

on such appeal, be rates which the Pacific Company will be entitled to enforce in respect of the services covered by such rates. The Canadian Northern Railway undertakes that it will not, and that the Pacific Company will agree that it will not, bring or promote any appeal to the Railway Commission of Canada from any order made under and pursuant to the provisions of this section; and, in the event of any such appeal being brought by others, that the Northern Company and the Pacific Company will represent to the Commission, on such appeal, that it is satisfied with the rates the subject of such appeal in so far as they are, or have been, established within the provisions of this section.

9. The Pacific Company shall cause to be legally issued bonds, debentures, debenture stock, or other securities (hereinafter referred to as "securities") for a total amount equal to thirty-five thousand dollars (\$35,000) per mile of each of the said two lines of railway to be aided under the terms of this agreement, payable in not less than thirty years, with interest at four per cent. (4 per cent.) per annum, half-yearly. The total number of miles of railway to be covered by such guaranteed securities shall not exceed six hundred miles in all, unless such mileage be extended under the provisions hereof with regard to construction into the City of Kamloops. Such securities shall be secured by a trust instrument, or instruments, to trustees, to be approved of by the Government, granting a first mortgage or charge (subject to the exception hereunder) upon the specific lines so to be aided, and upon the car-ferry tolls, incomes, rents, and revenues thereof, and upon the rolling stock, equipment, and property of the Pacific Company acquired for the purpose of and used in connection with said mortgaged lines and ferry, and upon such of the franchises of the Pacific Company as may be appurtenant thereto. There shall be reserved from the operations of the said trust instrument and securities any and all terminals of the Pacific Company and any and all subsidies which may be granted to the company. The said trust instrument or instruments, and the mortgage and charge thereby created, and the securities guaranteed, shall be subject to payment of the working expenses of the Pacific Company as defined (so far as applicable) in the Railway Act of Canada. The terms of the trust instrument shall be settled between the Government and the Pacific

Company, and when so settled, executed, and recorded, in accordance with the provisions of the "British Columbia Railway Act," shall, as affecting the rights of any holder of any such guaranteed security (whether pledgee or owner), be deemed a full compliance with, and in form and terms authorized by this agreement and the enabling act:

(a.) The class of securities to be issued and guaranteed as aforesaid shall be determined by the Pacific Company before the issue thereof, and the form of guarantee to be given shall be settled between the company and the Government, and shall be appropriate, regard being had to the nature and class of securities to be issued and guaranteed hereunder:

(b.) The securities may be of any of the classes mentioned, or parts of several such classes, and the trust instrument or instruments may contain any suitable provision enabling an issue of securities from one class to be made, and the guarantee, in case of an exchange, of an amount of securities equal to the amount of previously guaranteed securities then delivered up and cancelled:

(c.) The Province of British Columbia shall guarantee the said securities when and as issued, and when the guaranteed securities shall be delivered to the Canadian Bank of Commerce, or such other bank or banks as the Pacific Company and the Government may approve, to be by the bank delivered on the order of the Pacific Company from time to time to the purchasers or pledgees thereof, upon the moneys realized by sale, pledge, or otherwise of such securities being paid directly by the purchaser, subscriber, pledgee, or lender into the said bank or into the Bank of Scotland, or Lloyds Bank, or such other bank or banks as the case may be and as the Government may approve, to the credit of a special account or accounts, in the name of the Minister of Finance, of the Province of British Columbia. Provided that if money be borrowed by the Pacific Company upon pledge or otherwise of any of such securities prior to the sale thereof, and to be paid into the credit of such account or accounts as aforesaid, the amount so paid in shall be deducted from the purchase price subsequently received from the securities so borrowed upon, and the balance only shall be paid in; Provided, further, that securities borrowed upon may, after the loans thereon have been paid or discharged by the Pacific Company, or by deduction from subsequent sale of bonds, be issued or re-issued, and shall be secured by the