

And whereas besides the lien, the Government holds £50,000 in amount, of the said second preference bonds, and £50,000 in amount, of the said Class B, third preference bonds :

And whereas by *this* Act provision is made for the discharge of the lien of the Dominion upon certain conditions and payments to be made by the Company :

And whereas to enable the Company to comply with the said conditions and to make such payments to the Government of the Dominion for the discharge of the lien it is necessary to re-adjust the Company's share capital :

And whereas, the Company and the Northern Extension Railways Company, hereinafter called "the Extension Company," have presented petitions praying that the railways of the Northern Extension Railways Company may be declared to be works for the general advantage of Canada, and that powers may be granted for the amalgamation of the said companies :

And it is expedient that the prayers of the said respective petitions should be granted :

Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

PART I.

On what conditions the lien of the Dominion may be released.

Proviso: the bonds held by the Government not to be affected.

1. If the Company or any Company formed by its amalgamation with any other Company under *this* Act do, on or before the first day of April, one thousand eight hundred and seventy-six, or within such extended time as the Governor in Council may grant, not exceeding three months thereafter, pay to the Receiver-General of Canada, or to the financial agents of the Dominion in England, the sum of one hundred thousand pounds sterling, such payment shall operate as a full discharge and release of the said lien and of all principal and interest due in respect thereof, and the Receiver General or the said financial agents (as the case may be) shall give the Company a certificate of such payment, which shall be sufficient evidence of the discharge of the lien and of all claim in respect thereof: Provided always, that the said bonds of the Company held by the Government shall not be affected by the payment aforesaid, but shall hold their present rank and priority in any rearrangement that may be made of the affairs of the Company, and that the accrued interest on the second preference bonds shall be paid under the terms of the several *repealed* Acts relating to the said railway. (38 V. Can. c. 23, s. 1.)