

"Grand Trunk Georgian Bay and Lake Erie Railway Company"

Under Ontario Chapter 69, March 4, 1881, Grand Trunk, Georgian Bay and Lake Erie Railway Company was formed by amalgamation of The Port Dover and Lake Huron Railway Company, The Stratford and Huron Railway Company, and Georgian Bay and Wellington Railway Company.

In 1881 the line then comprising 92 miles was leased to The Grand Trunk Railway Company of Canada. Under Deed of sale dated July 11, 1888, and as authorized by Dominion Chapter 57, May 4, 1888, Grand Trunk, Georgian Bay and Lake Erie Railway Company acquired the Capital Stock, property, franchises, rights and privileges of The South Norfolk Railway Company.

Under the Charter granted to this Company, The Grand Trunk Railway Company of Canada built the line from Parkhead to Owen Sound (12.40 miles) which was opened for traffic in September 1894. For this purpose Bonds to the extent of \$100,000 were issued bearing interest at 5% per annum, the principal falling due March 1, 1934. These Bonds were subsequently retired, and the Mortgage Deed dated May 8, 1894 was discharged in April 1911.

AMALGAMATION: Effective April 1, 1893, under Agreement dated October 1, 1892, ratified and confirmed by Dominion Chapter 47, April 1, 1893, Grand Trunk, Georgian Bay and Lake Erie Railway Company and fourteen other companies were amalgamated into one company under the name "The Grand Trunk Railway Company of Canada".

Georgian Bay & Lake Erie Railway Company

Owen Sound Branch

The construction of the Owen Sound Branch was authorized by Act 56, Victoria Chapter 49, Dominion of Canada on April 1, 1893 and the line from Parkhead to Owen Sound 12.36 miles was completed and opened for traffic about December 31, 1894.

DONATIONS AND GRANTS:

Subsidies were as follows: (Statistics of Steam Railways - 1938, Pages 62 & 64).

Grand Trunk, Georgian Bay and Lake Erie Railway		
Province of Ontario	\$336,000	
Municipal	<u>929,000</u>	\$1,265,000
South Norfolk Railway		
Dominion	54,400	
Municipal	<u>65,000</u>	119,400
Owen Sound Branch		
Dominion	39,744	
Municipal	<u>85,000</u>	<u>125,244</u>
		\$1,509,644

LOCATION: "Grand Trunk, Georgian Bay and Lake Erie Railway Company"

	<u>Mileage</u>
Port Dover and Lake Huron Railway	62.17
South Norfolk Railway Company	16.92
Stratford and Huron Railway Company	105.80
Georgian Bay and Wellington	25.72
Owen Sound Branch	<u>12.36</u>
Total Mileage	222.97

CAPITAL STOCK:

Prior to Amalgamation on April 1, 1893:

Issued: 5032½ shares - \$100 each \$503,250

All owned by The Grand Trunk Railway Company of Canada.

Upon Amalgamation on April 1, 1893, the share capital, other than that of The Grand Trunk Railway Company was converted into an equal amount of Ordinary stock of The Grand Trunk Railway Company of Canada in accordance with the terms of amalgamation Agreement.

LONG-TERM DEBT:

Prior to Amalgamation on April 1, 1893:

Bonds outstanding totalled \$1,680,000 of which \$484,720 was held in The Grand Trunk Railway Company of Canada Treasury, and \$1,195,280 was held by the Public. Upon Amalgamation The Grand Trunk Railway Company of Canada assumed the liability with respect thereto. The outstanding Bonds held by the Public were acquired by the latter Company for which it issued an equal amount of its Four Percent Consolidated Debenture Stock.

THE GRAND TRUNK JUNCTION RAILWAY COMPANY

(Company wound up and Charter surrendered May 23, 1935)

(Property included in Grand Trunk Western Railroad Company from November 1, 1928.)

ORGANIZED:

On April 7, 1880, The Grand Trunk Junction Railway Company was organized. Articles were filed with Secretary of State for Illinois on June 11, 1880. The incorporation was for 50 years from date of filing and recording of Articles.

HISTORY:

The primary object of organizing this Company was to secure an entrance into the City of Chicago in order that the ambitions of the Grand Trunk Railway Management for a Montreal - Chicago service might be realized (an objective which had encountered many obstacles). The organizers also had in mind the obligation of The Grand Trunk Railway Company of Canada to the Dominion Government under Chapter 11, May 15, 1879, which provided that the purchase price of the Grand Trunk line between Hadlow and Riviere du Loup (\$1,500,000) should be applied towards the procuring of a line from Port Huron, Michigan to Chicago, Illinois.

On July 1, 1880, The Chicago & Grand Trunk Railway Company acquired the right to passenger accommodations at Polk Street (Dearborn Station), Chicago, the right to exclusive use of freight building and yard, and, in common with other Railroad Companies, the right to use the main tracks, etc. of the Chicago & Western Indiana Railroad Company including use of the line from C. & W. I. Junction to Dearborn Station, a distance of 4.84 miles.

The five subscribers to the Articles of Association organizing The Grand Trunk Junction Railway Company held a Meeting at the Palmer House in Chicago on November 29, 1880, at which Charles B. Peck acted as Chairmen and Charles Percy as Secretary. At this meeting a set of by-laws was adopted and the organizers resolved to convert the meeting into a meeting of the Stockholders at which time the following Directors were elected:

William F. Whitehouse)	citizens of the State of Illinois
Fred A. Howe)	
Charles W. Dean)	

E. W. Meddaugh) citizens of the State of Michigan
Charles B. Peck)

Immediately after adjournment of the stockholders' meeting on November 29, 1880, the five Directors held a meeting at which Messrs. Meddaugh and Peck resigned and the Board filled the vacancies by electing Joseph Hickson (later Sir Joseph Hickson) and John McCaffrey to the Board. The Board then proceeded to elect Officers of the Company and Joseph Hickson, who was at the time General Manager of the Grand Trunk Railway System, was elected President, Fred A. Howe, Vice-President and Charles Percy, Secretary-Treasurer.

Agreement of December 22, 1880, The Grand Trunk Junction Railway Company took over The Chicago & Grand Trunk Railway Company's proprietary tenants interest in the Chicago & Western Indiana Railroad Company's lease of July 1, 1880, as to station accommodations, etc., thereby procuring entry into Polk Street (Dearborn Station), Chicago, and assuming the obligation for the provision of certain funds necessary for the construction of the Chicago & Western Indiana Railroad and receiving \$1,000,000 of Chicago & Western Indiana Railroad Company's Capital Stock without cash consideration, and later its proprietary provision of the Capital Stock of The Belt Railway of Chicago (\$240,000). Acquisition of these rights removed the necessity for construction of the proposed line from C. & W. I. Junction to Polk Street.

The Section of the line from Elsdon, Illinois, along 49th Street, Chicago to C. & W. I. Junction, approximately 4 miles, was constructed and opened for traffic on February 8, 1880.

On December 22, 1880, The Grand Trunk Junction Railway Company leased its line in perpetuity to The Chicago & Grand Trunk Railway Company.

Supplemental Lease dated November 1, 1882 between Chicago and Western Indiana Railroad Company and The Grand Trunk Junction Railway Company mentioned that the 999 year lease from Chicago & Western Indiana Railroad Company dated July 1, 1880 to The Chicago and Grand Trunk Railway Company had been assigned to The Grand Trunk Junction Railway Company, and that it was intended to construct a new, larger and more convenient passenger station for the convenience of lessees, and provided for enlargement of the rights and privileges granted, and for additional rentals. Under this Lease The Grand Trunk Junction Railway Company obtained the right to use all "common" lines or property of the Chicago & Western Indiana Railway Company excepting the Belt Division. The term of the Supplemental Lease is 999 years from November 1, 1882.

The Polk and 49th Street Junction Railway Company was incorporated under the laws of the State of Illinois by Articles of Association dated March 25th, 1889 and filed with the Secretary of State of Illinois on March 27, 1889. The Company was organized on April 10, 1889 for the nominal purpose of building a railroad from 49th Street to Polk Street Station.

Under Articles of Association dated June 20, 1889, and amended Articles of Association dated October 2, 1900, The Grand Trunk Junction Railway Company and the Polk and Forty-Ninth Street Junction Railway Company were consolidated under the name "The Grand Trunk Junction Railway Company" with an authorised Capital Stock of \$1,500,000. The proposed line was not built however, as it was not needed by Grand Trunk interests in view of the lease from the Chicago & Western Indiana Railroad Company which answered the purpose.

Supplemental Lease dated November 1, 1891, between Chicago & Western Indiana Railroad Company and The Grand Trunk Junction Railway Company stated the necessity for enlarging and improving the facilities in common use by Chicago & Western

Indiana Railroad and its tenants, and provided for additional rentals and sinking fund payments relating to $\frac{1}{5}^{\text{th}}$ of the additional bonds to be issued (\$2,000,000) to finance the improvements; and extended the term of the lease to 999 years from November 1, 1891.

On November 22, 1900, a new Agreement was entered into with the Grand Trunk Western Railway Company (successor to The Chicago and Grand Trunk Railway Company) whereby the Grand Trunk Western Railway Company leased all the rights of The Grand Trunk Junction Railway Company for 99 years.

On January 15, 1901, The Grand Trunk Junction Railway Company deeded to the Grand Trunk Western Railway Company its railway, and also its leasehold interest in the railway and property of the Chicago & Western Indiana Railroad Company in consideration of the assumption by the Grand Trunk Western Railway Company of The Grand Trunk Junction Railway Company's mortgage debt of January 1, 1884. This conveyance reserved the ownership of Chicago & Western Indiana Railroad Company and The Belt Railway Company of Chicago stock holdings to The Grand Trunk Junction Railway Company, as well as the right to receive \$1,300,000 from the Santa Fe Railway for State Street Block, Chicago, sold by The Grand Trunk Junction Railway Company under a leased purchase agreement of July 20, 1887.

At the time of the creation of the Chicago & Western Indiana Railroad and the construction of the terminals, The Chicago and Grand Trunk Railway Company (now Grand Trunk Western Railroad Company) was the only Company that provided its own funds for this purpose, the other four proprietary roads having used the credit of the Chicago and Western Indiana and obtained their funds by the sale of Chicago & Western Indiana Railroad Company bonds, under which they were obliged to pay an interest rental and sinking fund per annum, while The Chicago and Grand Trunk Railway Company obtained its funds through the issue of Mortgage Bonds of The Grand Trunk Junction Railway Company.

When the Chicago & Western Indiana Railroad Company under Agreement of 1901 returned to the Tenant Companies, through an issue of Chicago & Western Indiana Railroad Company bonds, the amount that they had paid in to their Sinking Funds, under their agreements, the Grand Trunk Western Railway Company, as successor to The Chicago and Grand Trunk Railway Company, was similarly paid the amount it had advanced through The Grand Trunk Junction Railway Company, \$2,003,333.33, the Grand Trunk Western Railway Company receiving Chicago & Western Indiana Railroad Company bonds to the amount of \$2,004,000, the difference in amount \$666.67 being paid in cash by the Grand Trunk Western Railway Company.

At the time of The Chicago and Grand Trunk Railway Company Receivership in 1900 there was due by that Company to The Grand Trunk Railway Company of Canada \$223,484.20 representing an amount over to The Grand Trunk Junction Railway Company as per entry on The Grand Trunk Railway Company of Canada books under date of December 13, 1899.

Later this account against The Grand Trunk Junction Railway Company was closed by the receipt of \$223,000 in Chicago and Western Indiana Bonds and \$484.20 included in the expenses of the Grand Trunk Western Railway Company. The balance of the Chicago and Western Indiana Railroad Company Bonds, \$1,781,000, was held by Grand Trunk Western Railway Company until required to meet that Company's proportion of the cost of elevating the Chicago and Western Indiana Railroad tracks, and the expenditure to be incurred in the elevation of the tracks of The Grand Trunk Junction Railway Company.

In April 1908, the question was raised as to whether the Trustees of The Grand Trunk Junction Railway Company Mortgage had consented to the sale of The Grand Trunk Junction Railway Company line to the Grand Trunk Western Railway Company,

and whether the title of the latter Company in the Chicago and Western Indiana Railway Company Bonds was good and it was then reported that while the sale of The Grand Trunk Junction Railway to the Grand Trunk Western Railway Company was duly authorized and approved by the unanimous action of its Stockholders and Board of Directors at meetings held on January 8, 1901, it did not appear that the Trustees, Mr. John Bell of Belleville and Mr. E. W. Meddaugh of Detroit, both of whom are now deceased, gave their formal consent to the sale, but that as the deed of sale of January 15, 1901, was drawn up by Mr. Meddaugh, it was reasonable to suppose that at the time he knew that the Trustees would consent to the sale and that in drawing up the deed he protected the interests of the Bondholders insofar as he was able by reserving to The Grand Trunk Junction Railway Company the right to receive the principle of \$1,300,000 due from the Santa Fe Railway under contract for the sale of the State Street Block, and the ownership of the Capital Stock in the Chicago & Western Indiana Railroad Company and The Belt Railway Company of Chicago, simply conveying the right to receive interest on the former and dividends on the latter, to the Grand Trunk Western Railway Company, and had it been known that the Chicago & Western Indiana Railroad Company was to refund the sinking fund payments it is suggested that a somewhat similar reservation would have been made to cover this item, and therefore it would appear that the Bonds of the par value of \$1,781,000 less \$666.67 paid in cash by Grand Trunk Western Railway Company should be held by Grand Trunk Western Railway Company for The Grand Trunk Junction Railway Company.

Under the terms of Grand Trunk Western consolidation Agreement dated May 9, 1928 (effective November 1, 1928) Canadian National Railway Company (successor to Grand Trunk Railway Company of Canada) sold to Grand Trunk Western Railroad Company the Capital Stock of The Grand Trunk Junction Railway Company, which represented the following equities:

\$1,000,000	- Chicago & Western Indiana Railroad Company Capital Stock
200,000	- The Belt Railway Company of Chicago Capital Stock
<u>1,900,000</u>	- Cash receivable from Atchison, Topeka & Santa Fe Railway
\$2,540,000	

In payment Canadian National Railway Company received 49,600 shares of Grand Trunk Western Railroad Company Common Stock of non-par value, to which a value of \$25 per share was assigned - \$1,240,000, and 10,000 shares of 6% cumulative preferred stock having a par value of \$100 per share - \$1,000,000.

The \$1,300,000 cash was received by Grand Trunk Western Railroad Company from the Atchison, Topeka & Santa Fe Railway upon discharge of The Grand Trunk Junction Railway Company's mortgage.

DISSOLUTION:

The Grand Trunk Western Railroad Company obtained discharge of The Grand Trunk Junction Railway Company mortgage and, on November 30, 1930, caused the latter Company to transfer its assets as a liquidating dividend to the Grand Trunk Western Railroad Company. The Grand Trunk Junction Railway Company's stock then became of no value and was held pending the winding up of the Company, which was accomplished and the charter surrendered on May 23, 1935, per Certificate of Dissolution No. 1395 issued by the Secretary of State, which is on file with the Secretary of Grand Trunk Western Railroad Company.

LOCATION:

Chicago Division:

Elsdon, Illinois along 49th Street, Chicago to C. & W. I. Jct. - 3.90 miles.

CAPITAL STOCK: Authorized: 15,000 shares of \$100 each \$1,500,000
 Issued: 5,000 shares of \$100 each 500,000

The entire Capital Stock was issued to The Grand Trunk Railway Company of Canada without cash consideration, under Agreement of January 1, 1881, whereby The Grand Trunk Railway Company of Canada agreed to purchase £225,000 of 5% First Mortgage Bonds dated January 1, 1881. As mentioned above this stock was sold to Grand Trunk Western Railroad Company January 1, 1929 for \$2,540,000, in payment of which the latter Company issued its securities having a par value of an equal amount.

GRAND TRUNK - MILWAUKEE CAR FERRY COMPANY

(Wholly owned subsidiary of Grand Trunk Western Railroad Company)

INCORPORATED: November 9, 1905 - State of Wisconsin.

HEAD OFFICE: Milwaukee, Wisconsin.

HISTORY: On June 5, 1883, The Grand Haven and Milwaukee Transportation Company was incorporated and subsequently owned two vessels "Wisconsin" and "Milwaukee", operating them between Grand Haven, Michigan and Milwaukee, Wisconsin. The "Wisconsin" was sold on April 13, 1896, to Crosby Transportation Company for \$50,000 and the "Milwaukee" was sold on December 28, 1896, to Graham and Morton Transportation Company for \$90,000.

Under Agreement dated April 14, 1901, between Edward G. Crosby of Milwaukee, Wisconsin, and Robert B. Rice of Muskegon, Michigan (doing business under and in the name of the "Crosby Transportation Company"), the Detroit, Grand Haven and Milwaukee Railway Company and The Grand Trunk Railway Company of Canada, the Crosby Transportation Company operated a steamer line for the carriage of broken bulk freight and passengers between Grand Haven and Milwaukee.

On May 30, 1902, The Grand Trunk Car Ferry Line was established under Agreement of the same date between the Detroit, Grand Haven and Milwaukee Railway Company and Edward G. Crosby of Milwaukee, for the handling of both loaded and empty cars between Grand Haven and Milwaukee. The Line was composed of one steamer named the "Grand Haven".

In November 1905 the Detroit, Grand Haven and Milwaukee Railway Company purchased a controlling interest in the Grand Trunk Car Ferry Line and on November 7, 1905, purchased the steamer "Grand Haven" at Trustee's sale, the total cost of vessel being \$225,000.

On November 9, 1905, Grand Trunk - Milwaukee Car Ferry Company was incorporated under laws of the State of Wisconsin. On November 15, 1905, the Company was organised with a Capital Stock of the par value of \$200,000 in 2000 shares of \$100 each. The entire Capital Stock with the exception of one share issued to each Director was issued to Alfred W. Smithers, Sir Henry Mather Jackson, Barrister, and E. J. Chamberlin, Trustees for the Detroit, Grand Haven and Milwaukee Railway Company.

The Company operated the steamer "Grand Haven" between Grand Haven, Michigan and Milwaukee, Wisconsin, for the handling of passengers and both loaded and empty cars. In October 1908 the Company purchased the steamer "Milwaukee" from the Manistique and Northern Railway Company for \$275,000. In December 1926 and January 1927 two additional new ferries were purchased - the "Madison" and "Grand Rapids", approved by Order-in-Council P.C. 1955, dated January 5, 1926.

On October 22, 1929 the steamer "Milwaukee" was lost on Lake Michigan in a

storm.

In 1930 a new modern car ferry "City of Milwaukee" was purchased at a cost of \$721,609. This purchase was financed to the extent of \$396,000 representing the amount of insurance collected with respect to the loss of the "Milwaukee", and the balance from working capital of the Grand Trunk Western Railroad Company.

Commencing July 16, 1933, the car ferries operated between Milwaukee and Muskegon, Michigan, with auxiliary service to Grand Haven. The docks at Milwaukee, Grand Haven and Muskegon are owned by the Grand Trunk Western Railroad Company.

As provided under Grand Trunk Western Consolidation Agreement dated May 9, 1928, and as authorized by Interstate Commerce Commission Order of November 8, 1929 (Finance Docket 7320), the Grand Trunk - Milwaukee Car Ferry Company sold and assigned all its physical and other assets to the Grand Trunk Western Railroad Company as of January 1, 1929, in consideration of the assumption of all liabilities and duties of the Car Ferry Company by the Railroad. Difficulty arose in 1930 in regard to registration of the car ferries in the name of the Grand Trunk Western Railroad Company. Under the United States Merchant Marine Act of 1916 registration was effected in the name of the Car Ferry Company, and this Company was deemed a citizen of the United States because of its control by the Detroit, Grand Haven and Milwaukee Railway Company. Amendment of the Merchant Marine Act in 1930 required 75% ownership by citizens of the United States. It also became unlawful to sell, transfer or mortgage any vessel registered under the laws of the United States to any person not a citizen of the United States. It therefore became impossible to fully carry out the Grand Trunk Western Railroad Company consolidation arrangements as the Grand Trunk Western Railroad Company could not qualify as a citizen of the United States under the Merchant Marine Act. By permission of the Interstate Commerce Commission the operation and accounts up to 1936 were treated as though the Agreement of acquisition were fully in effect.

In view of the above and the desire of the Pennsylvania Railroad Company to participate in the Milwaukee Car Ferry Services, an Agreement was entered into with the Pennsylvania Railroad in October 1931 for the formation of a Company entitled "Grand Trunk - Pennsylvania Transportation Company", 75% of the stock to be owned by the Pennsylvania Company and 25% by the Grand Trunk Western. This Company was to purchase the car ferries and operate them for the joint benefit of the Grand Trunk Western and Pennsylvania Railroads. The Agreement was submitted to the Interstate Commerce Commission, but approval was withheld owing to lack of jurisdiction and the plan was abandoned.

In order that the Grand Trunk Western Railroad should be able to continue operations, successful efforts were made to have the United States Merchant Marine Act amended. Section 27 of the Act of 1920 was amended under date of April 11, 1935. This amendment permitted the transportation of merchandise on railroad cars or motor vehicles, with or without trailers, and with their passengers or contents, when accompanied by the operator thereof, when such railroad cars or motor vehicles are transported in any railroad car ferry operated between fixed termini on the Great Lakes as part of a rail route, if such car ferry is owned by a common carrier by water and operated as part of a rail route with approval of the Interstate Commerce Commission, provided that the stock of such common carrier by water or its predecessor, was owned or controlled by a common carrier by rail prior to June 5, 1920.

Due to the inability to carry out the consolidation arrangements in full as contemplated by the Consolidation Agreement of 1929 the Grand Trunk Western Railroad Company conveyed and quit-claimed to the Grand Trunk - Milwaukee Car Ferry Company all its rights, title, claim and interest in and to the four car ferries, by quit-claim deed executed December 31, 1935.

By Certificate of Public Convenience and Necessity issued by the Interstate Commerce Commission on November 14, 1929, Finance Docket No. 7528, 258 ICC 253, the Grand Trunk Western Railroad Company was authorized to operate car ferry service across Lake Michigan, between Muskegon, Michigan, and Milwaukee, Wisconsin, by use of the car ferries owned by Grand Trunk - Milwaukee Car Ferry Company; and by Certificate of Public Convenience and Necessity issued by the Interstate Commerce Commission on November 27, 1936, Finance Docket No. 9109, 217 ICC 531, the Pennsylvania Railroad Company was authorized to operate across Lake Michigan, between Muskegon and Grand Haven, Michigan, and Milwaukee, Wisconsin, by joint use with Grand Trunk Western Railroad Company of the car ferries of Grand Trunk - Milwaukee Car Ferry Company.

Joint operations so authorized were commenced January 15, 1937, and were continued until abandonment by the Pennsylvania Railroad Company of its portion of the car ferry service on January 1, 1954, pursuant to Certificate of Public Convenience and Necessity issued by the Interstate Commerce Commission on November 19, 1953, Finance Docket No. 18222, after which date the car ferries have been operated by Grand Trunk Western Railroad Company.

In 1945 the car ferry "Grand Haven" was sold to West India Fruit and Steamship Company, Norfolk, Virginia, for the sum of \$50,000. The "service value" of \$292,409.27 was charged to "Accrued Depreciation."

The conditions under which Grand Trunk Western Railroad Company has the right to use the car ferries of Grand Trunk - Milwaukee Car Ferry Company are covered by Agreement dated September 15, 1954, effective as of January 1, 1954, termination being indefinite. The consideration for the right to use the car ferries is assumption by Grand Trunk Western Railroad Company of depreciation of the car ferries at Interstate Commerce Commission rates.

PROPERTY INVESTMENT:

<u>Name of</u>	<u>"Grand</u>	<u>"City of</u>
<u>Car Ferries</u>	<u>Rapids"</u>	<u>"Madison"</u>
Port of Register	Milwaukee	Milwaukee
Register Number	226151	226225
Construction	Steel	Steel
Built - Date	1926	1927
Built - By	Manitowoc Shipbuilding Corporation, Manitowoc, Wisconsin.	
Length of Keel	348'	348'
Breadth	56'	56'
Draft Loaded	16'	16'
Triple Expansion Engines	2	2
Indicated Horse Power	2700	2700
Fuel Used	Coal	Coal
Tonnage Gross	2942	2942
Tonnage Net	1488	1488
No. of Tracks	4	4
Car Capacity - Freight	28	28
Car Capacity - Passenger	10	10
Original Cost	\$759,608	\$764,070

ACCRUED DEPRECIATION:

As at December 31, 1960: 669,575 666,566 1,869,139.56
Amount of accumulated contract depreciation as at January 1, 1954 assumed by Grand

Trunk Western Railroad Company under agreement dated September 15, 1954 covering use of car ferries, and payable to Grand Trunk-Milwaukee Car Ferry Company only in the event and at the time of retirement, destruction, a loss of a car ferry or car ferries, or in the event of termination of the agreement, made up as follows:

"Madison"	\$349,215.36
"Grand Rapids"	351,138.61
"City of Milwaukee"	<u>288,616.47</u>
	\$988,970.44

CAPITAL STOCK:

Authorized 2,000 shares of Common Stock of \$100 each - par value \$200,000.
 Issued 2,000 shares of Common Stock of \$100 each - par value 200,000.
 All owned by Grand Trunk Western Railroad Company and carried on the books at \$1. Certificate #35 for 1995 shares of Common Stock in the name of Grand Trunk Western Railroad Company, and 5 certificates for 5 shares in the names of directors (endorsed in blank) are held in Royal Trust Company's vaults in Montreal - unpledged.

**NON-NEGOTIABLE DEBT TO
AFFILIATED COMPANIES:**

Outstanding as at December 31, 1960:
 Capital Advances by Grand Trunk Western Railroad Company \$607,595

LOCATION: Muskegon, Michigan to Milwaukee, Wisconsin, about 86 miles.

DIRECTORS:

Grand Trunk Western Railroad Company.
 H. A. Sanders
 R. P. Cornwall
 M. A. O'Brien
 J. S. Best
 F. B. Henderson

OFFICERS

H. A. Sanders	President
F. B. Henderson	Vice-President and Secretary
C. A. Dobbins	Comptroller and Treasurer
E. J. Denyar	Assistant Treasurer
R. J. Martin	Resident Superintendent

GRAND TRUNK PACIFIC ALASKA STEAMSHIP COMPANY
 (formerly wholly owned subsidiary of "The Grand Trunk Pacific Railway Company")
 Charter surrendered June 18, 1930.

INCORPORATED: May 1, 1917 - Under the Laws of the State of Washington.

HISTORY: The Company was organized to engage in the Fish and Canning Trade of Kitchikan and Prince Rupert vicinity. One motor vessel, the "Tillamock", was purchased in 1917, which was chartered and operated by The Grand Trunk Pacific Coast Steamship Company, Limited for an annual rental of \$6,500. The vessel was sold on June 4, 1925 for \$35,000.

DISSOLUTION: After liquidation of all its obligations and disposal of all its assets Grand Trunk Pacific Alaska Steamship Company was dissolved and its corporate existence was terminated, by surrender of the Charter and winding up of the Company by Order No. 230890 of the Superior Court of the State of Washington dated June 18, 1930.

Certificates representing 500 shares of \$100 each of capital stock issued and outstanding, the Charter, Seal, original Minute Books and other corporate documents pertaining to the corporate existence of Grand Trunk Pacific Alaska Steamship Company are in the custody of the Secretary, Canadian National Railway Company, Montreal.

CAPITAL STOCK: Authorized: 500 shares - \$100 \$50,000
 Issued: 500 shares - \$100 50,000

All owned by Grand Trunk Pacific Dock Company of Seattle.

Share Certificates were not cancelled when the corporate existence of the Company was terminated on June 18, 1930.

THE GRAND TRUNK PACIFIC BRANCH LINES COMPANY
 (included in "Canadian National Railway Company" from June 11, 1956)

INCORPORATED: July 13, 1906 - Dominion Chapter 99.

DECLARATORY: Undertaking declared to be a work for the general advantage of Canada - Dominion Chapter 99, July 13, 1906.

HISTORY: Under Dominion Chapter 99, July 13, 1906, "The Grand Trunk Pacific Branch Lines Company" was incorporated to construct and operate certain lines to National Transcontinental Railway and to The Grand Trunk Pacific Railway, with power to own and operate steam and other vessels for transportation by water, etc., etc. The Company was organized on January 17, 1907 in the interests of The Grand Trunk Pacific Railway Company for the purpose of constructing branch line railways into territory not reached by branches authorized to be constructed by The Grand Trunk Pacific Railway Company.

Thirty-nine branches were authorised in various parts of Canada aggregating about 8,000 miles of which nine branches were built in Saskatchewan and Alberta.

Approximately 988.30 miles were constructed as follows:

Melville	to	Canora	54.63 miles
Melville	to	Riverhurst	209.15 miles
Regina	to	Northgate	153.75 miles
Young	to	Prince Albert	111.25 miles
Oban	to	Carruthers	97.34 miles
Biggar	to	Loverna	104.20 miles
Tofield	to	Calgary	201.04 miles
Bickerdike	to	Coalspur	37.69 miles
Parkhill Junction	to	Lovett	<u>19.25 miles</u>
Total			988.30 miles

The lines were completed and opened for traffic as follows:

Melville	to	Belcarres	32.70 miles	June 15, 1911
Mirror	to	Heatburg	12.70 miles	June 17, 1911
Melville	to	Canora	54.63 miles	June 21, 1911
Belcarres	to	Edgeley	28.50 miles	July 11, 1911

Young	to	Bremen	45.50 miles	July 15, 1911
Tofield Junction	to	Mirror	70.86 miles	July 17, 1911
Edgeley	to	Regina West	36.33 miles	August 3, 1911
Heatburg	to	Trochu	37.90 miles	June 8, 1912
Bremen	to	Wakaw	21.50 miles	August 3, 1912
Colfax	to	Talmage	18.70 miles	October 12, 1912
Bickerdike	to	Coalspur	37.69 miles	October 12, 1912
Regina West	to	Burdick	34.70 miles	October 17, 1912
Oban	to	Battleford	48.22 miles	October 22, 1912
Trochu	to	Beiseker	41.20 miles	October 23, 1912
Biggar	to	Argo	7.10 miles	October 24, 1912
Regina G.T.P.	to	Colfax	48.12 miles	October 30, 1912
Burdick	to	Moose Jaw	5.40 miles	December 16, 1912
Parkhill Junction	to	Lovett	19.25 miles	January 25, 1913
Argo	to	Doddsland	41.70 miles	June 17, 1913
Doddsland	to	Loverna	55.40 miles	August 28, 1913
Talmage	to	Northgate	86.93 miles	September 5, 1913
Beiseker	to	Barlow Junction	34.52 miles	September 11, 1913
Moose Jaw	to	Mawer	47.20 miles	September 16, 1913
Barlow Junction	to	Calgary	3.86 miles	September 26, 1913
Battleford	to	Rossmann	33.60 miles	October 17, 1913
Wakaw	to	St. Louis	20.00 miles	May 2, 1914
Mawer	to	Gilroy	19.70 miles	June 30, 1914
Rossmann	to	Carruthers	15.52 miles	October 12, 1915
Gilroy	to	Riverhurst	4.62 miles	October 19, 1916
St. Louis	to	Prince Albert	<u>24.25 miles</u>	June 2, 1917

Total 988.30 miles

Previous to January 1, 1916 the lines were treated as "operation under construction" and the results were included in expenditure for construction. From January 1, 1916 until the Grand Trunk Pacific Railway System was taken over by the Minister of Railways and Canals, as Receiver, on March 10, 1919, the properties were operated as part of the Grand Trunk Pacific Railway System.

Receivership was terminated on May 31, 1927, by Order in Council PC 1011 dated May 27, 1927, after which the properties were operated as part of The Grand Trunk Pacific Railway Company until amalgamated with Canadian National Railway Company on June 11, 1956.

AMALGAMATION: On June 11, 1956, Canadian National Railway Company, The Grand Trunk Pacific Branch Lines Company and 16 other companies were amalgamated into one company under the name "Canadian National Railway Company".

PROPERTY INVESTMENT: Included in The Grand Trunk Pacific Railway Company road property accounts totalling \$216,513,009.17, and is not recorded separately.

SUBSIDIES: Land Grants were as follows: (Statistics of Steam Railways - 1938 Page 63).
Dominion 1942.57 acres.

ABANDONMENTS:

Carruthers Westward		3.48 miles	June 30, 1923
Barlee Junction	to	near Duhamel	July 5, 1923
Minard	to	Breeze Junction	
		Connections	December 28, 1923
		1.44 miles	

Battleford	to	Cut Knife Jct.	2.58 miles	January 1, 1926
Regina Terminals			1.22 miles	January 1, 1926
Cudworth Junction	to	Prince Albert	3.75 miles	January 1, 1926
Foothills	to	Lovett	4.75 miles	November 1, 1935
Total			27.47 miles	

CAPITAL STOCK:

Prior to amalgamation on June 11, 1954:

Authorized:	500,000 shares - \$100	\$50,000,000
Issued:	10,000 shares - \$100 - 20% paid up - 20 shares - \$100 - without payment	200,000

All owned by The Grand Trunk Pacific Railway Company.

Upon amalgamation on June 11, 1956, in accordance with the terms of amalgamation agreement dated May 17, 1956, the capital stock was treated as cancelled.

FUNDED DEBT:

As at June 11, 1956 - nil.

* 5% Demand Note (Grand Trunk Railway Company)	
issued 1915-17,	\$11,019,686.55
4% First Mortgage Sterling Bonds issued under Trust Deeds dated June 24, 1909 and Supplements June 30, 1910, July 31, 1912 and April 4, 1914, maturing January 22, 1939, retired February 15, 1944. Saskatchewan Lines,	
	11,315,052.00
4% First Mortgage Sterling Bond issued under Trust Deeds July 28, 1909 and Supplement April 4, 1914, maturing February 25, 1939, and discharged December 15, 1942. Alberta Lines,	
	2,430,000.00
4% First Mortgage Sterling Bonds issued under Trust Deed July 31, 1912 maturing February 1942, discharged December 15, 1942. Alberta Lines,	
	1,159,596.00
4½% Sterling Terminal Bonds issued under Trust Deed dated June 5, 1914, maturing December 18, 1943, discharged March 26, 1957,	
	1,881,792.00
* Cancelled Notes on file in Finance Department.	

THE GRAND TRUNK PACIFIC DEVELOPMENT COMPANY, LIMITED

(included in "Canadian National Railway Company" from June 11, 1956)

INCORPORATED:

August 3, 1906 - Dominion Letters Patent.

January 14, 1910 - Supplementary Letters Patent, name changed (see History).

HISTORY:

Under Dominion Letters Patent, August 3, 1906, by authority of "The Companies Act 1902", Chapter 15, 1902, "The Grand Trunk Pacific Town and Development Company Limited" was incorporated.

On November 8, 1906, the Company was organized as a holding company for lands acquired along the Grand Trunk Pacific Railway for homesteads, townsites and industrial facilities, and for operation of other than transportation facilities along the railway.

Under Supplementary Letters Patent dated January 14, 1910, the name was changed to "The Grand Trunk Pacific Development Company Limited."

The Company constructed or acquired and owned properties as under:

Prince Rupert Dry Dock and Shipyard	- Prince Rupert, British Columbia
Vancouver Dock	
Victoria Dock	

The Fort Garry Hotel
The Macdonald Hotel
Victoria Hotel Site
Prince Rupert Hotel Site
Miscellaneous Physical Property

- Winnipeg, Manitoba
- Edmonton, Alberta

PRINCE RUPERT DRY DOCK AND SHIPYARD:

On October 21, 1909, The Grand Trunk Pacific Railway Company made application to the Dominion Government for the purpose of reaching an agreement for the construction and establishment of a Floating Dock at Prince Rupert, B.C. and providing for payment of a subsidy on the cost.

Subsequently an Act to encourage the construction of Dry Docks (Dominion Chapter 17), and known as "The Dry Docks Subsidies Act, 1910," was passed on May 4, 1910, which Act repealed "The Dry Dock Subsidies Act" Chapter 24, 1908. Dominion Order in Council P.C. 916 dated May 1, 1911, recommended acceptance of the application.

Dominion Order in Council P.C. 2250 dated October 2, 1911, authorized payment of a subsidy of 3½% per annum for a period of 25 years on \$2,199,168.02, part of the estimated cost of a floating dry dock having a lifting capacity of 20,000 tons to be built at Hay's Cove, Prince Rupert, B.C., near the terminus of the Grand Trunk Pacific Railway, the annual subsidy being \$76,970.88.

On November 30, 1911, an agreement between His Majesty and The Grand Trunk Pacific Railway Company was executed covering the construction and payment of the subsidy, and providing that the property be maintained to the satisfaction of the Crown giving priority to His Majesty's vessels. Construction work commenced in 1913 and was completed in 1917. The plant covered an area of approximately 18 acres and consisted of extensive yards, ship sheds, pattern shop, power house, machine shop, blacksmith shop, foundry, fabricating shop; two launching ways, and a floating dry dock consisting of three wings one of 10,000 tons capacity, and 2 of 5,000 tons capacity each. The actual cost of construction totalled \$2,654,113, and was included in The Grand Trunk Pacific Development Company, Limited, Investment account. The subsidy received during the 25 years 1918 to 1943 inclusive totalled \$1,924,272, which was treated as a credit to Income and not to Construction Account.

The plant was operated by The Grand Trunk Pacific Development Company, Limited until March 1, 1919, when it was leased under agreement dated August 1, 1918, to the John N. Mullen Construction Company. The Mullen Company later assigned to The Prince Rupert Dry Dock and Engineering Company, which Company went into liquidation on December 6, 1920. The Receiver continued operation to September 6, 1921, at which date the Department of Marine assumed control for the purpose of completing certain ships then under construction. The Grand Trunk Pacific Development Company, Limited (then in the control of the Receiver of The Grand Trunk Pacific Railway Company), resumed operations on November 14, 1921.

The only work available to the plant prior to 1940 involved repair and overhaul to ships local to Prince Rupert or general vicinity, largely consisting of fishing and small coastal craft. The average number of employees fluctuated from year to year. In 1923 there were 99; in 1929 - 142; in 1930 - 221; in 1933 - 44; in 1939 - 101.

During World War II Ship Construction and Repair Work was undertaken commencing in 1940. The average number of employees each year 1940 to 1945 fluctuated between 227 in 1940 to 1594 in 1943 (when a peak of 2000 employees was reached at the height of construction), to 859 in 1945.

Under Agreement dated February 14, 1952 between His Majesty, The Grand

Trunk Pacific Development Company Limited, The Grand Trunk Pacific Railway Company and Canadian National Railway Company authorized by Dominion Order in Council P.C. 29/4700 of September 30, 1950, Canadian National Railway Company agreed to continue management and operation, and the Minister of Public Works undertook to absorb the deficits or profits from operation and maintenance during the two years from April 1, 1950 to March 31, 1952.

Under agreement dated April 22, 1953, the above mentioned agreement was renewed with modification for a further period of two years ended March 31, 1954, as authorized by Treasury Board Minute No. 444252 dated February 13, 1953.

At the termination of above mentioned agreement it was not renewed but it was agreed that the Department of Public Works would meet the deficit for a further 6 months.

An estimated \$3,000,000 would have been required to rehabilitate the property and as the facilities were not required in any way for railway operations, the Directors authorized abandonment of operations and sale of the property, per Minute No. 9419, dated January 28 - 29, 1954. The plant was finally closed on September 30, 1954. The operating losses from April 1, 1952 to September 30, 1954 paid by Dominion Government totalled \$567,779.

The efforts to dispose of the property by sale were unsuccessful. Some equipment was sold totalling \$58,885. The balance in Investment Account \$1,863,318.16 was written off to Profit and Loss Account in December 1954, to be offset as and when proceeds are received from any further sale or salvage.

VANCOUVER DOCK:

The Dock at Vancouver was originally constructed in 1911 - 1912, (the value in 1914 was stated to be land \$132,036, buildings \$152,120) and was reconstructed with alterations and extensions in 1929 - 1930 - 1931 following destruction by fire in 1929.

Upon amalgamation on June 11, 1956 the investment in this property - \$1,692,614.50 - was transferred to Canadian National Railway Company investment account.

VICTORIA DOCK:

The Inner Harbour Dock property included lots 7 to 13 inclusive, and the south 30' of lot 14, Block 70, Plan 219 Victoria, B.C. which were acquired in 1909, and the water lot in front thereof which was acquired from the Crown in 1931, together with all docks, buildings and improvements etc., located thereon. The original cost of land was \$128,157 and structures thereon \$258,426 total \$386,583. The property became of no further use to the railway after the steamship service to Victoria was discontinued, and in 1947 it was sold to Evans, Coleman and Johnson Brothers Limited, of Victoria, B.C. for \$140,000, as authorized by Directors on March 31, 1947.

THE FORT GARRY HOTEL:

The Fort Carry Hotel (252 guest rooms) was constructed in Winnipeg at an original cost of \$2,706,977, and opened in December 10, 1913. When Canadian National Hotels, Limited (a wholly owned subsidiary of Canadian National Railway Company) was incorporated on October 15, 1954 the investment at that time of \$3,022,663 was transferred to the newly incorporated Company.

THE MACDONALD HOTEL:

The Macdonald Hotel (originally 185 guest rooms) was constructed in Edmonton at an original cost of \$2,152,625, and opened in December 1916. As a new wing of The Macdonald Hotel was being constructed by Canadian National Railway Company the investment in the original structure was transferred in 1952 to the investment account of Canadian National Railway Company.

VICTORIA HOTEL SITE:

A site for a Hotel in Victoria, B.C. was acquired on September 5, 1910. The proposed Hotel was never constructed and in 1936 the investment of \$303,722.80 was written down to \$60,000. In 1937 the property was transferred to Canadian National Realties Limited for disposal.

PRINCE RUPERT HOTEL SITE:

A site for a Hotel in Prince Rupert, B.C. was acquired on March 10, 1905. The proposed Hotel was never constructed and in 1936 the investment of \$145,829.36 was written down to \$1. In 1937 the property was transferred to Canadian National Realties, Limited for disposal.

MISCELLANEOUS PHYSICAL PROPERTY:

In 1937 miscellaneous physical property representing an investment of \$105,536.35 was transferred to Canadian National Realties, Limited for disposal.

AMALGAMATION:

On June 11, 1956, Canadian National Railway Company, The Grand Trunk Pacific Development Company, Limited and 16 other companies were amalgamated into one company under the name "Canadian National Railway Company."

PROPERTY INVESTMENT:

Transferred to investment account of Canadian National Railway Company upon amalgamation on June 11, 1956:

Vancouver Dock	\$1,692,614.50
----------------	----------------

CAPITAL STOCK:

Prior to amalgamation on June 11, 1956:

Authorized:	50,000 shares - \$100	\$5,000,000
Issued:	30,000 shares - \$100	3,000,000

All owned by The Grand Trunk Pacific Railway Company and carried at \$1.

Upon amalgamation on June 11, 1956, in accordance with the terms of amalgamation agreement dated May 17, 1956, the capital stock was treated as cancelled.

FUNDED DEBT:

As at June 11, 1956 - nil.

5% Demand notes issued 1912-16	\$10,795,994.44
--------------------------------	-----------------

Notes in the amount of \$8,492,424.87 held by Canadian National Railway Company were retired upon amalgamation with Canadian National Railway Company on June 11, 1956.

Cancelled notes are on file in Finance Department.

THE GRAND TRUNK PACIFIC DEVELOPMENT COMPANY, LIMITED
PRINCE RUPERT DRYDOCK AND SHIPYARD

Income - Years 1923 - 1947

Depreciation on floating and plant equipment, and
Interest on cost of Property not included in the accounts.

	<u>Operating</u> <u>Revenues</u>	<u>Operating</u> <u>Expenses</u>	<u>Taxes</u>	<u>Net</u> <u>Income</u>	<u>Depreciation</u>	<u>Interest</u>	<u>Net Result</u> <u>Debit * or Credit</u>	<u>Dominion Govern-</u> <u>ment Subsidy</u>	<u>Net</u> <u>Loss</u>
1923	\$163,346	\$219,897	\$	\$56,551 -	\$34,471	\$134,017	\$225,039*	\$76,970	\$148,069
1924	193,575	233,283		39,708 -	34,471	138,026	212,205*	76,970	135,235
1925	151,340	209,371		58,031 -	34,471	138,026	230,528*	76,970	153,558
1926	418,760	399,374		19,386	34,471	138,026	153,111*	76,970	76,141
1927	289,176	338,628	5,964	55,416 -	34,439	137,971	227,826*	76,970	150,856
1928	224,684	283,446	10,260	69,022 -	34,553	138,163	241,738*	76,970	164,768
1929	305,863	380,759	10,260	85,156 -	34,798	138,570	258,524*	76,970	181,554
1930	587,929	610,810	10,260	33,141 -	34,797	138,570	206,508*	76,970	129,538
1931	172,794	234,543	10,260	72,009 -	34,922	138,778	245,709*	76,970	168,739
1932	69,466	121,119	12,584	64,237 -	35,065	139,029	238,331*	76,970	161,361
1933	45,779	85,510	10,038	49,769 -	35,064	138,567	223,400*	76,970	146,430
1934	144,431	156,918	8,419	20,906 -	36,020	140,146	197,072*	76,970	120,102
1935	63,411	107,413	6,892	50,894 -	36,020	140,146	227,060*	76,970	150,090
1936	71,770	109,500	6,838	44,568 -	36,020	140,146	220,734*	76,970	143,764
1937	100,176	142,207	6,836	48,867 -	36,020	140,146	225,033*	76,970	148,063
1938	118,328	150,013	6,475	38,160 -	36,020	140,146	214,326*	76,970	137,356
1939	<u>199,201</u>	<u>210,901</u>	<u>6,324</u>	<u>18,024 -</u>	<u>36,020</u>	<u>140,146</u>	<u>194,190*</u>	<u>76,970</u>	<u>117,220</u>
Total 1923-39	3,320,029	3,993,692	111,410	785,073 -	597,642	2,358,619	3,741,334*	1,308,490	2,432,844
1940	928,931	955,382	6,168	32,619 -	36,095	140,289	209,003*	75,148	133,855
1941	1,974,181	2,033,718	10,642	70,179 -		140,483	210,662*	76,970	133,692
1942	6,570,276	5,910,577	24,793	634,906		140,508	494,398	76,971	571,369 Profit
1943	8,035,434	7,956,004	29,985	99,445		140,571	41,126*	76,971	35,845 Profit
1944	840,158	674,249	26,788	139,121		140,111	990*		990
1945	1,355,682	1,025,429	20,520	99,733		139,413	39,680*		39,680
1946	316,340	280,987	11,478	23,875		139,401	115,526*		115,526
1947	<u>252,096</u>	<u>311,318</u>	<u>10,803</u>	<u>70,025 -</u>	<u>28,459</u>	<u>117,300</u>	<u>215,784*</u>		<u>215,784</u>
Total 1923-47									

\$23,433,127	23,141,356	\$252,587	\$39,184	\$662,196	\$3,456,695	\$4,079,707*	\$1,614,550	\$2,465,157
--------------	------------	-----------	----------	-----------	-------------	--------------	-------------	-------------

GRAND TRUNK PACIFIC DOCK COMPANY OF SEATTLE
(formerly wholly owned subsidiary of The Grand Trunk Pacific
Railway Company) dissolved March 1, 1945.

INCORPORATED: December 9, 1909 - Under the Laws of the State of Washington.

HISTORY: On December 11, 1909 Grand Trunk Pacific Dock Company of Seattle was organized by The Grand Trunk Pacific Railway Company for the purpose of leasing, constructing and operating dock facilities at Seattle, Washington, as part of an overall operation by The Grand Trunk Pacific Coast Steamship Company, Limited (incorporated shortly thereafter) of a line of Steamers between Prince Rupert and Stewart, BC, and Vancouver, Victoria and Seattle.

By lease dated December 11, 1909 the Company leased from the Commercial Company certain Water Front land for 25 years from January 1, 1910 at an annual rental of \$25,000 plus taxes. (This property was purchased on August 14, 1926 by Duluth and Virginia Realty Company, and the latter Company renewed the lease on the same terms and conditions for a further period of about 25 years to November 29, 1959). The lease provided that the Dock Company assume the lease from the State of Washington to the Commercial Company of the Outer Harbour area in front of the before mentioned property, which lease expired on November 29, 1929 and was renewed by the State of Washington direct to Duluth and Virginia Realty Company for a period of 30 years to November 29, 1959.

The dock and buildings thereon were constructed by The Grand Trunk Pacific Coast Steamship Company, Limited. In view of failure to exercise an option under the lease to purchase the property on or before January 1, 1915 these improvements became the property of the Lessor.

Operations formed part of the operations of The Grand Trunk Pacific Coast Steamship Company, Limited (name changed on February 26, 1925 to Canadian National Steamship Company, Limited). Steamer service to Seattle was discontinued on September 15, 1931. The S.S. "Prince Henry" made the last call at Seattle, arriving on September 14 and sailing on September 15, 1931.

DISSOLUTION: On March 1, 1945 after liquidation of all its obligations and disposal of all its assets Grand Trunk Pacific Dock Company of Seattle was dissolved and its corporate existence was terminated. Certificate of Dissolution was filed in the office of Secretary of State of Washington on March 1, 1945.

The Certificates representing 1500 shares of \$100 each of capital stock issued and outstanding were cancelled. The Charter, Seal, original Minute Books and other corporate documents pertaining to the corporate existence of Grand Trunk Pacific Dock Company of Seattle are in the custody of the Secretary, Canadian National Railway Company, Montreal.

CAPITAL STOCK: Authorized: 1,500 shares - \$100 each \$150,000
Issued: 1,500 shares - \$100 each 150,000 unpledged.
All owned by The Grand Trunk Pacific Railway Company and carried as \$1.
Share Certificates were cancelled when the corporate existence of the Company was terminated on March 1, 1945.

FUNDED DEBT: Nil.

THE GRAND TRUNK PACIFIC RAILWAY COMPANY
(included in "Canadian National Railway Company" from June 11, 1956)

INCORPORATED: October 24, 1903 - Dominion Act 3 Edward VII Chapter 122.

The Dominion Government entered into an agreement dated July 29, 1903 with The Grand Trunk Pacific Railway Company to build a transcontinental railway wholly upon Canadian Territory between the city of Moncton, N.B. and the navigable waters of the Pacific Ocean.

HISTORY: The incorporation of this Company resulted from a plan of The Grand Trunk Railway Company of Canada for a main line right across the continent from Moncton, New Brunswick to Prince Rupert, British Columbia. The portion of the Line east of Winnipeg was to be built by the Dominion Government and leased to The Grand Trunk Pacific Railway Company. The portion west of Winnipeg was to be built by The Grand Trunk Pacific Railway Company with Government assistance. More specifically the Government was to guarantee an issue of bonds of the "Prairie Section" (Winnipeg to Wolf Creek, Alberta) and another issue of bonds of the "Mountain Section" (Wolf Creek, Alberta to Prince Rupert).

Under Dominion Act 3 Edward VII Chapter 122, October 24, 1903, "The Grand Trunk Pacific Railway Company" was incorporated to construct and operate a railway from Moncton, to Quebec City, thence northwesterly and westerly to a point on the Quebec-Ontario boundary within 50 miles of Lake Abitibi, thence, via north of Lake Nipigon, to Winnipeg, then, via Battleford and Edmonton, to some point on the Pacific Coast between Port Simpson and Bute Inlet, with branches to Montreal, North Bay, Port Arthur or Fort William, Brandon, Regina, Prince Albert, Calgary, and to Dawson City in the Yukon, etc., with the proviso that the Company may enter into an agreement with the Government of Canada with respect to the construction and operation of the line between Moncton and Winnipeg.

Under Dominion Chapter 71, also assented to on October 24, 1903, provision was made for construction of a National Transcontinental Railway wholly within Canada, from Moncton to Winnipeg, referred to as the Eastern Division, and from Winnipeg to the Pacific Ocean, referred to as the Western Division, which was considered necessary by reason of the growth in population and the rapid development in the productiveness and trade of Canada, especially in the western part thereof, and with a view of opening up of new territory available for settlement both in the Eastern Provinces and in the West. The Eastern Division was to be constructed by the Dominion Government, and under the charge of three commissioners forming a corporate body under the name "The Commissioners of the Transcontinental Railway."

Under the terms of an agreement dated July 29, 1903, between the Minister of Railways and Canals, and Sir Charles Rivers Wilson and others acting on behalf of The Grand Trunk Pacific Railway Company then about to be incorporated, as modified by agreement dated February 18, 1904, confirmed by Dominion Act 4 Edward VII Chapter 24, July 18, 1904, The Grand Trunk Pacific Railway Company constructed the Western Division at its own cost, and agreed to lease the Eastern Division for a period of 50 years from the date of its completion at an annual rental of 3% of the cost of construction subject to certain concessions during the first 7 years. The Company was to provide at its own cost sufficient rolling stock for the efficient operation of both Divisions, of which not less than \$5,000,000 worth would be supplied for operation of the Eastern Division, and to operate the entire line.

Under Dominion Act 6 Edward VII Chapter 99, 1906, The Grand Trunk Pacific Branch Lines Company was incorporated to build certain lines to National

Transcontinental Railway and Grand Trunk Pacific Railway, etc.

Dominion Order in Council P.C. 1217, July 20, 1906, appointed A. Brunet (one of the Commissioners in charge of construction of the Eastern Division, later known as National Transcontinental Railway) as Government Director on The Grand Trunk Pacific Railway Company Board.

Under Dominion Act 6 Edward VII Chapter 101, July 13, 1906, The Grand Trunk Pacific Telegraph Company was incorporated to operate a commercial telegraph service along the lines of the Grand Trunk Pacific Railway, etc.

Dominion Order in Council P.C. 1087, April 30, 1912, appointed Jules Hone as Government Director on The Grand Trunk Pacific Railway Company Board, vice A. Brunet.

The last spike in the construction of the Eastern Division (National Transcontinental Railway) was driven on November 17, 1913 and the railway was operated for a short period in sections, by the contractors and the Commission in charge of construction appointed by the Government. In accordance with the agreement between the Government and The Grand Trunk Pacific Railway Company the Company was notified that the line was ready to be turned over to it under lease. The Grand Trunk Pacific Railway Company was, itself, in difficulties and did not implement the agreement. In the circumstances necessary legislation was enacted authorizing the Government to operate the Eastern Division, or what is known as National Transcontinental Railway as a "Government Railway."

The railway was completed and opened for traffic as follows:

Portage la Prairie	to	Pas	120.90 miles	October 11, 1907
Fort William	to	Superior Junction	188.27 miles	November 27, 1908
Winnipeg	to	Portage la Prairie	54.33 miles	January 2, 1909
Rea	to	Wainwright	489.81 miles	January 2, 1909
Duro-Engin	to	Connection	3.23 miles	January 2, 1909
Yorath	to	Connection	0.93 miles	January 2, 1909
Wainwright	to	West Junction	127.25 miles	September 13, 1909
East Junction	to	Edmonton	3.18 miles	September 13, 1909
121 st Street Junction	to	Wolf Creek	120.56 miles	February 12, 1911
Wolf Creek	to	Hinton	70.31 miles	May 16, 1911
Vanarsdal	to	Prince Rupert	100.00 miles	May 31, 1911
Skeena Crossing	to	Vanarsdal	64.45 miles	June 4, 1912
Hinton	to	Geikie	50.00 miles	June 14, 1912
Hazelton	to	Skeena Crossing	12.40 miles	October 12, 1912
Geikie	to	Tete Jaune	67.30 miles	November 22, 1912
New Hazelton	to	Hazelton	3.70 miles	December 24, 1912
Beaumont	to	New Hazelton	14.00 miles	April 7, 1913
Morictown	to	Beaumont	9.90 miles	July 25, 1913
Tete Jaune	to	Fraser River	93.70 miles	August 20, 1913
Rose Lake	to	Morictown	95.86 miles	September 20, 1913
Fraser River	to	Prince George	84.08 miles	January 23, 1914
Priestly	to	Rose Lake	36.50 miles	February 12, 1914
Prince George	to	Priestly	129.80 miles	August 24, 1914
Nutana	to	Connections	0.76 miles	November 11, 1927
Rosetown	to	Connections	1.25 miles	November 11, 1927
Grasswood	to	Nutana	0.39 miles	September 30, 1929
Grasswood	to	Nutana	<u>1.61 miles</u>	December 31, 1938
Total			1,944.47 miles	

Under agreement dated July 29, 1915, between The Grand Trunk Pacific Railway Company and the Crown, authorized by Dominion Act 5, George V Chapter 18, 1915 and P.C. 1575, July 2, 1915, The Lake Superior Branch, extending from Lake Superior Junction to Fort William (approximately 188.27 miles), including terminal facilities, was leased to the Dominion Government for 999 years from May 1, 1915 at an annual rental of \$600,000.

On September 19, 1916, J. B. Fraser and Peter McAra were elected directors of The Grand Trunk Pacific Railway Company to act with Jules Hone as Government representatives on the Board of Directors.

In a letter dated March 4, 1919, the Vice-President of The Grand Trunk Pacific Railway Company, Mr. Frank Scott, informed the Minister of Finance that the increased rates applicable to the Grand Trunk Pacific Railway were not sufficient to meet the increased operating expenses, and that it would not be possible for the Company to continue its operations when the present funds were exhausted, which would be about March 10, 1919. Large sums had been advanced, by authority of Parliament, to the Grand Trunk Pacific Railway System in aid of construction and to meet deficits in operation. It was considered essential that operation of the system be continued without interruption to avoid great detriment to the public interest and defeat of the intention of Parliament in authorizing the advances referred to. Continued operation at that time was also essential because of the position of Canada resulting from World War I which had not then been terminated by Peace Treaty, especially in connection with the transportation of returning Canadian Troops, and of supplies and equipment and freight, and other services made necessary by the war.

The parent company and guarantor, The Grand Trunk Railway Company of Canada was, itself, in difficulties and could not carry out the undertakings called for in the agreement of July 29, 1903 and subsequent amendment of February 18, 1904.

The responsibility of continuing of the Grand Trunk Pacific Railway System was thrown upon the Dominion Government inasmuch as there were no effective provisions in existing laws whereby continued operation could be secured otherwise. Consequently, by Dominion Order in Council P.C. 517 dated March 7, 1919, and P.C. 547 dated March 13, 1919, correcting an omission in P.C. 517, the Minister of Railways and Canals was appointed Receiver to take possession and operate the Grand Trunk Pacific Railway System on and after March 10, 1919, or on such earlier date as The Grand Trunk Pacific Railway Company ceased to operate its undertaking efficiently. The Order in Council specifies that Grand Trunk Pacific Railway System means and included the following companies:

- The Grand Trunk Pacific Railway Company
- The Grand Trunk Pacific Branch Lines Company
- The Grand Trunk Pacific Saskatchewan Railway Company
- The Grand Trunk Pacific Telegraph Company
- The Grand Trunk Pacific Coast Steamship Company, Limited
- The Grand Trunk Pacific Development Company, Limited
- Grand Trunk Pacific Terminal Elevator Company, (Limited)

Under Dominion Chapter 22, June 6, 1919, above-mentioned Orders in Council P.C. 517 and 547 were confirmed.

Under Dominion P.C. 1595, dated July 12, 1920, the operation and management of the Grand Trunk Pacific Railway System was entrusted to those who then or thereafter comprise the Board of Directors of The Canadian Northern Railway Company, subject to the rights of the Minister of Railways and Canals as receiver, so that the System might be operated in harmony with Canadian National Railways (then The Canadian Northern

Railway Company and the Canadian Government Railways).

The duration of Receivership was from March 10, 1919, to May 31, 1927.

Note: Dominion Order in Council P.C. 1011 of May 27, 1927, issued under authority of Dominion Act 10-11 George V Chapter 13, 1920, declared the Receivership terminated on May 31, 1927, the Receivership Accounts to be closed at the end of the fiscal year - March 31, 1927.

AMALGAMATION: Under Agreement dated May 11, 1956 approved by Order in Council P.C. 1956-772 dated May 17, 1956 effective June 11, 1956, Canadian National Railway Company, The Grand Trunk Pacific Railway Company and 16 other companies were amalgamated into one company under the name "Canadian National Railway Company."

PROPERTY INVESTMENT:

Transferred to investment account of Canadian National Railway Company upon amalgamation on June 11, 1956:

Road	\$216,513,009.17
Vancouver Dock	1,692,614.50
Donations and Grants - Railway property	119,476.44 CR.
Improvements on leased property	
Mountain Park Branch	512,178.65

SUBSIDIES: Subsidies and Land Grants were as follows: (Statistics of Steam Railways - 1938 - Page 63).

Dominion	\$1,220,480 & 10,223.39 acres
Dominion (implementing G.T.P. bonds)	4,994,417
Ontario Province	376,230 & 637,213.92 acres
British Columbia Province	350,000 & 3,376.82 acres
Ontario Municipal	450,000
Alberta Municipal	100,000
	<u>\$7,491,127 & 650,814.13 acres</u>

INVESTMENT IN AFFILIATED COMPANIES:

Transferred to investment account of Canadian National Railway Company upon amalgamation on June 11, 1956:

	<u>Outstanding</u> (Par)	Capital Stock <u>Owned</u> (Par)	(Book Value)
<u>Stocks</u>			
Canadian National Steamship Company, Limited	\$ 15,000	15,000	\$ 1
Canadian National Telegraph Company	525,900	25,900	25,900
The Grand Trunk Pacific Branch Lines Company	200,000	200,000	1
The Grand Trunk Pacific Development Company, Limited	3,000,000	3,000,000	1
The Grand Trunk Pacific Saskatchewan Railway Company	20,000	20,000	1
Grand Trunk Pacific Terminal Elevator Company, (Limited)	501,000	501,000	1
The Public Markets, Limited	1,150,000	287,500	<u>287,500</u>
			\$ 313,405
<u>Investment advances</u>			
Canadian National Telegraphs			\$1,448,493.83

LOCATION:Mileage in operation December 31, 1960:

* Graham SD	Mile 0.90	to	Mile 1.63	0.73 miles
Conmee		to	Superior Junction	159.92 miles
Searle		to	Edmonton West Junction	787.47 miles
East Junction		to	Edmonton	3.12 miles
121 st Junction		to	Wabamun - Mile 73.66	72.15 miles
Wabamun	Mile 87.09	to	Edson	42.49 miles
Edson	Mile 0.00	to	* Brule SD - Mile 64.81	64.81 miles
* Brule SD	Mile 94.69	to	Jasper	11.53 miles
Jasper	Mile 0.00	to	* Albreda SD - Mile 9.15	9.15 miles
* Albreda SD	Mile 17.22	to	Rainbow - Mile 35.21	17.99 miles
Red Pass Junction		to	Prince Rupert	676.73 miles
Total				1,846.09 miles

* Subdivision

During World War I, a demand for rails for overseas became urgent, and in 1917, the Dominion Government, under its powers conferred by the War Measures Act, lifted rails on both The Grand Trunk Pacific Railway and The Canadian Northern Railway between Imrie in Alberta and Red Pass Junction in British Columbia. The Canadian Northern rails being unsuitable in some respects for overseas requirements, were used to replace those taken from the Grand Trunk Pacific Line. In the new alignment, the two railways were merged between Imrie and Red Pass Junction, so that the transcontinental main line of Canadian National Railways between these two points became a composite road, approximately 150 miles being on former Grand Trunk Pacific right of way and approximately 150 miles being on former Canadian Northern right of way.

ABANDONMENTS:

Graham Old	Mile 0.00	to	Mile 0.90	1925	0.90 miles
Graham Old	Mile 1.63	to	Conmee	1925	27.45 miles
Woodward Avenue Junction		to	Searle	1956	4.82 miles
Duro		to	Engin	1923-25	3.23 miles
Yorath Connection				1923-25	0.93 miles
Wabamun	Mile 73.66	to	Mile 87.09	1927	13.43 miles
Brule	Mile 64.81	to	Mile 94.69	1922-23	29.88 miles
Geikie	Mile 9.25	to	Mile 17.22	1917	8.07 miles
Rainbow		to	Red Pass Junction	1924	8.49 miles
Total					97.20 miles

MILEAGE:MILEAGE OF FIRST MAIN LINE

Union Junction, Alberta to Red Pass Junction, British Columbia

December 31, 1960

<u>Subdivision</u>	<u>From</u>	<u>To</u>	<u>Railway</u>	<u>Mileage</u>
Wabamun	Union Junction Mile 6.38	Mile 73.66	Grand Trunk Pacific Railway	67.28
Wabamun	Mile 73.66	Mile 87.09	Canadian Northern	

			Alberta Railway	13.43
Wabamun	Mile 87.09	Edson Mile 129.58	Grand Trunk Pacific Railway	42.49
Brule	Edson Mile 0.00	Mile 64.81	Grand Trunk Pacific Railway	64.81
Brule	Mile 64.81	Mile 94.69	Canadian Northern Alberta Railway	29.88
Brule	Mile 94.69	Jasper Mile 106.22	Grand Trunk Pacific Railway	11.53
Albreda	Jasper Mile 0.00	Geikie Mile 9.15	Grand Trunk Pacific Railway	9.15
Albreda	Geikie Mile 9.15	Interprovincial Boundary Mile 17.15	Canadian Northern Alberta Railway	8.00
Albreda	Interprovincial Boundary Mile 17.15	Mile 17.22	Canadian Northern Pacific Railway	0.07
Albreda	Yellowhead Mile 17.22	Rainbow Mile 35.21	Grand Trunk Pacific Railway	17.99
Albreda	Rainbow Mile 35.21	Red Pass Junction Mile 43.70	Canadian Northern Pacific Railway	<u>8.49</u>
	Total			273.12
Summary -	Grand Trunk Pacific Railway			213.25 miles
	Canadian Northern Alberta Railway			51.31 miles
	Canadian Northern Pacific Railway			<u>8.56</u> miles
	Total			273.12 miles

Leased Lines Operated

			<u>Miles</u>
Mountain Park Collieries Branch:			
Mile 1.62	-	Mountain Park	29.93 miles
Luscar Collieries Branch:			
Leyland	-	Luscar	4.93 miles

CAPITAL STOCK:

Prior to amalgamation on June 11, 1956:

Authorized:	1,111,000 shares - \$100	\$111,100,000
Issued:	249,940 shares - \$100	24,940,000
	20 shares - \$100 - 10% paid up	200

All capital stock issued, except 20 shares, on which 10% was paid up, covered by interim certificate issued to F. W. Morse but never returned, owned by Canadian National Railway Company by reason of amalgamation of The Grand Trunk Railway Company of Canada with Canadian National Railway Company on January 31, 1923 - unpledged.

Upon amalgamation on June 11, 1956, in accordance with the terms of amalgamation agreement dated May 17, 1956, the capital stock was treated as cancelled.

FUNDED DEBT:

4½% Mortgage Bonds issued under Trust Deed dated May 22, 1909, maturing April 1, 1919, discharged October 28, 1943, \$10,000,000.

4% Debentures issued 1913-1914, maturing July 1, 1923. Held by Canadian National Railways Securities Trust, 15,000,000.

4% Mortgage Sterling Bonds Series A issued under Trust Deed dated March 15, 1905, maturing April 1, 1955, discharged September 13, 1956, 10,206,000.

4% Mortgage Sterling Bonds, Series B, issued under Trust Deed dated March 15, 1905, maturing April 1, 1955, discharged September 13, 1956, 9,963,000.

3% First Mortgage Sterling Bonds issued under Trust Deed dated June 10, 1905, maturing January 1, 1962. Held by Public \$26,465,130., 68,040,000.

4% Sterling Bonds issued under Trust Deed dated August 5, 1914, maturing January 1, 1962. Held by Public \$7,999,074., 15,940,800.

Lake Superior Branch 4% First Mortgage Sterling Bonds issued under Trust Deed dated March 15, 1905, maturing April 1, 1955, discharged September 13, 1956, 7,533,000.

Funds deposited with the agents, Bank of Montreal, New York on January 2, 1962 to meet redemption of these Bonds. The balance of each issue is held by the Canadian National Railways Securities Trust.

	G.T.P. 3%	G.T.P. 4%
Amount Issued	\$68,040,000.	\$15,940,800.
Amount held by Public	<u>26,465,130.</u>	<u>7,992,074.</u>
Amount held by Securities Trust	\$41,574,870.	\$ 7,941,726.

Principal of Loans \$116,006,599.08 and Interest on Loans \$107,326,622.84, due The Canadian National Railways Securities Trust were assumed by Canadian National Railway Company upon amalgamation on June 11, 1956.

Notes in the amount of \$13,681,030.23 held by Canadian National Railway Company were retired upon amalgamation with Canadian National Railway Company on June 11, 1956.

PROFIT AND LOSS:

Profit and Loss debit balance to June 11, 1956 transferred to Canadian National Railway Company upon amalgamation \$225,619,569.41.

THE GRAND TRUNK PACIFIC SASKATCHEWAN RAILWAY COMPANY
(included in "Canadian National Railway Company" from June 11, 1956)

INCORPORATED: March 15, 1912 - Saskatchewan Act 2 George V Chapter 44.

DECLARATORY: Works declared to be for the general advantage of Canada - Dominion Chapter 22, 1919.

HISTORY: Under Saskatchewan Act 2 George V Chapter 44, March 15, 1912, "The Grand Trunk Pacific Saskatchewan Railway Company" was incorporated to construct and operate certain described lines of railway in the Province, etc., etc.

The Company was organized on June 21, 1912, as a subsidiary of The Grand Trunk Pacific Railway Company. Expenditures were made on several proposed branches, one of which, known as the Weyburn Branch was completed for a distance of 14.64 miles and opened for operation on December 14, 1914, and continued to be so operated until the Grand Trunk Pacific Railway System was taken over by the Minister of Railways and Canals, as Receiver, on March 10, 1919.

Receivership was terminated on May 31, 1927, after which the properties were operated as part of The Grand Trunk Pacific Railway Company until amalgamated with Canadian National Railway Company on June 11, 1956.

AMALGAMATION: On June 11, 1956, Canadian National Railway Company, The Grand Trunk Pacific Saskatchewan Railway Company and 16 other companies were amalgamated into one company under the name "Canadian National Railway Company."

PROPERTY INVESTMENT: Included in The Grand Trunk Pacific Railway Company road property accounts totalling \$216,513,009.17, and is not recorded separately.

LOCATION: Regina Division:

		<u>Miles</u>
Talmadge, Saskatchewan -	Mile 14.28	14.28
Wye at Talmadge		<u>0.36</u>
		14.64

CAPITAL STOCK: Prior to amalgamation on June 11, 1956:

Authorized:	10,000 shares - \$100	\$1,000,000
Issued:	2,000 shares - \$100	20,000 - 10% paid up

All owned (unpledged) by The Grand Trunk Pacific Railway Company.

Upon amalgamation on June 11, 1956, in accordance with the terms of amalgamation agreement dated May 17, 1956, the capital stock was treated as cancelled.

FUNDED DEBT: As at June 11, 1956 - nil.

Notes in the amount of \$214,500 held by Canadian National Railway Company and in the amount of \$20,000 held by The Grand Trunk Pacific Development Company, Limited were retired upon amalgamation with Canadian National Railway Company on June 11,

1956.

The cancelled notes are on file in the Finance Department.

THE GRAND TRUNK PACIFIC TELEGRAPH COMPANY

(amalgamated with "Canadian National Telegraph Company," which is a wholly owned subsidiary of Canadian National Railway Company from June 11, 1956)

INCORPORATED: July 13, 1906 - Dominion Act 6 Edward VII Chapter 101.

DECLARATORY: The Works of the Company declared to be for the general advantage of Canada - Dominion Chapter 101, July 13, 1906.

HISTORY: Under Dominion Act 6 Edward VII Chapter 101, July 13, 1906, "The Grand Trunk Pacific Telegraph Company" was incorporated.

The Company was organized November 8, 1906, with authority to construct and operate a commercial telegraph system along the Grand Trunk Pacific Railway.

Telegraph lines and facilities were operated along the route of the Grand Trunk Pacific Railway and branches, and along The National Transcontinental Railway as far east as Moncton, N.B., until May 3, 1919, when N.T.R. offices (east of Winnipeg) were transferred to The Great North Western Telegraph Company, for operation.

No formal agreement was executed between The Grand Trunk Pacific Railway Company and The Grand Trunk Pacific Telegraph Company, the operating arrangements being as follows:

- (a) Telegraph Company to pay Grand Trunk Pacific Railway interest at the rate of 5% per annum on 20% of the total investment in Grand Trunk Pacific telegraph and telephone plant and equipment, it having been estimated that approximately 20% of the plant was used in commercial operation.
- (b) Telegraph Company to pay Grand Trunk Pacific Railway 75% of total cost of maintaining the entire telegraph and telephone facilities, being 20% as proportion for actually maintaining the property and 55% to remunerate the Railway for transportation of men and material, exclusive telegraph privilege, use of stations, and other services rendered by the Railway.
- (c) Telegraph Company to bear entire clerical and overhead expense of city offices, with salaries of operators at city offices divided in proportion, according to the number of Railway and Commercial messages handled in each such office.
- (d) Telegraph Company to pay the usual rates of commission to Railway Agents for handling Commercial telegrams.

Operation of telegraph offices along the route of the Grand Trunk Pacific Railway and branches were under the jurisdiction of the Receiver from March 10, 1919 until transferred to management of Canadian National Telegraph Company effective November 1, 1920.

By Agreement dated January 1, 1921, between Canadian National Telegraph Company, The Canadian Northern Railway Company and His Majesty the descriptive title "Canadian National Telegraphs" was adopted as a "trade name" for operation purposes, and effective January 1, 1922, all properties of The Grand Trunk Pacific Telegraph Company, Canadian National Telegraph Company, and The Great North Western Telegraph Company of Canada were operated as one system under the trade name "Canadian National Telegraphs." Separate accounts were maintained for each company up to December 31, 1927. The Grand Trunk Pacific Telegraph Company

proportion of the operating results were included in The Grand Trunk Pacific Railway Company accounts as miscellaneous operations until the end of 1926.

Effective January 1, 1928, the accounts were consolidated under the name "Canadian National Telegraphs" and the telegraph system was operated as a department of Canadian National Railways.

AMALGAMATION: On June 8, 1954, The Grand Trunk Pacific Telegraph Company and Canadian National Telegraph Company were amalgamated into one company under the name "Canadian National Telegraph Company."

PROPERTY INVESTMENT:

The Company had no property. All telegraph facilities were constructed by The Grand Trunk Pacific Railway Company, and are used jointly for Railway and Commercial telegraph operations. Investment in plant and equipment is carried in the property accounts of the Railway (now Canadian National Railway Company).

CAPITAL STOCK: Prior to amalgamation on June 8, 1954:

Authorized:	50,000 shares - par value \$100 each	\$5,000,000
Issued:	12 shares - par value \$100 each - fully paid up	1,200
	988 shares - par value \$100 each - 25% paid up	24,700

All owned by The Grand Trunk Pacific Railway Company.

Upon amalgamation all outstanding share certificates were cancelled and in substitution therefor Certificate for 259 shares of capital stock - par value \$100 each - of Canadian National Telegraph Company was issued in the name of Canadian National Realities, Limited in trust for The Grand Trunk Pacific Railway Company - Unpledged.

FUNDED DEBT: Prior to amalgamation on June 8, 1954 - nil.

GRAND TRUNK PACIFIC TERMINAL ELEVATOR COMPANY (LIMITED)

(included in "Canadian National Railway Company" from June 11, 1956)

INCORPORATED: June 12, 1906 - Dominion Letters Patent.

HISTORY: Under Dominion Letters Patent, June 12, 1906, "Grand Trunk Pacific Terminal Elevator Company (Limited)" was incorporated to carry on general elevator and warehouse business.

The Company was organized on June 25, 1906 to carry on a general Elevator and Warehouse business and erect, acquire, lease, maintain and operate an elevator, grain storage and cleaning plant and warehouse for grain and general merchandise throughout the Dominion of Canada or elsewhere.

Under an agreement entered into on August 1, 1908 between:
Grand Trunk Pacific Terminal Elevator Company (Limited)

The Grand Trunk Pacific Railway Company	called The "Terminal Company"
Walter D. Douglas and George F. Piper	called The "Railway Company"
	called The "Pacific Company"

The Security Elevator Company, Limited

called The "Security Company"

The "Railway Company" agreed to sell to the "Terminal Company" a parcel of land suitable for a grain elevator of 3,000,000 bushels capacity with additional land to extend the capacity to 10,000,000 bushels on the Mission Terminals at Fort William, Ontario. The "Terminal Company" agreed to commence work during 1908. The Pacific and Security Companies agreed to incorporate under the Companies Act an operating company to be known as the Grand Trunk Pacific Elevator Company, Limited for the purpose of leasing and operating the property.

The Pacific and Security Companies agreed to incorporate an operating Company to be known as the Grand Trunk Pacific Elevator Company, Limited, referred to as "the Operating Company" for the purpose of leasing and operating the terminal elevator. All the stock of said Operating Company to be held by the Pacific and Security Companies except two shares which shall be transferred to the Railway or its nominees who shall have the right to become members of the Board of Directors of the Operating Company.

The Terminal Company agreed to lease to "the Operating Company" the elevator and appurtenances for a period of ten years with the right of renewal for a further period of ten years.

Under agreement dated November 15, 1909 the Grand Trunk Pacific Terminal Elevator Company (Limited) leased to the Grand Trunk Pacific Elevator Company a parcel of land 17.33 acres together with the elevator thereon erected and other appurtenances or buildings for a period of ten years from August 1, 1910, with the right of renewal at a rental of six per cent of the actual cost to the Lessors, and all taxes, duties or assessments including Municipal taxes for local improvement assessed against the property.

Plans were laid and tenders called in 1908 for construction of a reinforced concrete grain elevator with a capacity of approximately 3,500,000 bushels, on the site of the Grand Trunk Pacific Railway Terminal at Fort William, Ontario. The Elevator was completed and placed in operation in 1910. In 1912 the structure was enlarged to 5,750,000 bushels capacity.

The Elevator was under lease from August 1, 1910 to July 31, 1955. The last lease provided for basic rental of \$100,000 per annum, plus taxes.

The investment cost at July 31, 1955 totalled \$2,305,770.

On April 1, 1955 the Directors authorized acceptance of the offer of National Grain Company (the tenants) to purchase the Elevator for the sum of \$3,000,000. The sale was consummated in 1955 resulting in recorded profit of \$694,230.

AMALGAMATION: On June 11, 1956, Canadian National Railway Company, Grand Trunk Pacific Terminal Elevator Company (Limited) and 16 other companies were amalgamated into one company under the name "Canadian National Railway Company."

LOCATION: The Elevator is located in Mission Yard at Fort William, Ontario.

CAPITAL STOCK: Prior to amalgamation on June 11, 1956:

Authorized:	50,000 shares - \$100	\$5,000,000
Issued:	5,010 shares - \$100	501,000

All owned by The Grand Trunk Pacific Railway Company and carried at \$1.

Upon amalgamation on June 11, 1956, in accordance with the terms of amalgamation agreement dated May 17, 1956, the capital stock was treated as cancelled.

FUNDED DEBT: As at June 11, 1956 - nil.

Grand Trunk Pacific Terminal Elevator Company (Limited), Fort William Terminal Elevator 5% First Mortgage Sterling Bonds issued under Trust Deed dated September 15, 1910, maturing August 1, 1940. Amount issued £383,200.00 or \$1,862,352. Mortgage discharged December 30, 1942.

GRAND TRUNK - PENNSYLVANIA TRANSPORTATION COMPANY

INCORPORATION: November 21, 1931 - Laws of State of Wisconsin

HISTORY: The Company was organized for the purpose of joint operation by the Great Western Railroad Company and the Pennsylvania Railroad Company of car ferries operating across Lake Michigan and Terminals at Muskegon and Milwaukee.

In August 1933 a joint application was filed with the Interstate Commerce Commission by the Pennsylvania Railroad Company and the Grand Trunk Western Railroad Company for authority to acquire control of the Grand Trunk - Pennsylvania Transportation Company. The Grand Trunk - Pennsylvania Transportation Company to purchase the Car Ferries now owned by the Grand Trunk Milwaukee Car Ferry Company and operate the car ferry service across Lake Michigan between Muskegon, Michigan and Milwaukee, Wisconsin.

The Pennsylvania Railroad Company will extend its lines by Car Ferries between these points, and trackage between Pennsylvania Junction and Muskegon over the Grand Trunk Western Lines and in Milwaukee.

CAPITAL STOCK:	Authorized and issued:	2000 shares at \$100	\$200,000
	Owned by Pennsylvania Railroad Company	1500 shares at \$100	150,000
	Owned by Grand Trunk Western Railroad Company	500 shares at \$100	50,000

DISSOLUTION: Dissolved in 1937.

GRAND TRUNK PENSION FUND

(January 1, 1908 to July 31, 1929)

HISTORY: Dominion Chapter 89, April 12, 1907, authorized establishment of a fund to be known as "Grand Trunk Pension Fund," to be managed and administered in accordance with rules and regulations adopted by the directors of The Grand Trunk Railway Company of Canada. The purpose of this fund was to provide for the payment of allowances to employees after leaving the service.

Members of The Grand Trunk Railway of Canada Superannuation and Provident Fund were not eligible to qualify for benefits under the rules pertaining to this Fund unless they exercised the privilege which was extended to them of withdrawing from that Fund.

Under Dominion Chapter 4, May 1, 1929, Chapter 89, April 12, 1907, was amended Section 5 of the previous Act which authorized establishment of the "Grand Trunk Pension Fund" was repealed, and in substitution therefor establishment of a fund to

be known as "Canadian National Railways Pension Fund" was authorized.

EMPLOYEE CONTRIBUTION:

Employees were not required to contribute to the Grand Trunk Pension Fund.

RAILWAY CONTRIBUTION:

The Grand Trunk Railway Company of Canada contributed an initial sum of \$194,666.67 (£40,000) when the Fund was established and contributed \$90,000 annually until June 1919, since which date the railway contributes the actual amount required to meet the current pension payments.

AMOUNT OF PENSION:

The amount of pension at the age of 65 years or over, payable during the lifetime of the pensioner, equalled 1% (for each year of service) of the best 10 consecutive years average earnings.

ADMINISTRATION:

This Fund, and Canadian National Railways Pension Fund established August 1, 1929, in substitution thereof, was administered by a Pension Committee, the members of which were from time to time appointed by the directors of The Grand Trunk Railway Company of Canada (later Canadian National Railway Company), until January 1, 1935, when the Pension Board set up under Canadian National Railways Pension Fund Rules and Regulations effective that date assumed administration.

As at December 31, 1956, 156 persons granted pensions under the rules pertaining to this Fund and Canadian National Railways Pension Fund which was in effect from August 1, 1929, to December 31, 1934, were still living and receiving pensions.

GRAND TRUNK RADIO COMMUNICATIONS, INCORPORATED

INCORPORATION:

Incorporated in the State of Michigan - July 5, 1949.
Capital Stock authorized, issued and held by System.
1,002 shares @ \$1.00 each \$1,002

HISTORY:

The operations of this Company are policed by the Federal Communications Commission, an agency of the Federal Government.

Under U.S. law no alien can be a stockholder, director, or officer of this corporation.

CAPITAL STOCK:

Authorized Capital	- \$1,002
Amount issued	- 1,002
Held by System	- 1,002

DIRECTORS:

F. B. Henderson
R. L. Livesay
H. A. Sanders

SHAREHOLDERS

334 shares
334 shares
334 shares
1,002 shares at \$1 each.

OFFICERS:

H. A. Sanders	President
---------------	-----------

R. L. Livesay	Vice-President
F. B. Henderson	Secretary
C. A. Dobbins	Comptroller and Treasurer
E. J. Denyar	Assistant Treasurer
E. L. Grunawalt	General Manager
C. J. Mullins	Assistant General Manager

THE GRAND TRUNK RAILWAY COMPANY OF CANADA

(included in "Canadian National Railway Company" from January 31, 1923)

INCLUDES:

<u>Acquired by amalgamation:</u>	<u>Acquired</u>
The Grand Junction Railroad Company	July 1, 1853
The Grand Trunk Railway Company of Canada East	July 1, 1853
The Quebec and Richmond Railroad Company	July 1, 1853
The St. Lawrence and Atlantic Railroad Company	July 1, 1853
The Toronto and Guelph Railway Company	July 1, 1853
London and Grand Trunk Junction Railway Company	October 1, 1857
The Great Western Railway Company	August 12, 1882
The Hamilton and North-Western Railway Company	February 24, 1888
The Northern Railway Company of Canada	February 24, 1888
The Northern and Pacific Junction Railway Company	May 10, 1892
The Beauharnois Junction Railway Company	April 1, 1893
The Brantford, Norfolk and Port Burwell Railway Company	April 1, 1893
The Cobourg, Blairton and Marmora Railway and Mining Company	April 1, 1893
The Galt and Guelph Railway Company	April 1, 1893
Grand Trunk, Georgian Bay and Lake Erie Railway Company	April 1, 1893
The Jacques Cartier Union Railway Company	April 1, 1893
The Lake Simcoe Junction Railway Company	April 1, 1893
The London, Huron and Bruce Railway Company	April 1, 1893
The Midland Railway of Canada	April 1, 1893
The Montreal and Champlain Junction Railway Company	April 1, 1893
The North Simcoe Railway Company	April 1, 1893
The Peterborough and Chemong Lake Railway Company	April 1, 1893
Waterloo Junction Railway Company	April 1, 1893
Wellington, Grey and Bruce Railway Company	April 1, 1893
Canada Atlantic Railway Company	July 29, 1914
<u>Acquired by purchase of Property:</u>	
Montreal and Champlain Railroad	June 14, 1872
The Welland Railway property	April 19, 1884
Preston and Berlin Railway property	November 14, 1865

INCORPORATED:

November 10, 1852 -	Province of Canada Act 16, Victoria, Chapter 37. The first meeting was held in the City of Quebec on Monday July 11, 1853 at which the Board of Directors were elected.
July 1, 1853 -	Province of Canada Act 18, Victoria, Chapter 33, December 18, 1854 - Amalgamation
August 12, 1882 -	No ratification by Act of Parliament - Amalgamation
February 24, 1888 -	Dominion Act 51, Victoria, Chapter 58, May 4, 1888 -

	Amalgamation
May 10, 1892 -	Dominion Act 55-56, Victoria, Chapter 39, May 10, 1892 -
	Amalgamation
April 1, 1893 -	Dominion Act 56, Victoria, Chapter 47, April 1, 1893 -
	Amalgamation
July 29, 1914 -	Dominion Act 4-5, George V, Chapter 89, May 27, 1914 -
	Amalgamation

DECLARATORY: The railway and its branches were declared to be works for the general advantage of Canada - Dominion Act 46, Victoria, Chapter 24, May 25, 1883.

HISTORY: Under Province of Canada Act 10, Victoria, Chapter 107, presented for Royal Assent June 9, 1846, Royal Assent October 30, 1846, Royal Assent signified by Proclamation December 26, 1846, "The Montreal and Kingston Railroad Company" was incorporated to build a railroad from Montreal to Kingston within four years. Apparently this proposal was not progressed and the powers under the charter lapsed.

Under Province of Canada Act 14-15, Victoria, Chapters 143 and 146 August 30, 1851, "The Montreal and Kingston Railway Company" and "The Kingston and Toronto Railway Company" were incorporated to build a railway from Montreal to Kingston and from Kingston to Toronto, respectively.

Under Province of Canada Act 16, Victoria, Chapter 37, November 10, 1852, "The Grand Trunk Railway Company of Canada" was incorporated to make a railway from Toronto through Port Hope, Cobourg, Belleville, Kingston, Brockville and Prescott to Montreal. Acts 14-15, Victoria, Chapter 39 of the same date repealed Act 16, Victoria, Chapters 143 and 146 of August 30, 1851 provided the Grand Trunk Railway Company of Canada repay the cost of surveys and preliminary organization expenses already incurred, which it did.

The organizers had in mind construction of a line of railway from Portland, Maine, through Montreal, Toronto and Sarnia to Detroit with the intention of eventually extending to Chicago.

At the time The Grand Trunk Railway Company of Canada was incorporated the Government of the Province of Canada, which then embraced both Upper Canada and Lower Canada (Confederation did not take place until 15 years later), was offering financial assistance to encourage railroad construction. Province of Canada Act 12, Victoria, Chapter 29, May 30, 1849, in its preamble, recited that in new and thinly peopled counties in which capital is scarce, Government assistance in the construction of railways is necessary. The Act provided that the Government guarantee the interest on loans to be raised by any Company chartered by the Province of Canada for the construction of a line of railway not less than seventy-five miles in length within the Province, under certain conditions. The amount of the guarantee was to be limited to the cost of the road, and the rate of interest was limited to 6% per annum.

The spirit of the times was well represented by the passage of another Act 14-15, Victoria, Chapter 73, August 30, 1851, in the preamble of which it was recited that it was of the highest importance to the progress and welfare of the Province that a Main Trunk Line of Railway should be made throughout the length of the Province, and from the Eastern Frontier thereof, through the Provinces of New Brunswick and Nova Scotia to the City and Port of Halifax, and that every effort should be made to ensure the construction of such a railway.

CONSTRUCTION: In addition to lines of railroad acquired by purchase or amalgamation The Grand Trunk Railway Company of Canada constructed the following lines, which were opened for

traffic as follows:

Point St. Charles	to Brockville	125.10 miles	November 19, 1885
Oshawa	to Toronto	33.00 miles	August 11, 1856
Brockville	to Oshawa	175.00 miles	October 27, 1856
Guelph	to Stratford	39.16 miles	November 17, 1856
Stratford	to St. Mary's Junction	10.41 miles	September 27, 1858
St. Mary's Junction	to Point Edward	69.89 miles	November 21, 1859
St. Hubert	to Point St. Charles	6.86 miles	December 16, 1859
Kingston Junction	to Kingston	2.15 miles	November 10, 1860
Victoriaville	to Des Ormeaux	35.72 miles	October 1, 1864
St. Lambert Junction	to South end S Curve	0.94 miles	October 1, 1866
Doon	to Galt	6.20 miles	October 1, 1873
Trenton Junction	to Trenton	0.50 miles	October 27, 1879
Sarnia Town	to Point Edward	1.11 miles	March 19, 1883
Lachine	to Dorval	3.14 miles	September 17, 1888
Atherley	to Connection	0.75 miles	December 31, 1888
Orillia	to Connection	0.16 miles	December 31, 1888
Stoney Creek	to Beach Junction	2.00 miles	December 1, 1890
Georgetown	to Division	1.50 miles	June 30, 1891
Blackwell	to Point Edward	6.09 miles	September 19, 1891
Glencoe	to Kingscourt	20.95 miles	December 13, 1892
Park Head	to Owen Sound	12.36 miles	December 31, 1894
Beeton	to Allimil	1.63 miles	December 31, 1901
Lynden Junction	to Alfrid	2.84 miles	August 10, 1903
Lynden Junction	to Wye	0.34 miles	August 10, 1903
Birch	to Tay	8.85 miles	December 31, 1911

ABANDONMENTS:

Blackwell	to Point Edward	4.25 miles	1891
Birch	to Tay	8.85 miles	1930
Souterville	to Kingscourt	3.08 miles	1931
Alvinston	to Souterville	6.77 miles	1937

Under Agreement dated April 12, 1853, effective July 1, 1853, and confirmed by Act 18, Victoria, Chapter 33, Province of Canada assented to December 18, 1854.

The St. Lawrence and Atlantic Railroad Company
The Quebec and Richmond Railway Company
The Toronto and Guelph Railway Company
The Grand Junction Railroad Company and
The Grand Trunk Railway Company of Canada East

were amalgamated with and under the name of the Grand Trunk Railway Company of Canada.

Under Agreement dated August 1, 1853 the property of the Atlantic and St. Lawrence Railroad was leased to the Trustees for the Grand Trunk Railway Company of Canada for 999 years from July 1, 1853. The Trustees having obtained the necessary authority, assigned the lease to the Grand Trunk Railway Company of Canada. The annual rental was equal to the interest on the funded debt and 6% on the Capital Stock. These agreements also provided for the issue of stock and bonds to The Grand Trunk Railway Company of Canada for amounts expended by it for construction. This lease was approved by the Legislature of Maine by an Act dated March 29, 1853 conditional on the

City of Portland being made a party thereto!

The take-over of The St. Lawrence and Atlantic Railroad Company and the lease of the Atlantic and St. Lawrence Railroad Company provided The Grand Railway Company of Canada (now Canadian National Railway Company) with its own route from the St. Lawrence River opposite Montreal to Portland, Maine, thus affording access to the Atlantic seaboard.

The London and Grand Trunk Railway Company was incorporated on June 19, 1856, under Act 19, Victoria, Chapter 75, Province of Canada to build a line from London to St. Mary's Junction, 20.86 miles with provision for a union with the Grand Trunk Railway Company. Under agreement dated October 1, 1857 the company amalgamated with the Grand Trunk Railway Company of Canada. The line was completed and opened for traffic on September 27, 1858.

On December 19, 1859 Victoria Bridge across the St. Lawrence River between Montreal and St. Lambert, which had been under construction since July 20, 1854, was opened for traffic.

Under Agreement dated July 5, 1860 and Lease dated October 11, 1860, and further to a Supplemental Lease dated April 1, 1863, The Chicago, Detroit and Canada Grand Trunk Junction Railroad (now forming part of Grand Trunk Western Railroad) extending from Fort Gratiot (Port Huron), Michigan, to Detroit, (60 miles) was leased to The Grand Trunk Railway Company of Canada for 999 years from July 1, 1859. The line was opened for traffic on November 21, 1859. Prior to September 19, 1891 when St. Clair Tunnel was completed, the traffic was moved across St. Clair River by ferry to and from Sarnia, Ontario, connecting with The Grand Trunk Railway Company of Canada.

Effective January 1, 1864, under Agreement of that date, confirmed by Province of Canada, Chapter 85, June 30, 1864, Montreal and Champlain Railroad was leased to The Grand Trunk Railway Company of Canada with the option of purchasing the property and capital stock of the Montreal and Champlain Railroad Company within five years for \$500,000. This arrangement secured a central station (Bonaventure) in Montreal for The Grand Trunk Railway Company of Canada. The option to purchase was extended to 10 years under Dominion Chapter 19, December 21, 1867.

Effective July 1, 1864 under Agreement dated July 7, 1864, Buffalo and Lake Huron Railway, which extended from Fort Erie to Goderich (161 miles), and reached Buffalo, New York by means of a ferry, was leased to The Grand Trunk Railway Company of Canada for a term of 21 years. The Buffalo and Lake Huron Railway intersected the Grand Trunk Main Line at Stratford, Ontario, and the agreement provided that the Buffalo and Lake Huron lay down a third rail from Stratford to Fort Erie, which was done in 1864, to provide a 4'-8½" gauge so that cars of U.S. lines of that gauge could pass over the line between these two points. This Agreement was terminated by The Grand Trunk Railway Company of Canada paying the Buffalo and Lake Huron Railway Company \$146,000 in cash and \$206,833 in Grand Trunk Equipment Mortgage Bonds No. 2 in full settlement of all claims up to July 1, 1869, after which a new lease in perpetuity was entered into dated February 2, 1870, and effective from July 1, 1869, at an annual rental of £42,500 or \$206,833.

In 1865 The Grand Trunk Railway Company of Canada added to its lines the Arthabaska - Three Rivers Branch (35.50 miles) extending from Victoriaville, Quebec to Doucets Landing, now Des Ormeaux.

Under Deed dated November 14, 1865, the former properties of the Preston and Berlin Railway Company extending from Berlin (Kitchener) to near Doon (6.90 miles) were acquired by The Grand Trunk Railway Company of Canada from Edward Irving Fergusson.

The International Bridge Company was incorporated on April 17, 1857, under

the laws of the State of New York on April 17, 1857, and Act 20, Victoria, Chapter 227, Province of Canada assented to August 27, 1857 to build a bridge across the Niagara River from Fort Erie, Ontario to Buffalo, New York. Under authority of Act 32-33, Victoria, Chapter 65, Dominion of Canada assented to June 22, 1869, the two companies were authorized to enter into a joint agreement for amalgamation and consolidation subject to approval by the shareholders of each corporation. The New York corporation was granted similar powers under New York Act, Chapter 550 passed May 4, 1869. An amalgamation agreement dated June 30, 1870, was entered into for the purpose of jointly constructing, maintaining and operating the bridge, and on May 18, 1870, the shareholders of both companies approved the agreement. Work was immediately started and the bridge was completed and opened for traffic on November 3, 1873.

Under Agreement dated February 2, 1870, between The Grand Trunk Railway Company of Canada and Buffalo and Lake Huron Railway Company, confirmed by shareholders and bondholders of the respective companies and by Dominion Act 33, Victoria, Chapter 49, May 12, 1870, the railway, property and rights of Buffalo and Lake Huron Railway Company were leased to The Grand Trunk Railway Company of Canada in perpetuity from July 1, 1869, at a maximum annual rental of (£70,000) \$340,666.67. Under the terms and conditions of this Agreement, subject to mortgages, debenture holders, and creditors of each of them, and to the annual rent charge thereon, the railway of the Buffalo and Lake Huron Railway Company was vested in The Grand Trunk Railway Company of Canada.

In 1870 the idea of all Grand Trunk Railway main line rail renewals being made with steel rails began in earnest. In that year 53 miles of track were renewed with English steel rails, and in the following year a further 56 miles of track were similarly renewed. Such renewals were continued in subsequent years.

In 1871 Motive Power Shops were constructed at Stratford, Ontario, and men and machinery formerly at Toronto and Brantford were transferred to these new works. A new Car Shop of 50-car capacity was built at Brantford in the same year for future construction of new freight cars as well as a large proportion of ordinary repairs.

In 1871, by permission obtained from the Dominion Government to construct a bridge across the Lachine Canal at Point St. Charles, and by Agreement with the City of Montreal, the line was extended from Point St. Charles across the Lachine Canal along Wellington and Brennan Streets to Montreal Harbour, a distance of about 12 miles, thus enabling ocean freight to be handled more expeditiously. Under Agreement of November 25, 1889 the original tracks laid on wharves were conveyed to the Harbour Commissioners, leaving $\frac{3}{4}$ of a mile from Point St. Charles to the foot of McGill Street, in railway ownership.

In May 1872 construction of a new Union Station building 430' x 130', including a covered shed for three tracks, designed to accommodate the several railways running to Toronto was commenced. This building was completed in June 1873.

By authority of Dominion Act 35, Victoria, Chapter 64, June 14, 1872, The Grand Trunk Railway Company of Canada purchased the entire lines, assets, rolling stock, franchises, shares and rights of the Montreal and Champlain Railroad Company. Amongst other assets this purchase included Bonaventure Station, Montreal, and the "Champlain and St. Lawrence Railroad" which was the first railroad built in Canada.

In November 1872 the line from Sarnia to Buffalo, via Stratford, and the London - St. Mary's Branch were changed from the 5'-6" gauge to the 4'-8½" gauge. The actual work was done in 18 hours.

At the end of 1872, the locomotive stock consisted of 310 broad (5'-6") gauge, and 51 standard (4'-8½") gauge, which incidentally up to that time used wood as fuel.

On October 3 and 4, 1873, the line from Stratford to Montreal, 421 miles,

together with 60 miles of sidings, was changed to the standard gauge. The track work was completed in 24 hours and occasioned but 16 hours interruption in the use of the main line.

In September 1874 the lines East of Montreal, 542 miles, were changed to the standard gauge of 4-8½".

The change in gauge necessitated the purchase of a large number of new locomotives. 150 new locomotives were purchased about 1872. Some of the old ones were converted and others were sold or broken up.

The fuel used in locomotives up to 1872 was wood but seasoned firewood began to get scarce and in the latter part of the winter of 1871-1872, the price of wood in Montreal advanced from \$8 to \$18 per cord. Because of the difficulty in obtaining seasoned firewood and the prospect of higher prices it was decided to commence laying in a stock of coal in 1872. Peat manufactured at St. Hubert, St. Brigide and near Aston (all points contiguous to the Grand Trunk Railway) was used to a limited extent in 1871 and for a few subsequent years.

In 1873 a new line (about 3½ miles) was built connecting the Buffalo and Lake Huron Railway with International Bridge which was opened for traffic on November 3, 1873, and the former line to the ferry was discontinued.

In October 1873 the line from near Doon to Galt (6 miles) was opened for traffic. This line was constructed by The Grand Trunk Railway Company of Canada pursuant to Agreement dated November 30, 1871 between The Grand Trunk Railway Company of Canada and the Town of Galt, legalized by Dominion Act 36, Victoria, Chapter 62, June 14, 1872.

Under Agreement dated March 25, 1874 the Lewiston and Auburn Railroad was leased to The Grand Trunk Railway Company of Canada for a term of 99 years from March 10, 1874 at an annual rental of \$15,000 for the first year and \$18,000 thereafter. The line from Lewiston Junction, Maine to Auburn, Maine, (5.43 miles), was opened for traffic on July 13, 1874.

Under authority of Dominion Act 37, Victoria, Chapter 65, May 26, 1874, The Grand Trunk Railway Company of Canada Superannuation and Provident Fund was established on October 1, 1874, for the payment of superannuation allowances to persons occupying salaried posts specified in the Act. Membership was voluntary for those in the service on the date the Fund was established and compulsory for those entering the service of The Grand Trunk Railway Company of Canada on or after that date. This Fund was the first formal pension plan on the North American Continent.

On March 9, 1875, fire destroyed the Company's General Offices at Point St. Charles, including many important documents. Temporary general office accommodation was secured in the former Jacques Cartier Hotel in Jacques Cartier Square until a new General Office building was built in Point St. Charles in April 1881.

In 1875 an additional new (iron) car Ferry "The Huron" was placed in service between Point Edward (Sarnia) and Fort Gratiot (Port Huron) to obviate the possibility of any serious interruptions in the ferry service.

On December 29, 1876, a strike of the engine drivers took place accompanied by violence on the part of the strikers. Some of the enginemen did not hesitate to disable the engines and beat the men, who, in some instances, had taken their places. The traffic was practically paralysed four days and four nights. The Dominion Government promptly introduced a Bill before the Legislature, which provided greater protection of the public interests in such circumstances.

From the year 1875, the through all-rail business of the Grand Trunk to and from the West was nearly all exchanged with the Michigan Central Railroad at Detroit Junction. It had practically no other connection of importance at the west end of its

system. After the gauge was changed and the Company was placed in a position to handle through traffic promptly and efficiently certain adverse interests began to pay particular attention to it and to give trouble.

On October 15, 1877, The Grand Trunk Railway Company of Canada purchased the capital stock of Michigan Air Line Railroad, which had constructed a line from Richmond, Michigan to Romeo, Michigan, a distance of 14.25 miles, and which was offered for sale and likely to fall into the hands of those who would use the line for competition against the Grand Trunk.

It was the intention to extend the line to Rochester, Pontiac and Jackson, Michigan, making a total distance of 105.92 miles. This extension was later constructed, being completed on January 1, 1884.

Under Deed of July 17, 1879, authorized by Dominion Chapter 11, May 15, 1879, The Grand Trunk Railway Company of Canada sold, and on August 13, 1879, transferred to the Government of Canada to form part of The Intercolonial Railway, its line from Hadlow, Quebec, via Chaudiere Junction to Riviere du Loup, 124.50 miles, for \$1,500,000, it being a condition of purchase that the Company should apply that sum towards the procuring of a line from Port Huron, Michigan to Chicago, Illinois, and that, the Company should have the right, in perpetuity and free of charge, to run its trains and engines between Chaudiere Junction and Hadlow. The purchase did not include the old iron rails and fastenings which the Government delivered to the Company and replaced with steel. The line sold comprised most of the line formerly owned by The Grand Trunk Railway Company of Canada East, and also 5.77 miles (from Hadlow to Chaudiere Curve) formerly part of The Quebec and Richmond Railroad.

Until 1878, the Grand Trunk Railway had depended on the Michigan Central Railway for the carrying of its traffic between Detroit and Chicago. In that year the Michigan Central Railway was acquired by New York Central interests. Thereafter most of the traffic to and from west of Detroit was routed via New York Central.

Report of the Directors for the half-year ended December 31, 1879 shows £440,459 expended on Western Lines (The Chicago and Grand Trunk Railway Company lines) which were opened for traffic from temporary stations in Chicago to Port Huron on February 8, 1880). The mileage operated by The Chicago and Grand Trunk Railway Company (335 miles) was not included in system mileage, and only the net income or loss was included in system accounts.

In his report to the Directors on October 14, 1880, Sir Henry W. Tyler stated the Chicago and Grand Trunk Railway was opened for traffic from temporary stations in Chicago to Port Huron on February 8, 1880.

Under Indenture dated May 1, 1880, Norway Branch Railroad was leased to The Grand Trunk Railway Company of Canada for a term of 99 years from January 1, 1880, at a nominal rental of \$1 per annum. The line from South Paris to Norway, Maine, (1.45 miles) was opened for traffic on December 30, 1879.

Under Agreement dated December 31, 1880, The Montreal and Champlain Junction Railway (22 miles between Ste. Martine and Brosseau, Quebec) was leased. Additional mileage from Brosseau to the international boundary near Fort Covington was constructed and opened for traffic in 1883, making a total of 62 miles.

The Grand Trunk, Georgian Bay and Lake Erie Railway Company was incorporated on March 4, 1881, under Ontario Act 44, Victoria, Chapter 69, by the amalgamation of the Port Dover and Lake Huron Railway Company, the Stratford and Huron Railway Company, and the Georgian Bay and Wellington Railway Company, which had 105 miles in operation from Port Dover to Harrison. An Agreement was entered into with Grand Trunk Railway Company for lease of the railway, which received the approval of the shareholders of the Grand Trunk Railway Company at the General

Meeting on April 28, 1881.

Under Agreement dated September 22, 1883 ratified by a Special General Meeting of the Shareholders on December 11, 1883, the Midland Railway of Canada was leased to the Grand Trunk Railway Company effective January 1, 1884. The Annual Report for year ending December 31, 1883 shows consolidated mileage 466.26 representing an aggregation of a number of individual railway companies having a separate corporate existence prior to amalgamation as the Midland Railway of Canada on April 1, 1882.

Effective August 12, 1882, under Agreement dated May 25, 1882, The Great Western Railway Company and The Grand Trunk Railway Company of Canada were amalgamated into one Company under the name The Grand Trunk Railway Company of Canada (no ratification by Act of Parliament). Upon amalgamation The Grand Trunk Railway Company of Canada became owner of all or the majority shares of capital stock of certain companies which The Great Western had controlled and operated, and which the Amalgamated Company continued to operate. This acquisition included the capital stock of Detroit, Grand Haven and Milwaukee Railway Company (189 miles between Detroit and Grand Haven, Michigan). Until 1923 this subsidiary railway company was treated as "Separately Operated Properties", but commencing January 1, 1923, the primary operating, income, and other accounts were included in Canadian National Railway System Report. The leases taken over included the following lines:

The Galt and Guelph Railway	11.20 miles
The Brantford, Norfolk and Port Burwell Railway	35.83 miles
The London, Huron and Bruce Railway	68.91 miles
Wellington, Grey and Bruce Railway	168.66 miles

In December 1882, The Grand Trunk Railway Company of Canada purchased control of North Shore Railway Company which had acquired the eastern section of Quebec, Montreal, Ottawa and Occidental Railway, i.e. the line from Quebec City to St. Martin's Junction north of Montreal, and branches. Report of the Directors for half-year ended June 30, 1884, shows \$170,000 (£34,931), paid for \$680,000 (£139,726) being a majority of the stock of the North Shore Railway Company. (The Central Vermont Railroad Company purchased the remaining stock). The line (219 miles) was operated on behalf of The Grand Trunk Railway Company of Canada under direction of William Wainwright, as General Manager until September 20, 1885, when The Grand Trunk Railway Company of Canada and Central Vermont Railroad Company sold their interests to the Dominion Government, and Wm. Van Horne, Vice-President of the Canadian Pacific Railway was deputed to take over the property and assume charge of the line from that date.

Effective January 1, 1884 the entire Midland Railway System, including the Lake Simcoe Junction Railway which was under lease to The Midland Railway of Canada, was leased to the Grand Trunk Railway Company of Canada. The System consisted of 473½ miles representing an aggregation of a number of individual railways having original corporate existence which were consolidated into one Company under the name The Midland Railway of Canada effective April 1, 1882. These railways occupied a triangular area between Georgian Bay, Belleville and Toronto. One of these lines was the Toronto and Nipissing Railway extending from Scarboro Junction to Coboconk, with a branch to Lake Simcoe. It had been built with a gauge of 3'-6" but was later changed to the standard gauge 4'-8 1/2".

By authority of Dominion Act 47, Victoria, Chapter 53, April 19, 1884, the property, franchises, rights and privileges of The Welland Railway Company were sold and transferred to The Grand Trunk Railway Company of Canada. The Stock of The Welland Railway Company was exchanged for Grand Trunk 4% Perpetual Consolidated Debenture Stock of the nominal amount of £166,952 (\$812,499), less £25,685 retained by

The Grand Trunk Railway Company of Canada to be applied against any valid claim of The Welland Railway Company for additions to or improvements previously made by The Great Western Railway Company, on the terms and conditions contained in the above mentioned Act. The Act declared all existing bonds, debenture stocks and ordinary stock of The Welland Railway Company to be null and void. This agreement was approved by the shareholders and bondholders of the Grand Trunk Railway Company on October 25, 1883, and by the shareholders and bondholders of The Welland Railway Company on November 30, 1883. Under Act 47, Chapter 53, Dominion of Canada assented to April 19, 1884, the transfer was authorized.

In 1884, partly by accepting securities in settlement of a long-standing debt of Central Vermont Railroad Company in the amount of \$573,876, and partly by purchase of capital stock as authorized by the shareholders on October 25, 1883, The Grand Trunk Railway Company of Canada acquired control of Central Vermont Railway System (574 miles) capital stock and securities as follows:

Consolidated Railroad of Vermont

Common stock	\$400,000	(£82,192)
6% Preferred stock	202,000	(£41,507)
First Mortgage 5% Bonds		(£142,577)

Central Vermont Railroad Company

Common Stock	\$500,000	(£102,740)
--------------	-----------	------------

By Agreement dated July 22, 1885, between the Central Vermont Railroad Company and The Grand Trunk Railway Company of Canada the Central Vermont Railroad Company undertook to transfer to the latter Company 4570 shares of Central Vermont Railroad Company capital stock thereby securing to The Grand Trunk Railway Company of Canada one-half interest in the Central Vermont Railroad Company. The transfer did not involve any cash consideration, but was in consideration of The Grand Trunk Railway Company of Canada undertaking to foster and promote the development of traffic between the respective lines.

In the latter part of 1886 construction of a new passenger station in Montreal, the third to be known as "Bonaventure Station" was commenced. The first "Bonaventure Station" was of wooden construction, built in 1847 by the Montreal and Lachine Railroad.

The second was built in 1864. This new and larger brick building was opened for business in October 1888. It was rebuilt after a fire in 1916 and served as a passenger terminal until the opening of Central Station in July 1943.

In 1887 double tracking of the line between Montreal and Toronto was commenced in stages. This work was completed in 1903.

Effective February 24, 1888, under Deed of Union dated January 24, 1888, The Hamilton and North-Western Railway Company, The Northern Railway Company of Canada and The Grand Trunk Railway Company of Canada were amalgamated into one Company under the latter name. Dominion Act 51, Victoria, Chapter 58, May 4, 1888, enacted that it no longer be necessary to keep separate accounts for the first two companies mentioned. An important advantage of this amalgamation to The Grand Trunk Railway Company of Canada was derived from the use of the extensive terminal facilities of the Northern Railway in the City of Toronto.

Under this Consolidation the following Railways were merged with The Grand Trunk Railway Company:

NORTHERN RAILWAY COMPANY OF CANADA

The Toronto, Simcoe and Lake Huron Union Railway Company

	<u>Miles</u>	<u>Miles</u>	<u>Miles</u>
Toronto to Collingwood	93.83		

Lefroy to Belle Ewart	1.38	95.11	
The Northern Railway Company of Canada Allandale to Barrie	1.20	1.20	96.41
The Toronto, Simcoe and Muskoka Junction Railway Company Barrie to Muskoka Wharf		49.03	
The Northern and Pacific Junction Railway Company - Lease Gravenhurst to Nipissing Junction			111.20
The North Grey Railway Company Collingwood to Meaford			20.18
The North Simcoe Railway Company - Lease Caldwell to Penetang			33.65
The Flos Tramway Company Elmvale to Hillsdale			<u>8.25</u>
Northern Railway Company of Canada			318.72

HAMILTON AND NORTH WESTERN RAILWAY COMPANY

The Hamilton and Lake Erie Railway Company Hamilton to Port Dover			40.38
The Hamilton and North Western Railway Company Hamilton to Barrie		99.04	
Beeton to Collingwood	39.03	<u>138.07</u>	
Hamilton and North-Western Railway Company		178.45	
Northern Railway Company of Canada			318.72
Hamilton and North-Western Railway Company			<u>178.45</u>
TOTAL		497.17	

Upon the above mentioned amalgamation The Grand Trunk Railway Company of Canada took over leases to the Joint Executive Committee which had been operating The Hamilton and North-Western and The Northern Railways, respecting the following lines:

	<u>Miles</u>
Northern and Pacific Junction Railway	111.20
North Simcoe Railway	33.56

Under Agreement dated September 27, 1888, The Beauharnois Junction Railway - from Ste. Martine to Beauharnois, 19 miles, - was leased to The Grand Trunk Railway Company of Canada for a term of 21 years from January 1, 1889.

Under Agreements dated October 31, 1883, and September 27, 1888, The United States and Canada Railroad - from the Montreal and Champlain Junction Railway at International Boundary near Fort Covington, New York, to Massena Springs, New York, 22.18 miles - was leased to The Grand Trunk Railway Company of Canada for a term of 99 years from November 1, 1883.

In Canada, the Grand Trunk Railway pursued a policy of purchasing practically all competing lines, and by 1888, had succeeded in acquiring all important lines in the Province of Ontario, with the exception of those held by the Canadian Pacific Railway Company, and the Canada Atlantic Railway Company.

Effective November 1, 1890, under Agreement dated October 2, 1890, between Cincinnati, Saginaw and Mackinaw Railroad Company, The Grand Trunk Railway Company of Canada, The Chicago and Grand Trunk Railway Company, and A. W. Wright, W. R. Burt and C. W. Wells, (owners of the capital stock of the first named Company) and subsequent Agreement of the same date between The Grand Trunk Railway Company of Canada and The Chicago and Grand Trunk Railway Company, the latter Company took over operation of Cincinnati, Saginaw and Mackinaw Railroad - from Durand to Oa-at-ka Beach, Michigan, about 53 miles - and continued operation until December 31, 1900, when The Grand Trunk Railway Company of Canada took over the line under lease dated December 28, 1900 from January 1, 1901.

On September 19, 1891, St. Clair Tunnel was opened for traffic permitting the former ferry service across St. Clair River to be discontinued.

Effective December 1, 1891, under Agreement dated November 25, 1890, between The Grand Trunk Railway Company of Canada and Waterloo Junction Railway Company, the Waterloo Junction Railway - from Waterloo to Elmira, 10 miles - was leased to The Grand Trunk Railway Company of Canada for a term of 39 years from date of completion of construction, November 27, 1891.

Under Agreement dated December 29, 1891, the shareholders of the Canadian Express Company sold their holdings of Capital Stock amounting to \$1,500,000 and other assets to The Grand Trunk Railway Company of Canada at forty-four cents on the dollar in consideration of \$660,000 paid to the Trustees for the bondholders. Operation of the Company was taken over on January 1, 1892. Since then the Company has issued further Capital Stock amounting to \$268,000 for the acquisition of other facilities and assets bringing the total issue of Capital Stock to \$2,268,000.

Effective May 10, 1892, under Dominion Act 55-56, Victoria, Chapter 39, May 10, 1892. The Northern and Pacific Junction Railway Company and The Grand Trunk Railway Company of Canada were amalgamated into one company under the latter name.

Under Agreement dated June 1, 1892, between The Grand Trunk Railway Company of Canada and Osler, Hammond and Hendrie who had a controlling interest in The Toronto Belt Line Railway Company, The Grand Trunk Railway Company of Canada undertook to take over the Belt Line property under a 40-year lease at an annual rental of \$18,500, and to complete construction for \$10,000. The Grand Trunk Railway also agreed to purchase \$462,500 of bonds for \$444,000 and \$11,619.98 accrued interest, \$26,000 of capital stock representing a controlling interest being transferred to it at the same time without cash consideration. The sections of line totalling 13 miles were constructed and opened for traffic in 1892.

On July 26, 1892, a Tripartite Agreement was made between The Grand Trunk Railway Company of Canada, the City of Toronto and the Canadian Pacific Railway Company for the construction and joint use by the two railways of an improved station and extended yard accommodation at Toronto. The existing station and facilities were the property of The Grand Trunk Railway Company of Canada which was to provide the necessary capital for improvements, while the Canadian Pacific Railway was to pay as rental interest on one-half of the capital expenditure. The new station on Front Street, additional train shed and remodelled track layout, was completed early in 1896.

Under Agreement dated October 1, 1892 the following Companies were amalgamated with and under the name of The Grand Trunk Railway Company of Canada:

- The Jacques Cartier Union Railway Company
- The Montreal and Champlain Junction Railway Company
- The Beauharnois Junction Railway Company
- The Midland Railway of Canada
- The Peterborough and Chemong Lake Railway Company

The Lake Simcoe Junction Railway Company
The Grand Trunk, Georgian Bay and Lake Erie Railway Company
The London, Huron and Bruce Railway Company
The Galt and Guelph Railway Company
The Brantford, Norfolk and Port Burwell Railway Company
The Wellington Grey and Bruce Railway Company
The Waterloo Junction Railway Company
The North Simcoe Railway Company
The Cobourg, Blairton and Marmora Railway and Mining Company

This amalgamation Agreement was confirmed by Act 46, Victoria, Chapter 47 Dominion of Canada, assented to April 1, 1893 and effective from that date.

On January 1, 1896, Charles M. Hays, who had been Vice-President and General Manager of the Wabash Railroad, assumed the position of General Manager of The Grand Trunk Railway Company of Canada replacing L. J. Seargeant who resigned and was subsequently appointed to the Board of Directors of the Company in London. Mr. Hays subsequently introduced various changes of an important character in the organization of the staff, standards, and general administration, and establishment of operating divisions and districts, etc., to secure greater efficiency.

For the protection of the interest of The Grand Trunk Railway Company of Canada both as a creditor of Central Vermont Railroad Company, and also on account of the Grand Trunk's valuable traffic relations with the Central Vermont it was found necessary to apply to the Courts for a Receivership of Central Vermont Railroad Company, and on March 20, 1896, by Decree of United States Circuit Court, District of Vermont, Charles M. Hays and E. L. Smith, then President of Central Vermont Railroad Company, were appointed Joint Receivers of Central Vermont Railroad Company, and continued as such until April 20, 1899, the property having been sold under foreclosure to Central Vermont Railway Company.

Under Agreement dated January 1, 1896 The Grand Trunk Railway Company leased to the St. Lawrence and Adirondock Railway Company the line between Beauharnois and Valleyfield, a distance of 13.80 miles for a period of 99 years at an annual rental of \$7,000 per year, The Grand Trunk Railway Company reserving certain rights to local traffic, and the right of running a train daily in both directions without charge. In August 1896 these concessions were renounced and the rental was increased to \$10,000 per annum.

On September 24, 1897 the new double track steel arch bridge, which The Niagara Falls Suspension Bridge Company and Niagara Falls International Bridge Company began constructing on April 9, 1896, near Niagara Falls to replace the old single track suspension bridge was completed and formally opened by appropriate ceremonies. Construction was completed without interruption of traffic. Under Agreement dated March 30, 1896, the use of the upper floor of the new structure was leased to The Grand Trunk Railway Company of Canada in perpetuity, and with the exception of provision for increased rental to \$80,000 per annum all the conditions of the former agreement between the two Bridge Companies and The Great Western Railway Company respecting lease of the former bridge remained unchanged.

By Agreement dated January 24, 1898 between The Grand Trunk Railway Company of Canada and The Wabash Railroad Company the latter Company was granted joint use of the line between Windsor, Ontario, and Black Rock, New York via Glencoe, St. Thomas, Welland Junction, Fort Erie, and over International Bridge (228½ miles), and between Welland Junction via Allanburg Junction and Niagara Falls, Ontario, to Suspension Bridges New York, 17½ miles, or a total distance of 246 miles, as well as joint use of the ferry-boats between Windsor and Detroit. The Agreement covered a term

of 21 years from end of Federal Control February 29, 1920, and renewal March 1, 1941.

Federal Control of Railroads covered the period from January 1, 1918, to February 29, 1920, when the railroads and steamships were returned to their corporations, under Title II, Section 200, of the Transportation Act 1920.

Effective March 1, 1898, by Agreement dated February 1, 1898, and Supplementary Agreement dated September 1, 1899, between The Grand Trunk Railway Company of Canada and the Crown, confirmed by Dominion Act 62-63, Victoria, Chapter 5, on August 11, 1899, The Intercolonial Railway was granted the use of the Grand Trunk Railway line between Ste. Rosalie and Montreal (36 miles), including Victoria Bridge: also Chaudiere Bridge and connections near Levis and between Point St. Charles and Bonaventure Station and C.P.R. via Jacques Cartier Junction together with the terminals at Bonaventure Station, St. Henri and Point St. Charles, for a term of 99 years from March 1, 1898, at an annual rental of \$140,000 plus wheelage proportion of maintenance, with the right of renewal of lease for a second term of 99 years, and so on forever.

On December 12, 1900 Charles M. Hays resigned from the position of General Manager, which he had held since January 1, 1896, to accept the Presidency of the Southern Pacific System, and George B. Reeve formerly General Traffic Manager, who had returned to the Company at the request of the Board of Directors, was appointed to succeed Mr. Hays effective December 12, 1900, with the title of Second Vice President and General Manager. Mr. Reeve retired at the end of 1901 and was succeeded by Mr. Hays who resumed the Management with the same title as that held by Mr. Reeve.

Under Agreement dated November 22, 1900 between the Grand Trunk Western Railway Company and The Grand Trunk Railway Company of Canada all the shares of capital stock of the Grand Trunk Western Railway Company were transferred to The Grand Trunk Railway Company of Canada in consideration of the latter Company guaranteeing the coupons and interest payments on proposed issue of \$15,000,000 4% First Mortgage Bonds dated November 30, 1900, and maturing July 1, 1950, secured by Trust Deed, and agreeing to certain other conditions as set forth in the Agreement.

Effective January 1, 1901, under Agreement dated December 28, 1900, between Cincinnati, Saginaw and Mackinaw Railroad Company, The Grand Trunk Railway Company of Canada, The Chicago and Grand Trunk Railway Company, and Wellington R. Burt, A. W. Wright, George H. Russell, Albert M. Marshall and T. H. Marshall (owners of the capital stock of the first named company) the lease effective November 1, 1890 was terminated, and the entire property of the first named company was leased to The Grand Trunk Railway Company of Canada for a term of 99 years from January 1, 1901 at an annual rental of \$43,225. The bondholders agreed to surrender the bonds held for cancellation and requested discharge of the existing mortgage. The Grand Trunk Railway Company agreed to surrender all stock of Cincinnati, Saginaw and Mackinaw Railroad Company held by it (8,250 shares). Upon surrender of bonds held each bondholder was to receive certificates of stock of Cincinnati, Saginaw and Mackinaw Railroad Company in such percentage of the total stock of that Company at their present holding of bonds is to the total issue of bonds then outstanding. The Grand Trunk Railway Company of Canada held bonds to the value of \$32,000, and the total issue then outstanding was \$1,729,000.

GRAND TRUNK PACIFIC RAILWAY

Upon the appointment of Charles M. Hays as Second Vice-President and General Manager, and his resuming the management of The Grand Trunk Railway Company of Canada in January 1902, Mr. Hays believed it was of great importance, if not vital to the future prospects and development of the Grand Trunk property, that it should extend its

lines into the Canadian North-West to secure its share of the immense traffic destined to originate there, as well as shipments of manufactures and merchandise from the East. While construction of the Canadian Pacific opened the way to the Pacific, generally speaking it passed through the southern portions of the Western Provinces leaving large undeveloped areas to the north not served by transportation facilities.

The original proposal was for construction of a line from the terminus of the Grand Trunk Railway at North Bay, Ontario, passing either north or south of Lake Nipigon, thence to Winnipeg and the Pacific Ocean.

The project was approved by the President and Board of Directors in London, England, following which, the Dominion Government was approached as to the expediency of the plan and the aid that would be given in its prosecution. In the memorial submitted it was stated that the Railway would be called the Grand Trunk Pacific and that the Directors would be prepared to exchange traffic with the Government-owned "Intercolonial Railway" at Montreal. The Government at that time however, desired that a second transcontinental line should be built, crossing the St. Lawrence River at Quebec, and passing through that City.

A Bill authorizing construction of the Railway was introduced into the Dominion Parliament. When the Bill came before the Railway Committee of the House it contained a proposed agreement with the Government, and developed considerable opposition. Many meetings were held before any substantial headway was made. Maritime Provinces Members of the House insisted that the terminus should not be either North Bay or Montreal, or even Quebec, but that it should be at some point in the Maritime Provinces. The opposition to North Bay or Montreal as a terminus, for fear, as it was then expressed, that ocean traffic might be diverted from such points by way of Portland, Maine, in the United States, instead of moving via the Canadian Ports of Saint John or Halifax, was so strong that the Government insisted that the Bill be amended to include construction of a line from Winnipeg via Quebec, to Moncton, N.B. Moncton was named as a compromise for the reason that both Saint John and Halifax could be reached from Moncton by The Intercolonial Railway. The Bill, after amendment, Act 3, Edward VII, Chapter 71, known as The National Transcontinental Railway Act, which was passed on October 24, 1903, and amended by Act 4, Edward VII, Chapter 24 assented to July 18, 1904.

The construction authorized by the Act was not as originally planned by Mr. Hays, and the amendment was practically forced upon the project if it was to receive financial aid from the Dominion Government. The Act also placed The Grand Trunk Pacific Railway Company under agreement with the Government for the construction and operation of a railway from Moncton to the Pacific Ocean wholly within Canadian Territory.

Inasmuch as The Grand Trunk Pacific Railway Company was obliged to accede to the demands of the Government respecting the construction of the line east of Winnipeg it thereby became necessary, in order to avoid duplication of unprofitable mileage, to abandon its original plan for extension of the Grand Trunk Railway from North Bay to Winnipeg. This left the Grand Trunk Railway with no connection between its terminus at North Bay and the Eastern Division of the National Transcontinental Railway, a distance of about 250 miles. Train service was subsequently operated over the then Temiskaming and Northern Ontario Railway (owned and operated by the Government of the Province of Ontario) from the Grand Trunk Railway at North Bay to the National Transcontinental Railway at Cochrane.

In order to establish an early connection between North-West Canada and the Lake Ports of the Grand Trunk Railway on Georgian Bay, the Grand Trunk Pacific surveyed and constructed a line known as the Lake Superior Branch, from Superior Junction, 258 miles east of Winnipeg on the National Transcontinental Railway to Fort

William (188.27 miles), connection with which was made by Lake Steamers operated in the interests of the Grand Trunk Railway. Funds for construction were provided by the issue of The Grand Trunk Pacific Railway Company bonds guaranteed by The Grand Trunk Railway Company of Canada. The Province of Ontario also granted a subsidy at the rate of \$2,000 and 3,375 acres of land per mile. Under indenture dated June 29, 1915 this Branch was leased to the Dominion Government for a term of 999 years from May 1, 1915 at an annual rental of \$600,000, and in conjunction with the National Transcontinental Railway line from Winnipeg to Moncton was operated as part of "Canadian Government Railways."

The cost of the line from Moncton to Winnipeg was so much in excess of the estimated figures that the Grand Trunk Pacific found it impossible to assume its operation. The line was finally operated by the Dominion Government as part of "Canadian Government Railways." The lines of the Grand Trunk Railway and those of its subsidiary the Grand Trunk Pacific Railway remained separated by a distance of approximately 800 miles from North Bay to Winnipeg.

Under Agreement dated July 29, 1903 between the Minister of Railways and Canals, and Sir Charles Rivers Wilson and others acting on behalf of The Grand Trunk Pacific Railway Company then about to be incorporated, as modified by Agreement dated February 18, 1904 confirmed by Dominion Chapter 24 July 18, 1904, provision was made for construction and operation of a through line of railway wholly upon Canadian territory from Moncton, New Brunswick to the Pacific Ocean. The line was to comprise two Divisions. The Eastern Division from Moncton to Winnipeg was to be constructed by, and at the expense of, the Dominion Government. The Western Division from Winnipeg to the Pacific Ocean was to be constructed and operated by The Grand Trunk Pacific Railway Company which would also take a lease of the Eastern Division. The Government undertook to guarantee certain bonds to be issued, and in consideration of the guarantee by The Grand Trunk Railway Company of Canada of certain other bonds to be issued, all the common stock of The Grand Trunk Pacific Railway Company was to be taken and held by The Grand Trunk Railway Company of Canada which was to control the policy of The Grand Trunk Pacific Railway Company. For further history see "The Grand Trunk Pacific Railway Company" and "National Transcontinental Railway."

In 1902 a Bill was introduced into the Dominion Parliament, under the auspices of The Grand Trunk Railway Company of Canada, for the incorporation of a Company with powers to construct the railway to the Pacific Ocean, to be operated in connection and under traffic arrangements with The Grand Trunk Railway Company of Canada.

Under Dominion Act 3, Edward VII, Chapter 122, October 24, 1903, The Grand Trunk Pacific Railway Company was incorporated.

The new General Office building on McGill Street, Montreal was completed and the Staff was moved from the old building at Point St. Charles in June 1902.

Under Agreement dated August 15, 1904 with Mr. J. R. Booth, The Grand Trunk Railway Company of Canada acquired control of Canada Atlantic Railway Company (including its subsidiaries, Canada Atlantic Transit Company, Canada Atlantic Transit Company of U.S. and Vermont and Province Line Railroad Company). The properties as well as its leased lines, Central Counties Railway, Vermont and Province Line Railroad and Pembroke Southern Railway, a total of approximately 467 miles, were taken over on October 1, 1905. The Canada Atlantic Railway Company was formed in May 1879, by amalgamation of Coteau and Province Line Railway and Bridge Company and Montreal and City of Ottawa Junction Railway Company, and by 1896 had extended its line of railway from its connection with the Central Vermont Railway at Swanton,

Vermont, to Depot Harbour on Georgian Bay. The line was designed with the intention that it would become a through grain route from Georgian Bay to the Atlantic Seaboard at New London, Connecticut.

In 1905 arrangements were made between The Grand Trunk Railway Company of Canada and the Buffalo, Rochester and Pittsburg Railroad to provide a steam ferry on Lake Ontario to ply between Charlotte (Port of Rochester) New York and Cobourg, Ontario, particularly for the movement of coal which the Buffalo, Rochester and Pittsburg Railroad handled in large quantities from the extensive mining districts located on their line in Western Pennsylvania, to points in Canada. This project resulted in incorporation of The Ontario Car Ferry Company, Limited on November 30, 1905, which was owned one-half each by the two Railway Companies.

In March 1906 The Grand Trunk Railway Company of Canada purchased the majority shares of capital stock of Montreal and Southern Counties Railway Company. Construction of this electric line south of the St. Lawrence River was commenced in 1908. Operation over Victoria Bridge into Montreal commenced on November 3, 1909.

On April 27, 1907, The Ottawa Terminals Railway Company was incorporated under Dominion of Canada Act 6-7, Edward VII, Chapter 117, to construct, maintain and operate a Central Union Passenger Section with such buildings, tracks and facilities as may be necessary for the efficient and economic handling of the Passenger and Freight traffic. Under the powers granted by this the Central and Union Stations and the Chateau Laurier Hotel were constructed and opened for traffic at 7:00 a.m. on June 1, 1912. A new wing to the Hotel was added in March 1929.

Upon the retirement of Sir Charles Rivers Wilson as President on January 7, 1910, the Board of Directors believed that it was in the interests of the Company and due to Mr. Charles M. Hays, the Second Vice President and General Manager, that he, as their Chief Executive Officer in Canada, should have the same rank as is accorded to the similar office on other railways, and they gave him the title of President. This is the first time the President was a resident of Canada since the retirement on October 31, 1862, of Honourable John Ross, the Company's first President. Under By-Law No. 29 an additional office of the Company was created under the title "Chairman of the Board," to which Mr. Alfred W. Smithers (later Sir Alfred) was appointed. In order to carry out the arrangement Mr. Hays was elected a Director of the Company.

In the printed half-yearly report ended June 30, 1909, operating expenses were reflected in accordance with the classification adopted by the Board of Railway Commissioners for Canada. The practice of reporting amounts in Sterling only in these reports was continued until the end of 1919.

On April 15, 1912, Mr. Charles M. Hays, President of the Grand Trunk and Grand Trunk Pacific Railway Companies lost his life through the sinking of the S.S. Titanic following collision with an iceberg in mid-Atlantic. Mr. Edson J. Chamberlin, who was Vice-President and General Manager of The Grand Trunk Pacific Railway Company since his appointment to that position in 1908, was elected on May 24, 1912, to succeed Mr. Hays as a Director and President of both companies. Mr. Chamberlin retired as President effective September 1, 1917, but remained a Director.

Effective July 1, 1914, under Deed dated February 9, 1914, ratified and confirmed by Dominion Act 4-5, George V., Chapter 89, May 27, 1914, Canada Atlantic Railway Company and The Grand Trunk Railway Company of Canada were amalgamated into one company under the latter name. The Agreement was ratified by the shareholders of The Grand Trunk Railway Company of Canada on April 29, 1914, and by the shareholders of Canada Atlantic Railway Company on July 29, 1914, which latter date, under the terms of the Act and the Agreement became the date of Union.

Surveys for location of The Grand Trunk Pacific Railway main line were

commenced in 1903, and construction work was in progress from 1905 until April 7, 1914 when the main line which had been under construction eastward from Prince Rupert, and westward from Winnipeg, was joined up at the Nechako River Crossing, 375 miles east of Prince Rupert, and 1371 miles west of Winnipeg, thus providing a continuous track from Winnipeg to Prince Rupert on the Pacific Coast. In the early autumn of 1914 a bi-weekly service of trains was established between Winnipeg, Edmonton and Prince Rupert. Prior to formal opening of the line a mixed freight and passenger service was operated over sections from Winnipeg westward, as completed, for the accommodation of settlers and farmers. Regular freight and passenger train service was established between Winnipeg and Wainwright, Alberta, on September 21, 1908 and on July 3, 1910 this service was extended through to Edmonton, a total distance of 800 miles. During construction the contractors were faced with difficulty in obtaining labour. In this connection it may be of interest to note that the Report of the Directors for the half-year ended June 30, 1910 mentioned that the contractors were at least 5,000 men short of their requirements and were making every effort to obtain labour, offering as much as \$3 per day, and making every possible arrangement for the comfort of the men.

The Grand Trunk Pacific Railway was considered as operated under construction until the end of 1915 and all interest up to that date on outstanding securities was charged to Capital Account.

Effective September 1, 1917 Howard G. Kelley, then Vice-President, assumed the office of President, succeeding Edson J. Chamberlin who retired on that date.

Effective August 1, 1918, all Grand Trunk Railway System lines in the United States, were, under an Act of Congress dated March 21, 1918, taken over for operation and control by the United States Railroad Administration. These lines continued under the control of that United States Government Agency until February 29, 1920, when the lines were returned to their owners.

Acquisition of capital stock and Property by Dominion Government May 15, 1920.

Up to the late eighteen-nineties The Grand Trunk Railway Company of Canada had a varying financial success, and at that time, due to large expenditures on capital account, the prospects of the Company became considerably brighter and the Company entered the period of its greatest prosperity.

The building of the Grand Trunk Pacific Railway which had been decided upon in 1902 proved to be a much greater task than originally contemplated and the Grand Trunk Railway was required to support the project to a much greater extent financially than at first anticipated. By 1916 cash advances amounting to \$26,000,000 had been made to The Grand Trunk Pacific Railway Company and Grand Trunk Pacific securities had been guaranteed in an amount of \$97,300,000.

During the period 1898 to 1916 the annual net income of The Grand Trunk Railway Company of Canada was sufficient to pay dividends, but in 1916 increasing demands of the Grand Trunk Pacific, and increasing cost of operation due to increased wage rates and increased price of material brought about by war conditions, forced the Grand Trunk Railway to appeal to the Dominion Government for assistance to meet its obligations arising from their guarantees respecting the Grand Trunk Pacific.

In 1916 demands were also being made upon the Government by the Canadian Northern Railway, and in order that the government should have accurate information, a Commission was appointed to investigate the complete Canadian railway situation.

The Commission was composed of three members, namely, Alfred H. Smith, President of the New York Central Railroad, Sir Henry L. Drayton, Chairman, Board of Railway Commissioners of Canada, and W. M. Acworth of London, England, who was appointed in place of Sir George Paish, who was originally appointed by the Government

but was unable to serve on account of ill health. After a comprehensive survey this Commission submitted a majority report (known as the Drayton - Acworth Report) which was laid on the table of the House of Commons on May 2, 1917. While the Commissioners were in agreement as to the necessity for constructive aid to bring the railways through the existing crisis they were unable to agree unanimously in their recommendations for a solution of the difficulties. Mr. Smith made a minority report, recommending among other things that the Government should continue to extend its aid to the railways as required until they should be self-supporting. Briefly, the majority report recommended that the Government acquire complete control of The Grand Trunk Railway Company of Canada, The Grand Trunk Pacific Railway Company and The Canadian Northern Railway Company, and that these together with Canadian Government Railways be operated as one system in the Public interest.

Upon consideration of the report by the Government, announcement was made in the House of Commons on August 1, 1917 by the Minister of Finance that with respect to the Canadian Northern Railway further Government aid should not be granted so long as it was privately owned and controlled, and it was therefore proposed that the Government should acquire the \$60,000,000 of capital stock of that Company that was then privately owned, which, with the \$40,000,000 of capital stock already owned by the Government, would give complete ownership and control.

In Appropriation Act No. 4, 7-8, George V, Chapter 41, Vote 41, 1917, assented to on September 20, 1917, a loan of \$7,500,000 to The Grand Trunk Pacific Railway Company repayable on demand and secured by mortgage, was authorized; to be used to meet expenditures in paying interest on securities, deficit in operation, and for betterments and the purchase of rolling stock during the year ended March 31, 1918. The mortgage dated October 16, 1917, was executed and deposited in the office of the Secretary of State.

By Appropriation Act No. 2, 8-9, George V, Chapter 52, 1918, assented to on May 24, 1918, a similar loan was authorized on the same terms and for the same purposes during the year ended March 31, 1919.

By January 1918 the affairs of both the Grand Trunk and Grand Trunk Pacific Railways were such as to make it necessary for the Government to decide whether to continue financial assistance or to acquire the properties. Following consideration of the Drayton - Acworth report and also on account of The Grand Trunk Railway Company's demands on the Dominion Government for assistance, negotiations looking to the acquisition of the Grand Trunk Railway by the Government were opened. These negotiations were of a protracted nature and extended from early in 1918 to March 1920.

In the meantime the Grand Trunk Railway was itself unable to give further assistance to its subsidiary, the Grand Trunk Pacific, and on March 4, 1919, the Vice President of The Grand Trunk Pacific Railway Company informed the Minister of Finance that it would not be possible for the Company to continue its operations when the present funds were exhausted, which would be about March 10, 1919. Consequently by Dominion Order in Council P.C. 517 dated March 7, 1919 and P.C. 547 dated March 13, 1919 correcting an omission in P.C. 517, the Minister of Railways and Canals was appointed Receiver to take possession and operate the Grand Trunk Pacific Railway System on and after March 10, 1919. This Receivership was terminated on May 31, 1927.

The negotiations for acquisition of the Grand Trunk Railway System were concluded by Agreement dated March 8, 1920, between the Minister of Railways and Canals (acting under authority of Dominion Act 10, George V, Chapter 17, November 10, 1919 and Dominion Order in Council 2504, December 31, 1919) and The Grand Trunk Railway Company of Canada (authorized by Resolution of the shareholders and debenture

stockholders passed at meeting held at London, England, on February 19, 1920).

The Agreement provided among other things for:

1. Acquisition by the Government of the entire capital stock of The Grand Trunk Railway Company of Canada, except the 4% guaranteed stock amounting to £12,500,000 (\$60,833,333.33).

The Capital Stock to be acquired was as follows:

5% First Preference Stock	£3,420,000	\$16,644,000.00
5% Second Preference Stock	2,530,000	12,312,666.67
4% Third Preference Stock	<u>7,168,055</u>	<u>34,884,535.43</u>
Total Preference Stock	13,118,055	63,841,202.10
Common Stock	<u>23,955,437</u>	<u>116,563,053.40</u>
	£37,073,492	\$180,404,255.50

Note: By majority award of Board of Arbitrators dated September 7, 1921 the above listed stocks were declared to have no value. Dominion Order in Council P.C. 114 dated January 19, 1923 vested the stock in the Minister of Finance in trust for the Crown, in accordance with Clause 13 of the agreement.

2. Guarantee by the Dominion Government of payment of:
 - (a) Dividends at 4% per annum on perpetual Guaranteed Stock outstanding in the amount of \$60,833,333.
 - (b) Interest upon perpetual Debenture Stocks outstanding as follows:

5% Grand Trunk perpetual Debenture Stock	£ 4,270,375	\$20,782,491.67
5% Great Western perpetual Debenture Stock	2,723,080	13,252,322.67
4% Grand Trunk perpetual Debenture Stock	24,624,455	119,839,014.33
4% Northern Railway perpetual Debenture Stock	<u>308,215</u>	<u>1,499,979.67</u>
	£31,926,125	\$155,373,808.34

3. The right to call in or redeem guaranteed stock at par any time after 5 years.
4. Appointment of a Committee of Management of the Grand Trunk System, consisting of five members, two to be appointed by the Grand Trunk, two by the Government, and the fifth by the four so appointed. The functions of the Committee were to commence upon ratification of the Agreement and continue until the preference and common stocks were transferred to or vested in the Government, for the purpose of ensuring the operation of the Grand Trunk System in harmony with the then Canadian National Railways, the two systems being treated, in the public interest, as nearly as possible as one system.

Note: On May 15, 1920 the railway appointed Frank Scott and W. D. Robb, and the Government (by P.C. 1089) appointed C. A. Hayes and S. J. Hungerford, and the four members mentioned appointed Howard G. Kelley as the fifth Member of the Committee. The Committee became effective on May 21, 1920, and ceased to function on January 19, 1923, when the whole of the voting capital stock (preference stock and common stock), was vested in the Crown.

5. Cessation of voting powers by shareholders of guaranteed stock and debenture stocks upon appointment of the Committee of Management and deposit of guarantees of the Dominion Government with the High Commissioner for Canada in London, England.
6. Upon the preference and common stock being vested in the Government or its nominees, the Directors of The Grand Trunk Railway Company of Canada to vacate their offices as Directors, to be succeeded by nominees of the Government.
7. The value, if any, to the holders thereof of the preference and common stock to be determined by arbitration by a Board of three Arbitrators, one to be appointed by the Government, one by the Grand Trunk and the third to be Sir Walter

Cassels, Judge of the Exchequer Court of Canada, in the capacity of Chairman. The Grand Trunk appointed Honourable William Howard Taft, and the Government appointed Right Honourable Sir Thomas White, K.C.M.G.

8. Continuation of existence and administration of The Grand Trunk Superannuation Fund, and continuation of the rules and regulations of the Grand Trunk Pension system and the Grand Trunk Insurance and Provident Society until a general pension scheme and a general insurance scheme, respectively is adopted and made effective to all employees of Canadian Government-owned or controlled railways.

Under Agreement dated May 13, 1921, ratified by shareholders of The Grand Trunk Railway Company of Canada on May 12, 1921, the Agreement of March 8, 1920 was amended whereby provision was made for resignation of Directors of The Grand Trunk Railway Company of Canada and appointment by the Government of a new Board of Directors, and termination of the Committee of Management which had been functioning since May 21, 1920. The Agreement also established the Head Office in Canada, and provided for the appointment of a Grand Trunk Shareholders' Committee to act for the shareholders in the matter of the Arbitration proceedings.

Under Dominion Order in Council P.C. 1677, May 18, 1921, the Government appointed a new Board of Directors as under:

Sir Joseph W. Flavelle, Barrister	Chairman of the Board
J. N. Dupuis, Esquire	Montreal, Quebec
Howard G. Kelley, Esquire	Montreal, Quebec
A. J. Mitchell, Esquire	Toronto, Ontario
E. L. Newcombe, Esquire, K.C.	Ottawa, Ontario

The Grand Trunk Directors resigned on May 28, 1921.

Under Dominion Order in Council 1701, August 14, 1922, the resignation of Howard G. Kelley as President and Director of the Grand Trunk Railway Company of Canada was accepted. Following this action William D. Robb, then Vice President in charge of Operation, was appointed to the newly created position of Vice President and General Manager on August 17, 1922.

Under Dominion Order in Council 2095, October 4, 1922, a new Board of Directors was appointed as under:

Sir Henry Worth Thornton, K.B.E.	Montreal, Quebec
Major Graham A. Bell, C.M.G.	Ottawa, Ontario
John N. Sinclair, Esquire, K.C.	New Glasgow, Nova Scotia
Richard P. Gough, Esquire	Toronto, Ontario
James Stewart, Esquire	Winnipeg, Manitoba
Ernest R. Decary, Esquire	Montreal, Quebec
Frederick G. Dawson, Esquire	Prince Rupert, British Columbia
Tom Moore, Esquire	Ottawa, Ontario
Gerard Ruel, Esquire, K.C.	Montreal, Quebec

Note: On the same date the above named persons were also appointed Directors of Canadian National Railway Company, and of The Canadian Northern Railway Company.

After protracted hearings of evidence extending from the autumn of 1920 to June 1921 the Board of Arbitrators submitted a majority award on September 7, 1921, assented to by Sir Walter Cassels and Sir Thomas White. The majority award was to the effect that the first, second and third preference and common stock of The Grand Trunk Railway Company of Canada had no value. Honourable William Howard Taft dissented from this and submitted a report in which he stated that, in his opinion, the value of these stocks was not

less than \$48,000,000.

The Grand Trunk Railway appealed to the Privy Council from the majority award and after hearing before the Privy Council the appeal was dismissed on November 10, 1922.

Under Dominion Order-In-Council P.C. 114 dated January 19, 1923 the whole of the voting capital stock of The Grand Trunk Railway Company of Canada, being the first, second and third preference stock, and the ordinary or common stock of The Grand Trunk Railway Company of Canada, to the aggregate value of £37,073,492 was vested in the Minister of Finance, in trust for His Majesty the King in the right of the Dominion of Canada. Entries in the stock register and other books in accordance therewith were authorized.

As a result of the arbitration award and transfer of the preference and ordinary stocks legal action was taken by the previous stockholders, but the action, sometimes referred to as the Lovibond Case, was finally dismissed in 1939.

Note: All of the 4% guaranteed stock amounting to \$60,833,333.33, and the perpetual debenture stock totalling \$155,373,808.34 with respect to which the Dominion Government guaranteed payment of dividends and interest respectively, remained outstanding until 1940.

Under an Order dated October 26, 1940, made by His Majesty's Treasury of the United Kingdom such portion of the 4% Grand Trunk Railway perpetual debenture stock as was held by residents in the United Kingdom was transferred to the U.K. Treasury at a price of £103.17.4 per \$100 stock surrendered plus £0.7.1 interest to November 26, 1940.

The vesting order was made on the condition that the Canadian National Railway Company would purchase the stock from the Treasury at the vesting price. Under Dominion Order in Council P.C. 6002 dated October 25, 1940 the Company was authorized to purchase the securities, and the Minister of Finance was authorized to make loans to Canadian National Railway Company at 3½% per annum, for the purpose. Under date of December 14, 1940 an offer was made by the Company to acquire from residents in Canada their holdings of this stock at the same price or the equivalent in Canadian Funds.

The arrangements made between the Government of Canada and the United Kingdom under which Canada gave financial assistance to the Government of the United Kingdom to enable it to purchase war supplies in Canada provided, among other things, for the repatriation of Canadian National Railway securities.

On January 26, 1942 the Treasury of the U.K. issued a vesting order naming as the price to be paid for the securities the market price at the close of business on that date.

Under Dominion Order in Council P.C. 2484, March 28, 1942 the Company was authorized to repurchase from the Dominion, at the vesting price, the railway securities purchased by the Dominion from the U.K. Treasury. Under authority of Dominion Order in Council 8858, September 3, 1942 the Company also purchased from the Dominion other Canadian National Railway securities which had been acquired by the U.K. Treasury prior to the vesting order of January 26, 1942.

Under Dominion Orders in Council 2886, April 11, 1942, and 7197, August 14, 1942, provision was made whereby holders not subject to the vesting order of Canadian National Railway securities listed in the vesting order might surrender their holdings for redemption at the vesting order price.

Under Dominion Orders in Council P.C. 2484, March 28, 1942, and P.C. 9773, October 27, 1942, all of the Grand Trunk 4% guaranteed stock outstanding and not vested in the Treasury of the U.K. was called for redemption at par on November 1, 1942. At the end of 1942 only \$487 of this stock remained outstanding.

Loans for purchase of these securities were made to Canadian National Railway Company by the Government, bearing interest at $3\frac{1}{2}$ per annum, repayable on demand and secured by promissory notes and by the securities so purchased.

As a direct result of the United Kingdom vesting orders and the above mentioned financial arrangements it was possible to redeem all of the 4% guaranteed stock and most of the perpetual debenture stock. At the close of accounts for the year 1955 less than \$118,000 of the latter remained outstanding.

See Balance Sheet at May 31, 1920 on following page.