Company, to the extent of thirty-five million dollars now in the hands of the Government, shall be cancelled and destroyed; and no further issue of stock shall be made without the special authority of Parliament; but the Algoma Branch shall still remain charged with the lien and charge created by the said Act; and the interest of the Company in any railway lines leased to it, shall also be charged with the said lien and charge to the same extent and in the same manner as if the same had been expressly included, as being so charged, with the property and securities mentioned in the said Act: Provided, that the rights vested in the Canadian Pacific Railway

On issue and delivery of bonds to Government, mortgage under 47 V., c. 7, discharged.

No more stock to be issued. Exception of Algoma branch.

As to charges on Co's interest in leased lines.

Provide: as to power of Co. in respect