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Port Simpson or some other port in British Columbia." The road is divided into two great divisions. The Eastern Division is to begin at Moncton, and to run through the central part of the province of New Brunswick, and through the province of Quebec, by the shortest available line, to the city of Quebec; then westerly through the northern part of the provinces of Quebec and Ontario, and through the province of Manitoba to the city of Winnipeg. The Western Division is to begin at Winnipeg, and to run through the western part of the province of Manitoba, Northwest Territories, and the province of British Columbia.

WESTERN DIVISION.

PRAIRIE AND MOUNTAIN SECTIONS.

For convenient reference, the Western Division is divided into two sections, the "Prairie Section," and the "Mountain Section." The Prairie Section, extending from Winnipeg to the Rocky Mountains, and the Mountain Section from there to the Pacific Ocean.

The company agreed to construct, maintain and operate the Western Division, and to take a lease of the Eastern Division, and to maintain and operate it upon the terms set forth in the agreement. The company were to approve of the character of the construction of the Eastern Division, and were to have the privilege of appointing a chief engineer, to act along with the Government engineer. The construction of the Eastern Division was to be commenced as soon as the Government made the surveys and plans determining the location of the line.

The Western Division was to be constructed by the company, and at the cost of the company, and it was to be commenced forthwith after the ratification of the agreement by Parliament.

The Eastern Division was to be constructed by the Government of Canada, and then leased for a period of 50 years to the company, which undertook to operate it along with the Western Division, and thus form a transcontinental line. This lease was to contain all the provisions required by the Government for securing the efficient maintenance and operation of the Eastern Division by the company. A deposit of \$5,000,000 in cash was required from the company. The first equipment of the completed road was required to be of the value at least of \$20,000,000, of which not less than \$5,000,000 worth should be supplied for the operation of the Eastern Division. The Government reserved running rights for the Intercolonial and every other line over the Eastern Division, upon equal terms with the company, and also running powers and haulage rights over the Western Division.

The Government also reserved to any railway company desiring to make use of the Western Division, running powers and haulage rights, and the company was given the same running powers over the Intercolonial.

FINANCIAL ARRANGEMENTS.

The capital stock of the company was fixed at \$45,000,000, of which not more than \$20,000,000 should be preferred, and not less than \$25,000,000 common stock. The company undertook that the old Grand Trunk Railway Company should take the whole of the common stock, except the thousand shares to be held by directors, and should hold this common stock so long as the bonds guaranteed by the Government remain unpaid.

For the purpose of aiding the company in the construction of the Western Division, the Government guaranteed payment of the principal and interest, on the issue of bonds to be made by the company, for an amount equal to 75% of the cost