

and herein acting and represented by the Hon. Richard McBride, minister of mines for the province of British Columbia), of the first part, and the Canadian Northern Railway Company (hereinafter called "the Northern Company"), of the second part.

Whereas the government of the province of British Columbia deems it in the public interest to aid in the construction of the lines of railway hereinafter mentioned, for the purpose of securing to the people of British Columbia reasonable passenger and freight rates, and to assist in the opening up and the development of the province:

Now, the agreement witnesseth, and the parties hereto have agreed as follows:

1. The government will, at the next session of the legislature of British Columbia, promote the passage of an act, a copy of which is a schedule hereto, ratifying and confirming this agreement, and authorising and confirming the guarantee hereby agreed to be given.

2. The government will, at the next session of the legislative assembly of the province of British Columbia, promote the passage of an act, a copy of which is a schedule hereto, incorporating the "Canadian Northern Pacific Railway Company" (hereinafter called the "Pacific Company"), and authorising that company to construct, maintain, and operate the works and railways hereafter provided for.

3. Subject as aforesaid, all covenants and agreements herein contained shall, according to the tenor and nature thereof, be binding on and extend to the respective successors and assigns of the parties hereto.

4. The Northern Company covenants and agrees with the government that the Pacific Company shall and will well, truly, and faithfully acquire, lay out, make, build, construct, complete, equip, maintain and operate, or cause to be operated, continuously the following lines of railway of a standard uniform gauge of four feet eight and one-half inches within the limits of the province of British Columbia, that is to say:

(a.) A line of railway connecting with the main line of the Northern Company at some point at or within the eastern boundary of the said province; thence through the province, through the city of New Westminster, to a point in the city of Vancouver, and also to a point at or near English Bluff, south of the Fraser river, a distance of approximately five hundred miles; such line of railway to be constructed from the point of the eastern boundary aforesaid, via the Yellowhead Pass, the North Thompson river,

the South Thompson river, and the Fraser river, to the terminal aforesaid. The Pacific Company will endeavor to bring its line into the city of Kamloops, either by diverting its main line so as to run through the city, or by the construction of a line connecting its main line with the city; and in the event of such company satisfactorily completing such arrangements and constructing into or through the city, the government will extend the foregoing guarantees so as to cover any additional mileage occasioned by such construction:

(b) From a point in the city of Victoria to a point on or near Barkley Sound, on the island of Vancouver, a distance of approximately one hundred miles.

5. The Northern Company covenants and agrees with the government that the Pacific Company will also construct, or cause to be constructed, operated, and maintained, along and in connection with each of said lines of railway, a telegraph line, and supply all such telegraph equipment and apparatus as may be necessary for the efficient working of such telegraph lines, both for railway and commercial service.

6. The Northern Company covenants and agrees with the government that the Pacific Company will also establish, or cause to be established, by the time the firstly described line of railway is ready for operation, and thereafter shall operate, or cause to be operated, from a harbor at or near English Bluff on the mainland of British Columbia to and from a harbor at or near the city of Victoria, a first-class modern passenger, mail, express, and car-ferry service.

7. The Northern Company further covenants and agrees with the government that in the location, construction, maintenance and operation of the said above-mentioned lines of railway the following provisions shall apply, and shall be observed by the Pacific Company, and be by it completely and effectually performed, fulfilled and carried out, that is to say:

(a.) That the Pacific Company shall and will locate and construct the said above lines of railway, respectively, by the shortest possible routes, with only such deviations as may be deemed necessary in order to avoid serious engineering difficulties, and such as shall be sanctioned by the Lieutenant-Governor in Council:

(b.) That the lines above mentioned, when completed and equipped, shall in all respects, apart from grades and curvatures (as to which the character of the country through which the lines pass shall be taken into consideration), be equal to the standard