

No. 138.

4th Session, 8th Parliament, 62 Victoria, 1899

BILL.

An Act to confirm an agreement entered into by Her Majesty with the Grand Trunk Railway Company of Canada for the purpose of securing the extension of the Intercolonial Railway system to the City of Montreal.

First reading, June 2, 1899.

Mr. BLAIR.

OTTAWA

Printed by S. L. DAWSON

Printer to the Queen's most Excellent Majesty

1899

An Act to confirm an agreement entered into by Her Majesty with the Grand Trunk Railway Company of Canada, for the purpose of securing the extension of the Intercolonial Railway system to the City of Montreal.

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

1. The agreement set forth in the schedule to this Act Agreement in schedule confirmed.
 5 between the Grand Trunk Railway Company of Canada and Her Majesty is hereby confirmed and declared to have been and to be valid and binding in all respects, subject to its approval by the shareholders of the said Company; and it shall be lawful for Her Majesty and for the said Company to
 10 do whatever is necessary to the carrying out on Her part and on its part of all the provisions contained in the said agreement according to the true intent and meaning thereof.

2. The line of railway and the property described in and leased by the said agreement shall, upon the said agreement Railway to become part of Intercolonial Railway.
 15 being approved in accordance with the terms thereof, be and become part of the Intercolonial Railway, and shall be operated as such in so far as may be consistently with and subject to the terms of the said agreement.

SCHEDULE.

This Agreement, made this first day of FEBRUARY, in the year of our Lord one thousand eight hundred and ninety-eight:

Between the Grand Trunk Railway Company of Canada, hereinafter called "the Company," of the first part, and Her Majesty Queen Victoria, represented herein by the Honourable the Minister of Railways and Canals of Canada, who is herein referred to as "the Minister," Her Majesty so represented being hereinafter called or referred to as "Her Majesty," of the second part.

And whereas Her Majesty purposes extending the Intercolonial Railway, a Government railway of Canada, from Chaudière Junction, in the province of Quebec, to the City of Montreal, in said province, with termini in that city ;

And whereas Her Majesty has made arrangements with the Drummond County Railway Company for the lease of all its railway now completed or hereafter to be completed between Chaudière Junction and Ste. Rosalie in the said province of Quebec ;

And whereas for the purpose of carrying out the said extension the said Company is willing that, for the conducting of the business and traffic of the Intercolonial Railway, Her Majesty shall have an undivided one-half share or leasehold interest in the Company's railway and property between and including Ste. Rosalie and St. Lambert station at the eastern end of the Victoria Bridge, together with the use of the company's railway and property between and including Ste. Rosalie and Bonaventure station in the City of Montreal, the use of the Victoria Bridge across the River St. Lawrence and of the terminals and connections hereinafter more particularly described, together with an undivided one-half interest in and use of the bridge across the Chaudière River, and of so much of the tracks and line of the said company in connection therewith as are hereinafter described, all of which right, title, property, interest and user shall be used, enjoyed and exercised to the same extent as if the said railway and property were owned by Her Majesty, in the manner and upon the terms and conditions herein contained ;

And whereas this agreement has been executed by the parties hereto, subject to confirmation by Act of Parliament as hereinafter provided and also by the shareholders of said Company ;

And whereas by order of the Governor General in Council dated the twenty-fourth day of March, eighteen hundred and ninety-seven, authority is given to the Minister subject to the sanction of Parliament to enter into a contract with the Company for the acquisition of the above rights and interests ;

Now this indenture witnesseth that the expression "Montreal Joint Section," wherever used in this Indenture shall mean the Company's line and connections at Ste. Rosalie, and the whole line and branches and appurtenances hereby demised from Ste. Rosalie to St. Lambert and the Victoria Bridge, together with the terminals at Bonaventure station in the City of Montreal and at Point St. Charles, St. Henri and between Point St. Charles and the Bonaventure station, and also with the Canadian Pacific Railway via Jacques Cartier Junction ; and the expression "Chaudière Joint Section" shall mean the Chaudière Bridge and connections, except when the meaning shall conflict with the context or otherwise plainly expressed terms of the clause in which the same is used. That the said Company in consideration of the

rents, covenants, conditions and agreements hereinafter contained and reserved hath given, granted, demised and leased and by these presents doth give, grant, demise and lease unto Her Majesty, Her successors and assigns all an undivided one-half share interest, right and title to all the Company's line of railway roadbed and property from and including Ste. Rosalie station in the county of Bagot, in the province of Quebec to the Victoria Bridge, and also the undivided one-half right, share, title or interest in the Company's line of railway from a point on the Western side of the Chaudière Bridge at the proposed junction of the Drummond County railway with the Company's line, and including the Chaudière Bridge and to and including the switch at the easterly side of the Chaudière Curve station, being the same rights and privileges agreed to be leased to the Drummond County Railway by the Company, with the full and unlimited right and privileges such as the Company itself enjoys of running the engines, vehicles, rolling stock and trains of the said Intercolonial Railway either separately or combined and as frequently and at such times as its business and traffic may require and in both directions over any and every portion of the said Company's railway between and including the said points aforesaid and the use of the Victoria Bridge across the River St. Lawrence as it at present exists or as it may at any time during the subsistence of this lease be improved, re-constructed, enlarged or extended, and over the Company's line and lines of railway over the said Victoria Bridge and into the Bonaventure station in the City of Montreal and the other terminal points, junctions and connections, of the Company hereinbefore more particularly described, together with the full and unlimited right and privilege of having the business and traffic of the Intercolonial Railway done in and about the stations and premises of the said Company upon any portions of the Company's line hereinbefore described and of the terminals and connections hereinbefore mentioned and all intermediate stations and premises of the Company and in and about and upon all stations, tracks and sidings, branches or extensions belonging to or leased by the Company or connected with the tracks of the Company, together with the full and unlimited right in Her Majesty of constructing stations, tracks, branches and sidings, and connecting said tracks, branches and sidings, with the main branch and leased lines of the Company at any point or points between and including Ste. Rosalie and Montreal, on the terms and conditions hereinafter contained for the term of ninety-nine years from and after the first day of March, eighteen hundred and ninety-eight, with the right of renewal as hereinafter provided. The construction of such stations, tracks, branches and sidings, with the main branch and leased lines of the Company as herein provided for shall, however, be made under the supervision and subject to the approval of the Chief Engineer of the Company, which right of approval shall be reasonably exercised.

The above joint sections are all shown on the plan annexed hereto, the portion of the Montreal section from Ste. Rosalie to St. Lambert station being shown in red; and from St. Lambert station to Bonaventure station, and intermediate connections, and Jacques Cartier Junction, being shown in green; the Chaudière section being shown in red;—signed in dupli-

cate by the respective Chief Engineers of the parties hereto, and which is hereby made part and parcel of this agreement.

TO HAVE AND TO HOLD said rights and privileges unto Her Majesty, Her successors and assigns from and after the first day of March, eighteen hundred and ninety-eight, for the term of ninety-nine years, yielding and paying therefor to the said Company, its successors and assigns, a yearly rental of one hundred and forty thousand dollars (\$140,000), such rent to be payable in equal sums monthly, that is to say, eleven thousand six hundred and sixty-six dollars and sixty-six cents (\$11,666.66) on the first week day of every month in each year or a proportionate sum for any fractional part of a month, the first payment to be made on the first week day of the month next following the day on which Her Majesty goes into possession of the said leased lines and property and begins to run trains over the same :

And these presents are made upon and subject to the provisions and conditions hereinafter expressed and contained for the due performance and observance of all of which, on the part of each of them to be done and performed, Her Majesty and the Company bind themselves and each of them respectively, their successors and assigns, that is to say :—

First :—That Her Majesty shall and will during the continuance of this lease or any renewal thereof pay to the Company the rent hereby reserved in the manner and at the times hereinbefore mentioned without any deduction whatsoever, save for the reasons and on account of the happening of any or either contingency or contingencies hereinafter mentioned.

Second :—That the Company shall and will keep up and maintain at all times in good repair and in a thorough efficient working condition the whole of the railway tracks, bridges, switches, sidings, signals, buildings of all kinds, platforms, water tanks, water supplies, telegraph lines and appliances, fences, crossings and all other appurtenances and appliances belonging to the Company's railway between and including Ste. Rosalie and Montreal, and of the terminals and connections herein described and between the Chaudière Bridge and connections, the right and privilege of using which is included in this demise.

Third :—That Her Majesty shall and will pay to the Company a share of the cost of maintenance of the railway between and including Ste. Rosalie and Bonaventure Station, and Chaudière Bridge and connections, including tracks, bridges, switches, sidings, signals, appliances of all kinds, platforms, water-tanks, water supplies, fuel stations, fences, crossings and all other appurtenances and appliances used by it jointly with the Company and upon the two joint sections, it has the right and privilege of usage included in this demise, such share of the cost of maintenance to be in the proportion that the combined engine and car mileage of the Intercolonial Railway trains made over each of the above mentioned joint sections bears to the total combined engine and car mileage running over each of the above mentioned joint sections during each month ; every engine, passenger and freight car counting each as one car ; but notwithstanding anything herein mentioned,

the cost of maintenance of the Victoria Bridge shall not include the cost of maintaining any part or portion thereof except the tracks which shall be used by the Intercolonial Railway and the Company, and for that class of railway purpose, which cost of maintenance shall be apportioned as aforesaid.

Fourth:—That Her Majesty shall have the right for all purposes of the business and traffic of the Intercolonial Railway, under the reasonable rules and regulations of the Company, to the full and unlimited use and the full and unlimited access thereto, as the same is or may be enjoyed by the Company itself, of, to and from all engine-houses, car-houses and sheds, fuel sheds, water-tanks, station houses, depots, freight and ticket offices, warehouses, freight sheds, baggage-rooms, dining-rooms, and all furniture and fittings appertaining thereto; all weighing scales and baggage and freight trucks; all tracks, sidings, branches or extensions either belonging to or leased by the Company at Montreal, including the terminals and other connections of the Company at Point St. Charles and intermediate points between Point St. Charles and Bonaventure station, and of the connections with other railways as hereinbefore specified as the same now exist or as they may hereafter be built, rebuilt or improved upon terms as herein specified.

Fifth:—That if any of the said buildings or accommodations or facilities or anything appertaining thereto be destroyed by fire or other casualty, either in whole or in part, Her Majesty shall have no claim against the Company for damages on account of loss of accommodation, but Her Majesty shall have, free of any other charge than the aforementioned rental, a proportionate share of such accommodation as the Company may be able to provide for the use of its business and traffic and of the new accommodation so soon as the same may be provided, and reconstruction of such buildings and accommodation shall be proceeded with by the Company at its own cost with all reasonable despatch.

Sixth:—In all cases of collision between the trains of the parties hereto, the party whose officers, employees or trains are at fault, and are or shall be found to have been the occasion of the collision shall be held responsible to the other party for all damages done or resulting from such collision, and in case the proper officers of the two parties hereto cannot agree as to which of the parties was at fault and was the cause of the collision or as to the amount of damage done then the questions arising in respect thereto shall be referred to arbitration in the manner hereinafter provided for the settlement of differences and disputes as to the other questions, and each of the parties hereto who shall be found responsible under this clause or under clauses similar thereto shall indemnify the other and hold such other harmless and defend the other from and against all claims, costs and proceedings resulting from or growing out of such default on their part and the party so adjudged liable to pay the other any damages in respect thereof shall abide by and perform the award of the arbitrators and such award shall in all cases be final and terminate the controversy between the parties.

Seventh:—In case of injury to persons or property not in transit by the trains of either party hereto or of damage by

fire caused by the operation of the trains upon the said joint sections or upon lands adjoining the same, the claims arising shall be adjusted and settled by the proper officers of the Company and in payment thereof the party in fault shall pay the full amount of liability, provided however that in the event of its being impossible for want of evidence to fix the liability on one of the parties hereto the amount of liability including costs shall be borne by the two parties in the proportion the combined engine and car mileage of the Intercolonial Railway trains made over the said joint sections at the point where the injury occurred during the current month in which the damage or injury happened bears to the total combined engine and car mileage made over the said joint sections. In case of injury occurring to persons or property on the trains of either party the proper officer of the party on whose train the said injury occurred shall settle the same as in all cases of settlement under this clause. The release executed shall be made to include and free and discharge both the parties hereto from all and further liability to the claimant.

Any loss or damage to person or property on the trains of either of the parties hereto which may be caused in any manner whatever by the negligence or the fault of any person or persons in the joint employ of the parties hereto while in the working of said railway hereby demised or the terminals thereof, shall be paid by the party upon whose train such loss or damage occurs and such party shall save the other harmless and indemnify the other from all claims, costs, or proceedings for or in respect to such loss or damage.

Eighth.—The superintendent, operators, despatchers, agents, and all others employed upon the repairs and maintenance, and in the operation of the said joint sections, though paid by the Grand Trunk Railway in the first place shall be considered as, and are, in fact, in the joint employ of the parties hereto in reference to any question of liability of either party hereto to the other party for their negligence, and in reference to any and all other questions; and they shall render to each party such services as they may be called upon to render within the scope of their position or employment, and shall be subject to dismissal if they decline, neglect or refuse to render such assistance and service to either party hereto as such employees are usually called upon to render.

Each of the parties hereto assumes all responsibility for the accidents or casualties upon, or to its own trains, and to its passengers, freight and employees, by reason of any imperfection of the track, or misplacement of switches by its own employee or a joint employee or strangers, or for damages for stock killed, or injury that may occur to persons walking upon the track or at highway crossings (if any liability therefor), or from any other cause (aside from or except collision, in any form, with the trains of the other party, or negligence of an exclusive employee of the other party) and no such accident or casualty shall give either party the right of action or claim against the other party, it being the intention and design that each party shall be responsible for its own trains, for the conduct of its own and joint employees as respects such trains, freight, passenger and employees, and generally, except when the other party or its employees are at fault.

Ninth :—That the Company shall and will furnish free from any other charge than the aforementioned rental at stations and sidings between and including Ste. Rosalie and Montreal and terminals and yards aforesaid, standing room for the rolling stock of the Intercolonial Railway and for other rolling stock which may be brought by the trains of the Intercolonial Railway to such stations and sidings.

Tenth :—That the parties hereto shall enjoy in all respects equal rights to the said tracks, buildings and improvements used in common unless wherein restricted in this lease, and the trains of Her Majesty shall in every respect be treated by the officers, agents and employees of the Company, as trains of a similar class of the Company, and the higher class trains shall have equal preference over trains of the lower class belonging to either of the parties, and Her Majesty shall have a perfect right to run all classes of trains, passenger, mixed, freight and other trains over the said joint sections, subject only to the restrictions and regulations prescribed and provided for in this lease. In case of doubt between the trains of the Company and Her Majesty of the same class, under the established rules the trains of the Company shall have the preference. The main tracks are as far as practicable to be kept unobstructed for the use of both of the parties hereto.

Eleventh :—In preparing the time tables the Company shall and will, as regards the trains of the Intercolonial Railway, arrange the time of arrivals and departures from all stations between and including Ste. Rosalie and Montreal, and the speed of said trains, in accordance with the reasonable request of the Intercolonial Railway officials, made from time to time.

Twelfth :—That the station masters, freight agents, ticket agents and baggage masters of the Company on the said joint sections shall as far as the business and traffic of the Intercolonial Railway is concerned, to all intents and purposes but subject to the payment of a share of their wages as is hereinafter provided, be the employees of the Intercolonial Railway and shall from time to time in regard to such business report directly to and receive and carry out the instructions of the proper officials of the Intercolonial Railway.

Thirteenth :—That the Company shall and will cause the station masters, freight agents, ticket agents and other joint employees at all stations between and including Ste. Rosalie and Montreal to be strictly neutral as between the Intercolonial Railway and the Company and to waybill freight and sell tickets by whichever of these routes may be indicated or desired by shippers or passengers and the Intercolonial Railway may put up signs to be suitably located by the Superintendent of the Company in each or any station on the joint sections indicating that the said stations are Intercolonial Railway ticket offices.

Fourteenth :—That all business and traffic secured by agents of the Intercolonial Railway or carried in its trains shall be the business and traffic of the Intercolonial Railway.

Fifteenth :—That the Intercolonial Railway shall have the right to carry in and on its through trains traffic to and from and between all points on the line of railway extending from Ste. Rosalie to Montreal, both inclusive, and in the conducting of its business between and including these stations shall have

the right of conducting this business in as full and complete a manner as the Company itself. That the rates and fares charged between points on the Montreal joint section shall be the same as those established by the Company.

Sixteenth:—That the Intercolonial Railway shall have the right to carry in and on its through trains to and from all points on the line of railway between and including Ste. Rosalie and Montreal all traffic coming from or intended for Montreal, or coming from or intended for any point on the Island of Montreal, or coming from or intended for any and all other points, and to enjoy the same rights and privileges in regard to such business as the Company itself has and enjoys in similar business from and to such above mentioned points, except as herein restricted.

(a) The words "through trains" in the second line of this sixteenth Clause and in the second line of the preceding fifteenth Clause shall mean and include all trains of the Intercolonial Railway running between Montreal and Ste. Rosalie or points beyond in either direction.

Seventeenth:—That all moneys collected in the vehicles and trains of the Intercolonial Railway at any and all points between and including Ste. Rosalie and Montreal shall belong to and be deemed to have been earned by Her Majesty, and the Company shall not be entitled to receive any portion thereof; and that all moneys collected and received by the station masters, freight agents, ticket agents, baggage masters and any and all persons who may from time to time be authorized or instructed by the proper officials of the Intercolonial Railway to collect and receive money between and including Ste. Rosalie and Montreal for Intercolonial Railway business and traffic, including among other things car rental, storage of freight in cars and storage of goods in the Company's warehouses and freight sheds, or collected and received for any other business in any way connected with the Intercolonial Railway, belongs to Her Majesty and shall be deposited in bank to the credit of the Receiver General of Canada, or remitted to the cashier of the Intercolonial Railway, or otherwise disposed of as the Minister may from time to time direct.

Eighteenth:—That local tickets issued by either of the parties hereto for passage between and including Ste. Rosalie and Montreal or any intermediate station shall be accepted on all trains of either party hereto between said points, and the party who issued the tickets shall, on presentation of the ticket so used and collected, pay to the party who carried the passenger the full amount received for the said ticket.

Nineteenth:—That Her Majesty shall pay to the Company a share of the salaries and wages of the undermentioned persons at stations on the said joint sections and terminals for their services in connection with Intercolonial Railway business and traffic when such services are rendered, as follows:—

Train despatchers, station masters, telegraph operators, in the proportion that the number of the Intercolonial Railway trains using the premises hereby demised bears to the total number of trains using the said premises; ticket agents, baggage masters, baggage porters and policemen, in the proportion that the number of Intercolonial Railway passenger trains using the premises hereby demised bear to the total

number of passenger trains using the same; freight agents, freight clerks, freight checkers, freight porters and watchmen, in the proportion that the tonnage of the Intercolonial Railway freight handled by porters bears to the total tonnage handled by all porters on said premises; also such proportionate part of the salaries of the superintendent, train master, road master and resident engineer as the mileage of the joint sections bears to the total mileage of road under jurisdiction of the officials named and said proportionate part shall be divided between the parties hereto, in the proportion that the combined engine and car mileage of the Intercolonial Railway trains made over the said joint sections, bears to the total combined engine and car mileage made over the joint sections, and also a share of the cost of running, shunting and switching engines, and of the wages of yard masters, shunters, switchmen and car checkers at each station between and including Ste. Rosalie and Montreal, and the terminals, junctions and connections aforesaid and the Chaudière joint section, in the proportion that the number of cars and engines arriving and departing from the station used in the business and traffic of the Intercolonial Railway bears to the whole number of cars and engines arriving and departing therefrom. Her Majesty shall also have the right and privilege free of any other charge than the wheelage proportion hereinbefore provided of having her cars loaded or empty taken by the Company to the Company's junctions with connecting lines, factories, warehouses and works which may be provided with standing accommodation from the tracks of the Company at Montreal including Point St. Charles, St. Henri and intermediate points, and Bonaventure station, and the connections or junctions of other railways with the Company's line, and over and upon the said joint sections as hereinbefore specified.

Twentieth:—That the engines, vehicles, rolling stock and trains in connection with the business and traffic of the Intercolonial Railway shall be manned exclusively by officials and employees of the Intercolonial Railway, who, while on the railway and premises of the Company on the said joint sections shall be subject to the reasonable rules and regulations of the Company and the directions of the officials of the Company so far only as the movements of the engines, vehicles and trains are concerned.

That Her Majesty shall and will be responsible for any mileage on foreign cars carried over the joint sections by the Intercolonial Railway trains, which shall for the purpose of calculating the mileage charges be the cars of the Intercolonial Railway.

Twenty-first:—That the Company shall and will house the engines of the Intercolonial Railway, and shall and will, if required, turn and clean them and fit them for the road, and supply them with fuel and water and small stores at all points, connections, junctions and terminals, as aforesaid, where it performs such services for any of its own engines, and Her Majesty shall pay to the Company the actual cost to the Company of the labour and material used therein and therefor: provided that Her Majesty may, at any point or at all points on the premises above mentioned, or at any time or times, per-

form the whole or any portion of the above services with the employees of the Intercolonial Railway and with the supplies thereof without being liable to any charge therefor by the Company.

Twenty-second :—That the Company shall and will, if required to do so, at any or all stations on said joint sections, clean the passenger train cars used in the business and traffic of the Intercolonial Railway, and heat and supply them with water, ice, fuel and small stores, and Her Majesty shall pay to the Company the cost to the Company of the material, labour and stores used in such services: provided that Her Majesty may, at any point or points on the premises above mentioned of the Company, and at any time or times, perform the whole or any portion of the above services with the employees of the Intercolonial Railway, and heat and supply said cars with water, ice, fuel and small stores at her own cost without being liable to any charge therefor by the Company.

Twenty-third :—That the Company shall and will, from time to time when requested to do so by the officials of the Intercolonial Railway, make temporary repairs upon the engines and other rolling stock used in the business and traffic of the Intercolonial Railway, such repairs to be made promptly with all reasonable despatch, and Her Majesty shall pay the Company the actual cost to the Company of the labour and materials used in such repairs.

Twenty-fourth :—That the Company shall and will carry passengers on through tickets, and freight on through way-bills, from and to points on its railway and leased and controlled lines to and from points on the Intercolonial Railway and its leased and connecting lines so as to avoid re-ticketing and re-waybilling.

Twenty-fifth :—That Her Majesty shall at Her own cost supply all stationery, forms and tickets required for Intercolonial Railway business at all points between and including Ste. Rosalie and Montreal.

Twenty-sixth :—That all rates and fares shall 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 fair and equitable basis by mutual agreement, and, in default of agreement, by arbitration as hereinafter provided.

Twenty-seventh :—That the Company shall and will at its own cost, at all times, keep on sale at all stations and agencies of its railway and of its controlled and leased lines of railway an adequate supply of tickets for all points on the Intercolonial Railway, its leased lines and its connections, reading "Over the Intercolonial Railway *via* Montreal," and the baggage of passengers using any such tickets shall be checked through to its destination over the Intercolonial Railway *via* Montreal.

Twenty-eighth :—That the Company agrees upon the application of the general passenger agent of the Intercolonial Railway to place and keep for sale and sell at all stations and agencies on its railway, and leased and controlled lines of railway, any tickets that may be asked for reading to points on the Intercolonial Railway including the joint sections and its connecting lines of the Intercolonial Railway *via* Montreal and to treat such business with all fairness and impartiality.

Twenty-ninth.—That Her Majesty shall have the same privilege of displaying advertisements of the Intercolonial Railway route at all the stations of the Company as the Company itself has, and the Intercolonial Railway route and its connections with the Company's railway shall be shown in all the published time tables of the Company.

Thirtieth.—That all rents, revenues, benefits and receipts now accruing from any other company to the Company by reason of the user of the line between Ste. Rosalie and St. Lambert, or the exercise of any running power, privilege or rights therein, or which may hereafter accrue from any such grant or user shall enure to the joint benefit of Her Majesty and the Company, share and share alike, and said benefits and receipts shall be accounted for by the parties hereto when the accounting shall take place from time to time between them. As to the other portions of the Company's line herein demised the Company hereby reserves to itself all revenues from any source whatever arising from the use thereof.

Thirty-first.—That Her Majesty shall have and enjoy for the business and traffic of the Intercolonial Railway of every kind whatsoever the same rights and facilities and in as full a manner at and within the terminal and other premises of the Company at Montreal, at the terminals at Point St. Charles and intermediate points, as hereinbefore mentioned, and all the approaches and tracks, as the Company now has or at any time may hereafter have and enjoy for its own business and traffic.

Thirty-second.—That the Company shall supply for the sole use of Her Majesty, if and when requested, a suitable ticket office in the Bonaventure station, or wherever the main depot of the Company may in future be situated in Montreal, as accessible and in every way as convenient as the Company's own ticket office in the said Bonaventure station or main depot at Montreal, for the sale of tickets, to be provided and maintained by Her Majesty at her own expense, in which event the Intercolonial Railway shall not be liable to share the expense of maintaining the Company's ticket office or paying any of the salaries of the employees therein.

Thirty-third.—That Her Majesty and the Company shall each furnish to the other promptly, each and every month, all the information necessary to the ascertaining and checking of the rates, fares, charges, shares of costs and other returns to be made as under these presents, and Her Majesty and the Company mutually agree to give the necessary facilities, including access to the books and papers to the auditors of the Intercolonial Railway and of the Company respectively to enable them to verify the accounts under this agreement.

That all traffic balances, charges and shares of costs, and other returns to be made under these presents, shall be made monthly, and Her Majesty and the Company mutually agree to promptly audit and pay each to the other each month the total amount chargeable against the other for the month immediately preceding.

Thirty-fourth.—That Her Majesty shall not be responsible for the acts or defaults of servants of the Company, or for the deficiency or otherwise of the Company's machinery or appliances, and the Company shall not be responsible for the

acts or defaults of the servants of Her Majesty or for the deficiency of the machinery or appliances of the Intercolonial Railway.

Thirty-fifth :—That if at any time hereafter the business or traffic shall in the opinion of the parties hereto necessitate or warrant the laying of double tracks between and including Ste. Rosalie and St. Lambert, or that additional siding accommodation should be considered necessary for the proper and efficient conduct of the joint business, the Company will lay such tracks or make such improvements, and Her Majesty shall have the full and unlimited use of all or any of such works in the same manner and to the same extent as if the said works had been included in the premises hereby leased, the right, use or privilege in which are hereby demised ; and if Her Majesty should determine to use any such works or improvements, and the Minister should so declare, such works and improvements are hereby understood and agreed to form part of the leased premises ; and the proportion of the actual cost of such works and improvements to be borne by Her Majesty shall be ascertained by calculating interest at the rate of four (4) per centum per annum upon the amount of such actual cost ; and Her Majesty shall pay the proportion of such interest which the combined engine and car mileage of the Intercolonial Railway for the year preceding over such portion of the Company's line upon which such improvements have been made bears to the total combined engine and car mileage upon such portion ; Her Majesty, however, shall have the option of paying such share so ascertained in cash.

Thirty-sixth :—That the Company will and does hereby covenant with Her Majesty, her successors and assigns, that it has, subject to existing encumbrances, the right to demise and lease the rights and privileges hereby demised and every part thereof.

Thirty-seventh :—That if it should be found in practice that any right or interest of either party has not been fully protected or provided for by this agreement in accordance with the true object and intent thereof, then both parties shall negotiate and agree upon in an equitable manner a new and other clause to provide for such omission, and each party shall give and execute to the other any and all further documents in writing that may from time to time be required for the better securing of each of their rights and privileges under the said contract and for the better carrying out thereof.

Thirty-eighth :—That the Company shall and will, if during the term of this lease Her Majesty well and faithfully performs all the covenants and agreements herein undertaken by Her Majesty to be performed, at the expiration of this lease, on request by the Minister, execute and deliver to Her Majesty, Her successors and assigns, a renewal of said lease for a second term of ninety-nine years, and shall at the expiration of said second term, upon like faithful performance on the part of Her Majesty, make, execute and deliver, a further renewal for a third term of ninety-nine years, and so on for ever, with the same covenants and conditions as are contained herein, subject to such limitations and modifications as may be mutually agreed upon between the parties or settled by arbitration according to the terms of this agreement.

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.

Forty-sixth :—That should any difficulty arise between Her Majesty and the Company under any clause of this agreement, or respecting the carrying out of the same according to its true intent and meaning, such differences shall from time to time, as the same may arise, be referred to the award and determination of three arbitrators, one of whom shall be nominated by the Minister, one by the Company, and the third by the two so nominated; provided always, that if either party should for one month after notice that the other has nominated its arbitrator, omit or refuse to make a nomination, or if the two nominated should refuse or omit to nominate the third, then the Chief Justice of the Supreme court of Canada, or in his absence or refusal or inability to act, the Senior Puisne Judge present in Ottawa and willing to act, may on the application of either party on notice to the other nominate the required arbitrator.

Forty-seventh :—In case of the death or refusal to act of any arbitrator, or if for any other cause the office of any arbitrator becomes vacant, his successor shall be nominated in the same manner as is provided for his appointment in the first instance unless the parties otherwise agree, and in case such successor be not nominated by the party entitled to nominate him, within one month after the happening of the vacancy, and after receiving notice requiring him to make such nomination, then the said Chief Justice, under the circumstance aforesaid, or the Senior Puisne Judge willing to act, may on the application of either party, nominate such successor.

Forty-eighth :—The arbitrators so chosen shall, within one month after the last appointment, proceed to determine the matters referred, and they, or a majority of them, shall make and publish their award within one month thereafter, or within such further time as they shall in writing appoint, such extension of time to be made by a majority of the arbitrators, and the award of a majority of them shall be final.

Forty-ninth :—Nothing herein contained shall in any way merge or effect the claims or rights of Her Majesty, if any such there be, as they now exist against the Company or the property of the Company other than that which is the subject matter of this agreement.

Fiftieth :—Clause 20 of the agreement between the Company and the Intercolonial Railway dated July 17, 1879, is rescinded during the life of this agreement and all other clauses of said agreement inconsistent herewith.

In witness whereof these presents (in quadruplicate) have been signed by the Honourable the Minister of Railways and Canals, pursuant to Order in Council dated the 24th March, A.D. 1897, and the Seal of the Department of Railways and Canals has been hereto affixed, and the Company has hereto

affixed its corporate seal, and these presents have been signed by the General Manager of the Company, the day and year first above written.

GRAND TRUNK RAILWAY COMPANY OF CANADA
By

Witness to the execution by }
the Grand Trunk Railway } CHAS. M. HAYS,
Company. } *General Manager.*
R. S. LOGAN.

Witness to the execution by }
the Minister of Railways and } AND'W. G. BLAIR,
Canals and by the Secretary. } *Minister of Railways and*
J. E. W. CURRIER. } *Canals.*

L. K. JONES,
Secretary.