

fixed by Order in Council and according to descriptions, and to be approved by the Governor in Council \* \* such subsidy to be payable by instalments, on the completion of each section, of not less than ten miles of railway proportionate to the value of the portion so completed in comparison with the whole work undertaken, to be established by the Report of the said Minister of Railways and Canals. Provided always that the granting of such subsidy, shall be subject to such conditions for securing such running powers or traffic arrangements and other rights as will afford all reasonable facilities and equal mileage rates to all railways connecting with that, so subsidized, as the Governor in Council may determine."

And, Whereas, the International Railway Company has established, to the satisfaction of the Governor in Council, its ability to complete the said railway within a reasonable time, to be fixed by Order in Council, such time having been fixed as follows:— Twenty-nine miles of said road, east of the Village of Lennoxville, on or before the 1st day of August, A.D., 1883; the sixteen miles east of Lake Megantic on, or before, the 1st day of November next (1883); and the four miles between Lennoxville and Sherbrooke on or before the 25th day of May of the year 1887. And, Whereas, the Governor in Council has duly approved of the descriptions and specifications hereto annexed marked "A: "

Now, this Agreement Witnesseth that, in consideration of the said subsidy, to be paid in the manner aforesaid, the International Railway Company covenants and agrees to, and with Her Majesty, Her heirs and successors, in manner following, that is to say:—

1. That the Company shall, and will, well, truly and faithfully make, build, construct and complete a line of railway from Sherbrooke, in the Province of Quebec, to the international boundary line, in connection with the extension of this road through the State of Maine, to connect with New Brunswick, at or near, Vanceborough or south of that point, the points and approximate route and course being shown on the map hereunto annexed, marked "B,"\* and all bridges, culverts and works appurtenant thereto, and will build, construct and complete the said line of railway, bridges, culverts, works, and all engineering services, whether in the field or in preparing plans, or doing other office works, to the entire satisfaction of the Governor in Council.

2. That the Company shall, and will, locate and construct the said line of railway on as straight a course as practicable, between Sherbrooke and the international boundary line, with only such deviations as may seem absolutely indispensable to avoid serious engineering obstacles and as shall be allowed by the Governor in Council.

3. That the gradients and alignments shall be the best that the physical features of the country will admit of, without involving unusually or unnecessary heavy works of construction, with respect to which the Governor in Council shall decide.

4. That the Company shall, and will, furnish profiles and plans of the whole line of railway, before the work is commenced, and such profiles and plans shall be approved of by the Minister of Railways and Canals, if not already deposited and approved of by the Minister of Railways and Canals, and before any payments are made, the company shall furnish such other returns as may be required by the Minister of Railways and Canals.

5. That the said Company having commenced the works embraced in this agreement shall complete the same by the days and times following, that is to say:— Twenty-nine miles east of the Village of Lennoxville, on or before the 1st day of August, 1883; the sixteen miles east of Lake Megantic, on or before the 1st day of November, 1883, and the four miles between Lennoxville and Sherbrooke, on or before the 25th day of May of the year 1887; time being declared to be material and of the essence of this contract, and in default of such completion as aforesaid on or before the last mentioned date, the company shall forfeit all right, claim or demand to any and every part of the subsidy remaining unpaid, as also to any monies whatever, which may be, at the time of the failure of the completion as aforesaid, due and owing to the Company.

\*Not printed.