

tained all on terms and division of expense and cost to be agreed upon between the interested parties.

(k.) The Pacific Company shall, by the trust indenture or indentures hereinafter mentioned, or by other instrument, covenant and undertake with the Government to accept the terms, covenants, and conditions of this contract, and to construct the several works, make the several payments, and do the several things which under this Agreement are to be constructed, paid, or done by the Pacific Company, all in accordance with the several terms and provisions hereof; whereupon, and upon the completion of the lines and terminals hereby agreed to be built or provided within the terms of this Agreement, the Northern Company shall be relieved from its covenants herein, except as agreed in paragraph 6 and sub-paragraphs (g), (h), and (i) of this paragraph, and in paragraph 17 hereof:

(l.) The Canadian Northern Railway Company agrees to indemnify the Government against all payments which it may make under the terms of this Agreement, and against all loss which it may be put to so far as the same shall be repayable by the Pacific Company hereunder, and against all interest which this Agreement provides the Pacific Company will repay, and against all costs to which the Government may be put in enforcing its securities hereunder as and when the same are payable, repayable, or incurred:

(m.) The Pacific Company will not alienate, sell, lease, or dispose of the aided lines, or either of them, unless such company shall first obtain the consent thereto of the Lieutenant-Governor in Council. This covenant shall not, however, be construed to limit or restrict the right or power of the Pacific Company to secure any bonds, debentures, or other indebtedness of such Company upon the said lines by mortgage or trust deeds containing powers of sale, foreclosure, or right of possession:

(n.) The Northern Company agrees that the Pacific Company will furnish to the Government security for the construction and equipment of the aided lines, in accordance with the terms of this Agreement, in the sum of five hundred thousand dollars, to the satisfaction of the Government; such security to be by bond or by the deposit of securities, or otherwise, as may be agreed upon.

8. In consideration of the guarantee of the securities hereunder,

the Northern Company covenants that the Pacific Company will agree that the Lieutenant-Governor in Council may, from time to time, having due regard in so doing to the position and interests of the Pacific Company, and in the case of traffic destined to or originating in the other Provinces of Canada, bearing also in mind the desirability of obtaining reasonable rates from points in the Province of British Columbia to points in the other Provinces, or vice versa, **MODIFY ANY RATES ESTABLISHED BY THE PACIFIC COMPANY FOR THE CARRIAGE OF FREIGHT AND PASSENGERS TO AND FROM POINTS ON THE SAID AIDED LINES WITHIN THE PROVINCE OF BRITISH COLUMBIA:** Provided, always, that before any rates are so modified, the Pacific Company shall be heard and its interests taken into consideration as aforesaid: Provided, further, that if the Pacific Company shall at any time be dissatisfied with any rates so modified by the Lieutenant-Governor in Council, it shall have the right to appeal from the order modifying any such rates to the Supreme Court of British Columbia. Any such appeal shall be heard before the Chief Justice and one of the Justices, or before two of the Justices of such Court (hereafter referred to as "the Appellate Tribunal"), who, upon any notice of such appeal being given, shall be nominated by the Lieutenant-Governor in Council to hear and determine such appeal. The Appellate Tribunal, in the event of any such appeal, shall have authority, and it shall be its duty, to inquire into the whole matter, with power to call and examine on oath or otherwise such witnesses as either party may desire; to examine into, or cause to be examined into, all books, vouchers, or accounts of the Company; to call in the assistance of such experts, and generally to make such investigation as it may be deemed desirable to enable it to determine the matters involved in such appeal; and thereupon it may either confirm, modify, disallow, or revise such rates so appealed against. Any rates so modified and determined by the order of the Lieutenant-Governor in Council, in conformity with the provisions of this section, shall, except as modified