

GRAND TRUNK WESTERN RAILROAD COMPANY
(wholly owned subsidiary of Canadian National Railway Company
from November 1, 1928).

INCORPORATED: November 1, 1928 - Michigan: Section 8263 compiled laws of 1915 as amended by Act 366, P.A. 1927.

November 1, 1928 - Indiana: Acts of 1853, Page 105, as amended by Acts of 1897, Page 283, and Acts of 1893, Page 181, being Section 13192 and 13198 of Burns Annotated Indiana Statutes of 1926.

(Formed by consolidation of ten companies listed below).

HEAD OFFICE: Detroit, Michigan.

HISTORY: Pursuant to consolidation agreement dated May 9, 1928, between Grand Trunk Western Railway Company and nine other railway companies mentioned below (approved by Order of the Michigan Public Utilities Commission dated June 11, 1928 and a copy of agreement having been filed on November 1, 1928, with the Secretary of State for Michigan and Indiana respectively) "Grand Trunk Western Railroad Company" was formed by consolidation of the ten companies listed as under:

	<u>Capital Stock</u>
Bay City Terminal Railway Company	\$ 15,000
The Chicago, Detroit & Canada Grand Trunk Junction Railroad Company.....	1,095,000
Detroit, Grand Haven and Milwaukee Railway Company	1,500,000
Grand Rapids Terminal Railroad Company.....	50,000
Grand Trunk Western Railway Company	6,000,000
The Michigan Air Line Railway	300,000
Toledo, Saginaw & Muskegon Railway Company	<u>1,600,000</u>
Owned by Canadian National Railway Company.....	\$10,560,000
The Chicago & Kalamazoo Terminal Railroad Company	\$ 100,000
The Detroit and Huron Railway Company.....	148,000
The Pontiac, Oxford and Northern Railroad Company	<u>1,000,000</u>
Owned by Grand Trunk Western Railway Company	\$1,248,000

The consolidated company acquired all the assets, and assumed all the liabilities of the former companies. The consolidation was effected to attain more efficient and economical operation and to place the finances on a sound basis independent as far as possible of the parent Company, Canadian National Railway Company.

Interstate Commerce Commission Order of November 8, 1929 (Finance Docket 7320) approved the consolidation; and operation by Grand Trunk Western Railroad Company of the lines of railway formerly owned and/or operated by its constituent companies or by Canadian National Railway Company in the States of Michigan, Indiana, Illinois and Wisconsin, including that part of the railroad from Pavilion to Kalamazoo, Michigan, operated under lease from Chicago, Kalamazoo and Saginaw Railway Company and the car ferries across Lake Michigan. The Order also authorized acquisition by Grand Trunk Western Railroad Company of control of Cincinnati, Saginaw & Mackinaw Railroad Company by lease, and ownership of one-half of the capital stock

of the Detroit & Toledo Shore Line Railroad Company.

Under the terms of agreement of October 17, 1929, the capital stock of the former companies totalling \$10,560,000 owned by Canadian National Railway Company was exchanged for 422,400 shares of Grand Trunk Western Railroad Company common stock of non-par value, upon each of which shares the consolidated agreement placed a value of \$25.

The funded indebtedness of the former companies and of Grand Trunk-Milwaukee Car Ferry Company (which was a wholly owned subsidiary of one of the former companies, i.e. Detroit, Grand Haven and Milwaukee Railway Company) amounted to \$44,647,891.62 as at December 31, 1927. Of this amount securities totalling \$13,052,016 were in the hands of the Public and securities totalling \$31,595,875.62 were owned by Canadian National Railway Company. The funded debt in the hands of the Public was assumed by Grand Trunk Western Railroad Company, but not refinanced. The securities owned by Canadian National Railway Company were surrendered (and cancelled) in exchange for Grand Trunk Western Railroad Company securities as mentioned below.

Capital Advances (non-negotiable indebtedness) to former companies by Canadian National Railway Company amounted to \$23,115,167.60: and similar Capital Advances as to leased lines (The Chicago, Detroit and Canada Grand Trunk Junction Railroad and The Michigan Air Line Railway) included in the consolidation, and Cincinnati, Saginaw and Mackinaw Railroad amounted to \$2,774,092.16 - a total of \$25,889,259.76 as at December 31, 1927.

The consolidation agreement, provided among other things for the purchase by Grand Trunk Western Railroad Company from Canadian National Railway Company of Detroit Terminal Railroad Company capital stock of a par value of \$1,000,000, Chicago, New York & Boston Refrigerator Company capital stock of a par value of \$1,129,400, and The Grand Trunk Junction Railway Company capital stock which had a fair value of \$2,540,000 represented by \$1,000,000 par value capital stock of Chicago & Western Indiana Railroad Company, \$240,000 par value capital stock of The Belt Railway Company of Chicago, and vendors interest in agreement by Atchison, Topeka and Santa Fe Railway Company to pay \$1,300,000 for conveyance of land known as State Street Block in Chicago, also Chicago & Western Indiana Railroad Company Bonds - par value \$406,000 - cost and fair value \$397,900.

Capital Stock and Securities owned, and Capital Advances made by Canadian National Railway Company as under:

Capital stock of constituent companies held by	
Canadian National Railway Company	\$10, 560,000.00
Funded debt securities held by Canadian National Railway Company	31,595,875.62
Capital advances by Canadian National	
Railway Company to December 31, 1927	23,115,167.60
Capital advances re leased Lines by Canadian National	
Railway Company, December 31, 1927	2,774,092.16
Detroit Terminal Railroad Company capital stock (par value)	1,000,000.00
Chicago, New York & Boston Refrigerator Company	
capital stock (par value).....	1,129,400.00
The Grand Trunk Junction Railway Company	
capital stock (fair value)	2,540,000.00
Chicago & Western Indiana Railroad Company Bonds	
(cost and fair value)	397,900.00
Working capital advanced to Grand Trunk Western	

Railroad Company	<u>5,000,000.00</u>
	\$78,112,435.38
Less amount paid by Grand Trunk Western Railroad Company in cash.....	<u>984.00</u>
	\$78,111,451.38

were, pursuant to agreement dated October 17, 1929, between Grand Trunk Western Railroad Company and Canadian National Railway Company, exchanged for the following stock and securities of Grand Trunk Western Railroad Company:

552,639.9024 shares of common stock of non-par value, upon which shares the consolidation agreement placed a value of \$25 each	\$13,815,997.56
223,484.5382 shares of \$100 each of 6% cumulative preferred stock	22,348,453.82
4½% First and General Mortgage Gold Bonds Series "A"	31,947,000.00
5% Gold Debentures Series "A"	<u>10,000,000.00</u>
Amount authorized by I.C.C. Order, November 8, 1929	\$78,111,451.38

Cash advances by Canadian National Railway Company to constituent corporations of the Grand Trunk Western Railroad Company (other than the three leased lines referred to above) to cover deficits in operation or arrears in bond interest amounting to \$16,879,053.73 were settled and the indebtedness liquidated by Canadian National Railway Company accepting all the net income or surplus of the several constituent corporations, and of Grand Trunk Western Railroad Company and of Chicago, New York and Boston Refrigerator Company for the year ended December 31, 1929.

Under agreement of November 15, 1928 and supplemental agreement of October 17, 1929, the lease of The Chicago, Detroit and Grand Trunk Junction Railroad to Canadian National Railway Company was terminated. Under another agreement of November 15, 1928, the "implied" lease of The Michigan Air Line Railway to Canadian National Railway Company was also terminated. Under agreement of November 15, 1928, the lease of the Cincinnati, Saginaw and Mackinaw Railroad dated December 28, 1900, was assigned to Grand Trunk Western Railroad Company effective January 1, 1929. In consideration of termination of the first two leases mentioned and assignment of the last mentioned lease, and in liquidation of advances previously made by Canadian National Railway Company for capital expenditure on the leased lines in the amount of \$2,425,846.87, \$293,801.97 and \$54,443.32, respectively, totalling \$2,774,092.16, Grand Trunk Western Railroad Company issued to Canadian National Railway Company 6% cumulative preferred stock of a par value of \$2,774,092.16.

80,482.4600 additional shares of Grand Trunk Western Railroad common stock of a declared value of \$2,012,061.50 and 26,515.4618 additional shares of cumulative-preferred stock of par value of \$2,651,546.18 were issued to Canadian National Railway Company in 1930 in liquidation of non-negotiable indebtedness incurred in the year 1928, by constituent companies.

166,877.6376 additional shares of Grand Trunk Western Railroad Company common stock (stated value \$4,171,940.94) were issued to Canadian National Railway Company in 1930 for financing capital expenditures of Grand Trunk Western Railroad Company in the year 1929.

As provided under the consolidation agreement, Grand Trunk - Milwaukee Car Ferry Company, a wholly owned subsidiary of Detroit, Grand Haven and Milwaukee Railway Company (Grand Trunk Western Railroad Company), sold and assigned all its property and assets to Grand Trunk Western Railroad Company as of January 1, 1929. The property was merged into the latter railway and pledged under Grand Trunk Western

Railroad Company First and General Mortgage dated January 1, 1930. By supplemental indenture dated December 1, 1932, other property was substituted under the mortgage lien. Under an amendment of the United States Merchant Marine Act in 1930 which required 75% ownership of vessels by citizens of the United States, Grand Trunk Western Railroad Company (as a wholly owned subsidiary of Canadian National Railway Company) could not qualify to obtain registration of the Car Ferries, or to mortgage transfer or sell any vessel registered under the laws of the United States to any person not a citizen of the United States. This difficulty was surmounted by successful efforts to have the legislation amended to a degree, under date of April 11, 1935, and by Grand Trunk Western Railroad Company conveying and quit-claiming all its rights, title, claim and interest in and to the four car ferries, by quit-claim deed executed December 31, 1935.

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.

Effective January 1, 1943, the entire property rights and franchises of Cincinnati, Saginaw and Mackinaw Railroad Company were sold to, and merged into Grand Trunk Western Railroad Company upon payment of \$763,880 (the cost of the stock to Canadian National Railway Company), which sum was advanced to Cincinnati, Saginaw and Mackinaw by Canadian National Railway Company on open account, and bearing interest at 5%, as authorized by Interstate Commerce Commission Order of January 21, 1944, Finance Docket 14341.

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.

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.

Effective December 31, 1954, the properties and franchises (except the franchise to be a corporation) of Muskegon Railway and Navigation Company were merged into Grand Trunk Western Railroad Company as authorized by Interstate Commerce Commission Order of August 23, 1955, Finance Docket No. 18793 in consideration of the payment by Grand Trunk Western Railroad Company of the sum of \$655,498.20 to the Muskegon Railway and Navigation Company, the proceeds to be applied first in full

payment of all indebtedness of the Muskegon Company, any balance in value or kind remaining after such payment to be distributed in complete liquidation and redemption of all capital stock of the Muskegon Company.

Capital Stock and Securities authorized by Interstate Commerce Commission

Order dated November 8, 1929 (Finance Docket 7320) re consolidation:

Common Stock - 552,639.9024 shares	\$13,815,997.56
Preferred Stock - 223,484.5382 shares	22,348,453.82
Debentures.....	10,000,000.00
Bonds.....	<u>31,947,000.00</u>
	\$78,111,451.38
Bonds held by Public - to be assumed	13,052,016.00

Authorized May 3, 1930 (Finance Docket 8118):

To liquidate non-negotiable indebtedness to Canadian National Railway Company - 1928

Common Stock - 80,482.4600 shares.....	2,012,061.50
Preferred Stock - 26,515.4618 shares	2,651,546.18

To cover financing by Canadian National Railway Company of Grand Trunk Western Railroad Company capital expenditures - year 1929

Common Stock - 166,877.6376 shares.....	<u>4,171,940.94</u>
Total authorized	\$99,999,016.00

TRANSPORTATION PROPERTY INVESTMENT:

As at December 31, 1955:

Road	\$ 94,994,438
Equipment.....	29,173,684
General	4,250,483
Leased property (improvements)	680,183
Acquisition adjustment	(801,789)
Donations and grants	<u>(1,609,129)</u>
Total	\$126,687,870

ACCRUED DEPRECIATION:

As at December 31, 1955:

Road	\$ 6,114,210	
Equipment	<u>13,756,369</u>	\$19,870,579

INVESTMENT IN AFFILIATED COMPANIES:

As at December 31, 1955:

	Stock (Book Value)	% Owned	Bonds	Advances
Consolidated Land Corporation	64,000	100	\$242,800	
Grand Trunk-Milwaukee Car Ferry Company	1	100		\$1,897,605
Industrial Land Company	1,000	100	1,182,000	
The Belt Railway Company of Chicago	240,000	7.69		40,679
Chicago & Western Indiana Railroad Company	1,000,000	20		4,617,587
The Detroit & Toledo Shore Line Railroad				

Company	1,500,000	50		
Detroit Terminal Railroad				
Company	1,000,000	50		
Grand Trunk Radio Communications,				
Incorporated				28,000
The Toledo Terminal Railroad				
Company	387,200	9.68		
	\$4,192,201		\$1,424,800	\$6,583,871

JOINT OWNERSHIP:

The Belt Railway Company of Chicago

Capital Stock outstanding.....	\$3,120,000
Owned in equal proportion (7.69% or \$240,000 each) by the following:	
Atchison, Topeka and Santa Fe Railway Company	
The Chesapeake and Ohio Railway Company	
The Chesapeake and Ohio Railway Company (Pere Marquette District)	
Chicago and Eastern Illinois Railroad Company	
Chicago, Burlington and Quincy Railroad Company	
Chicago, Indianapolis and Louisville Railway Company	
Chicago, Rock Island and Pacific Railroad Company	
Erie Railroad Company	
Grand Trunk Western Railroad Company	
Illinois Central Railroad Company	
The Pennsylvania Railroad Company	
Wabash Railroad Company	
Wisconsin Central Railway Company	

Chicago and Western Indiana Railroad Company

Capital Stock outstanding.....	\$5,000,000
Chicago and Eastern Illinois Railway Company	20%
Chicago, Indianapolis & Louisville Railway Company	20%
Erie Railroad Company	20%
Grand Trunk Western Railroad Company	20%
Wabash Railroad Company	20%

The Detroit & Toledo Shore Line Railroad Company

Capital Stock outstanding.....	\$3,000,000
Grand Trunk Western Railroad Company	50%
New York, Chicago and St. Louis Railroad Company	50%

Detroit Terminal Railroad Company

Capital Stock outstanding.....	\$2,000,000
Grand Trunk Western Railroad Company	50%
Michigan Central Railroad Company	25%
New York Central Railroad Company	25%

The Toledo Terminal Railroad Company

Capital Stock outstanding.....	\$4,000,000
Baltimore & Ohio Railroad Company	16.12%
The Chesapeake & Ohio Railway Company	9.68%
The Chesapeake & Ohio Railway Company	

(Pere Marquette District)	16.12%
Grand Trunk Western Railroad Company	9.68%
Michigan Central Railroad Company	9.68%
New York Central Railroad Company	9.68%
New York, Chicago & St. Louis Railroad Company	9.68%
The Pennsylvania Railroad Company	9.68%
Toledo & Ohio Central Railroad Company	<u>9.68%</u>
	100%

LEASED PROPERTY:

Vogel property - Milwaukee.

Under lease dated April 22, 1907 (effective May 1, 1907) Grand Trunk - Milwaukee Car Ferry Company leased from Fred and Louise Vogel (now Elmwood Company of Wisconsin) certain land and dock property at Milwaukee, Wisconsin for a term of 99 years ending May 1, 2006. On April 9, 1920 the Vogels assigned the balance of the term of the lease to the Elmwood Company of Wisconsin. On April 23, 1930, Grand Trunk - Milwaukee Car Ferry Company assigned its interest in the lease to Grand Trunk Western Railroad Company as from May 6, 1930. Rental is based on 4% of the value of the premises as determined by arbitration at the beginning of each 10 year period. The rental for the ten years to May 1, 1957 was fixed at \$19,000 per annum.

The lease provides that at expiry date Grand Trunk Western Railroad Company will give up peaceably the premises and any and all buildings, structures, and fixtures of every sort, in, on or about the premises.

Expenditures for improvements totalling \$611,488 have been made to December 31, 1955, and this amount is carried in "Account 702, Improvements on leased property" as authorized by Interstate Commerce Commission in letter of November 17, 1936 (file G.450-53).

LOCATION:

Owned Lines

	Approx. <u>Road Miles</u>
Port Huron to Chicago	327.76
Detroit to Grand Haven & Muskegon, Michigan.....	197.08
West Detroit to Fort Gratiot, Michigan	55.65
Muskegon to Muskegon Heights	4.30
Durand to Bay City, Michigan.....	51.47
Pontiac to Caseville, Michigan.....	96.64
Richmond to Jackson, Michigan.....	106.05
Ashley to Greenville, and in Muskegon.....	41.48
Kalamazoo Terminal	<u>.89</u>
Total Owned.....	881.32

Operated Lines owned Jointly, 50% by Grand Trunk Western Railroad Company & 50% by:

Ann Arbor Railroad in Durand, Michigan	.17
Chicago, Kalamazoo & Saginaw Railway - In Pavilion, Michigan	<u>.15</u>
Total jointly owned	.32

Leased Lines

Chicago, Kalamazoo & Saginaw Railway - Pavilion to Kalamazoo, Michigan	9.35
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Trackage rights

Chicago & Western Indiana Railroad - In Chicago	4.85
New York Central Railroad - In South Bend	1.43
Pennsylvania Railroad - Walker - Muskegon	29.14
Chesapeake & Ohio Railroad - In Muskegon Heights	1.26
Various - Meredith Street Junction - Mershon	1.57
Ann Arbor Railroad - Owosso Junction - Ashley	20.47
Chicago, Kalamazoo & Saginaw Railway - In Kalamazoo	<u>1.03</u>
Total Trackage rights	59.75

CAPITAL STOCK:

Authorized:

1,500,000 shares of common stock - NPV
375,000 shares of 6% cumulative preferred stock par value \$100.....\$37,500,000

Issued:

800,000 shares of common stock - NPV (book value).....20,000,000
250,000 shares of preferred stock - par value \$100 per share.....25,000,000

Capital Stock is wholly owned by Canadian National Railway Company
Certificates C.7, C.10 and C.52 for 552,633.9024 shares, 166,877.6376 shares and 80,474.4600 shares, respectively, of common stock, and certificates P.1 and P.2 for 223,484.5382 shares and 26,515.4618 shares respectively, of preferred stock, in the name of Canadian National Railway Company, and 14 certificates covering 14 shares of common stock in the names of directors (endorsed in blank) are all held in Royal Trust Company vaults in Montreal - unpledged.

FUNDED DEBT:

Outstanding as at December 31, 1955

4½% First & General Mortgage Bonds Series "A" dated January 1, 1930, and maturing January 1, 1980, owned and held by Canadian National Railway Company, of which \$400,000 is held in Insurance Investment Fund\$31,947,000
Balance of 4¼% Mortgage in the amount of \$520,031 on Transportation Building, Detroit, dated September 15, 1950, maturing September 15, 1970 160,131

NON-NEGOTIABLE DEBT TO AFFILIATED COMPANIES:

Advances by Canadian National Railway Company Note 1 (5%) dated February 28, 1951 and maturing on demand.....\$4,895,000
Amount of 4% First Mortgage Bonds dated November 30, 1900, due July 1, 1950, held by Public at consolidation on November 1, 1928 - Canadian National Railway Company acquired and now hold the bonds with the exception of £800 outstanding in the hands of the Public as at December 31, 1955, and this amount is now a liability of Grand Trunk Western Railroad Company to Canadian National Railway Company 10,964,416
Amount of 5% Gold Debentures Series "A" dated January 1, 1930, and matured January 1, 1955 but unpaid 10,000,000
Advances on Open Account at 5% interest.....35,630,015
Advances on Open Account by:
Consolidated Land Corporation.....231,727
Industrial Land Company473,127
\$62,194,285

CONTINGENT LIABILITIES:

Pursuant to Joint Supplemental Lease dated May 1, 1952 between Grand Trunk Western

Railroad Company and four other proprietary companies, and Chicago and Western Indiana Railroad Company, the five proprietary companies are obligated jointly and severally to pay as rental sinking fund payment sufficient to retire Chicago & Western Indiana Railroad Company bonds at maturity, and interest as it falls due. The bonds are 4³/₈% First Collateral (30 year) Trust Mortgage Bonds due May 1, 1982, and the amount outstanding at December 31, 1955 is \$60,355,000. In the absence of default of any of the other tenant companies the Grand Trunk Western Railroad Company's proportion is one-fifth.

Grand Trunk Western Railroad Company and seven other companies have given in proportion to stock ownership (several and not joint) guarantee as to payment of interest only in respect of The Toledo Terminal Railroad Company \$6,000,000 First Mortgage 4½ - 50 year Gold Bonds due November 1, 1957. Grand Trunk Western Railroad Company's proportion is 9.68%.

Grand Trunk Western Railroad Company and New York, Chicago & St. Louis Railroad Company have Jointly and severally guaranteed principal, interest and sinking fund payments of \$30,000 per year in respect The Detroit and Toledo Shore Line Railroad Company's \$3,000,000 First Mortgage - Series "A", 3¼%, 30 year Bonds due December 1, 1982. Grand Trunk Western Railroad Company owns 50% of the capital stock of The Detroit and Toledo Shore Line Railroad Company.

GRAND TRUNK WESTERN RAILWAY COMPANY

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

ORGANIZED:

November 22, 1900 - By amalgamation - Under the laws of the States of Michigan and Indiana.

HISTORY:

Port Huron to Flint section

On January 30, 1847 The Port Huron and Lake Michigan Railroad Company was incorporated by special Act of the Michigan Legislature to construct a railroad from Port Huron to some point on Lake Michigan at or near the mouth of the Grand River. The road was built from Port Huron to Flint, a distance of 65.74 miles, and opened for traffic as follows:

Port Huron	to Lapeer	45.80 miles	June 8, 1871
Lapeer	to Flint	<u>19.94 miles</u>	December 12, 1871
		65.74 miles	

February 12, 1855 - The Port Huron and Milwaukee Railway Company was incorporated under an Act of the Michigan Legislature to construct a railroad from Grand Rapids to Flint and thence to Port Huron.

June 26, 1862 - Eben N. Wilcox acquired the property and franchises of the Port Huron and Milwaukee Railway Company by deed from the Master in Chancery, under foreclosure proceedings dated June 26, 1862.

September 22, 1862 - Augustus Gerome acquired from Eben N. Wilcox and wife the property and franchises of the Port Huron and Milwaukee Railway Company, which had been conveyed to the said Eben N. Wilcox under foreclosure proceedings on June 26, 1862.

May 12, 1865 - The property and franchises of the Port Huron and Milwaukee Railway Company were acquired on May 12, 1865 by Edgar White, William L. Bancroft and Theodore Romeyn, Trustees and Representatives of the Port Huron and Michigan Railroad Company from Augustus Gerome and wife.

October 3, 1865 - "The Peninsular Railway Company" was incorporated under Articles of Association dated August 13, 1865, which were filed with the Secretary of

State for Michigan on October 3, 1865. The Company was organized for the purpose of building a railroad from Battle Creek, Michigan, to Lansing, Michigan. This line was built and opened for traffic in December 1869 a distance of 45 miles.

Michigan - Indiana State Line to Valparaiso section

On October 26, 1866, Peninsular Railroad Company, Indiana, was organized to construct a railroad from the north line of the State of Indiana where the Peninsular Railway Company of Michigan terminated, to Valparaiso, Indiana. The Company failed.

Battle Creek to Michigan - Indiana State Line section

January 3, 1868 - Peninsular Railway Extension Company was incorporated under Articles of Association dated October 23, 1866, which were filed with the Secretary of State for Michigan on January 3, 1868. The Company was organized to build a railroad from Battle Creek, Michigan, to the Michigan - Indiana State Line at Milton, running through the Counties of Calhoun, Kalamazoo, St. Joseph and Cass. This line was built and opened for traffic in 1872, a distance of 64.44 miles.

February 17, 1868 - Under agreement dated January 3, 1868, the Peninsular Railway Extension Company was consolidated with the Peninsular Railway Company to form the Peninsular Railway Company (Michigan). This agreement was filed with the Secretary of State for Michigan on February 17, 1868.

March 15, 1869 - "The Peninsular Railway Company" (Illinois) was incorporated under an Act of the General Assembly of the State of Illinois, entitled "An Act to incorporate The Peninsular Railway Company" approved March 15, 1869. A certificate from the Secretary of State for Illinois dated April 18, 1871 states a copy is on file. The Company was organized to build a railroad from the Indiana - Illinois State Line by the most eligible route to Chicago. This Company did not construct its proposed line.

October 14, 1869 - "Peninsular Railway Company" (Indiana) was incorporated under the Laws of the State of Indiana. Articles of Association dated October 6, 1869 were filed with the Secretary of State for Indiana on October 14, 1869. This railway was organized for the purpose of constructing and completing a partially constructed railroad from the termination of the Peninsular Railway (Michigan) by way of Mishawaka and South Bend through the Counties of Laporte and Porter to Valparaiso, thence through the Counties of Porter and Lake to the East line of the State of Illinois a distance of about 90 miles. The railway was completed and opened for traffic as follows:

Michigan - Indiana State Line	to South Bend	10.81 miles	January 1, 1872
South Bend	to Valparaiso	<u>44.75 miles</u>	October 13, 1873
Total		55.56 miles	

April 30, 1870 - Under an agreement executed pursuant to the Laws of the States of Michigan, Indiana and Illinois the

"The Peninsular Railway Company" (Michigan)

"Peninsular Railroad Company" (Indiana) and

"The Peninsular Railway Company" (Illinois)

were consolidated under the name of "Peninsular Railway Company." The Consolidation agreement was filed with the Secretary of State for Michigan on April 30, 1870, Secretary of State for Indiana on May 9, 1870, and subsequently with the Secretary of State for Illinois.

July 25, 1873 - Edgar White, William L. Bancroft and Theodore Romeyn conveyed the property and franchises which they had acquired of the Port Huron and Milwaukee Railway Company to the Port Huron and Lake Michigan Railroad Company.

August 15, 1873 - The "Chicago and Lake Huron Railroad Company" was

formed under Consolidation Agreement, dated April 5, 1873, of the Port Huron and Lake Michigan Railroad Company and the Peninsular Railway Company which was filed on August 15, 1873. By this consolidation the Chicago and Lake Huron Railroad Company became proprietors of all the line between Port Huron and Chicago constructed or projected except the section between Flint and Lansing.

April 7, 1874 - Chicago and Southern Railroad Company was incorporated under the Laws of the State of Illinois by Articles of Association filed with the Secretary of State for Illinois on or about April 7, 1874. The Company was organized to build a railroad between the Village of Thornton on the Chicago and Eastern Illinois Railroad and Chicago, 26th Street, passing through the Townships of Lake, Worth and Bremen, a distance of about 21.5 miles.

August 6, 1874 - Shortly after the consolidation of the Chicago and Lake Huron Railroad Company of August 15, 1873 default was made, and on August 6, 1874, Charles B. Peck was appointed Receiver for the Port Huron and Lake Michigan Section, and for the entire railway on April 6, 1876.

August 12, 1874 - Chicago and North Eastern Railroad Company was incorporated under Articles of Association dated July 11, 1874, which were filed with the Secretary of State for Michigan on August 12, 1874. The Company was organized to build the missing link between Flint and Lansing. The line between Flint and Chicago a distance of 49.05 miles was completed and opened for traffic on January 1, 1877.

April 24, 1878 - The property of the Chicago and Southern Railroad Company was sold under a decree of the Court to Henry S. Hawley.

June 20, 1878 - The "Chicago and State Line Railway Company" was incorporated by Articles of Incorporation dated June 19, 1878, which were filed in the Office of the Secretary of State for Illinois.

August 1, 1878 - Henry S. Hawley conveyed the property of the Chicago Southern Railroad Company to Henry A. Rust on August 1, 1878.

August 1, 1878 - Henry A. Rust conveyed the property of the Chicago Southern Railroad Company to the Chicago and State Line Railway Company on August 5, 1878.

April 17, 1879 - The Chicago and State Line Extension Railway Company was incorporated on April 17, 1879, under the Laws of the State of Indiana for the purpose of constructing a railroad from Valparaiso to the Indiana - Illinois State Line a distance of about 25 miles. Articles of Association dated April 9, 1879 were deposited with the Secretary of State for Indiana on April 17, 1879.

June 5, 1879 - The "Chicago and Western Indiana Railroad Company" was incorporated on June 5, 1879, under the Laws of the State of Illinois. This Company was organized by Anthony J. Thomas and Charles E. Tracy of New York for the purpose of constructing and operating a line of railroad from a point on the State Line between Indiana and Illinois, in Thornton Township, Cook County thence through the Town of Dolton to a terminus to be located to the South line of Van Buren Street in the City of Chicago.

On June 21, 1879 the Section of the Chicago and Lake Huron Railroad Company formerly owned by the Port Huron and Lake Michigan Railroad Company between Port Huron and Flint was sold under foreclosure proceedings to William S. Shepard et al.

July 17, 1879 - Under agreement dated July 17, 1879 The Grand Trunk Railway Company of Canada sold to the Dominion Government the line of railway from Chaudiere to Levis for \$1,500,000 to be used in the interests of the Dominion by the promotion of a railway by the Grand Trunk Railway Company by construction or acquisition from other companies so as to secure free access to and from Chicago for the handling of through freight.

August 2, 1879 - The portion of the Port Huron and Lake Michigan Railroad

from Port Huron to Flint acquired under foreclosure sale by William S. Shepard et al on June 21, 1879 was conveyed to him on August 2, 1879.

On August 25, 1879 the Section of the Chicago and Lake Huron Railroad Company formerly owned by the Peninsular Railway Company (Michigan) extending from Lansing to the Indiana State Line was sold under foreclosure proceedings to Joseph Hickson et al, the property being conveyed on December 1, 1879.

August 26, 1879 - The North Western Grand Trunk Railway Company (Michigan) was incorporated under Articles of Association dated August 23, 1879 by William S. Shepard, who conveyed on the same date the railroad between Port Huron and Flint which he had purchased under foreclosure sale on June 21, 1879, and which formed that section of the Chicago and Lake Huron Railroad Company formerly owned by the Port Huron and Lake Michigan Railroad Company to the new Company. The Articles of Association were filed with the Secretary of State for Michigan on August 26, 1879.

September 4, 1879 - The North Western Grand Trunk Railway Company was incorporated under consolidation agreement amalgamating the Chicago and State Line Railway Company with the Chicago and State Line Extension Railway Company. The Consolidation Agreement was filed with the Secretary of State for Indiana on September 4, 1879, and with the Secretary of State for Illinois on September 8, 1879.

On November 1, 1879 the Section of the Chicago and Lake Huron Railroad Company formerly owned by the Peninsular Railway Company, (Indiana) was sold under foreclosure proceedings to Joseph Hickson et al, the property being conveyed on February 7, 1880.

Note: Joseph Hickson (later Sir Joseph Hickson) was General Manager of the Grand Trunk Railway System from 1874 to 1890.

It might also be mentioned here that under deed of July 17, 1879, authorized by Dominion Act 42 Victoria, 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, 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.

January 7, 1880 - The "Michigan Railway Company" was incorporated by Joseph Hickson et al under Articles of Association dated January 6, 1880, which were filed with the Secretary of State for Michigan on January 7, 1880. Joseph Hickson et al conveyed to the new Company the railroad from Lansing to the Indiana State Line formerly owned by the Peninsular Railway Company (Michigan) and purchased by them at foreclosure sale on August 25, 1879, by deed dated March 13, 1880.

January 7, 1880 - The Indiana Railway Company was incorporated by Joseph Hickson et al under Articles of Association dated January 6, 1880, which were filed with the Secretary of State for Indiana on January 7, 1880. Joseph Hickson et al conveyed to the new Company the railroad from the Michigan - Indiana State Line to Valparaiso formerly owned by the Peninsular Railway Company (Indiana), and purchased by them under foreclosure sale on November 1, 1879 by deed dated March 13, 1880.

March 13, 1880 - Joseph Hickson et al conveyed the railroad from the Michigan - Indiana State Line to Valparaiso formerly owned by the Peninsular Railway Company (Indiana) to the Indiana Railway Company.

April 6, 1880 - The Chicago and Grand Trunk Railway Company was incorporated under agreement dated January 7, 1880, by Articles of Consolidation which were filed with the Secretary of State for Michigan, Indiana and Illinois on April 6, 1900 amalgamating:-

The North Western Grand Trunk Railway Company (Indiana and Illinois)

The North Western Grand Trunk Railway Company (Michigan)
The Chicago and North Eastern Railway Company
The Indiana Railway Company and
The Michigan Railway Company.

Construction and opening of line Port Huron to Chicago

		<u>Miles</u>	<u>Miles</u>	<u>Total</u>
Port Huron and Lake Michigan Railway Company				
Port Huron to Lapeer	June 8, 1871	45.80		
Lapeer to Flint	December 12, 1871	19.94	65.74	65.7
Chicago and North Eastern Railroad Company				
Flint to Lansing	January 1, 1877	49.05		114.79
Peninsular Railway Company October 3, 1865 Michigan				
Lansing to Battle Creek	July 1, 1869	45.00		159.79
Peninsular Railway Extension Company January 3, 1868				
Battle Creek to State Line	January 1, 1872	64.44		224.23
Peninsular Railway Company, Indiana October 14, 1869				
State Line to South Bend	January 1, 1872	10.81		
South Bend to Valparaiso	October 13, 1873	44.75	55.56	279.79
Chicago and State Line Extension Railway Company				
Valparaiso to Elsdon	February 8, 1880	47.00		326.79
Grand Trunk Junction Railway Company				
Elsdon to C. & W.I. Junction	February 8, 1880	3.90		330.69
Chicago and Western Indiana Railway Company				
C.& W.I. Junction to Chicago, Dearborn Street				
	February 8, 1880	4.85		335.54

April 20, 1880 - The South Chicago and Western Indiana Railroad Company
was incorporated on April 20, 1880.

June 11, 1880 - The Grand Trunk Junction Railway Company was incorporated
under the Laws of the State of Illinois under Articles of Association dated April 8, 1880,
which were filed with the Secretary of State for Illinois on June 11, 1880.

July 1, 1880 - Under agreement dated July 1, 1880, and subsequent amendments
the Chicago and Western Indiana Railroad Company leased the remainder of its railway,
excluding the belt section, to the

Chicago and Eastern Indiana Railroad Company

Wabash Railroad Company

Chicago and Grand Trunk Railway Company

Chicago and Erie Railroad Company

Chicago, Indiana and Louisville Railway Company,

Each owning \$1,000,000 of the capital stock and on a rental basis to the

Atchison, Topeka & Santa Fe Railway Company

Elgin, Joliet & Eastern Railway Company and

Chesapeake & Ohio Railway Company of Indiana.

Period of Lease 999 years from July 1, 1880.

From 1875, through all-rail business of the Grand Trunk Railway System to and
from the West was nearly all exchanged with the Michigan Central Railroad at Detroit. In
1878, however, through acquisition of stock, control of the Michigan Central Railroad
was secured by W. H. Vanderbilt and that Company became affiliated with the New York
Central Railroad. When there appeared a prospect for the Grand Trunk securing an outlet
for its through traffic, or a large part of it, to and from the West independent of the
Michigan Central Railroad, from which it was being cut off, the control of Chicago and

North Eastern Railroad Company was purchased by the same interest which had secured control of the Michigan Central with the avowed object of closing the new route against the Grand Trunk. This control, however, was subsequently surrendered.

December 22, 1888 - Under Agreement dated December 22, 1880, the Grand Trunk Junction Railway Company assumed the proprietary rights of the Chicago and Grand Trunk Railway Company in the Chicago and Western Indiana Railroad Company, and the Grand Trunk Junction Railway Company was leased in perpetuity to the Chicago and Grand Trunk Railway Company thereby assuring the Grand Trunk Railway Company of Canada entry into Polk Street, Chicago.

January 1, 1881 - The capital stock of the Grand Trunk Junction Railway Company was acquired by the Grand Trunk Railway Company of Canada under an agreement dated January 1, 1881, between these two companies under which the Grand Trunk Railway Company agreed to purchase £225,000 5% First Mortgage Bonds of the Grand Trunk Junction Railway Company for \$840,000.

April 22, 1881 - The Chicago and Western Indiana Belt Railway Company was incorporated on April 22, 1881.

January 26, 1882 - The South Chicago and Western Indiana Railroad Company and the Chicago and Western Indiana Belt Railway Company were consolidated with the Chicago and Western Indiana Railroad Company on January 26, 1882.

November 1, 1882 - Under an agreement dated November 1, 1882, the five owners of the Chicago and Western Indiana Railroad Company who were incorporators of the Belt Railway Company of Chicago acquired equal shares in the capital stock of the Chicago and Western Indiana Railroad Company then amounting to \$5,000,000.

June 21, 1889 - The Polk and Forty Ninth Street Junction Railway Company was consolidated with the Grand Trunk Junction Railway Company under Articles of Consolidation dated June 20, 1889, and filed with the Secretary of State for Illinois on June 21, 1889.

January 1, 1900 - The Chicago and Grand Trunk Railway Company defaulted in the principal of its First Mortgage Bonds on January 1, 1900.

January 3, 1900 - Proceedings were instituted in the United States Circuit Court for Michigan on January 3, 1900, and subsequently in the United States Circuit Courts of Indiana and Illinois to foreclose the Mortgage of the Chicago and Grand Trunk Railway Company. The Mortgagees of the Second and Third Mortgages were parties defendant in the suit, and the final decrees and sale of the railroad thereunder extinguished their liens on the property.

July 1, 1900 - By Court Order dated June 28, 1900 and effective July 1, 1900, the traffic agreement between the Toledo, Saginaw and Muskegon Railway Company, the Grand Trunk Railway Company of Canada and the Chicago and Grand Trunk Railway Company was annulled.

October 31, 1900 - The entire railroad and property of the Chicago and Grand Trunk Railway Company were sold pursuant to the final decrees of said foreclosure proceedings to Charles M. Hays and E. W. Meddaugh.

November 2, 1900 - The property and franchises of the Chicago and Grand Trunk Railway Company were conveyed to Charles M. Hays and E. W. Meddaugh by Deeds dated November 2, 1900, from the Special Master Commissioner Walter S. Harsha.

November 20, 1900 - Charles M. Hays and E. W. Meddaugh organized a Corporation under the Laws of the State of Michigan on November 20, 1900, by the name of the Port Huron and Indiana Railway Company and conveyed to this new Company the section of the Chicago and Grand Trunk Railway in the State of Michigan.

November 20, 1900 - Charles M. Hays and E. W. Meddaugh organized a

Corporation under the Laws of the State of Indiana on November 20, 1900 by the name of the Indiana and Illinois Railway Company, and conveyed to this new Company the section of the Chicago and Grand Trunk Railway in the State of Indiana.

November 20, 1900 - Charles M. Hays and E. W. Meddaugh organized a Corporation under the Laws of the State of Illinois on November 20, 1900 under the name of the Chicago Lake County Railway Company, and conveyed to this new Company the section of the Chicago and Grand Trunk Railway in the State of Illinois.

November 22, 1900 - The Port Huron and Indiana Railway Company and the Indiana and Illinois Railway Company were consolidated on November 21, 1900 to form the Grand Trunk Western Railway Company. Articles of Association and Consolidation were filed with the Secretaries of State for Michigan and Indiana on November 22, 1900.

November 22, 1900 - By deed of conveyance dated November 22, 1900, recorded December 4, 1900, the Chicago Lake County Railway Company conveyed to the Grand Trunk Western Railway Company all the railroad, franchises and other properties in the State of Illinois which it had acquired by deed of conveyance from Charles M. Hays and E. W. Meddaugh dated November 22, 1900.

November 22, 1900 - The Grand Trunk Junction Railway Company entered into an agreement with the Grand Trunk Western Railway Company to lease all its rights to the Grand Trunk Western Railway Company.

On January 15, 1901, The Grand Trunk Junction Railway Company deeded to Grand Trunk Western Railway Company, its railway, and also its leasehold interest in the railway and property of Chicago and Western Indiana Railroad Company.

Grand Trunk Western Railway Company was therefore owner of the entire line from Port Huron, Michigan to C. & W.I. Junction at 49th Street, Chicago, and had running rights over Chicago and Western Indiana tracks, including the tracks from C. & W.I. Junction to Dearborn Station, also rights to station accommodations, under the 999 year lease.

By authority of Interstate Commerce Commission Order of November 8, 1929 (Finance Docket 7320), Grand Trunk Western Railway Company and nine other railway companies formerly owned and/or operated by the Grand Trunk Western System or by the Canadian National Railway Company, in the States of Michigan, Indiana, Illinois and Wisconsin were consolidated (effective November 1, 1928) under the name "Grand Trunk Western Railroad Company." For all accounting purposes consolidation was effective from January 1, 1929.

INVESTMENT IN AFFILIATED COMPANIES:

Detroit and Toledo Shore Line Railroad Company Capital Stock 714 shares of \$100 each, par value (3 times par value).....	\$2,142,000
(representing 50% ownership)	
The Toledo Terminal Railroad Company Capital Stock 3872 shares of \$100 each 387,200	
(representing 9.68% ownership)	

LOCATION:

Port Huron & Lake Michigan Railway	<u>Mileage</u>
Port Huron to Flint, Michigan	65.74
Chicago and Northeastern Railroad	
Flint to Lansing, Michigan.....	49.05
Peninsular Railway	
Lansing to Battle Creek	45.00
Peninsular Railway Extension Company	
Battle Creek to Michigan - Indiana State Line	64.44
Peninsular Railroad	

Michigan - Indiana State Line to Valparaiso, Indiana	55.56
Chicago and State Line Railway and Chicago and State Line Extension Railway Valparaiso, Indiana to Elsdon, Illinois	57.00
Grand Trunk Junction Railway Port Huron to C. & W.I. Junction, Chicago.....	3.90
Total	340.69

CAPITAL STOCK:

Outstanding as on November 1, 1928

60,000 shares of \$100 each - \$6,000,000 outstanding at date of consolidation and owned by Canadian National Railway Company were exchanged for 240,000 shares of Grand Trunk Western Railroad Company common stock of non-par value, to which a value of \$25 per share was assigned.

FUNDED DEBT AND NON-NEGOTIABLE DEBT TO AFFILIATED COMPANIES:

Outstanding as at November 1, 1928 consisted of the following:

	C.N. Railway		
	<u>Company Treasury</u>	<u>Public</u>	<u>Total</u>
4% First Mortgage Bonds	\$ 4,035,304.00	\$10,964,416.00	\$14,999,720.00
Gen. Cons. Mtge. Bonds	11,541,000.00		11,541,000.00
5% First Mortgage Bonds G.T. Junction Railway assumed by G.T.W.			
Railway Company	3,436,400.00	435,600.00	3,872,000.00
6% Equipment Trust Notes		1,652,000.00	1,652,000.00
Capital Advances by C.N. Railway Company to December 31, 1927	<u>15,008,555.14</u>		<u>15,008,555.14</u>
	\$34,021,259.14	\$13,052,016.00	\$47,073,275.14

All the above mentioned securities held by Canadian National Railway Company were surrendered (and cancelled) and the Capital Advances were funded. In exchange Canadian National Railway Company received Grand Trunk Western Railroad Company securities comprised of 6% Cumulative Preferred Stock; 4½% First and General Mortgage Bonds Series "A" dated January 1, 1930 and maturing January 1, 1980; and 5% Gold Debentures Series "A" dated January 1, 1930 and maturing January 1, 1955; having a total par value of \$34,021,259.14. "Grand Trunk Western Railroad Company" assumed liability of securities held by the Public.

Non negotiable debt to Canadian National Railway Company incurred in 1928 was liquidated by issuance to Canadian National Railway Company of Grand Trunk Western Railroad Company common, and preferred stock.

ACCOUNTING:

Prior to 1923 the net income or loss of The Detroit and Huron Railway Company, and The Pontiac, Oxford and Northern Railroad Company was included in Grand Trunk Western Railway Company accounts. The Detroit and Huron Railway deficit of £13,566 and the Pontiac, Oxford and Northern Railroad deficit of £67,085 for the years 1910 to 1916 was included in Grand Trunk Western Railway Company accounts for the year 1916, and the net income or loss of Grand Trunk Western Railway Company was in turn included in The Grand Trunk Railway Company of Canada accounts as "Separately operated properties." Commencing January 1, 1923, the three railways were for accounting purposes included in "Canadian National Railways," and the primary operating, income and other accounts were so included.

THE GREAT NORTHERN ELEVATOR COMPANY

The Great Northern Elevator Company was incorporated on March 23, 1900 under Act 63 Victoria, Chapter 82, Province of Quebec to acquire, own, or lease real estate for the purpose of carrying on a general elevator business, and may build, sell, lease, own and operate floating elevators, barges, steamers and other craft. The Company may acquire by lease from the Quebec Harbour Commissioners land in the City or Port of Quebec and erect thereon elevator or elevators.

Capital Stock authorized -	\$ 300,000.
Capital Stock issued -	\$ 150,000.

The Company was organized at a shareholders meeting on May 3, 1900 and Capital Stock was issued as follows:

Directors -	\$ 100,000
Great Northern Railway of Canada -	<u>\$ 149,000</u>
Total -	\$ 150,000

The Great Northern Railway of Canada acquired certain lands from the Quebec Harbour Commissioners and sold or leased it to the Great Northern Elevator Company for \$449,000 payable as follows:

First Mortgage Bonds -	\$ 200,000
Second Mortgage Bonds -	\$ 100,000
Cash -	\$ 149,000

Bonds were issued as follows:

5% First Mortgage Bonds	\$200,000	payable in 20 years
5% Licensed Mortgage Bonds	100,000	payable in 20 years

The Elevator was leased to the Great Northern Railway of Canada on May 3, 1900 at an annual rental not exceeding \$26,000.

GREAT NORTHERN CONSTRUCTION COMPANY

At a Meeting of the Directors of the Great Northern Railway Company held March 3, 1898 a letter was read from James McNaught of New York offering to join a syndicate to complete the railway, and stating that M. and P. MacDonald would furnish 25% of the capital and take a contract for the work upon reasonable terms.

At a Directors Meeting of the Great Northern Railway Company held November 8, 1898 a draft agreement dated November 4, 1898 drawn up in Montreal with Colonel James McNaught of New York and H. H. Melville of Boston, Massachusetts to form a construction Company was ratified and confirmed. The construction company to give a contract to J. P. Macdonald and Company of New York for the gross amount of Mr. Hoare's estimate of \$1,385,000.

At a special general meeting of the shareholders of the Great Northern Railway Company held at No. 160 St. Andrew Street, Quebec, the chairman reported that a contract had been executed on March 18, 1899 between the Great Northern Railway Company and the Great Northern Construction Company which had been incorporated under the laws of West Virginia.

THE GREAT NORTH WESTERN TELEGRAPH COMPANY OF CANADA

(Majority shares of capital stock owned by Canadian National Telegraph Company).

INCORPORATED: May 7, 1880 - Dominion Act 43 Victoria, Chapter 66.

HEAD OFFICE: Montreal, Quebec.

HISTORY: Under Dominion Act 43 Victoria, Chapter 66, May 7, 1880, "The Great North Western Telegraph Company of Canada" was incorporated to construct, maintain and operate telegraph lines from and to any place in Canada by land or water, over which exclusive telegraph lines did not then exist and to make connection with lines in the United States. The Company commenced business on July 1, 1881.

At the First Meeting of the Provisional Directors held in Winnipeg in 1880, \$50,000 Capital Stock was issued, 10% paid up. A meeting of the Directors held in Winnipeg on August 1, 1881 increased the Capital Stock to \$500,000, this increase was approved by the Directors on August 4, 1881, and was put into effect on August 26, 1881. The Directors also had the transfer of the Head Office from Winnipeg to Toronto and the first meeting of the Directors in Toronto was held August 27, 1881.

During 1881 The Western Union Telegraph Company acquired control of The Great North Western Telegraph Company of Canada, and intended acquiring control of Dominion Telegraph Company and Montreal Telegraph Company, and to operate the three companies as one system.

Under Agreement dated March 28, 1881 the Montreal Telegraph Company amalgamated with the Great North Western Telegraph Company.

In 1881 Erastus Wiman, President of the Great North Western Telegraph Company and also a director of the Western Union Telegraph Company secured control of the Company with the object of controlling and operating the lines of the Montreal Telegraph Company, the Dominion Telegraph Company and the Great North Western Telegraph Company as one system.

By agreement dated August 17, 1881 between The Great North Western Telegraph Company of Canada, Montreal Telegraph Company and The Western Union Telegraph Company, The Great North Western Telegraph Company undertook for a period of 97 years from July 1, 1881, to operate in combination with its own lines in the Province of Manitoba, the system of Telegraph owned and heretofore operated in Canada and the United States by Montreal Telegraph Company, the latter Company to receive an annual dividend (guaranteed by The Western Union Telegraph Company) of \$165,000 payable out of the proceeds of the operation and use of the property. The Great North Western Telegraph Company was obligated to assume all expenses of operation, taxes and new construction, and to execute all agreements then existing with Railway Companies and other parties, and upon termination of the agreement to deliver the demised premises to Montreal Telegraph Company in as good condition as when received together with all improvements and additions made thereon during the continuance of the lease.

By Indenture dated August 26, 1881, The Western Union Telegraph Company sublet to The Great North Western Telegraph Company of Canada for a term of 97 years from July 1, 1881, all of the leasehold lines and facilities of Dominion Telegraph Company in Canada and elsewhere west of the Province of New Brunswick in consideration of the payment by Great North Western of the rental of \$62,500 per annum and the assumption by the Great North Western of Dominion Telegraph Company's bonded debt of £60,000 and interest thereon.

The Western Union having discharged the bonded indebtedness of £60,000 (\$293,859.70) which matured in 1896 and having redeemed the bonds of Dominion

Telegraph Company acquired the claim for this amount against The Great North Western Telegraph Company.

By Agreement dated January 1, 1915, between The Canadian Northern Telegraph Company, the Western Union Telegraph Company, and The Canadian Northern Railway Company as Guarantor, The Canadian Northern Telegraph Company acquired 3315 (majority shares) shares of capital stock of The Great North Western Telegraph Company formerly owned by Western Union, and the Western Union claim for \$293,859.70 against Great North Western Telegraph Company, in consideration of the payment of \$293,859.70 to Western Union and indemnifying Western Union against all liability in respect of the leases of Dominion Telegraph Company and Montreal Telegraph Company properties effective July 1, 1881.

Prior to January 1, 1915, The Canadian Northern Telegraph Company (incorporated on May 15, 1902) had constructed telegraph lines along the route of the Canadian Northern Railway, and operated those lines as a separate commercial telegraph business until it acquired controlling shares of Great North Western Telegraph Company on January 1, 1915 after which the commercial telegraph business of both companies was carried on by Canadian Northern Railway management under the name of Great North Western until January 1, 1922, after which the trade name "Canadian National Telegraphs" was adopted. (The name of The Canadian Northern Telegraph Company was changed to Canadian National Telegraph Company on September 17, 1920, by Dominion Order in Council P.C. 2247).

The Agreement dated January 1, 1915, between the two companies respecting joint operation provided for an apportionment of profits between the two interests and for some years an attempt was made to make an apportionment, but as the two systems became more completely merged, losing their separate identities, the accounting as between the two became more difficult. In 1925 it was determined that a proper separation of results was not practicable. By this time over 98% of the capital stock of Great North Western was controlled by Canadian National Telegraph Company (formerly The Canadian Northern Telegraph Company) and all of the minority stock was only 25% paid up and was being purchased from time to time for \$10 per share which was considered to be its full value. It was therefore decided that no further attempts would be made to allocate the results of the joint operation as between the two companies, but to leave any question of profit due to the minority shareholders to be dealt with as and when such question might arise. Any shareholder seeking a nuisance value would subject himself to a demand call on the unpaid balance of his stock. The surplus at June 30, 1915 was \$237,130.96, but in subsequent years the Company suffered heavy losses.

Effective May 3, 1919, Grand Trunk Pacific Telegraph lines and offices along The National Transcontinental Railway between Winnipeg and Moncton were transferred to The Great North Western Telegraph Company for operation.

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 facilities of Canadian National Telegraph Company, The Grand Trunk Pacific 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.

By Agreement of Purchase and Sale dated January 12, 1925, Dominion Telegraph Company sold to Dominion Telegraph Securities, Limited, all its assets (including moneys to thereafter accrue under its lease of properties sublet to The Great North Western Telegraph Company from July 1, 1881).

By Agreement dated January 15, 1925, between Dominion Telegraph Company, The American Union Telegraph Company, The Western Union Telegraph Company, The Great North Western Telegraph Company of Canada and Dominion Telegraph Securities, Limited, Dominion Telegraph Company and Dominion Telegraph Securities, Limited released the other companies named from their respective covenants (as successive Lessees) to return the leased telegraph lines and facilities in good order upon termination of the 99 year term, in consideration of the payment to them of \$116,640, and further covenanted upon termination of the 99 year lease to transfer to The Great North Western Telegraph Company all their right, title and interest in the leasehold lines and facilities west of the Province of New Brunswick, and to transfer to Western Union all said rights in respect of the balance of the lines and facilities included in said lease. By Agreement Western Union paid \$23,328 to The Great North Western Telegraph Company for those last mentioned facilities.

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.

By Agreement dated November 1, 1948, between The Great North Western Telegraph Company of Canada and Canadian National Railway Company, The Great North Western transferred all its right, title and interest in the Agreement of January 15, 1925, and in the telegraph lines and property of Dominion Telegraph Securities, Limited and the lease effective July 1, 1881, to Canadian National Railway Company, and Canadian National Railway Company released the Great North Western from future rental payments under the lease.

Agreement dated January 1, 1915 and various supplements thereto, between The Western Union Telegraph Company, The Canadian Northern Telegraph Company (now Canadian National Telegraph Company) and The Great North Western Telegraph Company of Canada provides for the exclusive exchange of telegraphic cable and money order transfer business between Western Union, and Canadian National and Great North Western operating as one system, and the establishment, from time to time, of Joint through rates and the division of revenues pertaining thereto and of the land-line proportion of cable and trans-ocean wireless tolls between the two telegraph systems. Each company has the right to place, maintain and operate wires and necessary fixtures on the poles owned by the other telegraph system for which reasonable rental and maintenance charges are payable. The Agreement is effective during the continuance of the agreement dated August 17, 1881, between the Montreal Telegraph Company and The Great North Western Telegraph Company, and any supplementary or other agreement which may take its place. Under the agreement of August 17, 1881, The Great North Western Telegraph Company undertook to operate the system of telegraphs owned by Montreal Telegraph Company (now owned by Canadian National Telegraph Company) and payment of \$165,000 per annum (guaranteed by The Western Union Telegraph Company) to the lessor for a period of 97 years from July 1, 1881.

By Agreement dated May 25, 1954, between Montreal Telegraph Company, Canadian National Railway Company, Canadian National Telegraph Company, and The Great North Western Telegraph Company, Montreal Telegraph Company sold and transferred to Canadian National Telegraph Company (nominee of Canadian National Railway Company) all its rights, title and interest in the Agreement dated August 17, 1881, and in the system of telegraph and property referred to in the Lease with respect to which Montreal Telegraph Company had reversionary rights, with the exception of certain specified lots and buildings in Quebec, Montreal and Ottawa which were transferred by separate deed to Canadian National Railway Company. Montreal Telegraph Company also transferred to Canadian National Telegraph Company all its

rights, title and interest in Agreement dated June 1, 1883 between Montreal Telegraph Company and Great North Western Telegraph Company, said Agreement being supplementary to the lease and dealing with insurance. In effect, Canadian National Telegraph Company became the lessor under Agreement dated August 17, 1881.

PROPERTY INVESTMENT:

As at January 1, 1915:

Lines constructed		\$105,126.25
Improvements on leased property		327,379.18
Montreal Telegraph Company lines	\$321,500.60	
Dominion Telegraph Company lines	<u>5,878.58</u>	
		\$432,505.43

As at December 31, 1927: (included in investment accounts of Canadian National Telegraphs).

Lines constructed and equipment installed		\$ 919,519.83
Improvements on leased property		799,344.14
Montreal Telegraph Company lines	\$785,712.35	
Dominion Telegraph Company lines	<u>13,631.79</u>	

Purchase of reversionary interests in		
Dominion Telegraph Company property	\$116,640.00	
Less payment received from Western		
Union for lines in New		
Brunswick and East	<u>23,328.00</u>	<u>93,312.00</u>
		\$1,812,175.97

Expenditures to January 1, 1915		\$ 432,505.43
Expenditures January 1, 1915 to December 31, 1922		375,302.08(a)
Expenditures January 1, 1923 to December 31, 1927		<u>1,004,368.46(b)</u>
		\$1,812,175.97

(a) Advanced by The Canadian Northern Railway Company.

(b) Advanced by Canadian National Railway Company.

ASSETS:

As at December 31, 1960:

Advances to Canadian National Telegraphs	\$373,625.
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LIABILITIES:

As at December 31, 1960:

Capital Stock:

Authorized:	5,000 shares - \$100 each	\$500,000
Issued:	(a) 3,315 shares - \$100 each - fully paid	\$366,800
	(b) 1,685 shares - \$100 each - 25% paid up	6,825
		<u>\$373,625</u>

(a) Acquired by The Canadian Northern Telegraph Company (now Canadian National Telegraph Company) from Western Union Telegraph Company under agreement dated January 1, 1915. Certificate in the name of Canadian National Telegraph Company is held in Royal Trust Company vaults, Montreal - Unpledged.

Shares

(b) Certificates for 3,315 shares held by the Canadian National	
Telegraph Company	3,315

Certificates for 1,412 shares held by Canadian National Realities Limited, in Trust	
Shares held by the Public	<u>273</u>
Total	5,000
1,685 shares 25% paid up.	

DIRECTORS

Donald Gordon	G. E. Ayers
J.R. Griffith	A.M. McBain
W. G. Stewart	H. I. Price
W. Colquhoun	J. B. Sangster
J. L. Levesque	R. A. Brown
G. Charbonneau	W. C. Koerner

OFFICERS

Donald Gordon	Chairman & President
N. J. MacMillan	Executive Vice-President
A. H. Hart	Vice-President
S. F. Dingle	Vice-President
E. A. Bromley	Vice-President
Dr. O. M. Solandt	Vice-President
J. L. Toole	Vice-President
W. T. Wilson	Vice-President
H. C. Friel	Vice-President - Law
R. H. Tarr	Vice-President & Executive Assistant
R. T. Vaughan	Secretary
J. R. White	General Manager
J. M. Young	Assistant Secretary
L. J. Mills	Comptroller
E. J. Denyar	Treasurer
H. M. Blaiklock	General Manager of Real Estate

THE GREAT WESTERN RAILWAY COMPANY

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

Includes:

- The Canada Air Line Railway Company
- The Hamilton and Toronto Railway Company
- The London and Port Sarnia Railway Company.

INCORPORATED: March 6, 1834 - Upper Canada Act, 4 William IV, Chapter 29.
Revived and name changed March 29, 1845 - Province of Canada Act 8, Victoria, Chapter 86 (see History).
Name changed April 22, 1853 - Province of Canada Act 16, Victoria, Chapter 99 (see History).

DECLARATION: Declared to be for the general advantage of Canada - Dominion Act 46, Victoria, Chapter 24, May 25, 1883.

HISTORY: The Hamilton and Toronto Railway Company
Under Province of Canada Act 10, Victoria, Chapter 110, presented for Royal Assent June 9, 1846, Royal Assent October 30, 1846, Royal Assent signified by Proclamation December 26, 1846, "The Hamilton and Toronto Railway Company" was incorporated to

construct a railroad from Toronto to Hamilton. Apparently the charter lapsed due to failure to advance the undertaking.

Under Province of Canada Act 16, Victoria, Chapter 44, November 10, 1852, "The Hamilton and Toronto Railway Company" was incorporated, to build a line of railroad from the terminus of Great Western Railway in Hamilton to Toronto, etc., etc. Under the Act the financial arrangements of this railway company were linked with those of The Great Western Railway Company and the Acts governing The Great Western Railway Company were to apply to The Hamilton and Toronto Railway Company and the line, itself, was to form part of the Main Trunk Railway which the Government of the Province of Canada was guaranteeing as to bonds, etc., and in the construction of which The Great Western Railway Company was to participate. Therefore the Hamilton and Toronto Railway was essentially the extension of the Great Western Railway to Toronto.

A line was constructed from Junction at Hamilton (near Stuart Street Station) to (near) "Queens Wharf," Toronto, a distance of 37 miles, and opened for traffic on December 3, 1855.

The Great Western Railway Company's Financial Act, 1871 (Dominion Act 34, Victoria, Chapter 44, April 14, 1871), had the effect of amalgamating The Canada Air Line Railway Company, The Hamilton and Toronto Railway Company and The London and Port Sarnia Railway Company with The Great Western Railway Company forming one Corporation under the latter name.

The London and Port Sarnia Railway Company

Under Province of Canada Act 16, Victoria, Chapter 101, April 22, 1853, "The London and Port Sarnia Railway Company" was incorporated to construct a line of railway from Port Sarnia to intersect the Great Western Railroad at or near London, Ontario. The Acts governing The Great Western Railroad Company were to apply to The London and Port Sarnia Railway Company and provision was made for amalgamation with The Great Western Railroad Company.

A line was constructed from Komoka to Sarnia (50.85 miles) and opened for traffic on December 27, 1858.

The Canada Air Line Railway Company

Under Ontario Chapter 33, December 24, 1869, "The Canada Air Line Railway Company" was incorporated to construct a line of railway from Glencoe via St. Thomas to Fort Erie.

A line was constructed from Glencoe to Fort Erie (145.64 miles) and opened for traffic on December 15, 1873. This line became known as the Glencoe Loop.

The Great Western Railway Company

Under Upper Canada Act 4, William IV, Chapter 29, March 6, 1834, "The London and Gore Railroad Company" was incorporated to build a railroad from London to Burlington Bay within ten years and to Lake Huron within twelve years. This undertaking was not carried out.

Under Upper Canada Act 8, Victoria, Chapter 86, March 29, 1845, the 1834 Act of Incorporation was revived with certain exceptions and amendments and the name of the Company was changed to "The Great Western Railroad Company."

Under Province of Canada Act 16, Victoria, Chapter 99, April 22, 1853 the name of the Company was changed to "The Great Western Railway Company."

Under Agreements dated June 15, 1869, June 3, 1870 and December 23, 1872, The Great Western Railway Company leased the lines (168.66 miles) of the Wellington, Grey and Bruce Railway Company. Operation was taken over by The Grand Trunk

Railway Company of Canada on August 12, 1882.

The Great Western Railway Company's Financial Act, 1871 (Dominion Act 34, Victoria, Chapter 44, April 14, 1871), had the effect of amalgamating The Hamilton and Toronto Railway Company, The London and Port Sarnia Railway Company and The Canada Air Line Railway Company with "The Great Western Railway Company", forming one Corporation under the latter name.

Under Agreement dated January 1, 1878, The Great Western Railway Company leased the line (35.83 miles) of The Brantford, Norfolk and Port Burwell Railway Company. Operation was taken over by The Grand Trunk Railway Company of Canada on August 12, 1882.

Detroit, Grand Haven and Milwaukee Railway Company, organized on November 9, 1878, by Samuel Barker et al who had purchased the railroad of the Detroit and Milwaukee Railroad Company (188.59 miles) at a mortgage foreclosure sale thereof, on September 4 1878 was subsequently controlled and operated by The Great Western Railway Company until the latter Company was amalgamated with The Grand Trunk Railway Company of Canada on August 12, 1882, when control and operation was taken over by The Grand Trunk Railway Company of Canada.

AMALGAMATION: Effective August 12, 1882, under agreement dated May 25, 1882, The Great Western Railway Company was amalgamated with "The Grand Trunk Railway Company of Canada" under the latter name (no ratification by Act of Parliament). The Grand Trunk Railway Company of Canada was amalgamated with "Canadian National Railway Company" January 31, 1923.

INVESTMENT IN AFFILIATED COMPANIES:

Prior to amalgamation on August 12, 1882:

The Great Western Railway Company owned all or the majority shares of the following companies, which stock upon amalgamation became the property of The Grand Trunk Railway Company of Canada:

The Galt and Guelph Railway Company	£ 48,593	\$236,485.44
Wellington, Grey and Bruce Railway Company	45,452	221,200.00
The London, Huron and Bruce Railway Company	21,421	104,250.00
The Brantford, Norfolk and Port Burwell Railway Company	6,164	30,000.00
Detroit, Grand Haven and Milwaukee Railway Company	308,219	1,500000.00

LOCATION: Lines Owned:-

Great Western Railway Company

		<u>Miles</u>
Suspension Bridge	to London	119.94
London	to Windsor	109.97
Brantford	to Galt	19.08
Petrolia Junction	to Petrolia	4.70
Clifton Junction	to Port Robinson	<u>9.41</u>
	Total	263.10

London and Port Sarnia Railway

Komoka	to Sarnia	50.85
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Canada Air Line Railway		
Glencoe	to Fort Erie	145.64

Hamilton and Toronto Railway		
Toronto	to Hamilton	36.11
Lines Owned		495.70

Lines Leased:-

Galt and Guelph Railway		<u>Miles</u>
Galt	to Guelph Junction	15.20

Wellington, Grey and Bruce Railway		
Guelph Junction	to Wiarton	168.63

London, Huron and Bruce Railway		
Hyde Park Junction	to Wingham Junction	68.91

Brantford, Norfolk and Port Burwell Railway		
Brantford	to Tillsonburg Junction	35.83

London and Port Stanley Railway		
London	to Port Stanley	23.66

Total Leased Lines		312.23
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Trackage Rights:-

Welland Railway		
Welland Junction	to Port Robinson	14.83
Total		822.76

Lines in United States controlled:-

Detroit, Grand Haven and Milwaukee Railway Company		
Detroit	to Grand Haven	187.77

Abandonments:-

Great Western Railway		
Alford	to Harrisburg	2.84 (1923)
St. George	to Paris Junction	8.00 (1932)

London, Huron and Bruce Railway		
Clinton Junction	to Wingham Junction	23.64 (1941)

Detroit, Grand Haven and Milwaukee Railway Company		
Spring Lake	to Grand Haven	1.96 (1870)

CAPITAL STOCK: Prior to amalgamation on August 12, 1882:

Issued: 5% Preference Stock	£ 505,753	\$ 2,461,331
Ordinary Shares	<u>6,116,802</u>	<u>29,768,436</u>
	£6,622,555	\$32,229,767

All of the Share Capital was exchanged for 4% Guaranteed and Consolidated Stocks of The Grand Trunk Railway Company of Canada, under The Grand Trunk Railway Act, 1884 (Dominion Act 47, Victoria, Chapter 52, April 19, 1884).

THE HALIFAX AND CAPE BRETON RAILWAY AND COAL COMPANY
(property included in "The Intercolonial Railway" from October 1, 1883)

INCORPORATED: April 4, 1876 - Nova Scotia Act 39, Victoria, Chapter 74.

HISTORY: Under Nova Scotia Act 35, Victoria, Chapter 63, April 18, 1872, the first "Louisburg Extension Railway Company" was incorporated to construct a railway from New Glasgow to Louisbourg to be commenced within two years, with power to connect the sections of railway on the east and west sides of the Strait of Canso by tunnel under the strait, or by steam ferry.

Under Nova Scotia Act 38, Victoria, Chapter 66, May 6, 1875, the second "Louisburg Extension Railway Company" was incorporated for the purpose of constructing a railway from New Glasgow to Louisbourg and to keep a steam ferry across the Strait of Canso, to be commenced and vigorously prosecuted within three years.

Under Nova Scotia Act 39, Victoria, Chapter 74, April 4, 1876, "The Halifax and Cape Breton Railway and Coal Company" was incorporated to construct, maintain and operate a railway from some convenient point on the existing railway between Truro and Pictou to the Strait of Canso, connecting by steam ferry with Cape Breton, thence to Louisbourg with branches to Wycocomah and West Bay, also to own and operate quarries, mines, etc.

In an endeavour to assist the Province of Nova Scotia in its efforts to secure construction of the line from New Glasgow to the Strait of Canso the Dominion Government offered, as authorized by Dominion Act 40, Victoria, Chapter 46 of 1877 and Dominion Act 42, Victoria, Chapter 12, 1879, to transfer the Pictou Branch Railway - Truro to Pictou Landing - to any company undertaking to build the line to Canso. The Halifax and Cape Breton Railway and Coal Company entered into a construction agreement with the Province of Nova Scotia, which included the line to Canso, and the Pictou Branch Railway was placed at its disposal.

The railway was completed and opened for traffic as follows:

New Glasgow	to Pirate Harbour	78.25 miles	September 1, 1879
Pirate Harbour	to Mulgrave	0.82 miles	July 1, 1880
	Total	79.07 miles	

The Halifax and Cape Breton Railway and Coal Company, however, failed to carry out its agreement with the Province, and by authority of Nova Scotia Act 46, Victoria, Chapter 21, March 9, 1883, the Province of Nova Scotia confiscated the Company's rights, including the lines from New Glasgow to the Strait of Canso which had become commonly known as the "Eastern Extension Railway," and the Pictou Branch Railway. This Branch had been constructed originally by the Province of Nova Scotia, but had become the property of the Dominion of Canada on July 1, 1867, under the terms of the British North America Act.

Under Dominion P.C. 2483, December 22, 1883, and Nova Scotia P.C.

December 28, 1883, confirmed by Dominion Act 47, Victoria, Chapter 5, April 19, 1884, and Nova Scotia Act 47, Victoria, Chapter 1, April 19, 1884, respectively, the line of railway from New Glasgow to the Strait of Canso commonly called the Eastern Extension Railway, and the steam ferry "Norwegian," together with the rights of the Province in the Pictou Branch Railway, was purchased by the Dominion Government for \$1,200,000, excluding new rolling stock and equipment which was acquired at the cost thereof, as of October 1, 1883. Since that date the Pictou Branch and Eastern Extension Railways, which were taken over by the Province of Nova Scotia under the name "Nova Scotia Railways," have formed part of The Intercolonial Railway. Operation was assumed January 9, 1884.

The line from the Strait of Canso to Sydney via the Bras D'Or Lakes and Grand Narrows was built by the Dominion Government and forms part of The Intercolonial Railway. It was opened for traffic in 1890 - 1891.

LOCATION:

New Glasgow Division:

New Glasgow - Strait of Canso 79.59 miles
Steamer "Norwegian"

HALIFAX AND EASTERN RAILWAY COMPANY

(property included in "The Intercolonial Railway" from 1916).

INCORPORATED:

April 28, 1906 - Nova Scotia Act 6, Edward VII, Chapter 161.

HISTORY:

Under Nova Scotia Act, 59 Victoria, Chapter 83, February 15, 1896, "The Halifax and Guysborough Railway Company, Limited" was incorporated to construct a railway from Halifax, via Musquodoboit Valley to Guysborough.

Under Nova Scotia Act, 61 Victoria, Chapter 126, March 11, 1898, "The Musquodoboit Railway Company, Limited" was incorporated to construct and operate a railway from Windsor Junction or from Dartmouth or Halifax, to Parker's Corner, etc., etc.

Under Nova Scotia Act, 1 Edward VII, Chapter 130, April 4, 1901, "Nova Scotia Eastern Railway Company, Limited" was incorporated to construct and operate a railway from New Glasgow to Country Harbour and Guysborough, etc., etc.

Under Nova Scotia Act, 2 Edward VII, Chapter 136, March 27, 1902, The Musquodoboit Railway Company, Limited and Nova Scotia Eastern Railway Company, Limited, with the prior consent of shareholders of the respective companies, were amalgamated into a single corporation under the name "Nova Scotia Eastern Railway Company, Limited."

Under Nova Scotia Act 6 Edward VII, Chapter 161, April 28, 1906, "Halifax and Eastern Railway Company" was incorporated to acquire, construct and operate a railway from Dartmouth to Guysborough and from New Glasgow to Country Harbour, etc., etc.

On June 7, 1906, Jas. J. Warren, Secretary of Nova Scotia Eastern Railway Company, Limited, wrote to the Minister of Railways and Canals, stating that his Company was not going to build and was transferring all its rights, including subsidies to Halifax and Eastern Railway Company.

Under Vote 103, Act 2, George V, Chapter 2, 1912, \$85,000 was provided to pay for plans of Halifax and Eastern Railway Company, chargeable to Capital Account of The Intercolonial Railway.

The Department of Railways and Canals built in part the line from Dartmouth to Upper Musquodoboit between the years 1912 and 1916. Upon completion the line was

merged in The Intercolonial Railway, and opened for traffic from Woodside to Upper Musquodoboit 66.63 miles on January 1, 1916.

The eastern section of the original project was not built at the time.

Under Dominion Act 19-20 George V, Chapter 34, June 14, 1929, construction of the line from Sunny Brae to Guysborough by Canadian National Railway Company was authorized. Construction was commenced in November 1929, and about 67 miles of road bed were graded and bridges put in. In 1931 further work was abandoned.

LOCATION:

Dartmouth Subdivision - Halifax Division

Woodside to Upper Musquodoboit 66.63 miles

SUBSIDIES:

Nil.

THE HALIFAX AND SOUTH WESTERN RAILWAY COMPANY

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

Includes:

The Central Railway Company, Limited

Nova Scotia Central Railway Company

(formerly Nova Scotia, Nictaux and Atlantic Central Railway Company)

(formerly The Nictaux and Atlantic Railway Company)

The Halifax and Yarmouth Railway Company, Limited

(formerly The Coast Railway Company of Nova Scotia, Limited)

Liverpool and Milton Railway Company, Limited

(formerly Liverpool and Milton Tramway Company, Limited)

The Middleton and Victoria Beach Railway Company, Limited

(formerly The Granville and Victoria Beach Railway and Development Company, Limited)

Nova Scotia Southern Railway Company, Limited.

INCORPORATED:

July 30, 1901 - Nova Scotia Order-in-Council.

HEAD OFFICE:

Montreal, Quebec.

DECLARATORY:

Declared to be works for the general advantage of Canada - Dominion Act 4-5, George V, Chapter 20, June 12, 1914, "Canadian Northern Railway Guarantee Act 1914."

HISTORY:

"The Central Railway Company, Limited"

Under Nova Scotia Act 54 Victoria, Chapter 125, May 19, 1891, "The Central Railway Company Limited" was incorporated to construct a railway from New Germany to Windsor, Windsor Junction, Bedford or Halifax, etc., etc.

Under Nova Scotia Act 59 Victoria, Chapter 89, February 15, 1896, the Act of Incorporation was revived and amended and the purposes of incorporation were enlarged to include among others the acquisition of the property, rights, privileges, and franchises of Nova Scotia Central Railway Company.

Pursuant to Order of the Supreme Court of Nova Scotia, dated September 19, 1891, the properties and franchises of Nova Scotia Central Railway Company were sold by the sheriff of Lunenburg County at public auction to James D. Eisenhaur and Fletcher B. Wade for the sum of \$515,000 on November 23, 1891. At the request of Messrs. Eisenhaur and Wade the sheriff made a deed of the properties and franchises to The Central Railway Company, Limited. The sale was ratified and the properties and franchises vested in The Central Railway Company, Limited, under Nova Scotia Act 59

Victoria, Chapter 90, February 15, 1896.

Under Nova Scotia Act 3 Edward VI, Chapter 2, April 11, 1903, The Central Railway Company, Limited was authorized to sell and transfer its undertaking, franchises, and real and personal property to The Halifax and South Western Railway Company effective July 1, 1902.

"Nova Scotia Central Railway Company"

Under Nova Scotia Act, 36 Victoria, Chapter 40, April 30, 1873, "The Nictaux and Atlantic Railway Company" was incorporated to construct a railway from Middleton to Bridgewater and Mahone Bay.

Under Nova Scotia Act 38 Victoria, Chapter 70, May 6, 1875, the name was changed to "Nova Scotia, Nictaux and Atlantic Central Railway Company."

Under Nova Scotia Act 49 Victoria, Chapter 17, May 11, 1886, the name was changed to "Nova Scotia Central Railway Company." A mortgage of its properties and franchises was executed on January 1, 1890.

The railway was completed and opened for traffic as follows:

Lunenburg to Middleton 72.08 miles March 28, 1890

On September 19, 1891, following action by bondholders to foreclose the mortgage, the Supreme Court of Nova Scotia ordered that the properties and franchises be sold at public auction. The bondholders, James D. Eisenhaur and Fletcher B. Wade purchased the properties and franchises at sheriff's sale at public auction for the sum of \$515,000. At the request of Messrs. Eisenhaur and Wade the sheriff of Lunenburg County made a deed transferring the properties and franchises to "The Central Railway Company, Limited."

"The Halifax and Yarmouth Railway Company Limited"

Under Nova Scotia Act, 56 Victoria, Chapter 154, April 28, 1893, "The Coast Railway Company of Nova Scotia, Limited." was incorporated to construct and operate a railway from Yarmouth to Lockeport.

The railway was completed and opened for traffic as follows:

Yarmouth to Pubnico 28.30 miles August 18, 1897

Under Nova Scotia Act, 62 Victoria, Chapter 128, March 30, 1899, the name was changed to "The Halifax and Yarmouth Railway Company, Limited."

The railway was completed and opened for traffic as follows:

Pubnico to Barrington Passage 21.70 miles January 15, 1900

Under agreement dated May 15, 1905, the undertaking, franchises, and property of the Halifax and Yarmouth Railway were sold and transferred to The Halifax and South Western Railway Company.

"Liverpool and Milton Railway Company. Limited"

Under Nova Scotia Act, 59 Victoria, Chapter 88, February 15, 1896, "Liverpool and Milton Tramway Company Limited" was incorporated to construct and operate a tramway or railway, in and between the town of Liverpool and town of Milton, and on to the pulp mill. This Act became effective May 15, 1896.

Nova Scotia Act, 63 Victoria, Chapter 176, March 30, 1900, amended the name to "Liverpool and Milton Railway Company, Limited."

The railway was completed and opened for traffic as follows:

Liverpool to Rapid Falls 4.63 miles about March 1, 1897

Under authority of Nova Scotia Chapter 14, April 25, 1907, the undertaking, franchises and property of the "Liverpool and Milton Railway Company, Limited" were sold to The Halifax and South Western Railway Company. The property however, was not transferred until the fiscal year ended, June 30, 1911.

"The Middleton and Victoria Beach Railway Company, Limited"

Under Nova Scotia Act, 60 Victoria, Chapter 82, March 1, 1897, "The Granville and Victoria Beach Railway and Development Company, Limited" was incorporated to construct and operate a railway from Bridgetown, via Granville to Victoria Beach, etc., etc.

Nova Scotia Act, 1 Edward VII, Chapter 160, April 4, 1901, amends previous legislation and changes name to "The Middleton and Victoria Beach Railway Company, Limited."

Under Nova Scotia Act, 3 Edward VII, Chapter 175, April 11, 1903, the organization of The Middleton and Victoria Beach Railway Company was declared to be regular and legal notwithstanding Section 41, Chapter 82, 1897.

The railway was completed and opened for traffic as follows:

Middleton	to Port Wade	39.12 miles	January 30, 1907
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Under authority of Nova Scotia Act, 5 Edward VII, Chapter 1, April 7, 1905, the undertaking, franchises and property of The Middleton and Victoria Beach Railway Company, Limited, were sold and transferred to The Halifax and South Western Railway Company. Agreement was executed April 3, 1906 and approved by Act 6, Edward VII, Nova Scotia assented to April 28, 1906.

"Nova Scotia Southern Railway Company, Limited"

Under Nova Scotia Act, 51 Victoria, Chapter 82, April 16, 1888, "Annapolis and Atlantic Railway Company" was incorporated to construct and operate a railway from Annapolis to Liverpool with branches to Shelburne, Sand Point, Barrington and Lockeport.

Under Dominion Act, 51 Victoria, Chapter 73, May 22, 1888, "The Annapolis and Atlantic Railway Company" was incorporated to construct and operate a railway between the points mentioned above. While the name of the Company is not identical with the name incorporated under the Nova Scotia Act, the names of those applying for incorporation are almost the same in both instances. It is assumed the same Company is intended.

Under Nova Scotia Act, 56 Victoria, Chapter 65, April 28, 1893, the name was changed to "Nova Scotia Southern Railway Company."

Under Nova Scotia Act, 57 Victoria, Chapter 76, February 12, 1894, a new Company under the name "Nova Scotia Southern Railway Company, Limited" was incorporated to construct and operate a railway from Annapolis to Liverpool with a main branch to Shelburne and Sand Point and branches to Barrington, Lockeport, Halifax, etc.

Under Nova Scotia Chapter 3, April 11, 1903, the lands, franchises, powers, rights and privileges of Nova Scotia Southern Railway Company, Limited were vested in The Halifax and South Western Railway Company.

The railway was completed and opened for traffic as follows:

Caledonia Junction	to Caledonia	21.92 miles	December 8, 1903
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"The Halifax and South Western Railway Company"

Under authority of Nova Scotia Act, 1 Edward VII, Chapter 3, April 4, 1901, the Governor in Council of Nova Scotia granted a charter, July 30, 1901, to Wm. Mackenzie,

D. D. Mann, and R. J. Mackenzie in the name "The Halifax and South Western Railway Company" to construct and operate a railway from Halifax to Yarmouth, etc. The charter was confirmed by Nova Scotia Chapter 2, March 27, 1902, which Act also exempted forever from municipal taxation the railways of the Company including lands for right of way and station purposes, tracks, stations and other buildings, rolling stock and equipment.

Under agreement dated August 20, 1901, with the Government of Nova Scotia, confirmed by Nova Scotia Act, 2 Edward VII, Chapter 1, March 27, 1902, the Company undertook to construct and operate the railway to provide transportation facilities in sections previously unserved, and to develop lumbering and other natural resources.

The railway was completed and opened for traffic as follows:

Halifax	to Mahone Junction	67.86 miles	October 27, 1904
Bridgewater Junction	to Liverpool	30.02 miles	January 30, 1905
Liverpool	to Barrington Passage	86.71 miles	January 30, 1905
Nictaux	to Torbrook Mines	<u>4.16 miles</u>	about July 1, 1910
Total		188.75 miles	

Under Nova Scotia Act, 3 Edward VII, Chapter 2, April 11, 1903, The Halifax and South Western Railway Company was authorized to acquire the undertaking, franchises, and real and personal property of The Central Railway Company, Limited. The transfer of property became effective July 1, 1902.

Under Nova Scotia Act, 3 Edward VII, Chapter 3, April 11, 1903, the lands, franchises, powers, rights and privileges of Nova Scotia Southern Railway Company, Limited were vested in The Halifax and South Western Railway Company. The transfer became effective July 1, 1902.

Under agreement dated May 15, 1905, authorized by Nova Scotia Chapter 1, April 17, 1905, the undertaking, franchises, and property of The Halifax and Yarmouth Railway Company, Limited, were purchased and transferred to The Halifax and South Western Railway Company.

Under authority of Nova Scotia Act, 5 Edward VII, Chapter 1, April 17, 1905, the undertaking, franchises, and property of The Middleton and Victoria Beach Railway Company, Limited, were acquired and transferred to The Halifax and South Western Railway Company under agreement dated April 3, 1906, confirmed by Act, 6 Edward VII, Chapter 2, assented April 28, 1906.

Under authority of Nova Scotia Act, 7 Edward VII, Chapter 14, April 25, 1907, the undertaking, franchises and property of Liverpool and Milton Railway Company, Limited, were acquired and transferred to The Halifax and South Western Railway Company. The property was not actually transferred until the fiscal year ended, June 30, 1911.

AMALGAMATION: On June 8, 1954, The Halifax and South Western Railway Company and eleven other companies were amalgamated into one company under the name "Canadian Northern Consolidated Railways." The latter Company was amalgamated with "Canadian National Railway Company" June 11, 1956.

PROPERTY INVESTMENT:

Included in property accounts of Canadian Northern Railway, and is not recorded separately.

SUBSIDIES:

Subsidies and Land Grants were as follows: (Statistics of Steam Railways - 1938 - Pages 63 & 65).

The Coast Railway Company of Nova Scotia, Limited			
Dominion	\$	160,000	
Nova Scotia		160,000	
Municipal		15,339	\$ 335,339

The Halifax and South Western Railway Company			
Dominion	\$	1,238,451	
Municipal		88,847	\$1,327,298

Liverpool and Milton Railway Company, Limited			
Dominion	\$	32,000	

Nova Scotia Central Railway Company			
Dominion	\$	235,200	
Nova Scotia			150,000 acres

Middleton and Victoria Beach Railway Company, Limited			
Dominion	\$	125,760	
		\$2,055,597	150,000 acres

LOCATION:

<u>Halifax Division:</u>	<u>Road Miles</u>	
Halifax and South Western Railway		
Halifax to Mahone	67.86	
Bridgewater Jct. to Barrington Passage	116.73	184.59
The Central Railway		
Nova Scotia Central Railway		
Lunenburg to Middleton	72.08	72.08
Halifax and Yarmouth Railway		
Barrington Passage to East Pubnico	21.70	50.00
Coast Railway of Nova Scotia		
East Pubnico to Yarmouth	28.30	
Liverpool and Milton Railway		
Liverpool to Liverpool Town	.90	.90
Milton to Rapid Falls		
Middleton and Victoria Beach Railway		
Middleton Jct. to Bridgetown	13.66	13.66
Bridgetown to Granville Centre		
Granville Centre to Port Wade		
Nova Scotia Southern Railway		
New Germany to Caledonia	<u>21.92</u>	<u>21.92</u>
		343.15

ABANDONMENTS:

Halifax & S.W. Junction	to Mile 1.50	1.50 miles	1919-20
Bridgetown	to Granville Centre	8.67 miles	1935
Granville Centre	to Port Wade	17.02 miles	1924
Nictaux	to Torbrook Mines	3.41 mile	1928
Milton Junction	to Rapid Falls	<u>3.68 miles</u>	1932
		34.28 miles	

CAPITAL STOCK:

Prior to amalgamation on June 8, 1954:	
Authorized:	10,000 shares of \$100 each - \$1,000,000

Issued: 10,000 shares of \$100 each - \$1,000,000

Under agreement dated July 14, 1914, the Contractors (Mackenzie, Mann & Company, Limited, Sir William Mackenzie and Sir Donald D. Mann) transferred all the shares of capital stock to the Trustee, free of prior charges, to become and remain the property of The Canadian Northern Railway Company to form part of the mortgaged premises under Trust Deed dated July 15, 1914. Payment was included in the \$23,000,000 of capital stock of The Canadian Northern Railway Company issued to the Contractors in consideration of their turning over control of the companies as set out in The Canadian Northern Guarantee Act, 1914, Dominion Chapter 20, June 12, 1914.

Upon amalgamation on June 8, 1954, the outstanding share certificates were cancelled and in substitution therefor common stock of Canadian Northern Consolidated Railways of equal value was included in the share certificate issued by Canadian Northern Consolidated Railways to The Canadian Northern Railway Company.

FUNDED DEBT:

The Halifax and South Western Railway Company 3½% First Mortgage, 30 year, Debenture Bonds Secured by Trust Deed dated October 1, 1912, and maturing September 30, 1942, guaranteed by the Canadian Northern Railway Company according to tenor.

Amount authorized: \$7,600,000.00

Amount issued: 5,663,666.66

The amount payable to the Nova Scotia Government was settled by the Governor in Council and adjusted at the sum of:

\$4,447,000.00

This mortgage was discharged on maturity on September 30, 1942.

As at June 8, 1954 - nil.

THE HAMILTON AND NORTH WESTERN RAILWAY COMPANY

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

INCORPORATED: March 2, 1872 - Ontario Chapter 55.

DECLARATORY: Declared to be for the general advantage of Canada - Dominion Chapter 24, May 25, 1883.

HISTORY:

"The Hamilton and Lake Erie Railway Company"

The Hamilton and South Western Railway Company was incorporated on May 30, 1855, under province of Canada Act, 18 Victoria, Chapter 193, to build a railway from Hamilton to Otterville. This charter was repealed by Act 19, Victoria, Chapter 22. Province of Canada on May 16, 1856 as line was being built by the Hamilton and Port Dover Railway Company.

Under Province of Canada Act, 16 Victoria, Chapter 102, April 22, 1853, "The Hamilton and Port Dover Railway Company" was incorporated to build a railway between Hamilton and Port Dover. Due to financial embarrassment after expending a large amount of money on construction between Hamilton and Caledonia work was suspended. The Company became indebted by virtue of certain judgments at law and was entitled to sundry debts and claims due it.

Under Ontario Act, 32 Victoria, Chapter 35, December 24, 1869 the charter was

revived for the purpose of settling their financial affairs but not for proceeding with construction.

Under Ontario Act, 33 Victoria, Chapter 36, December 24, 1869, "The Hamilton and Lake Erie Railway Company" was incorporated to build from Hamilton to Caledonia or Cayuga. The Act also vested the interest which mortgagees and a judgment creditor had in The Hamilton and Port Dover Railway in Adam Hope, John Brown and William McGivern, as Trustees for sale, and gave "The Hamilton and Lake Erie Railway Company" the right to purchase the lands, privileges and appurtenances comprised in the mortgages.

Ontario Act, 36 Victoria, Chapter 85, March 29, 1873, confirmed the purchase by The Hamilton and Lake Erie Railway Company of the properties and rights of The Hamilton and Port Dover Railway Company.

The line was completed and opened for traffic as follows:

Hamilton, King Street	to Jarvis	31.50 miles	about January 1, 1875
Jarvis	to Port Dover	<u>8.88 miles</u>	about January 1, 1879
Total		40.38 miles	

Under agreement dated August 11, 1875, and as authorized by Ontario Act, 39 Victoria, Chapter 72, February 10, 1876, The Hamilton and Lake Erie Railway Company and The Hamilton and North Western Railway Company were amalgamated under the latter name.

"The Hamilton and North Western Railway Company"

Under Ontario Act, 35 Victoria, Chapter 55, March 2, 1872, "The Hamilton and North Western Railway Company" was incorporated to construct a railway from Hamilton through the Counties of Wentworth, Halton, Peel and Simcoe to a point on one of the bays bordering on the Township of Tay, with power to extend to Lake Nipissing.

Under agreement dated August 11, 1875, and as authorized by Ontario Act, 39 Victoria, Chapter 72, February 10, 1876, The Hamilton and Lake Erie Railway Company and the Hamilton and North Western Railway Company were amalgamated under the latter name.

From July 1, 1879, to February 24, 1888, The Hamilton and North Western Railway Company and The Northern Railway Company of Canada were worked by a Joint Executive Committee (under the title of the "Northern and North Western Railway" which was organized on June 6, 1879, pursuant to agreement of that date between the two Companies.

The Hamilton and North Western Railway was completed and opened for traffic as follows:

Hamilton	to Barrie	99.04 miles	January 1, 1878
Alliston	to Glencairn	20.25 miles	January 1, 1878
Glencairn	to Collingwood	<u>19.18 miles</u>	January 1, 1879
138.47 miles			

Under Dominion Chapter 24, 1883 the railway was declared to be for the general advantage of Canada.

AMALGAMATION: 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 these two companies.

DONATIONS AND GRANTS:

Subsidies were as follows: (Statistics of Steam Railways - 1938 Page 62).

Hamilton and North Western Railway Company

<u>Subsidies</u>	<u>Ontario</u>	<u>Municipality</u>	<u>Total</u>
City of Hamilton	\$ 99,733		
Village of Georgetown		11,289	
County of Peel		30,974	
County of Simcoe		354,007	
Town of Collingwood		12,084	
Township of Innisfil		22,592	
Township of Woodhouse		20,740	
Township of Adjala		2,500	
Township of Esaa		2,500	
Township of Tossoronto		10,000	
Township of Mulmur		5,000	
Village of Alliston		8,000	
Township of Nottawasaga	20,386		
Province of Ontario	565,020		
Total	\$565,020	\$599,805	\$1,164,825

Northern Railway Company of Canada

<u>Subsidies</u>	<u>Ontario</u>	<u>Municipality</u>	<u>Total</u>
City of Toronto		\$100,000	
Town of Barrie		30,000	
Town of Orillia		12,000	
Township of Collingwood, Euphrasia and St. Vincent	99,480		
Province of Ontario	196,188		
Total	\$196,188	\$241,980	\$ 438,168

LOCATION: Mileage in operation December 31, 1960:

Hagersville SD	Mile 0.52 to Mile 0.91	0.39 miles
Beach Junction	to Burlington	5.59 miles
Burlington	to Allandale	<u>82.49 miles</u>
	Total	88.47 miles

Hamilton and Lake Erie Railway

Hamilton	to Jarvis	<u>31.25 miles</u>
	Total mileage in operation	119.72 miles

Abandonments:

Allandale	to Barrie	1879	3.50 miles
Hamilton	to Beach Junction	1930	5.08 miles
Alliston	to Creemore	1955	18.46 miles
Allimil	to Alliston	1960	5.52 miles
Creemore	to Lake Junction	1960	16.18 miles
Jarvis	to Port Dover	1931	8.76 miles
Various adjustments			<u>1.63 miles</u>
	Total abandonments		59.13 miles

CAPITAL STOCK: Prior to amalgamation on February 24, 1888:
 Ordinary Stock \$997,400 (£204,945)
 Preference Stock 827,333 (£170,000)

Under the terms of Deed of Union all Ordinary Stock was exchangeable for Ordinary Stock of The Grand Trunk Railway Company of Canada.

The Preference Stock was exchanged for First and Second Preference Stock of The Grand Trunk Railway Company of Canada as provided under The Grand Trunk Railway Act, 1888 (Dominion Chapter 58, May 4, 1888).

LONG-TERM DEBT: Prior to amalgamation on February 24, 1888:
 6% First Mortgage Bonds £450,000
 Joint Equipment Bonds 66,000

HARLEM EXTENSION RAILROAD COMPANY

INCORPORATED: November 5, 1845.

HISTORY: The Western Vermont Railroad Company was incorporated on November 5, 1845 and the road was opened to the Troy and Bennington Railroad at New York State line in July 1852, and North Bennington to Bennington in 1854.

Rutland	to Bennington	57.00 miles
North Bennington	to New York State Line	<u>2.00 miles</u>
	Total	59.00 miles

On January 1, 1857 the mortgage trustees took possession of the road and leased it on January 16, 1857 to the Troy and Boston Railroad Company for ten years for \$36,000 a year.

The Lebanon Springs Railroad Company was organized March 28, 1882, and the road opened in 1869. It was consolidated with the Pine Plains and Albany Railroad Company on December 18, 1872, and leased to the New York, Boston and Montreal Railroad Company.

The Harlem Extension Railroad Company was organized January 1, 1870 by the consolidation of the Lebanon Springs Railroad Company and the Bennington and Rutland Railroad Company.

About 1857 the Western Vermont Railroad Company became bankrupt and was reorganized as the Bennington and Rutland Railroad Company.

The Harlem Extension Railroad was leased to and operated by the New York, Boston and Montreal Railway Company until December 1, 1873, on which date the Central Vermont Railroad Company assumed the operation.

HARVEY ELEVATOR COMPANY

HISTORY: Under agreement and deed of lease dated March 14, 1905, the Grand Trunk Western Railway Company leased to the Harvey Elevator Company for a period of years beginning March 14, 1905 and ending December 31, 1915, subject to renewal, certain lands at Harvey, Illinois, for the purpose of enabling the Elevator Company, to erect and maintain on said lands buildings to be used as a warehouse for the storage of grain, a

dryer and other appurtenances to be connected with the grain elevator owned by the Elevator Company on land leased from the Railway Company to provide for the expeditious handling of grain in connection with traffic over the Grand Trunk Railway System.

Under Deed of Lease dated July 14, 1906 between the Grand Trunk Railway Company of Canada and the Harvey Elevator Company the lease of March 14, 1905 was cancelled and a new arrangement was entered into covering the buildings erected and to be erected on the lands of the Elevator Company and the Railway Company.

Under date of July 14, 1906 the Grand Trunk Western Railway Company agreed to an assignment of the above lease to the Rogers Grain Company.

Under agreement dated July 14, 1906, between the Grand Trunk Western Railway Company and the Harvey Elevator Company the Grand Trunk Western Railway Company agreed to purchase 550 shares of the Capital Stock of the Harvey Elevator Company of a par value of \$100 each for \$55,000, \$30,000 of which was paid in cash and the balance of \$25,000 was to be paid on the basis of \$3.00 per car. The shares were paid for and delivered but no payments were made on the \$3.00 per car.

Under agreement dated December 20, 1916 between the shareholders of the Harvey Elevator Company and the Grand Trunk Western Railway Company it was agreed that the Harvey Elevator Company would be dissolved and its charter surrendered after the sale of the plant and property to C. T. Peavey.

HUDSON BAY RAILWAY

(Owned by Crown and operated by "Canadian National Railway Company" as agent of Minister of Transport).

HISTORY:

In 1906 The Canadian Northern Railway Company submitted, for approval, to the Minister of Railways and Canals, a route map of a line of railway from a point on its Prince Albert Branch to Fort Churchill, basing its application upon its rights as successor to The Winnipeg Great Northern Railway Company. The route was approved.

The Canadian Northern Railway Company built from what is now Hudson Bay Junction in Saskatchewan to The Pas, Manitoba and left the project in abeyance. This branch was opened for traffic February 28, 1910.

In 1909, the Dominion Government, on urgent representation from Western Members and business groups, surveyed routes for possible railway line from The Pas to either Churchill or Port Nelson on Hudson Bay. Port Nelson was eventually chosen as the Bay Terminus by the Honourable F. Cochrane in 1911-12.

Construction of the line as a Dominion Government work commenced about 1911, the work being let by contract in three sections. In 1918, due to financial stringency and the more important problems issuing from the Great War, work was suspended, the line being then completed to about Kettle Rapids.

Under Dominion Order in Council P.C. 2854, November 20; 1918, the Board of Directors of The Canadian Northern Railway Company were appointed a Board of Management of Canadian Government Railways, and Dominion Order in Council P.C. 2482, December 13, 1919, declared Hudson Bay Railway to be part of Canadian Government Railways.

Under Dominion Order in Council P.C. 115, January 20, 1923, entrustment to the Board of Directors of The Canadian Northern Railway Company was terminated and management and operation of Canadian Government Railways was entrusted to the Board of Directors of Canadian National Railway Company.

Under Vote of Parliament, construction work on Hudson Bay Railway was resumed in 1926.

Under Dominion Order in Council P.C. 974, June 25, 1926, entrustment to Canadian National Railway Company for management and operation was withdrawn and contract was entered into for rehabilitation and completion of the line by Canadian National Railway Company as agent, of the Minister of Railways and Canals.

The Honourable Charles A. Dunning, Minister of Railways and Canals, in a letter dated January 5, 1927, to Mr. Frederick Palmer, requested him to make an investigation into the relative merits of Port Nelson and Fort Churchill as a terminus for the Hudson Bay Railway. Mr. Palmer submitted a preliminary report on August 24, 1927 to the Honourable Charles A. Dunning strongly recommending that Churchill be made the port terminal of the Hudson Bay Railway because it affords by far the best possible opportunity for the development of trade through the Hudson Bay. The Final Report in October 1927 confirmed this recommendation. The Government decided to act on Mr. Palmer's recommendations and immediately the work of moving of plant and material to Churchill began. Work was carried on under the supervision of Canadian National Railways during 1928 and 1929.

On Saturday November 1, 1928, a train service was put into effect leaving The Pas on Saturday November 1, and arriving at Herchmer Mile 4.12 on Monday at 2:00 p.m.

On Wednesday September 28, 1929, the first return trip over the railway to Churchill was completed when "The Muskeg" reached The Pas. This train had left The Pas with officials and other passengers on Saturday, September 14, at noon and reached Churchill early Monday morning on September 16, 1929.

A tri-weekly mixed freight and passenger train service was put into operation between The Pas and Herchmer on May 3, 1930, mixed trains were operated between Herchmer and Churchill, but not for the carriage of regular passenger service.

Under Dominion Order in Council P.C. 1100, June 27, 1929, the Agreement, whereby Hudson Bay Railway was operated by Canadian National Railway Company as agent of the Minister of Railways and Canals was renewed. Since April 1, 1935 the Department of Transport provided separate appropriations for the operating deficit and for additions and betterments to the property.

The Port facilities at Churchill are administered by the National Harbours Board of Canada, having been transferred to that Board by Dominion Order in Council P.C. 397, February 27, 1937.

Under Dominion Order in Council P.C. 3340, dated July 27, 1948, Hudson Bay Railway was again entrusted to Canadian National Railway Company for management and operation effective August 1, 1948. The operating results are not included in Canadian Government Railways. The Government provides funds to cover operating deficits and amounts required for additions and betterments to the property, and any surplus from operations is remitted to the Government.

Under Order in Council P.C. 1958-217, dated February 7, 1958, the management and operation of the Hudson Bay Railway was transferred to the Canadian National Railway Company as from and after January 1, 1958. This means that the Canadian National Railway Company now operates the Hudson Bay Railway on the surplus or deficit of the Canadian National Railways system in the same manner as it, does in respect of other Government railways intrusted to the Company for management and operation.

PROPERTY INVESTMENT:

As at March 31, 1960:

Hudson Bay Railway	\$ 36,702,008
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DONATIONS AND GRANTS:

Subsidies were (Statistics of Steam Railways of Canada - 1938, Page 69):

Province of Manitoba 2,300.89 acres of land.

LOCATION: The Pas - Churchill, Manitoba 509.89 miles.

THE IMPERIAL ROLLING STOCK COMPANY LIMITED

HISTORY: The Imperial Rolling Stock Company, Limited was incorporated by Letters Patent of the Province of Ontario, issued March 12, 1902.

Under an Agreement dated October 30, 1902 the Imperial Rolling Stock Company, Limited purchased certain rolling stock from Mackenzie, Mann and Company, Limited, and paid part of the purchase price of said rolling stock by the issue to Mackenzie, Mann and Company Limited of \$300,000 fully paid up shares.

The majority of the shares of Capital Stock issued when the Company was formed was held by Mackenzie, Mann and Company, Limited, the others being held by various individuals in 1919. Mackenzie Mann and Company, Limited agreed to transfer their interest in the Capital Stock, which was entirely valueless, to the Canadian Northern Railway Company and the majority of the stockholders agreed to do the same. All the stock was turned in except 545 shares.

Capital Stock authorized	\$1,000,000
Capital Stock issued	300,000
Capital Stock held by the System	245,500

The stock was held as follows:

Canadian Northern Rolling Stock Limited	\$ 210,400
Canadian National Realities Limited	34,500
R. P. Ormsby	100
5 Directors	<u>500</u>
Total	245,500
Outstanding in hands of public	<u>54,500</u>
Total Issued	\$ 300,000

The charter of the Company was surrendered on April 15, 1929 by a letter to the Provincial Secretary of Ontario, dated - April 15, 1929.

INDUSTRIAL LAND COMPANY

(wholly owned subsidiary of Grand Trunk Western Railroad Company)

INCORPORATED: February 20, 1930 - State of Michigan - Expires in 30 years from date.

HEAD OFFICE: Detroit, Michigan.

HISTORY: On February 20, 1930, Industrial Land Company was incorporated in the State of Michigan (Articles of Association were filed with Secretary of State on that date) for the purpose of acquiring lands held by Grand Trunk Western Railroad Company and Canadian National Railway Companies in the States of Michigan and Illinois, not required for operating purposes, which were subject to either sale or lease, with authority to buy, sell, lease, hold or improve real estate and the fixtures and personal property incidental thereto; to hold, manage, deal with or improve the property of the Company

and to sell, lease, mortgage, pledge or otherwise dispose of land or other property of the Company.

Necessity for incorporation of a company for a similar purpose in the State of Illinois was avoided by transferring property not required for operating purposes and situated in Illinois to Chicago Title and Trust Company to be held in Trust for Industrial Land Company.

Directors Resolution of February 20, 1930 authorized issuance of Debentures of unlimited amount as necessities of the Corporation require, in one or more series which may vary as to date, amount, date of maturity, and rate of interest.

INVESTMENT IN MISCELLANEOUS PHYSICAL PROPERTY:

As at December 31, 1955: \$ 664,478.00

ADVANCES TO GTWRR COMPANY:

As at December 31, 1955: \$ 473,127.18

CAPITAL STOCK:

Authorized:	2000 shares NPV common stock	(nominal price \$1 per share).
Issued:	1000 shares NPV common stock	\$1,000 (book value).

The entire capital stock is owned by Grand Trunk Western Railroad Company. 1 Certificate covering 995 shares of NPV common stock in the name of Grand Trunk Western Railroad Company, and 5 certificates covering 5 shares of NPV common stock in the names of directors (endorsed in blank) are held in Royal Trust Company vaults, Montreal - unpledged.

FUNDED DEBT:

Outstanding as at December 31, 1955: \$2,564,000

Temporary Certificates T1, and T2, covering 50 year 6% Gold Debentures, Series "A", issued under Trust Deed dated February 15, 1930, and maturing February 15, 1980, in the amount of \$1,576,000 representing 75% of appraised value of property of \$2,101,260, and \$988,000 representing appraised value of property, respectively, in the name of Grand Trunk Western Railroad Company are held in Royal Trust Company vaults, Montreal - unpledged.

DISSOLUTION:

The Michigan Corporation and Securities Commission advised that the application for dissolution had been granted and that the Corporation officially ceased to exist on May 4, 1960.

THE INTERCOLONIAL AND PRINCE EDWARD ISLAND RAILWAYS EMPLOYEES' PROVIDENT FUND

(Closed to new entrants August 7, 1929).

ESTABLISHED:

April 1, 1907 - Dominion Chapter 22, March 22, 1907.

HEAD OFFICE:

Moncton, N.B.

HISTORY:

Under Dominion Chapter 22, March 22, 1907, "The Intercolonial and Prince Edward Island Railways Employees' Provident Fund" was established, effective April 1, 1907, for the purpose of providing life allowances for employees who are retired after rendering long and faithful service, either on account of old age or physical or mental infirmity, or

on account of permanent disablement as a result of injuries received while on duty.

Dominion Chapter 5, May 1, 1929, empowered the Governor in Council to close The Intercolonial and Prince Edward Island Railways Employees' Provident Fund to new entrants and with respect to any employee who at the time of or after such closing is a contributing member to permit of his withdrawal as a member upon terms and conditions to be approved by the Governor in Council, and, in order to provide for the payment of pension allowances on retirement to Canadian Government Railways employees who are not members of the said Fund, to apply or to make applicable to such employees the same or similar rules and regulations for pension allowances as are or may from time to time be in effect and applicable to Canadian National Railways employees under the Canadian National Railways Pension Act (Dominion Chapter 4, May 1, 1929).

Under the authority above cited Dominion P.C. 1447, August 7, 1929, ordered that the Fund be forthwith closed to all new entrants, and that with respect to those employees of the Canadian Government Railways in the service upon or after August 7, 1929, who are not members of the said Fund, the rules and regulations for pension allowances as are or may be in effect from time to time and applicable to Canadian National Railways employees under the Canadian National Railways Pension Act shall apply and be applicable to such Canadian Government Railways employees.

MEMBER CONTRIBUTIONS:

Members contribute through current payroll deduction, 1½% of wages including overtime allowances.

As at December 31, 1960, there were 1,296 contributing members. Member contributions to December 31, 1960, totalled \$11,391,816.

RAILWAY CONTRIBUTIONS:

The railway is required to contribute out of its gross revenues an amount equal to the employees contributions, but not exceeding \$100,000 in any one year. Prior to 1914-15, the maximum was not reached, but since then \$100,000 has been contributed each year. Contributions under this heading to December 31, 1960, totalled \$5,265,550.

ADDITIONAL RAILWAY CONTRIBUTIONS:

The Fund became insolvent in 1925. The Act provides that in such circumstances either the contributions by the members be increased or the monthly pensions be reduced so that the expense may be brought within the limit of the Fund.

It was desired however, to maintain pension payments at the existing scale without increasing the members' contributions and by resolution of the Board of Directors of the Canadian National Railway Company, special contributions by the Railway to offset current annual deficits in the Fund were authorized. Although no written authority was obtained from the Dominion Government for such action, such special contributions have been made annually commencing in 1925. Contributions under this heading to December 31, 1960, totalled \$84,837,512.

GOVERNMENT CONTRIBUTIONS:

By resolution of The Intercolonial and Prince Edward Island Railways Employees' Provident Fund Board at Moncton, May 3, 1921, the minimum pension of \$240 per annum provided under the Act was increased effective April 1, 1921, to \$30 per month. Effective with the year 1921 the Dominion Government has contributed an amount necessary to meet the increased cost due to raising the minimum, such contributions being covered by separate vote each year included in Estimates of Department of Railways and Canals (now Department of Transport). Contributions to December 31, 1960, totalled

\$953,369.

AMOUNT OF PENSION:

The amount of pension at age 65 years or over, payable during the life time of the pensioner, equals 1½% (for each year of service) of the average earnings for the eight years immediately preceding retirement, the minimum being increased from \$20 per month to \$30 per month effective April 1, 1921, and the maximum being two-thirds of the average earnings.

PRIVILEGE OF TRANSFER TO CNR PENSION PLAN:

Although a member of this Fund is able to acquire the right to a high pension for a very low contribution, the plan provides no right to elect the type of pension. That is, the plan does not permit the member to select a joint and survivor, or time-guarantee type pension.

Representations were received from members requesting that the plan be amended to provide these options. The matter was carefully considered by the Canadian National Railways Pension-Co-ordinating Committee which was of the opinion that no change should be made in the rules of the Provident Fund, but that contributors to the Fund should be afforded the opportunity of placing themselves in the same pension position as other Canadian National Railways employees by transferring to the C.N.R. Pension Plan.

The Board of Directors of the Canadian National Railway Company at their meeting held November 25, 1955, approved a recommendation to this effect to the Minister of Transport. The recommendation was incorporated in Dominion Order in Council P.C. 1956-29/353, March 8, 1956. All contributing members of the Provident Fund were informed of the opportunity which was available to them, up to December 31, 1956, to elect to transfer to the C.N.R. Pension Plan. A total of 3,021 contributing members were canvassed; 2,781 elected to remain in the Provident Fund; 130 made no election; and 110 elected to transfer to the C.N.R. Pension Plan.

In view of the reopening of the right of transfer from the 1935 Plan (Part I) to the 1959 Plan, it was felt, that the opportunity of transferring from the Provident Fund to the 1959 Plan should be similarly reopened. By Order in Council P.C. 1958-47/1660, approved on December 12, 1958, all contributing members of the Provident Fund as at January 1, 1959, would be eligible to transfer to the Canadian National Railways 1959 Plan on the same terms and conditions as mentioned above provided they so elected on or prior to December 31, 1959.

All contributing members of the Provident Fund were informed of the opportunity available to them during 1959. A total of 1,941 contributing members were canvassed; 1,435 elected to remain in the Provident Fund, 420 made no election, and 86 elected to transfer to the 1959 Plan.

ADMINISTRATION:

The Fund is administered by the Minister of Transport through a Board consisting of five persons, one of whom is the General Manager of the Railway who, when present, acts as Chairman, two are appointed by the Minister of Transport from among the chief officers of the railway and the remaining two are elected triennially by contributing members of the Fund.

Number of retired employees who have died from the first
of April 1907, to the end of February 1961 5,975

Number of retired employees who have transferred to
C.N. Pension Plan

2

Number of retired employees who have returned to work during the same period	19
Number of Provident Fund during the month of February 1961	<u>4,133</u>
Number of employees who have been retired and placed on the Provident Fund from the first of April 1907 to the end of February 1961	10,129
Average pension payment as of December 31, 1960	\$136.03

ACCOUNTING:

The amount contributed by members (effected through current payroll deductions), the amount contributed by the Dominion Government to increase the minimum pension from \$20 to \$30 per month, and the amount contributed by the railway to offset the deficit in the Fund is credited to a special account. An offsetting charge is made to the same account when Canadian National Railways deposit these funds monthly in a Department of Transport Deposit Account in the Bank of Montreal, Ottawa, under the heading "Intercolonial and Prince Edward Island Railways Employees' Provident Fund," against which the monthly pension cheques are drawn. The balance in this Deposit Account at the close of each fiscal year's accounts, representing the amount of pension cheques issued but not presented for payment as of that date, is reflected in the Public Accounts of Canada under the heading "Miscellaneous Deposit and Trust Accounts - Department of Transport."

The monthly pension payroll is prepared by the Secretary of the Provident Fund Board at Moncton and passed to the railway Accounting Department at Moncton, in which office the payroll is audited and the pension cheques are written. Specially printed Dominion of Canada cheques drawn on the "Intercolonial and Prince Edward Island Railways Employees' Provident Fund" Deposit Account of the Department of Transport are used. After the cheques are written and signed they are mailed from Moncton, N.B. direct to the address of the respective recipients based on information furnished by them to the Secretary of the Provident Fund Board. The negotiated cheques are returned by the bank to the Department of Transport.

MEMBERSHIP:

As of December 31, 1960 1,296 active C.N.R. employees were members of this Fund rather than of the C.N.R. Pension Plan. The Fund, which was established by Act of Parliament in 1907, became insolvent in 1923 and its liabilities were assumed by the C.N.R. It was closed to new members in 1929 when a C.N.R. Pension Plan was first established.

Members of the Fund contribute 1½% of earnings and became entitled to retirement pensions of 1½% for each year of service of annual earnings during the last eight years of service, subject to a minimum of \$30 per month and a maximum of ⅔ of final eight years' average earnings. Although the Fund provides somewhat larger pensions for smaller contributions than the C.N.R. Pension Plan, it provides no benefits to survivors either on death of a member in service or after retirement, and is in various other respects less favourable than the C.N.R. Plan.

In 1956 and again upon the introduction of the 1959 C.N.R. Pension Plan, members of the Provident Fund were given the opportunity to elect to transfer to the C.N.R. Plan and thus obtain the survivor and other benefits available under the latter Plan. A total of 196 members elected to transfer.

PRESENT PENSION STATUS OF EMPLOYEES:

During 1959 every employee who, as of December 31, 1958, was not contributing under Part II of the 1952 C.N.R. Plan, had individually brought to his attention the advantages

of transferring to the 1959 C.N.R. Pension Plan. About 32,000 employees did so. This, together with the compulsory feature of the 1959 Plan for new employees entering the service after January 1, 1959, has produced the following changes in the pension status of active employees:

Contributors

	<u>Dec. 31, 1958</u>	<u>%</u>	<u>Dec. 31, 1960</u>	<u>&</u>
1959 C.N.R. Plan 36,015	34.6	71,329	74.1	
1935 C.N.R. Plan 16,026	15.4	7,201	7.5	
I.C. & P.E.I. Fund 1,941	1.9	1,296	1.4	
Total	53,982	51.9	79,826	83.0

Non-Contributors

1935 C.N.R. Plan 50,121	48.1	16,401	17.0	
Total	104,103	100.0	96,227	100.0

THE INTERCOLONIAL EXPRESS COMPANY OF CANADA (LIMITED)
(Formerly one-third capital stock owned by "The Canadian Express Company")
Company wound up April 1, 1914

INCORPORATED: June 21, 1879 - Dominion Letters Patent.

HISTORY: On January 15, 1876, the Minister of Public Works called for tenders for carrying general express business over The Intercolonial Railway between Halifax and Riviere du Loup, and Saint John, and intermediate points. Tenders submitted by The Canadian Express Company and Eastern Express Company were accepted and the business was undertaken by these two companies jointly under the name Intercolonial Express Company. The contract awarded, however, was signed only by the General Superintendent of Government Railways, and validity of the instrument was doubted.

Under Dominion Letters Patent, June 21, 1879, "The Intercolonial Express Company of Canada (Limited)" was incorporated, pursuant to agreement dated March 29, 1879, between The Canadian Express Company, Eastern Express Company of Boston and Frederick William Fishwick of Halifax, to form a new company to handle the express business on The Intercolonial Railway, each to contribute one-third of the capital stock of \$100,000.

On June 14, 1879, an agreement was executed between the Minister of Public Works and the three parties forming the new company mentioned above, whereby the contract awarded by the General Superintendent of Government Railways was allowed to expire, and a new contract awarded to The Intercolonial Express Company of Canada (Limited) for a period of 10 years from July 1, 1879.

By agreement dated December 1, 1889, between The Canadian Express Company, Eastern Express Company of Boston and Frederick William Fishwick operations of The Intercolonial Express Company of Canada (Limited) were turned over for management to The Canadian Express Company.

Commencing January 1, 1913, Dominion Express Company was allowed to operate over The Intercolonial Railway on equal terms with this Company. This caused an operating loss to this Company of \$7,536 in 1913, whereas in 1912 there was an operating profit of \$29,175.75. Due to this competition no improvement in financial returns could be forecast.

At Directors Meeting held on March 24, 1914, it was resolved that the Company be liquidated as of April 1, 1914, and that surplus assets after meeting liabilities be distributed pro rata among the shareholders in exchange for outstanding shares. At shareholder's meeting held later the same day this resolution was approved and the President and Secretary together with the General Counsel were empowered to wind up the Company in legal form.

The proportion of Surplus or Reserve paid to Grand Trunk Railway (The Canadian Express Company) was \$5,474.67, and to American Express Company (Eastern Express Company) and F. W. Fishwick Estate, \$5,458.27 each.