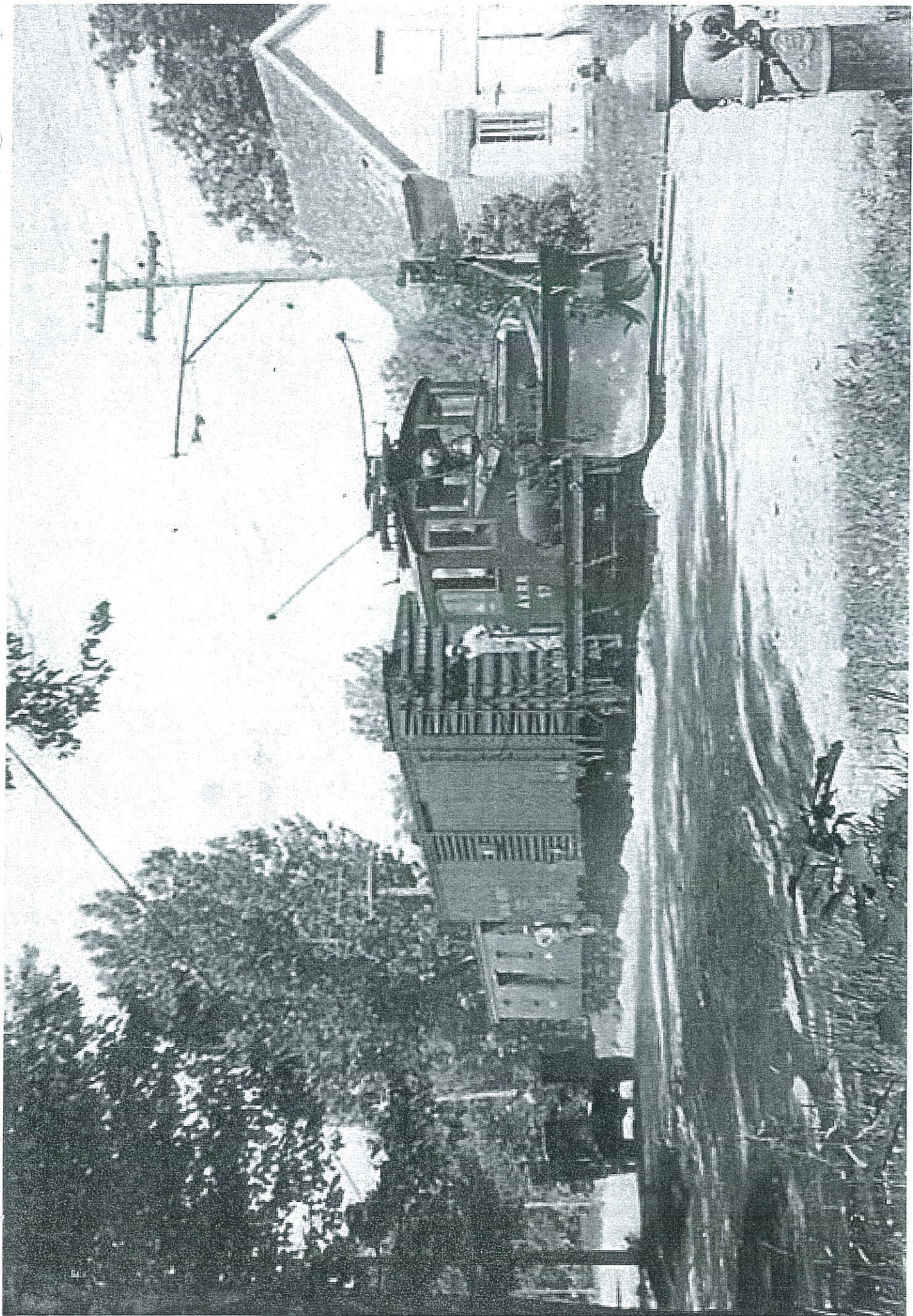
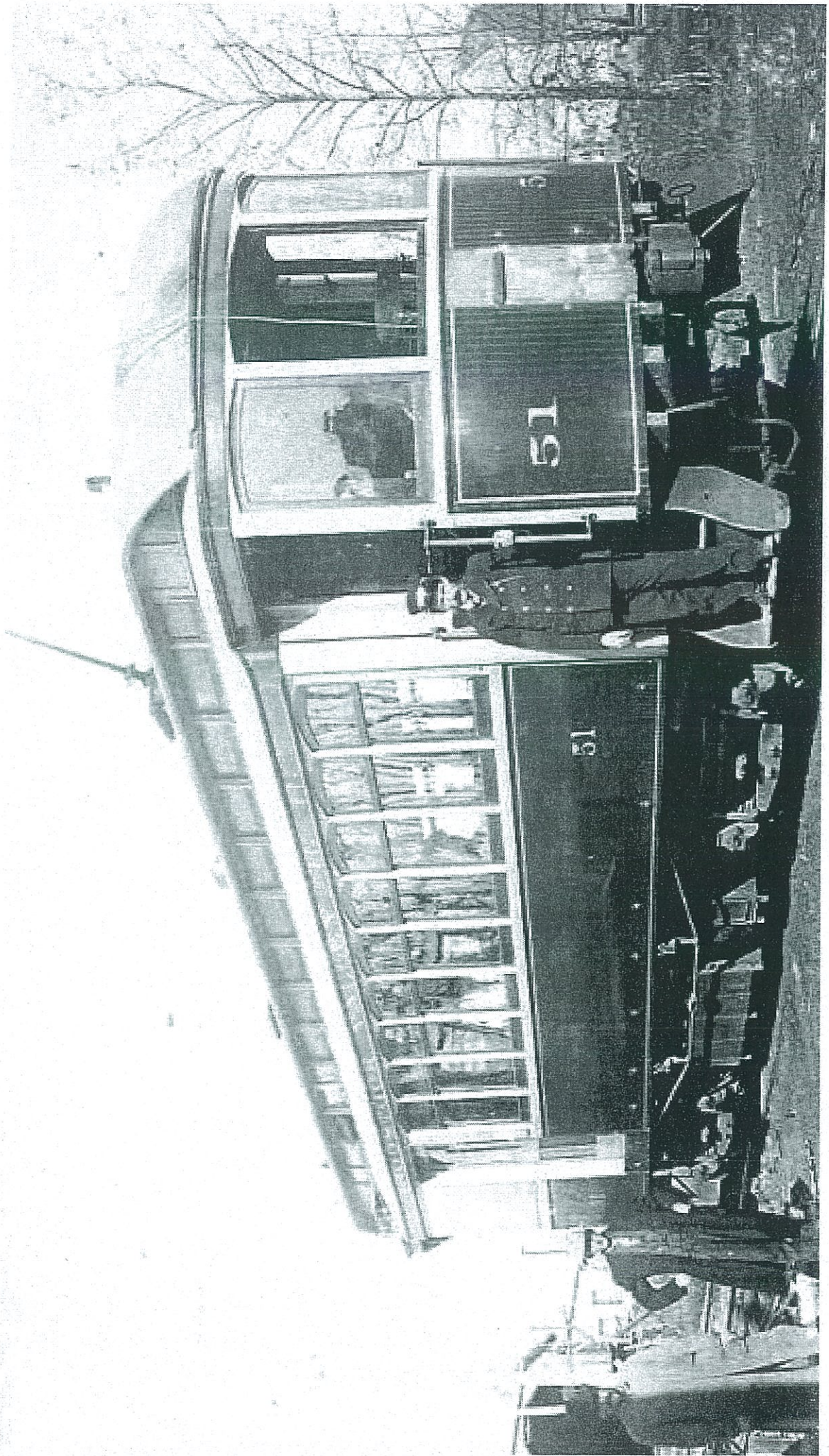


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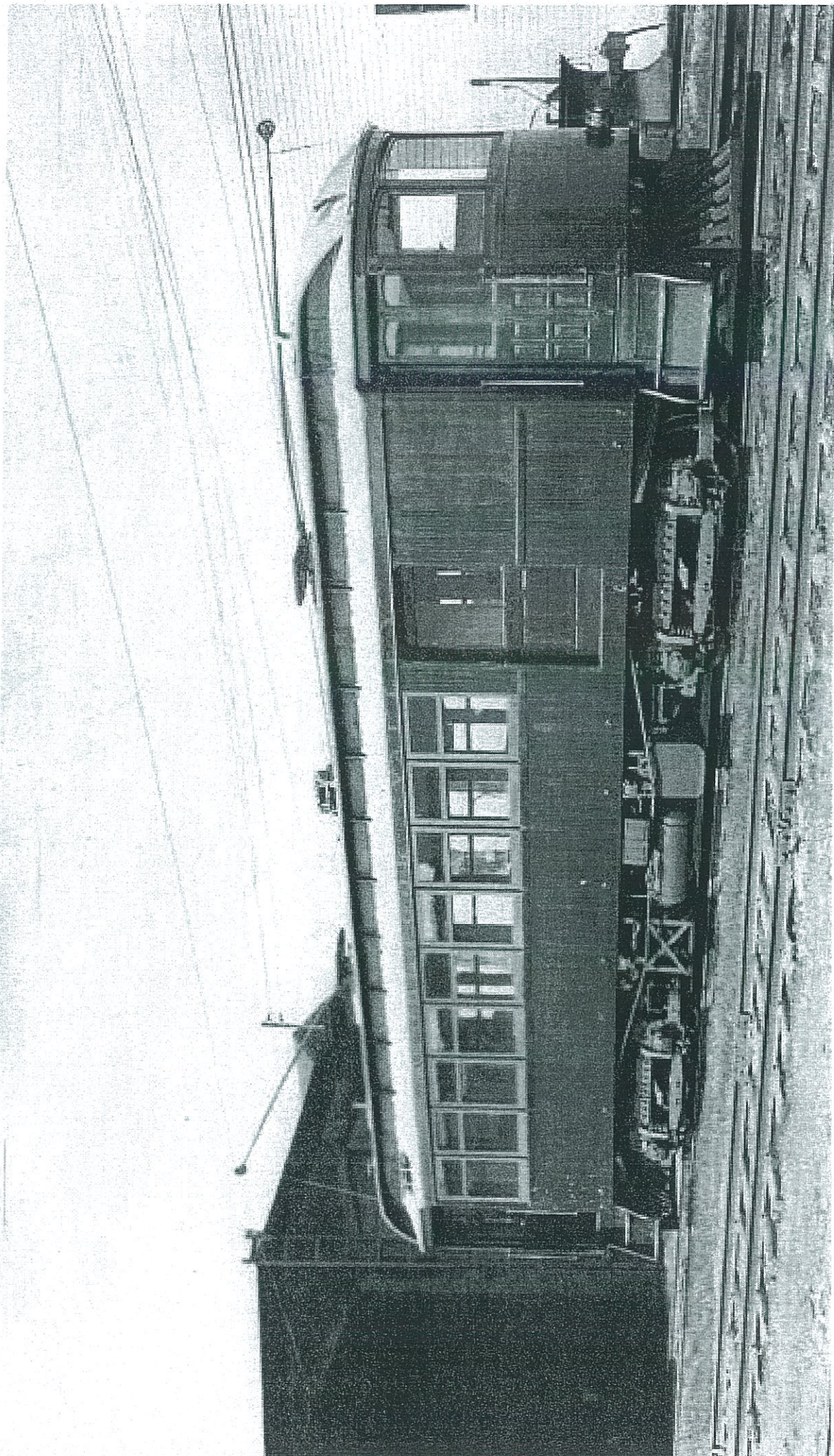




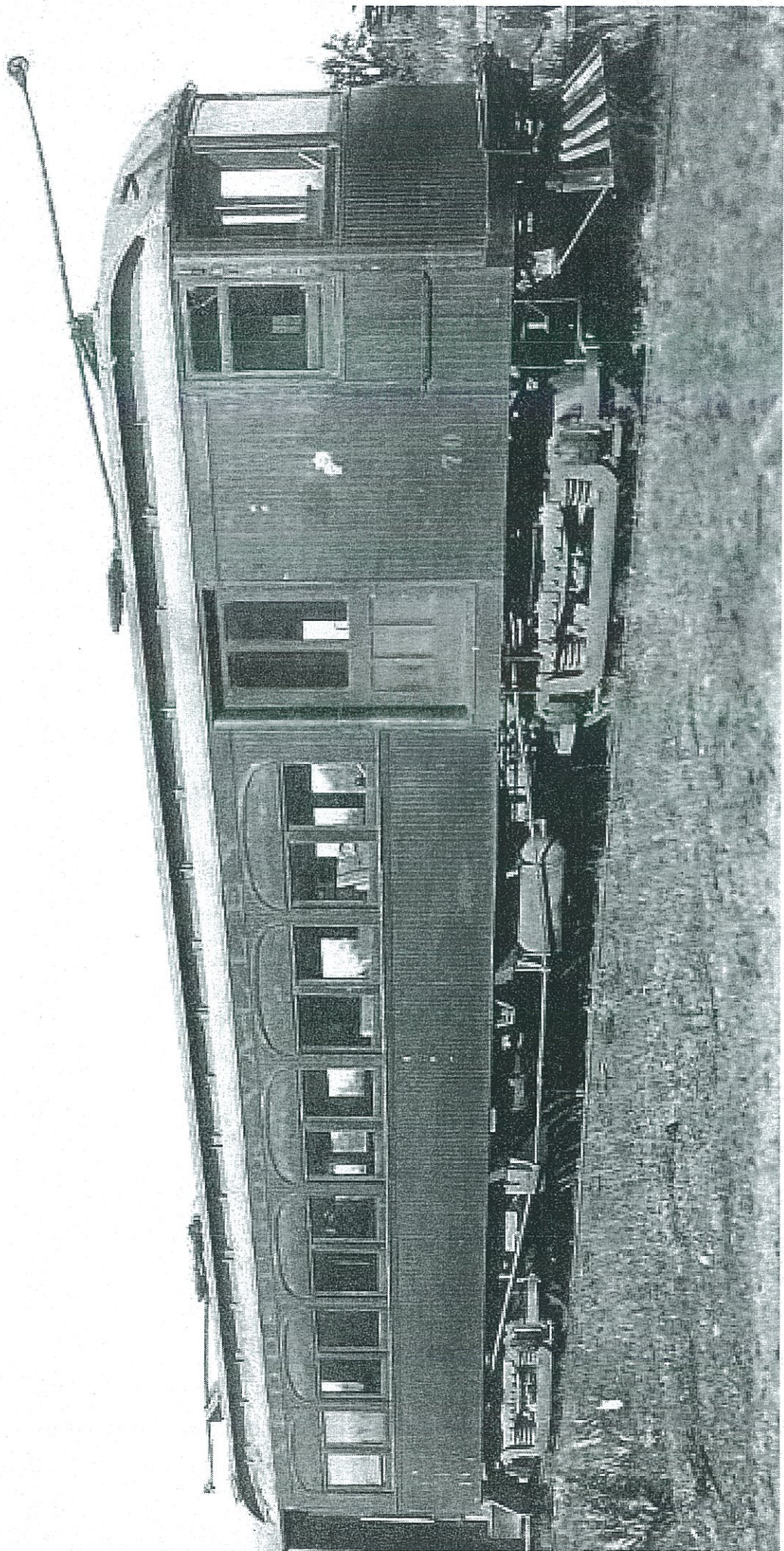




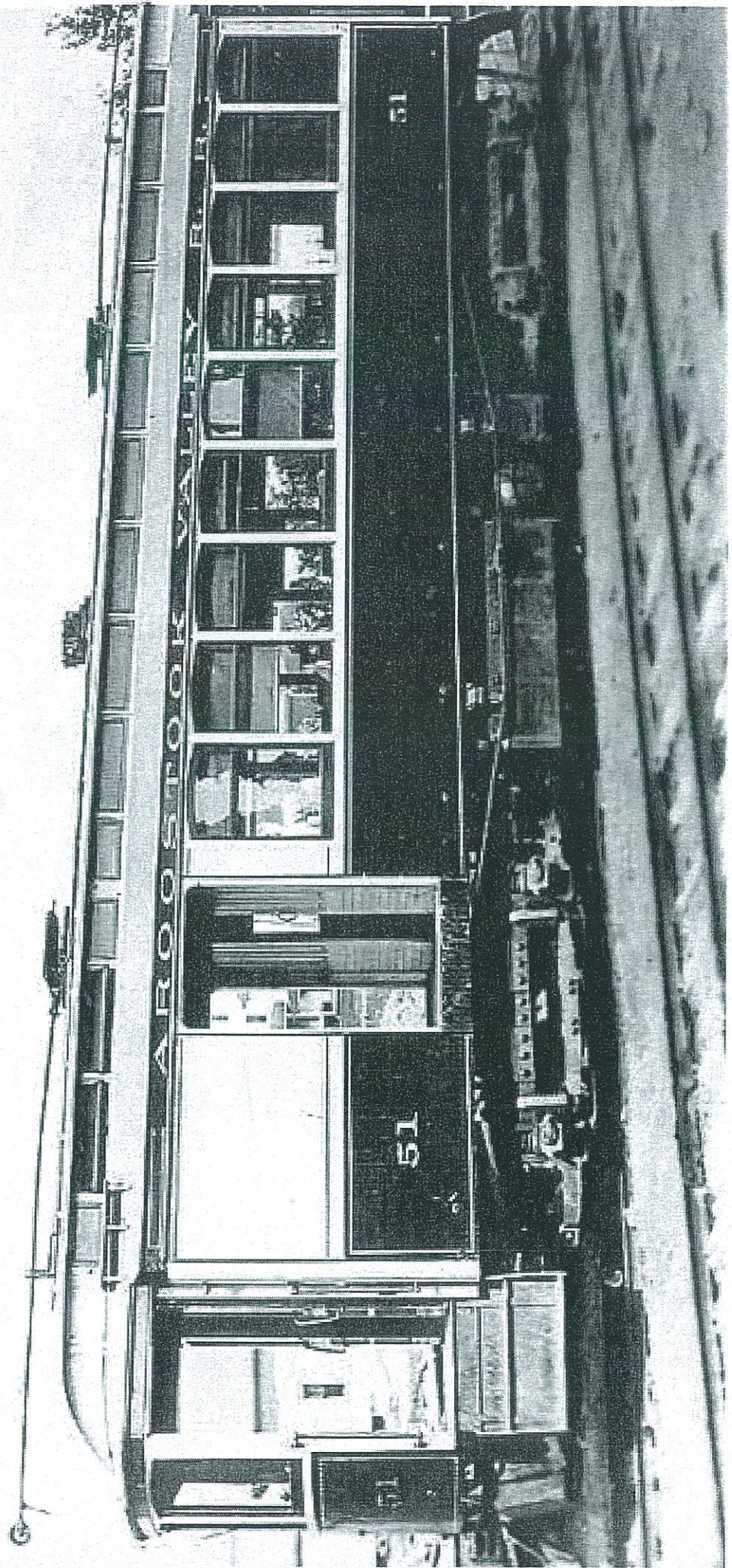




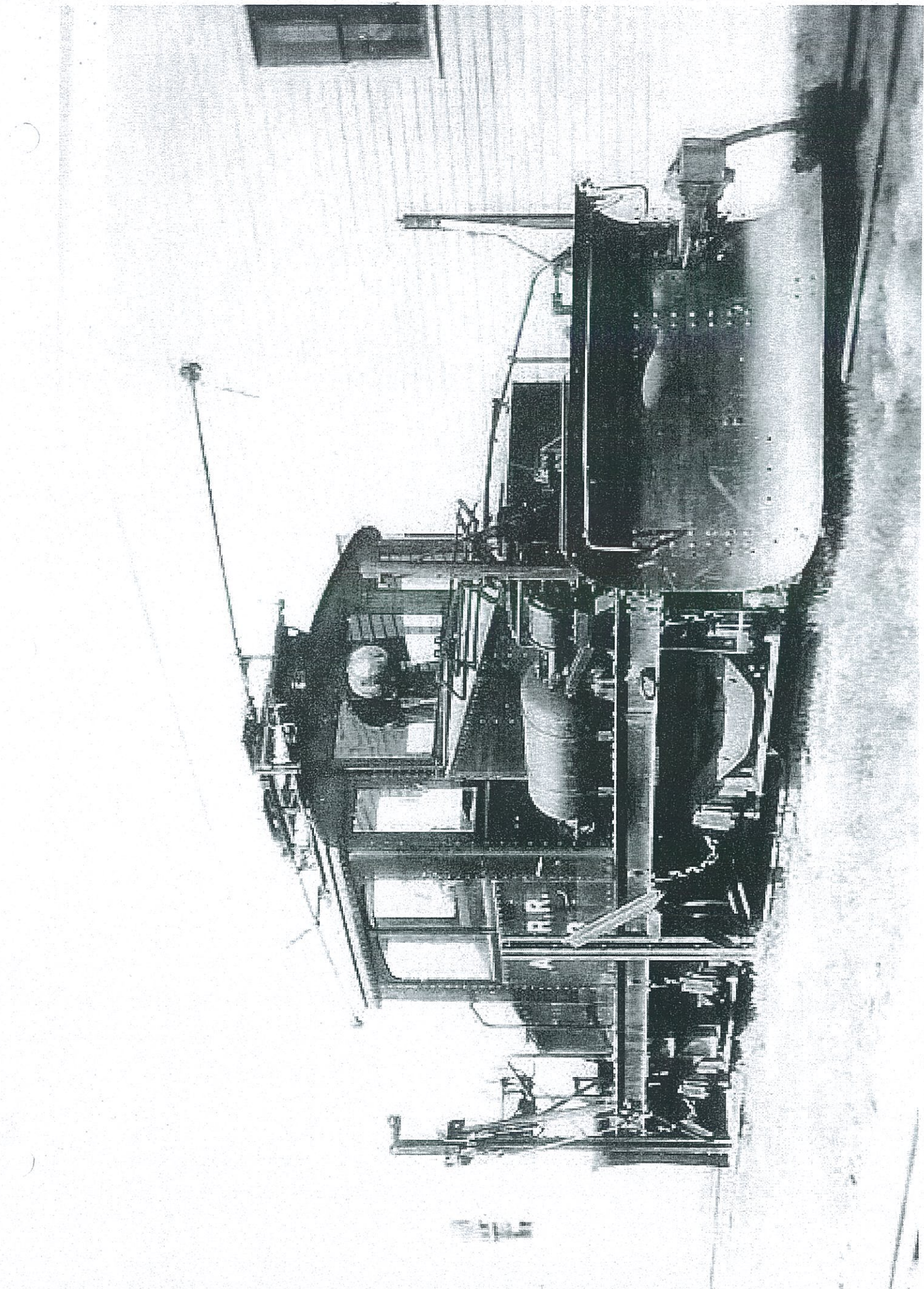




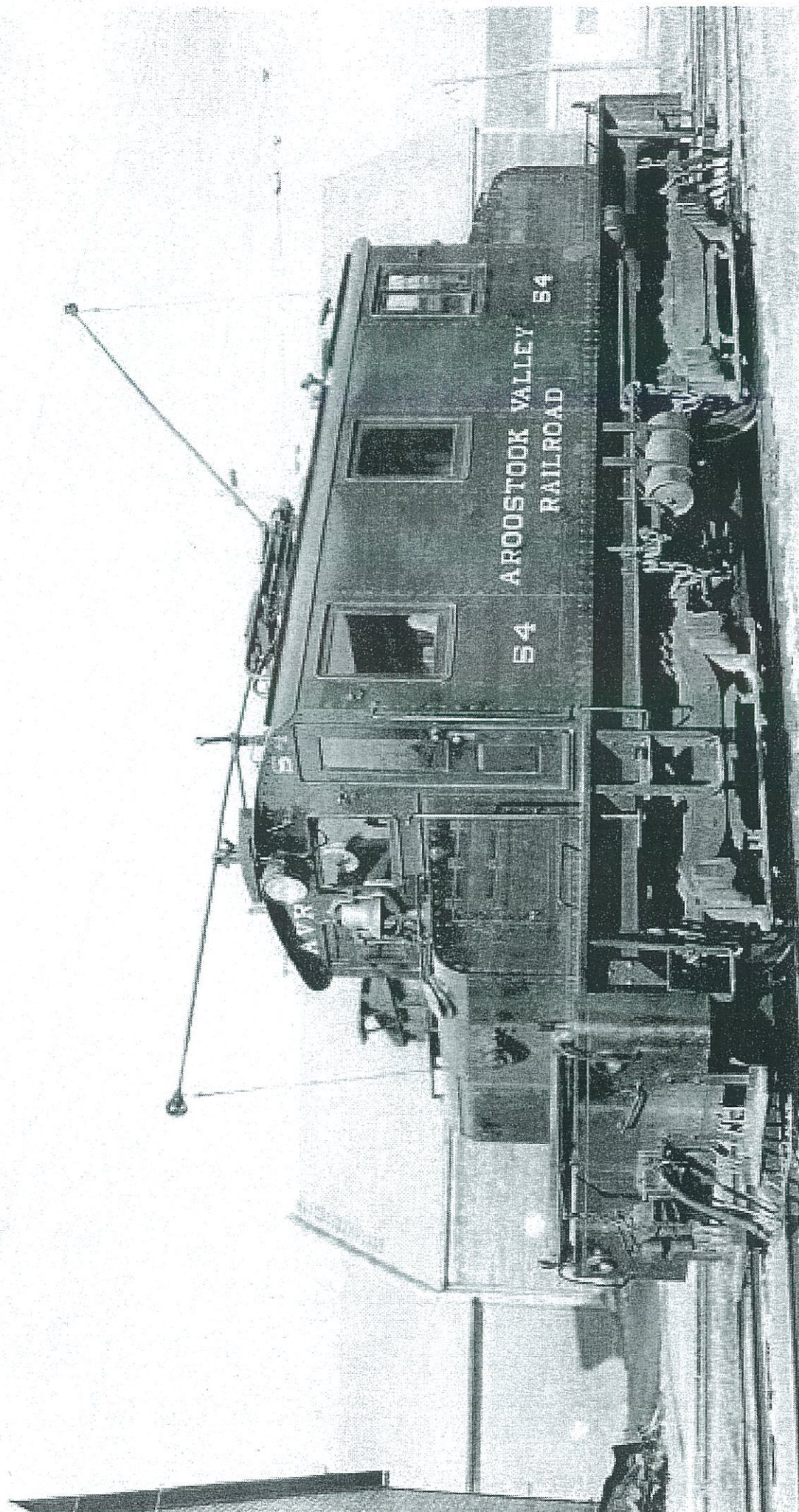


















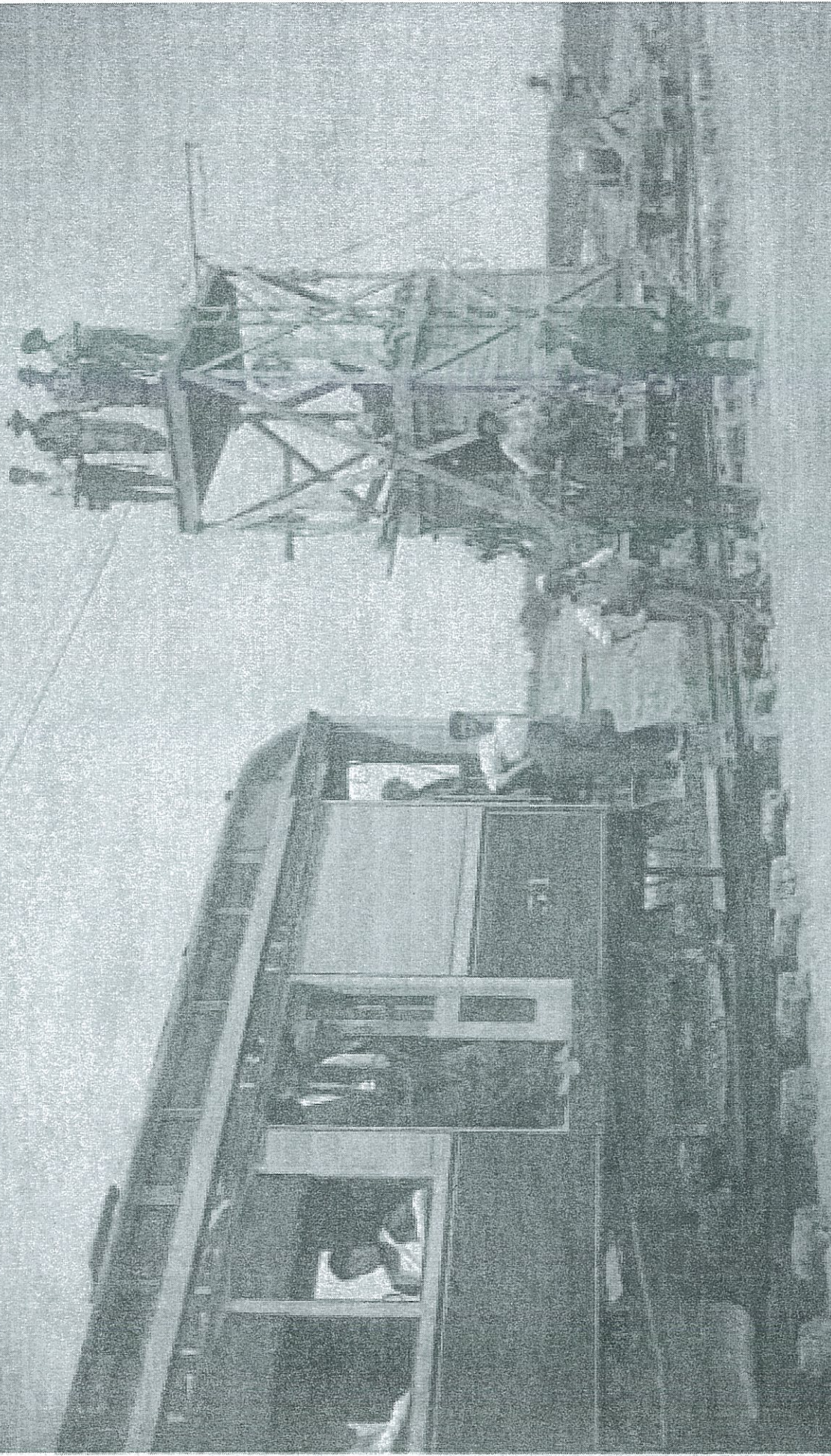






ARROOSTOOK VALLEY R. R. - NO. 51 AT WASHBURN, MAINE 38



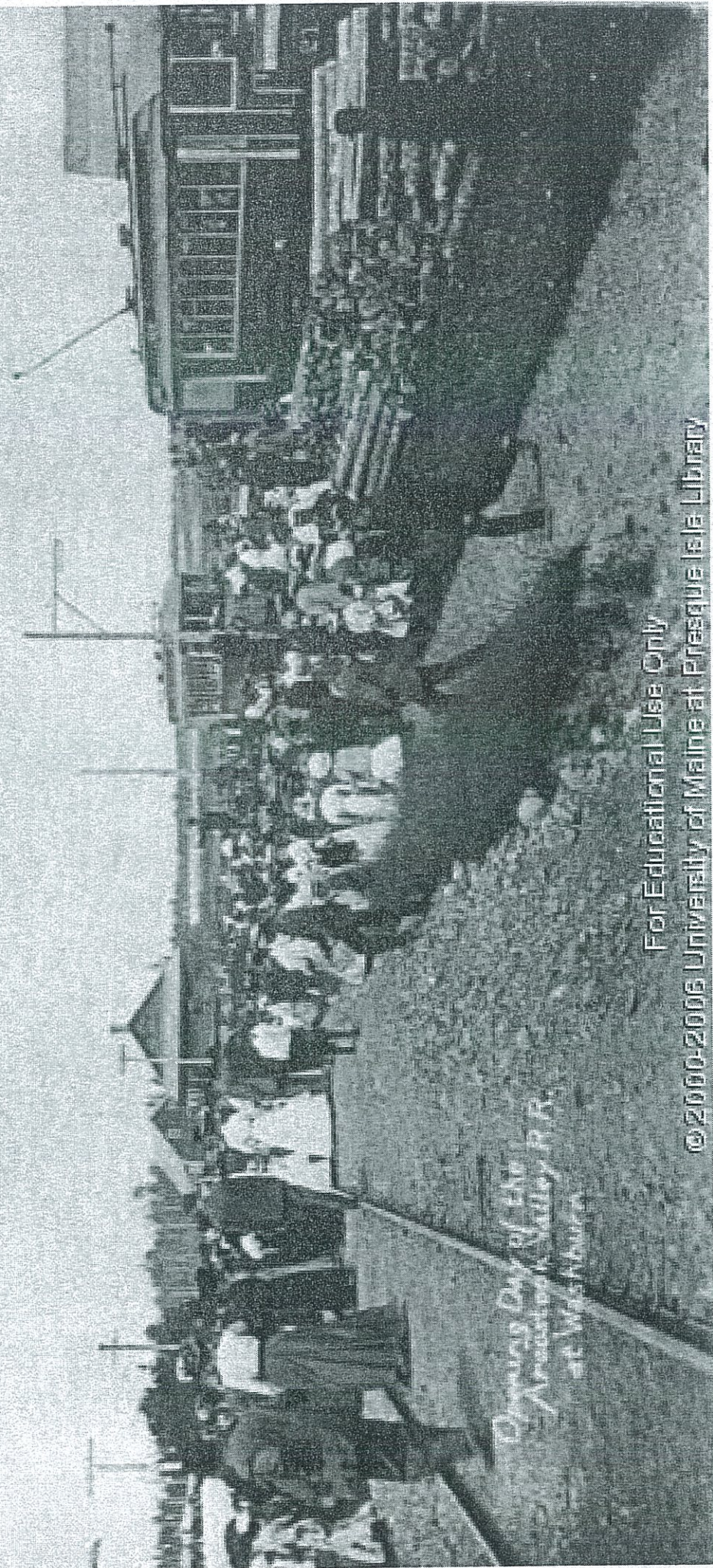


*Amherst Valley F.R.P.  
Orleans, Maine, 1900  
210 E. 1st St.*



Item #6466 - Maine Memory Network - [www.MaineMemory.net](http://www.MaineMemory.net)

A project of the Maine Historical Society

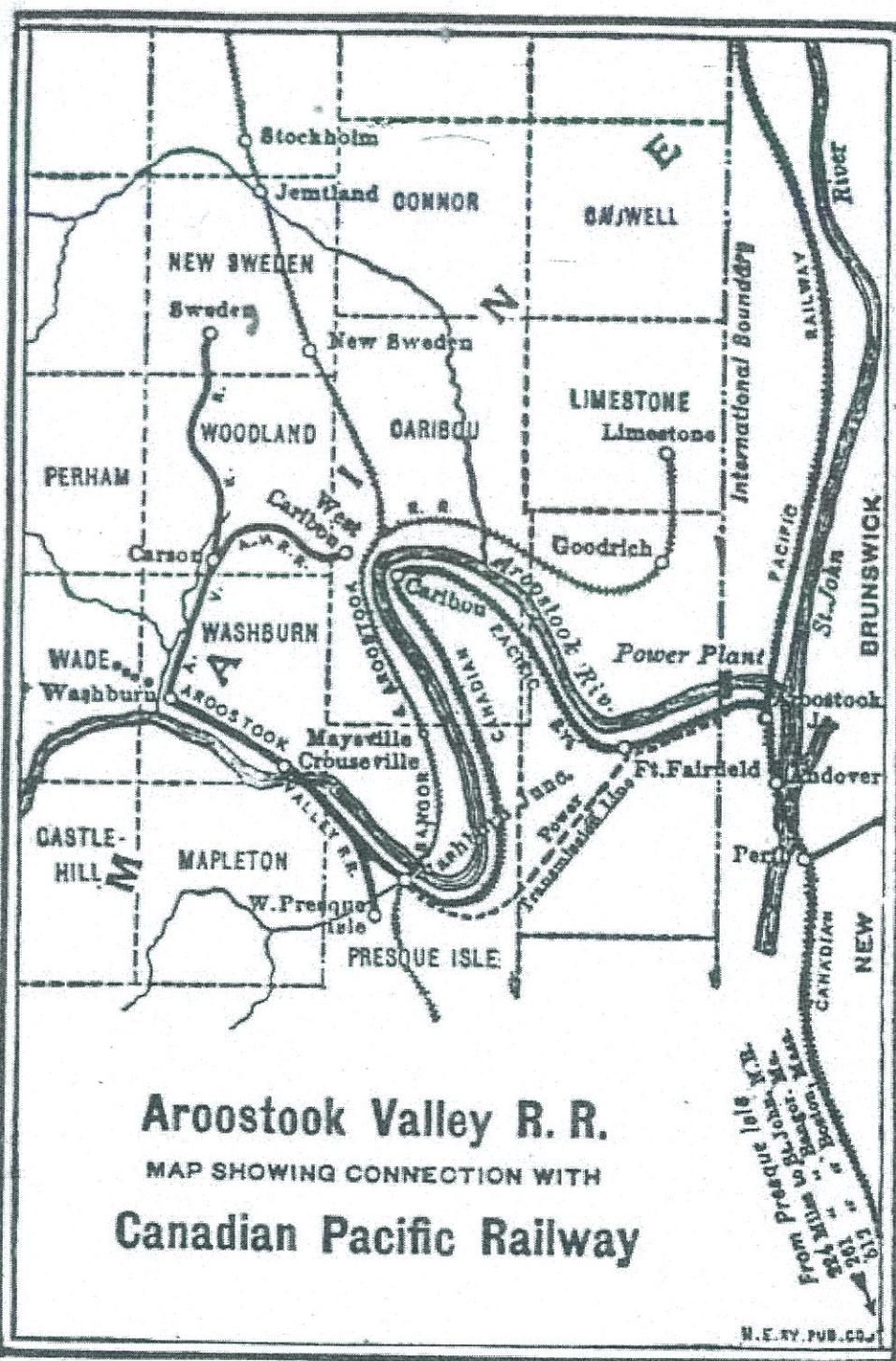


Opening Day of the  
Academy Valley R.R.  
at Westburn

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### Aroostook Valley Railroad Reported Sold.

It was reported from New York, Dec. 17, 1930, that the Canadian Pacific Ry. Co. had bought the Aroostook Valley Rd., and that application would be made to the United States Interstate Commerce Commission for approval of the purchase. A subsequent Montreal press report said:—"It was learned at the head offices of the C.P.R. that there has been no purchase of the Aroostook Valley Rd., and that the matter is not one concerning which a statement can be made." Another dispatch said it had been stated at the C.P.R. head offices that "No such deal has yet been consummated."

The Aroostook Valley Rd. is in Maine, not very far from the international border, which runs north and south in the vicinity. It makes connection with the C.P.R. at Presque Isle, the terminus of the C.P.R. branch from Aroostook, which is 34 miles long and is operated as the Aroostook Subdivision, Woodstock Division, New Brunswick District. From Presque Isle the A.V. Rd. runs northwesterly, following the Aroostook River and crossing it once, near Crouseville, to Washburn, and then runs slightly east of north to Carson, where the line branches, one section running east to West Caribou and the other north to a terminus at Sweden. Mileages are as follows:—Presque Isle (Washburn Jct.) to Washburn, 11.55; Washburn to Carson, 4; Carson to West Caribou, 7.23; Carson to Sweden, 7.31; total mileage, 30.09. The line's officers are:—President, A. R. Gould; Vice President, L. E. Gould; Treasurer and General Manager, H. N. Crandall, all of Presque Isle. Both freight and passenger services are operated, but it is stated that the freight service is the important one, large quantities of potatoes being handled; the passenger service is relatively unimportant.

One report stated that the C.P.R. had undertaken to buy the 2,970 outstanding shares of the line's capital stock, at a price, determined by arbitration, of \$266 a share, making a purchase price of \$790,020; another report stated that the C.P.R. had agreed to buy Senator A. R. Gould's majority interest, 2,000 shares, for approximately \$500,000.

### Freight and Passenger Traffic Notes.

"Our denial of the application to pool and divide certain of the earnings is somewhat technical."

The Newfoundland Ry. did a large business in handling blueberries during the past season. In two days at the end of August it carried over 10,000 cases from points on the Heart's Content branch and Conception Bay points, a greater quantity than moved in any 2-days period previously.

Newfoundland Ry. has benefited materially by the operations of Buchans Mining Co., which ships lead-zinc concentrates from Buchans over the Millertown line, the Newfoundland Ry., and the Anglo-Newfoundland Development Co.'s railway to Botwood. The second year since shipments started ended Sept. 30. In the last 3 months of 1928 and the first 9 of 1929, 2,917 cars, with 70,625 tons, and in the 1929-30 year, 3,720 cars, with 87,764 tons, were moved. Newfoundland Ry. approximate earnings from this traffic were \$126,525 in 1928-29 and \$157,975 in 1929-30, a total of \$284,500, in addition to which, it is calculated, earnings of \$150,000 have resulted from the movement of general freight traffic to and from Buchans.

**Newsprint Freight Rates Hearing.**—Final proceedings before the Board of Railway Commissioners in connection with joint international rates on newsprint moving from Canada to U.S.A., on applications by Memphis, Tenn., Freight Bureau, Guy Tombs, Ltd., Montreal, et al, and with the Board's orders of 1929, were begun Nov. 24, 1930, and concluded Nov. 28. On Nov. 24, after A. Fraser, K.C., Assistant General Counsel, Canadian National Ry., had examined E. P. Mallory, Director, Bureau of Statistics, on operating costs as related to the newsprint traffic, etc., Mr. Fraser began argument, continuing until Nov. 26.

E. P. Flintoft, K.C., General Solicitor, Canadian Pacific Ry., presented argument on Nov. 26, followed by L. S. St. Laurent, K.C., for the Quebec Government, and J. S. Burchmore, for newspaper interests. On Nov. 27 and 28 argument was presented by L. Walter, G. H. McDonald, Aime Geoffrion, K.C., and G. H. Montgomery, K.C., counsel for the newspaper interests. Following brief rebuttals by Messrs. Fraser, and Flintoft, the hearings were adjourned sine die. It is expected that it will be some time before judgment is given. (Dec., 1930, pg. 758; Sept., 1930, pg. 560; July, 1930, pg. 411.)

**Joint Operation Agreements.**—E. P. Flintoft, K.C., General Solicitor, Canadian Pacific Ry., gave notice recently that application would be made to the Board of Railway Commissioners, under the Railway Act, sec. 154, for a recommendation to the Governor in council for sanction of an agreement of Nov. 22, 1930, between Algoma Eastern Ry. Co., Canadian Pacific Ry. Co., Canadian Northern Ontario Ry. Co. and Canadian National Ry. Co., for joint use of the Algoma Eastern Ry. between Sudbury and Clara Belle Jct., Ont.—Notice was also given by Mr. Flintoft that application would be made to the Board for a recommendation to the Governor in council for sanction of an agreement of Dec. 12, 1930, between Canadian Pacific Ry. Co., Canadian Northern Ontario Ry. Co., and Canadian National Ry. Co., for joint use of certain Canadian Pacific Ry. facilities at Harrowsmith, Ont.

**Montreal Terminal Development.**—C. B. Brown, Chief Engineer, Operation Department, Canadian National Ry., has invited tenders to be sent to the terminal architects and engineers, 1520, University Tower Building, Montreal, by Jan. 5, at noon, for excavation and concrete work on the passenger terminal site.

### Grain Carried to Head of Great Lakes and Pacific Coast.

The Dominion Bureau of Statistics, Agricultural Branch, reports the number of cars of grain unloaded at Port Arthur, Ont., in Nov., 1930, and the four months ended Nov. 30, 1930, the first 4 months of the current crop year, as follows:—

	C.P.R.	C.N.R.	Total	4 mos. to Nov. 30, 1930	Total
Wheat	4,554	6,677	11,131	36,037½	41,338
Oats	321½	484½	806	1,382½	1,646½
Barley	88	153½	241½	3,694½	3,603
Flax	260½	507	767½	826	918
Rye	231	239½	470½	1,856	1,636
Total	5,450	7,968½	13,418½	43,776½	40,140½
					92,917



## Canadian Pacific Railway Acquires Control of Aroostook Valley Railroad.

The Canadian Pacific Ry. Co. applied on Feb. 25 to the United States Interstate Commerce Commission for approval of the transaction by which it has acquired stock control of the Aroostook Valley Rd. Co. The negotiations between the C.P.R. and Senator A. R. Gould, of Presque Isle, Maine, for a transfer of his interest in the A.V.R., were mentioned in Canadian Railway and Marine World for January, pg. 34, where it was stated that it was expected that a deal would be concluded and that an application to the Interstate Commerce Commission for approval would be made. The C.P.R. had a stock interest in the A.V.R. previously. We are advised officially that by the arrangement with Mr. Gould the C.P.R. will receive from him 2,000 A.V.R. shares for a consideration of approximately \$529,000, giving it a total holding of 2,400 shares out of the 2,970 constituting the A.V.R. total stock capitalization. There have been close traffic relations between the C.P.R. and the A.V.R. for many years.

The A.V.R., which is electrically operated, serves the productive potato territory in Aroostook County, Maine, and connects with the C.P.R. at Washburn Jct., on the C.P.R. Aroostook Subdivision, Woodstock Division, New Brunswick District, 32.2 miles from Aroostook. The line is shown in the accompanying sketch map, together with the C.P.R. Aroostook Subdivision line branching off from the Fredericton-Edmundston line at Aroostook, and the Bangor and Aroostook Rd. line, which also passes through Washburn Jct. The A.V.R. line is in the nature of a continuation, westerly and northerly, of the C.P.R. Aroostook Subdivision branch line. The latest available information is as follows.—The Aroostook Valley Rd. Co. was incorporated in Maine in 1902, with head office at Presque Isle. Its directors are: Senator A. R. Gould, President; L. E. Gould, Vice President; H. N. Crandall, Treasurer and General Manager; O. K. Story, and T. L. McNally. C. F. Daggett is Secretary.

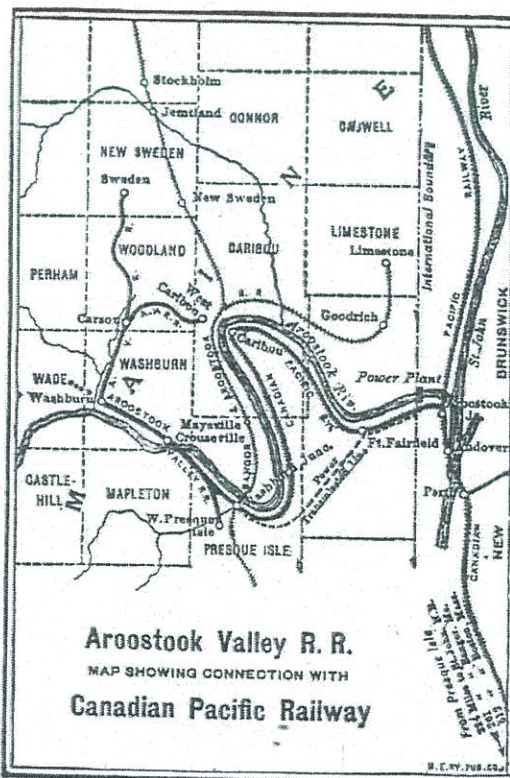
The income account for the years 1927 and 1926 was as follows:—

	1927	1926
Operating revenue .....	\$207,872	\$196,838
Operating expenses & taxes ..	123,899	109,120
Net operating income .....	83,973	87,718
Other income .....	2,917	4,238
Total .....	86,890	91,956
Interest .....	42,362	51,302
Net income .....	44,528	40,654
Times interest earned .....	2.05	1.79

The balance sheet position at Dec. 31, 1927, was as follows:—Assets.—property, \$1,366,083; sinking fund, \$2,293; investments, \$26,062; capital stock discount, \$15,400; bond discount, \$17,156; unad-justed debits \$11,221; cash \$17,000.

miles. The rolling stock consists of 2 electric freight locomotives, 4 motor passenger cars, 14 freight cars, and 1 motor snow plough. Power is bought from Gould Electric Co., Presque Isle.

Capital stock authorized consists of 3,000 \$100 shares, of which 2,969 were outstanding at Dec. 31, 1928. At that date, there were 4 classes of funded debt, as follows:—first 4%, 1929; authorized, \$250,000; outstanding, \$184,500; \$1,000 coupon bonds, registerable as to principal; dated Aug. 1, 1909, due Aug. 1, 1929; guaranteed as to interest by Canadian Pacific Ry.; secured by first mortgage on 12 miles of line between Presque Isle and Washburn. First and refunding 4%, 1961; authorized, \$455,832; outstanding, \$433,430; \$100 coupon bonds; dated July 1, 1911; due July 1, 1961;



interest payable May 1 and Nov. 1 at Bank of Montreal, London, England; sinking fund begun after 1915; guaranteed as to interest by Canadian Pacific Ry.; secured by general mortgage on company's property. First divisional 6's, 1947; authorized and outstanding, \$125,000; dated July 1, 1923; due July 1, 1947. Six per cent debentures, 1929; authorized, \$150,000; outstanding, \$61,300; dated June 1, 1909; due June 1, 1929; interest, accruing from Aug. 1, 1910, payable June and Dec. 1 at company's office.

The C.P.R. Co.'s annual report for the

4  
1931



at Presque Isle. Its directors are: Senator A. R. Gould, President; L. E. Gould, Vice President; H. N. Crandall, Treasurer and General Manager; O. K. Story, and T. L. McNally. C. F. Daggett is Secretary.

The income account for the years 1927 and 1926 was as follows:—

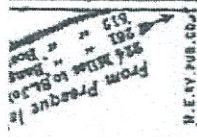
	1927	1926
Operating revenue .....	\$207,872	\$196,838
Operating expenses & taxes .....	128,899	109,120
Net operating income .....	83,973	87,718
Other income .....	2,917	4,288
Total .....	86,890	91,956
Interest .....	42,362	51,302
Net income .....	44,528	40,654
Times interest earned .....	2.05	1.79

The balance sheet position at Dec. 31, 1927, was as follows:—Assets.—property, \$1,366,083; sinking fund, \$2,293; investments, \$26,062; capital stock discount, \$15,400; bond discount, \$17,156; unadjusted debits, \$11,831; cash, \$17,882; receivables, \$20,622; materials and supplies, \$13,815; total, \$1,491,144. Liabilities.—capital stock, \$296,900; funded debt, \$804,230; reserve for depreciation, \$94,264; unadjusted credits, \$347; sinking fund reserve, \$43,441; surplus, \$189,190; accounts payable, \$14,925; loans and bills payable, \$30,000; mat. int., divs., etc., \$8,307; accrued interest, \$8,759; other current liabilities, \$781; total, \$1,491,144.

The line extends from Washburn Jct. to Presque Isle Jct., 2 miles; from Presque Isle via Presque Isle Jct., Washburn and Carson to Caribou, 22.78 miles, and from Carson to New Sweden, 7.3 miles, making total main line 32.08 miles. Total track, including sidings, is 36.60

ATOUSIOOK VALLEY R. R.  
MAP SHOWING CONNECTION WITH

## Canadian Pacific Railway



interest payable May 1 and Nov. 1 at Bank of Montreal, London, England; sinking fund begun after 1915; guaranteed as to interest by Canadian Pacific Ry.; secured by general mortgage on company's property. First divisional 6's, 1947; authorized and outstanding, \$125,000; dated July 1, 1923; due July 1, 1947. Six per cent debentures, 1929; authorized, \$150,000; outstanding, \$61,300; dated June 1, 1909; due June 1, 1929; interest, accruing from Aug. 1, 1910, payable June and Dec. 1 at company's office.

The C.P.R. Co.'s annual report for the year ended Dec. 31, 1930, issued March 9, over the signature of E. W. Beatty, President, in referring to the purchase of A.V.R. Co.'s stock, said: "The price to be paid for the stock was based upon a valuation of the property, made by three valuers, the majority of whom have arrived at conclusions indicating a value of \$264.87 per share".

## Canadian National Rys. Net Earnings.

—Out of total C.N.R. net earnings of \$26,510,937.60 in 1930, the Canadian lines contributed \$21,374,485.75. In 1929, the total net was \$46,818,025.32, the Canadian lines' contribution having been \$34,195,964.45.



### Canadian Pacific Railway and Aroostook Valley Railroad.

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The Canadian Pacific Ry. Co.'s application to the United States Interstate Commerce Commission, for approval of its acquisition of stock control of the Aroostook Valley Rd., by purchase of 2,000 shares of A.V.R. stock for approximately \$529,000, was dealt with in Canadian Railway and Marine World for April, pg. 206, a map of the A.V.R. property and full particulars of it being given. The matter was also dealt with in the C.P.R. annual report for 1930, also given in our April issue, it being stated that the price proposed to be paid for the stock is \$264.87 a share. The A.V.R. total capital stock outstanding is 2,970 shares.

M. S. Jameson, an Interstate Commerce Commission examiner, has presented a report to the Commission stating that neither the State of Maine, the Bangor and Aroostook Rd., nor minority shareholders in the A.V.R. advanced any objections to the proposed purchase; that there is no suggestion that the interline business secured by the C.P.R. from the A.V.R. would be lost in the event of the C.P.R. not securing stock control of the A.V.R., and that in view of the existing relations between the carriers an immediate motive for the C.P.R. proposal of purchase is not readily seen, and that there has been considerable difference of opinion as to the correct method of evaluating the A.V.R. stock which the C.P.R. proposes to acquire. As regards the latter feature, the examiner was evidently of opinion that the price proposed to be paid is too high, although he showed that on the basis of varying assumptions used in the calculations by the interested parties and their representatives, values ranging from \$147 to \$449 a share were found. He concluded that the Commission should find, on the evidence, that the proposed stock acquisition is in the public interest, but that the consideration to be paid for the stock is not just and reasonable, and added:—"An order authorizing the proposed control should be deferred until there shall have been submitted a proposal modified as to the amount of the consideration to be paid by the applicant, and such consideration shall have been found just and reasonable."

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fares, sightseeing trips, motor transport, meals on train and ship, etc.

Aroostook Valley Rd.—The U.S.A. Interstate Commerce Commission has sanctioned the sale of Aroostook Valley Rd. to Canadian Pacific Ry. Co.

MARCH

1932

P116





### Aroostook Valley Railway Purchase by Canadian Pacific Railway Co.

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85.60%

The U.S.A. Interstate Commerce Commission has, by a majority decision, granted an application by Canadian Pacific Railway Co., for authority to purchase, from A. R. Gould, 2,000 shares of Aroostook Valley Rd. stock, the price to be paid not to exceed \$215 a share. The C.P.R. had entered into an agreement with Mr. Gould to buy the stock on a basis which worked out to \$264.87 per share, which would have made the total payment \$529,740, that price having been based on a majority decision of a board of three valutors. The Commission's judgment stated that the total outstanding stock of the A.V.R. is 2,970 shares, of which the C.P.R. owns 400, bought in 1925, Mr. Gould holding approximately 1,600 and his family 513 additional, which would result in about 570 remaining in the hands of the public following the carrying out of the agreement between the C.P.R. and Mr. Gould. The Commission held that transfer of 2,000 shares of stock to the C.P.R. would affect the minority interests favorably, and that the transfer would be in the public interest. The Commission arrived at the maximum price which should be paid, \$215 a share, by capitalizing at 6% the average annual operating income of the A.V.R., viz., \$83,000, producing \$1,383,300, and subtracting from it the interest bearing debt of about \$742,000. In granting permission for the transfer at a maximum price of \$215 a share, the Commission said: "Carriers are in position to proceed with an early consummation of the plan, should they elect to do so." Commissioner Mahaffie gave a dissenting judgment, expressing the view that the C.P.R. application should have been granted unconditionally.

Full particulars of the A.V.R. property, the areas served, nature of traffic, equipment, railway connections, etc., were given in Canadian Railway and Marine World for Jan., 1931, pg. 34; April, 1931, pg. 206, and June, 1931, pg. 380, a report by I.C.C. Examiner M. S. Jameson, in which it was claimed that the price the C.P.R. was willing to pay for the A.V.R. stock was too high, having been dealt with in the latter article.

Quebec Excursions to Montreal.—Canadian Pacific Ry. operated a reduced

MARCH  
1932



Aroostook Valley Rd.—In connection with the U.S.A. Interstate Commerce Commission majority decision, granting the Canadian Pacific Ry. Co. authority to purchase 2,000 shares of Aroostook Valley Rd. stock from A. R. Gould, at not exceeding \$215 a share, as dealt with in our March issue, pg. 120, our late advice is that final action has not been decided upon.

April 1932

p 191



ivairs Operas at the September meeting

Aroostook Valley Rd. Purchase.—A. R. Gould, a former U.S.A. Senator from Maine, and President, Aroostook Valley Rd., has applied to the U.S.A. Interstate Commerce Commission for re-opening of the case dealing with the proposed sale of the property to Canadian Pacific Ry. Co. The C.P.R. negotiated with Mr. Gould for the purchase of 2,000 shares of A.V.R. stock at \$264.87 a share, but when I.C.C. approval was sought, as required by U.S.A. law, the I.C.C. held that the price was too high, but indicated that the sale could go through at \$215 a share. Some time after the I.C.C. decision was issued we were advised officially that the sale had not been consummated. A Washington, D.C., press dispatch of May 18 said that the I.C.C. had decided to reconsider its decision. (April, pg. 191.)

Canadian National Rys. Pensions.—  
The C.N.R. pensions scheme is non-con-

June 1932



Total .....4,950,589 6,077,352 7,166,308

**Aroostook Valley Rd. Proposed Purchase.**—The Interstate Commerce Commission decided in May to reconsider its former decision to allow the Canadian Pacific Ry. Co. to purchase 2,000 shares of A.V.R. stock from A. R. Gould at not more than \$215 a share. Prior to the Commission dealing with the matter, the C.P.R. and Mr. Gould had negotiated for transfer of the stock at \$264.87 a share, but the Commission held that the price was too high, when its approval was sought. The Commission arranged for further hearing in the matter for July 15 at Washington, D.C., before Examiner Davis, but on July 7 cancelled the hearing. On July 14 we were advised officially that the cancellation did not mean that proceedings were ended, and that further hearing on the application will be held at some later date. The purchase of the 2,000 shares of stock from Mr. Gould, who is a former U.S.A. Senator for Maine, and President of the A.V.R., would give the C.P.R. control of the A.V.R. (June, pg. 322.)

1932

449