

40. Subsection (1) of section 156 of the said Act is repealed and the following substituted therefor:

Directors
may make
traffic agree-
ments.

“**156.** (1) The directors of the company may, at any time, make and enter into any agreement or arrangement, not inconsistent with the provisions of this or the Special Act, with any other transportation company operating as a common carrier either in Canada or elsewhere, for the interchange of traffic and for the division and apportionment of tolls in respect of such traffic.” 5 10

41. (1) Subsection (6) of section 170 is repealed and the following substituted therefor:

Application
of section.

“(6) The provisions of this section only apply to the main line, and to branch lines over twenty miles in length.” 15

(2) Section 183 of the said Act is repealed and the following substituted therefor:

Power to
construct.

“**183.** The company may, for the purposes of its undertaking, construct, maintain and operate branch lines, not exceeding in any one case twenty miles in length, from the main line of the railway or, except as hereinafter provided, from any branch thereof.” 20

42. The said Act is further amended by adding thereto, immediately after section 314 thereof, the following headings and sections: 25

“ABANDONMENT AND RATIONALIZATION
OF LINES OR OPERATIONS.

Uneconomic Branch Lines.

Definitions.
“Actual
loss.”

- 314A.** In this section and section 314B to 314G,
(a) “actual loss”, in relation to any branch line means the excess of
(i) the costs incurred by the company in any 30 financial year thereof in the operation of the line and in the movement of traffic originating or terminating on the line,
over
(ii) the revenues of the company for that year 35 from the operation of the line and from the movement of traffic originating or terminating on the line;