

*Thirty-ninth* :—That these presents are subject to the confirmation thereof by the Parliament of Canada and by the shareholders of the company.

*Fortieth* :—In consideration of the rents and covenants herein reserved and contained, Her Majesty represented by the General Traffic Manager of the Intercolonial Railway of the one part and the Company by its General Traffic Manager of the other part, have entered into a mutual traffic arrangement in writing of even date herewith, which traffic arrangement is hereby declared, covenanted and agreed to be and form a part of and be supplemental to this contract, and shall be read herewith and shall be binding upon all parties hereto during the continuance of this leasing contract, except so far as the same may be altered with the mutual consent of Her Majesty and the Company. When and if the traffic arrangement shall be so altered from time to time such amended supplemental contract shall be substituted for the supplemental traffic contract of this date.

*Forty-first* :—That in order to facilitate and develop the business of the Intercolonial Railway and the Company, every effort shall be made to cause close and suitable train connections to be made at Montreal between the trains of the Company west of Montreal and the Intercolonial Railway.

*Forty-second* :—That through rates and fares shall be agreed upon and made from time to time for traffic to and from all points on the Intercolonial Railway, including the lines hereby demised, and all points on the Company's railway, including all lines leased by them, and such rates and fares shall, as regards traffic to and from all points on the Intercolonial Railway, and to and from all points on the Company's lines and leased lines, be divided on the basis of mileage, except where such division would act unfairly by reason of one line of railway having a largely preponderating mileage, in which case the division of rates and fares shall be settled on a reasonable and equitable basis by mutual agreement, and in default of agreement, by arbitration as herein provided.

*Forty-third* :—That as regards traffic shipped to and from Europe and the British Isles through Halifax, St. John, or such other port as may hereafter be selected, per Intercolonial Railway, the rates of the Company for the carriage of such traffic west of Montreal shall not be higher per passenger per mile, and per ton of freight per mile than the amount per passenger per mile, and per ton of freight per mile, charged by the Company on similar classes or descriptions of traffic carried by it for others to and from the same places, and intended for or coming from the same place in Europe or the British Isles. In ascertaining such rates of freight, all drawbacks or deductions allowed are to be taken off before fixing the rates.

*Forty-fourth* :—That the forms of all through bills of lading, also the forms of receipts for goods passing over the said lines respectively, shall be such as from time to time are agreed upon by the officials of the parties hereto, or in default of agreement, settled by arbitration.

*Forty-fifth* :—Her Majesty shall have the right to deduct from the rentals herein agreed to be paid to the Company any sum or sums of money which may hereafter become due by the Company to Her Majesty, and for the payment of which the Company is in default.