

## CANADIAN NATIONAL (WEST INDIES) STEAMSHIPS, LIMITED

**ORGANIZATION:** Letters Patent April 16, 1961

**HISTORY:** The Government of Canada, on June 18, 1920, entered into a Trade Agreement with the Governments of the Bahamas, Jamaica and British Honduras under which the Canadian Government undertook to provide a Fortnightly Freight mail and passenger service between Canada and the above colonies. This service was inaugurated with the sailing of "S.S. *Canadian Fisher*" from Halifax on January 25, 1921 followed by the "S.S. *Canadian Forester*" on March 22, 1921 and every three weeks thereafter. The colonies agreed to contribute 25% of any loss sustained but not exceeding £3,000 from Bahamas, £5,000 from Jamaica and £5,000 from Honduras a total of £13,000 in any one year. This service was operated by the Canadian Government Merchant Marine, Limited and continued in operation until April 1929 when it was taken over by Canadian National (West Indies) Steamships Limited. The operation of this service resulted on a deficit of \$1,222,485.15 excluding interest and depreciation, but after taking credit for \$282,918.30 contributed by the islands.

A Trade Agreement dated July 6, 1925 was entered into between the Government of the Dominion of Canada and the Governments of Bahama Islands, Barbados, Bermuda, British Guiana, British Honduras, Jamaica, the Leeward Islands, Trinidad and Tobago, and the Windward Islands. This Agreement was approved by Act 16-17 George V, Chapter 16 of the Dominion of Canada, assented to on June 15, 1926. The Tariff concession authorized by the Act came into operation by Proclamation of the Governor in Council issued April 30, 1927. The Agreement provided for:

### **EASTERN GROUP**

(1) A fortnightly freight, passenger and mail service from Canadian Ocean ports all the year round, calling each way at Bermuda, St. Kitts, Nevis Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Tobago, Trinidad and Demerara.

(2) The vessels shall be of from 5,000 to 6,000 tons gross, capable of maintaining an ocean speed of not less than 12 knots, and providing accommodation for 100 first-class; 30 second-class and 100 steerage or deck passengers, and shall be provided with `tween decks, and storage accommodation as required, but not less than 10,000 cubic feet.

(3) In addition to the foregoing the Government of Canada will provide a fortnightly service with vessels of 4,300 gross tons or thereabouts deadweight and a speed of about 10 knots, from Canadian River Ports in Summer and From Canadian Ocean Ports in Winter calling at St. Kitts, Antigua, Barbados, Trinidad and Demerara.

The Representatives of the Colonies mentioned in the Agreement, undertook that their respective Governments would contribute towards the Steamship service, when established in the following amounts annually:

Barbados	£5,000
Bermuda	1,500
British Guiana	8,500
Leeward Islands	2,500
Trinidad	9,000
Windward Islands	2,500
	<u>£29,000</u>

Provided that if it is found impossible to call at Tobago the contribution of Trinidad would be decreased by £1,500. As no calls were made at Tobago the annual

subsidy for the Eastern Group amounted to £27,500.

#### **WESTERN GROUP**

A fortnightly freight, passenger and mail service between St. Lawrence ports in Summer and such Canadian Ocean Ports in Winter as may be designated by the Canadian Government and calling both ways at Bermuda, the Bahamas and Kingston, Jamaica alternating with a fortnightly freight service between said Canadian Ports and Kingston, Jamaica, direct. (1) Passenger steamers to be similar in size to those proposed for the Eastern Route, that is to say, from 5,000 to 6,000 gross tons, ocean speed at 14 knots, accommodation for 100 First-Class passengers, with `tween decks, and refrigeration for about 70,000 stems of bananas and also cold storage for Canadian meats, fish, butter, cheese and other dairy products from Canada to the Colonies and for fruit, green vegetables etc. from the Colonies to Canada (2) Each of the freight steamers shall also have a speed of about 10 knots and refrigeration for about 50,000 stems of bananas. (3) A steamer operating on a fortnightly schedule connecting with the steamers specified in Article 1 above, shall be supplied by the Government of Canada between British Honduras and Kingston, Jamaica, of about 1000 tons, speed 10 knots with accommodation for at least 20 first class passengers and cold storage.

The representatives of the Colonies above mentioned undertook that their Governments would contribute towards the services value established as follows:

Bermuda	£ 2,000 per annum
Bahamas	2,000 per annum
British Honduras	2,000 per annum
Jamaica	12,000 per annum
<b>TOTAL</b>	<b>£18,000 per annum</b>

The agreement having been ratified by the Colonies signatory thereto The Dominion Government called for tenders, which resulted in the operation of the service being awarded to the Canadian National Steamships.

Prior to the operation by Canadian National Steamships a fortnightly freight, passenger and mail service was operated by the Royal Mail Steam Packet Company between Canadian Atlantic Ports and the Eastern Group of Islands, for which the Canadian Government paid an annual subsidy of \$340,666.

#### **ORGANIZATION OF CANADIAN NATIONAL (WEST INDIES) STEAMSHIPS, LIMITED**

On March 31, 1927, the Canadian Government passed the "Canadian National Steamships Act 1927" authorizing the formation of the Canadian National (West Indies) Steamships, Limited under the provision of the Companies' Act and in accordance with provisions of the British West Indies Trade Agreement as set forth in the Schedule to Act 17 George V, Chapter 29, assented to June 15, 1925. Provision was also made to guarantee the securities of the Company so formed as to principal and interest to an aggregate of \$10,000,000.

The Canadian National Steamships Act 1927 granted the Company to be formed power to transfer the boats when constructed or acquired to individual companies to be known as "Owning Companies" for the purpose of holding one each of the respective boats in consideration of an issue to the Company of all the capital stock of the owning companies respectively, fully paid up and non assessable including qualifying shares of the Directors. The Owning Companies may thereupon entrust to the Company the management and operation in every particular of the boats.

The Act also authorized the Canadian National (West Indies) Steamship Limited the Canadian National Steamships, Limited, the Canadian Government Merchant Marine, Limited and any other Company which is in any way allied with the Canadian National

Railways, in connection with the operation of their respective boats or vessels to use the name "Canadian National Steamships" as a collective or descriptive designation of all boats or vessels operated from time to time in conjunction with the Canadian National Railways, without, however, affecting the rights or liabilities of their respective Companies owning the boats or vessels for any of their respective acts or omissions. All boats under the name "Canadian National Steamships, Limited" were authorized to adopt a common house flag.

The Canadian National (West Indies) Steamships, Limited was incorporated under Dominion Letters Patent issued April 16, 1927. Pending the construction of vessels the Dominion Government was authorized to transfer at a reasonable valuation any boats now operated by the Canadian Government Merchant Marine, Limited which might be suitable or with alterations might be adapted to the West Indies Service. Accordingly a temporary service was operated with the "*S.S. Canadian Pathfinder*" and "*S.S. Canadian Skirmisher*" which had been converted for that purpose, pending the construction of suitable vessels.

Five new Freight and Passenger vessels were constructed, three for the Eastern Group and two for the Western Group. Two Canadian Government Merchant Marine vessels were reconditioned for the Western Group and one vessel was conditioned for the service between Jamaica and British Honduras, and four vessels were transferred to the Eastern Freight Service. In the interests of economy and because of lack of cold storage facilities the four vessels in the Eastern Freight Service were replaced by three other Canadian Government Merchant Marine Vessels.

The new vessels inaugurated operation in the Eastern Group with the sailing of the "*R.M.S. Lady Nelson*" from Halifax on December 12, 1928 and the "*R.M.S. Lady Hawkins*" on December 28, 1928 and the "*R.M.S. Lady Drake*" on January 11, 1929 with a regular fortnightly service thereafter. A fortnightly Freight Service was also operated from the St. Lawrence River Ports in Summer and Atlantic Ocean Ports in Winter by the "*S.S. Chomedy*", "*S.S. Colborne*" and "*S.S. Cornwallis*".

The New vessels inaugurated operation in the Western Group with the sailing of "*R.M.S. Lady Somers*" on April 12, 1929 followed by the "*R.M.S. Lady Rodney*" on April 29, 1929 with a fortnightly service thereafter the "*S.S. Connector*" maintained a fortnightly service between Jamaica and British Honduras and the "*S.S. Cathcart*" and the "*S.S. Cavalier*" maintained a Fortnightly Freight Service between the St. Lawrence River Ports in Summer and Atlantic Ocean Ports in the Winter and Jamaica.

Each vessel of the Fleet, in accordance with the provisions of the Canadian National Steamships Act, 1927, is owned by a separately incorporated Company, the accounts of which reflect the investment and liability in connection therewith. These owning Companies, by agreement have entrusted their vessels to the Canadian National (West Indies) Steamships, Limited for operation.

R. C. Vaughan's Report to Minister of Transport March 10, 1949.

The Canadian National (West Indies) Steamships, Limited was incorporated on April 16, 1927 to implement the British West Indies Trade Agreement of July 6, 1925. In the first five years of operation, which the trade was being built up, operating deficits were incurred, but since 1934 the Company has consistently shown operating profits and a surplus after paying fixed charges since 1940. Since 1948 there has been an operating deficit except for the years 1949 and 1952. All years since 1948 have shown a net Income deficit after paying fixed charges. Out of the net operating profit there has been paid \$6,992,237 for interest on bonds held by the public and \$7,689,604 to the Government for principal and interest. The amounts paid to the Government for interest include \$3,456,413 for interest on advances for deficits in the development period 1929-1934. The advances in question did not represent additional capital investment in the

enterprises nor did they provide assets capable of providing an interest return.

The accounts of the Company do not, however, reflect the full financial advantages to Canada of the Company's operations. Prior to the inauguration of its services an annual subsidy of \$340,666 had been paid to private operators for service to the eastern group of islands only. Under the 1925 trade agreement Canada undertook to provide certain ship tonnages and services for which tenders were invited from Steamship interests. Private interests asked for an annual subsidy of \$582,783 for the operation of the eastern service only. No offers were made for the western service. The Company was therefore incorporated for the purpose of carrying on both the services called for in the trade agreement; and on the basis of the above mentioned tender for part of the service only it is reasonable to assume that Canada has thereby saved a very large sum in subsidy payments.

During the twenty years of operation 1929-1948, export cargoes from Canada to the Islands totalled 2,960,834 tons with a trade value in excess of 250 million dollars. Import tonnage was 4,053,852 with an estimated trade value of over 152 million dollars. This extensive endeavour put forth by the Company to further and develop trade between Canada and the West Indies has been of inestimable value to Canada and the West Indies. It is to be hoped that in any new agreement which may be negotiated cognizance will be taken of the greatly increased cost of operation by the inclusion of enhanced subsidy provisions and that it will contain some measure of assurance that the Company will continue to obtain a fair share of the available tonnage movement commensurate with the services operated.

#### HISTORY OF FLEET

Fleet at December 31, 1929

Lady Nelson	Deadweight tonnage	6710
Lady Hawkins	Deadweight tonnage	6670
Lady Drake	Deadweight tonnage	6670
Lady Somers	Deadweight tonnage	4665
Lady Rodney	Deadweight tonnage	4665
Cavalier	Deadweight tonnage	5166
Cathcart	Deadweight tonnage	5021
Champlain	Deadweight tonnage	4620
Colborne	Deadweight tonnage	4573
Chomedy	Deadweight tonnage	4555
Cornwallis	Deadweight tonnage	4496
Connector	Deadweight tonnage	2781
<b>Fleet</b>	<b>12 Vessels</b>	<b>Deadweight tonnage</b>
		<b>60592</b>

In 1932 the C.N. (W.I.) S.S. Limited transferred to the C.G.M.M. Limited.

Champlain	Deadweight tonnage	4620
Colborne	Deadweight tonnage	4573
Chomedy	Deadweight tonnage	4555
Cornwallis	Deadweight tonnage	4496
Downward adjustment on tonnage	Deadweight tonnage	4406
<b>Total Deductions 1936</b>		<b>22852</b>

Also in 1932 The C.G.M.M. Limited transferred to C.N. (W.I.) S.S. Limited.

Colborne	Deadweight tonnage	8650
Chomedy	Deadweight tonnage	8730
Cornwallis	Deadweight tonnage	8360

<b>Total Additions 1936</b>	<b>Deadweight tonnage</b>	<b>25686</b>
Fleet December 31, 1932 - 11 Vessels	Deadweight tonnage	63426
Downward adjustment in tonnage 1936	Deadweight tonnage	940
<b>Fleet December 31, 1936 - 11 Vessels</b>	<b>Deadweight tonnage</b>	<b>62486</b>
Upward adjustment in tonnage 1937	Deadweight tonnage	275
<b>Fleet December 31, 1937</b>	<b>Deadweight tonnage</b>	<b>62761</b>

There was no further change in the deadweight tonnage until after December 31, 1940.

<b>Fleet at December 31, 1940</b>	<b>Gross Tons</b>	<b>Deadweight Tons</b>
Lady Drake	7,985	6,370
Lady Hawkins	7,989	6,370
Lady Nelson	7,970	6,370
Lady Rodney	8,194	4,665
Lady Somers	8,194	4,665
Cathcart	3,708	2,950
Cavalier	3,663	2,950
Chomedy	6,136	8,600
Colborne	6,230	8,650
Cornwallis	5,458	8,390
Connector	1,789	2,781
Fleet December 31, 1940 - 11 Vessels	67,316	62,761

During the war years records were not made available of the losses suffered by the Canadian Nationals (West Indies) Steamships Limited Fleet, but the annual report of R. C. Vaughan, President dated March 15, 1946 gives these in detail.

On October 3, 1940 the "*Lady Somers*" was requisitioned by the United Kingdom naval authorities and was lost through enemy action on July 15, 1941

8,194 4,665

The "*Lady Hawkins*" was lost through enemy action on January 19, 1942

7,989 6,370

The "*Lady Nelson*" was torpedoed while lying in the Port of Casbreos, St. Lucia, B.W.I. on March 9, 1942, but the ship was salvaged, repaired and fitted out as a hospital ship sailing from Halifax May 1, 1943.

The "*Lady Drake*" was torpedoed on May 4, 1942 after sailing from Bermuda May 3, 1942

7,985 6,370

In June 1942 "*Lady Rodney*" was chartered by the Department of National Defence and in October 1945 was transferred to the repatriation service.

On September 11, 1942 the "*Cornwallis*" was torpedoed while lying at Bridgetown, Barbados, but did not sink. After salvage, she was towed to Mobile and repairs were completed in July 1943. On December 3, 1944 she was again torpedoed off the Coast of Maine and sunk.

7,985 6,370

**War Losses 29,626 25,795**

In 1941 the "*Connector*" was withdrawn from inter-Island Service and returned to Canada for home duties. In December 1943 the "*Connector*" was chartered to the Jamaican Government for service between Kingston, Jamaica and Tampa, Florida.

At the end of hostilities therefore the fleet was reduced to seven vessels with the "*Lady Nelson*" and the "*Lady Rodney*" still in Government Service.

	<b>Gross Tons</b>	<b>Deadweight Tons</b>
Lady Nelson	7,970	6,370

Lady Rodney	8,194	4,655
Cathcart	3,708	2,950
Cavalier	3,663	2,950
Chomedy	6,136	8,600
Colborne	6,230	8,650
Connector	1,789	2,781
<b>Total - 7 Vessels</b>	<b>37,690</b>	<b>36,966</b>

In 1946 it was decided to dispose of certain of the older vessels and three vessels were sold and the proceeds placed in the Vessel Replacement Fund and three vessels were acquired from War Assets Corporation. Vessels disposed of in 1946.

Cathcart	708	2,950
Cavalier	3,663	2,950
Connector	1,789	2,781
	9,160	8,681
<b>Total - 4 Vessels sold</b>	<b>28,530</b>	<b>28,285</b>

Vessels acquired in 1946

Canadian Conqueror	Non Refrigerated	2,930	4,532
Canadian Cruiser	Diesel Powered & refrigerated	6,745	7,460
Canadian Observer	Non Refrigerated	2,967	4,532
Ships acquired in 1946	3 Vessels	<u>12,642</u>	<u>16,524</u>
		<b>41,172</b>	<b>44,809</b>

The "*Lady Nelson*" and "*Lady Rodney*" resumed regular sailing in July and August 1947. The "*Chomedy*" and "*Colborne*" were sold during 1947 and five vessels were acquired.

Sold during 1947

Chomedy	6,136	8,600
Colborne	<u>6,230</u>	<u>8,650</u>
Sold during 1947 2 vessels	<b><u>12,366</u></b>	<b><u>17,250</u></b>
	<b>28,806</b>	<b>27,559</b>

Acquired during 1947

Canadian Challenger	Diesel powered & refrigerated	6,745	7,460
Canadian Constructor	Diesel powered & refrigerated	6,745	7,460
Canadian Highlander	Non refrigerated	2,966	4,532
Canadian Leader	Non refrigerated	2,930	4,532
Canadian Victor	Non refrigerated	<u>2,963</u>	<u>4,532</u>
Acquired during 1947	5 Vessels	<b>22,349</b>	<b>28,516</b>
Fleet at December 31, 1947	10 Vessels	51,155	56,075
Adjusted Tonnage in 1949		82	40
Fleet at December 31, 1949	10 Vessels	51,073	56,115

Gross Tons

Deadweight Tons

The "*Lady Nelson*" and "*Lady Rodney*" were withdrawn on completion of the 1952 season and both vessels were sold in February 1953 to new owners.

Sold February 1953			
Lady Nelson		7,830	6,410
Lady Rodney		<u>8,252</u>	<u>4,665</u>
Sold in 1953	2 Vessels	<b>16,082</b>	<b>11,075</b>
Fleet at December 31, 1953.		34,991	45,040
No Change in 1954 or 1955			

**SALE OF  
FLEET:**

There were no operations of the Company's vessels during 1958. The service had been discontinued since July 1957 as a result of a strike called by the Seafarers International Union. The events which culminated in the strike began with the submission in September 1956 of demands by the S.I.U. for increases in the basic wage and overtime rates, and for certain changes in working conditions. The ensuing negotiations having failed to produce agreement, a federal conciliation officer was appointed and subsequently a Board of Conciliation and Investigation. The Board's report, issued late in March 1957, was accepted by the Company but rejected by the Union as a basis for settlement. Following the withdrawal from service of all the unlicensed personnel the Company offered a wage increase substantially higher than that recommended by the Conciliation Board. This offer was not accepted.

In May 1958, following a careful appraisal of the factors involved in restoration of operations, Management announced, with the approval of Government, that it was abandoning the service and would dispose of the vessels by sale. The fact that the fleet had been out of service for such a lengthy period meant that long established traffic connections had been obliged to make other arrangements and the outlook for the future made it most unlikely that heavy operating losses could be avoided. Other carriers had expanded schedules and extended routings to cover the service formerly provided by the Company.

The fleet of eight vessels was sold in August 1958 to the Banco Cubano del Comercio Exterior of Havana, Cuba for \$2,800,000. The agreement of sale provided for an immediate cash payment of \$560,000 with the balance payable in five equal annual instalments of \$448,000 with the interest on the unpaid balance at 5% per annum. The first of the five annual instalments was received in August 1959 and the principal outstanding under the agreement of sale amounted to \$1,792,000 at December 31, 1959. The balance owing is secured by a letter of credit from the purchaser, confirmed by the Bank of America, New York.

As the shipping operations have ceased, arrangements have been made, for administrative purposes, to transfer the corporate management to the Government of Canada. The present Directors (who are also the Directors of the Canadian National Railway Company) will be replaced by a Board consisting of designated Government officials. The present officers will be similarly replaced.

*CANADIAN NATIONAL (WEST INDIES) STEAMSHIPS, LIMITED  
INCOME STATEMENT 1929 - TO DATE*

Year	Operating Revenue	Operating Expenses	Operating Deficit or Profit	Other Charges	Net Income Deficit or Surplus.
1929	\$3,332,683.	\$3,780,524.	\$ -447,841.	\$ 670,055.	\$ -1,117,896.
1930	3,792,694.	4,315,831.	-523,137.	839,519.	-1,362,656.
1931	3,648,986.	4,095,555.	-446,569.	848,792.	-1,345,361.
1932	3,323,077.	3,606,793.	-283,716.	1,009,298.	-1,293,014.
1933	2,956,975.	3,454,972.	-497,997.	974,244.	-1,472,241.
1934	3,509,738.	3,606,417.	-96,679.	1,082,001.	-1,178,680.
1935	3,816,246.	3,616,215.	200,031.	1,117,421.	-917,390.

1936	4,332,593.	3,765,194.	557,399.	1,131,612.	-574,213.
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1937	4,676,684.	4,018,146.	658,538.	1,139,813	481,275-
1938	4,915,355.	4,169,116.	746,239.	1,150,348	404,109-
1939	4,642,306.	4,018,447.	623,859.	1 148 288	524 429-
1940	5,750,341.	4,545,306.	1,205,035.	1 217 779	12 744-
1941	6,756,464.	5,029,107.	1,727,356.	1,134,140	593,216
1942	5,600,496.	4,220,219.	1,380,277.	1 106 397	273 880
1943	4,492,189.	3,188,579.	1,303,610.	864,773	438,837
1944	5,378,059.	3,403,726.	1,974,333.	702 946	1 271 387
1945	4,412,251.	2,849,091.	1,563,160.	447 074	1 116 086
1946	6,669,128.	4,950,240.	1,709,888.	407,836	1,302,052
1947	7,857,471.	7,028,193.	829,078.	306 401	522 677
1948	7,964,720.	7,320,615.	644,106.	368 062	166,044
1949	6,595,007.	6,582,608.	12,399.	472,879	460,489-
1950	5,124,200.	5,725,632.	-601,432.	427 335	1 028 767-
1951	6,808,478.	6,840,054.	-31,576.	415,416	466,992-
1952	7,449,247.	7,122,971.	326,276.	330 285	3 909-
1953	4,509,342.	5,331,788.	-822,466.	304 364	1 126 830-
1954	5,105,082.	5,424,983.	-319,901.	308 509	628 410-
1955	5,946,605.	5,995,684.	-49,079.	46,885	95,964-
1956	6,125,470.	6,052,570.	72,900.	49,619	23,281
1957	4,012,162.	4,517,526.	-605,364.	43,486	648,850-
1958		1,114,726.	-1,114,726.	37,228	1,151,954-

*CANADIAN NATIONAL (WEST INDIES) STEAMSHIPS, LIMITED*  
*STATEMENT OF CAPITAL SURPLUS*  
*FOR THE YEAR ENDED DECEMBER 31, 1959*

Balance at December 31, 1958	\$3,500,910
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Add:

Interest on time deposits	\$49,689
Interest on investments	105,489
Interest on agreement of sale	103,687
Other income from sale of office furniture, etc.	<u>3,822</u>

262,687  
3,763,597

Deduct:

Settlement of outstanding claims	16,943
Interest on Government of Canada loan and advance	30,926
Cost of pension benefits	32,197
Net adjustment of supplies inventory to estimated salvage value	47,924
Management and general expenses	<u>85,582</u>

213,572  
**Balance at December 31, 1959** **\$3,550,025**



*CANADIAN NATIONAL (WEST INDIES) STEAMSHIPS, LIMITED*

Capital Stock: Authorized - \$1,640,000.  
Capital Stock: Amount issued - 1,640,000.  
TRADE NAME: - "Canadian National Steamships", authorised by Statutes of Canada, Chapter 29, 1927.

*BOARD OF DIRECTORS*

Donald Gordon, C.M.G., LL.D.  
Wilfrid Gagnon, C.B.E.  
J. A. Northey  
W. J. Parker, M.B.E., LL.D.  
J. R. Griffith  
E. W. Bickle  
W. G. Stewart, Q.C.  
H.W. Marsh

*OFFICERS*

President	DONALD GORDON, C.M.G., LL.D.
Executive Vice-President	N. J. MACMILLAN, Q.C.
Vice-President	M. A. METCALFE, C.B.E.
Vice-President	D. I. GRANT, Q.C.
Vice-President and General Counsel	H. C. FRIEL, Q.C.
Vice-President and Secretary	R. H. TARR
General Manager	J. A. SAUVE
Comptroller	L. J. MILLS
Treasurer	E. J. DENYAR

*GOVERNMENT APPOINTED*

DIRECTORS

H. R. Balls  
C. N. Isbister  
A. Watson  
C. S. Booth

OFFICERS

C. S. Booth	President
H. R. Balls	Vice-President
N. A. Paton	Secretary-Treasurer

CANADIAN NATIONAL TELEGRAPH COMPANY

(Wholly owned subsidiary of "Canadian National Railway Company" from June 11, 1956)

**INCORPORATED:** May 15, 1902 - Dominion Chapter 51.

**DECLARATORY:** The works of the Company were declared to be for the general advantage of Canada -

Dominion Chapter 51, May 15, 1902.

#### **HISTORY:**

Under Dominion Chapter 51, May 15, 1902, "The Canadian Northern Telegraph Company" was incorporated with powers to construct or acquire and operate overhead, underground, or cable lines of telegraph from and to any place in Canada or elsewhere, or to make connections with, or lease any telegraph lines in Canada or elsewhere, etc., etc.

Under Dominion Order in Council P.C. 2247, September 17, 1920, the name was changed to "Canadian National Telegraph Company".

#### **ACQUISITION OF DOMINION TELEGRAPH COMPANY PROPERTIES AS OF NOVEMBER 1, 1948.**

The original "Dominion Telegraph Company" which was incorporated under the General Law relating to Electric Telegraph Companies was merged in and declared to be the "Dominion Telegraph Company" incorporated by Dominion Chapter 82, April 14, 1871, with the extended powers therein granted.

The Company owned telegraph lines and facilities constructed or acquired principally along the highways in the Provinces of Nova Scotia, New Brunswick, Quebec and Ontario. Most of these lines were subsequently removed from their original locations and were replaced in many instances along railway rights of way with the result that the lines of Dominion Telegraph Company disappeared or lost their identity.

By Indenture dated June 12, 1879, the Dominion Telegraph Company leased to the American Union Telegraph Company for a term of 99 years from July 1, 1879, all of its telegraph lines and facilities in Canada and elsewhere for the following principal considerations:

- (a) Rental of \$52,500 per annum (subject to increase to \$62,500 in the event that the Lessee should, during the lease term, enter into any pooling or traffic agreement with any third telegraph company in Canada) and
- (b) Assumption by American Union Telegraph Company of Dominion Telegraph Company's then outstanding bonded indebtedness (principal and interest) in the amount of £60,000 (\$293,859.70).

By Indenture dated July 11, 1881, American Union Telegraph Company assigned to The Western Union Telegraph Company the unexpired term of the aforementioned lease, in consideration of the assumption by the Western Union of the above noted rental payments and funded indebtedness.

By Indenture dated August 26, 1881, Western Union 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.

Under an Agreement dated January 1, 1915, The Canadian Northern Telegraph Company (now Canadian National Telegraph Company), in consideration of the payment of \$293,859.70 to Western Union, acquired the latter's claim against Great North Western in respect of the above noted bonded indebtedness of Dominion Telegraph Company, said indebtedness having been theretofore discharged and the bonds redeemed by Western Union; and under said agreement The Canadian Northern Telegraph Company became beneficial owner of a majority of the shares of Capital Stock of Great North Western.

By an Agreement of Purchase and Sale dated January 12, 1925, between Dominion Telegraph Company and "Dominion Telegraph Securities, Limited" (a "holding" company incorporated to acquire the assets of Dominion Telegraph Company) the latter Company purchased all of the assets of Dominion Telegraph Company

including all moneys to thereafter accrue under the lease dated June 12, 1879.

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 Company, Limited in consideration of the payment to them by the Great North Western of \$116,640, released The American Union, The Western Union and The Great North Western from their respective covenants (as successive lessees) to return to Dominion Telegraph Company at the expiration of the original 99 years lease term the telegraph lines and facilities of Dominion Telegraph Company in good working order and repair, with an adequate supply of telegraph instruments and plant of the most improved character then in use in America; and Dominion Telegraph Company and the Securities Company further covenanted, upon termination of the 99 year term, to transfer to The Great North Western all of 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 an Agreement and Bill of Sale dated January 4, 1929, the Western Union Telegraph Company sold to Canadian National Railway Company (for "Canadian National Telegraphs"), for a consideration of \$1,103,295 and-inter-alia the assumption by the Canadian National Railway Company of payment to Dominion Telegraph Company of the above noted rental of \$62,500 per annum, its land line telegraph plant, facilities and business in the Provinces of New Brunswick, Nova Scotia and Prince Edward Island.

As a result of the foregoing transactions Canadian National Railways (by action of one or other of the companies comprised therein) had acquired the reversionary interest of Dominion Telegraph Company and the Securities Company in all of the telegraph lines and facilities in Canada conveyed by the original 99 year lease to The American Union Telegraph Company, and was entitled at the termination thereof (June 30, 1978), and subject meanwhile to payment to the Securities Company of the rental of \$62,500 per annum, to a conveyance free from encumbrance of all of said telegraph lines and facilities.

Dominion Telegraph Securities, Limited had no substantial assets other than the right to be paid said annual rental for the balance of the above noted term, and being desirous of disposing of said right and of winding up its corporate affairs, offered to sell to Canadian National Railway Company its rights under the said lease for the sum of \$1,017,900.41. Its principal liabilities (in addition to an unsettled claim of the Government for Income Tax) were outstanding 5½% Bonds in the amount of about \$843,000, and \$40,000 of issued Capital Stock.

By purchase Agreement dated November 1, 1948, between Dominion Telegraph Securities, Limited and Canadian National Railway Company (approved by Dominion Order in Council P.C. 2600, May 23, 1949) Canadian National Railway Company purchased the lease and telegraph system of Dominion Telegraph Securities, Limited free of all liens and encumbrances, for the sum of \$1,017,900.41.

By Agreement dated November 1, 1948, between Canadian National Railway Company and The Great North Western Telegraph Company of Canada the latter company 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 in the above mentioned leases to Canadian National Railway Company and Canadian National Railway Company in turn released the Great North Western from future rental payments under the lease.

By Agreement dated December 5, 1949, Dominion Telegraph Securities, Limited (with the consent of The Royal Trust Company, Trustee under Deed of Trust and

Mortgage, dated February 2, 1925) transferred all its estate, right, title and interest in the telegraph system free of all encumbrances to Canadian National Railway Company.

Dominion Telegraph Securities, Limited surrendered its charter and the corporate existence of the Company was terminated as of April 3, 1950, in accordance with acceptance of surrender and cancellation of charter by Provincial Secretary of the Province of Ontario dated February 14, 1950.

ACQUISITION OF MONTREAL TELEGRAPH COMPANY TELEGRAPH LINES AND PROPERTY AS OF MAY 31, 1951.

By Agreement dated November 18, 1853, Montreal Telegraph Company (incorporated July 28, 1847) contracted to construct a telegraph line of poles and wires and to supply instruments for operating same at prices stated in the Agreement, along the lines of The Grand Trunk Railway Company of Canada. The Agreement further provided that Montreal Telegraph Company would have the right to erect, for its own use, on the pole lines without charge, one wire for the entire length of line and one extra wire between Montreal and Toronto. Future maintenance of the facilities of the respective Companies was provided for in the Agreement.

By Agreement dated September 9, 1869, subject to conditions covered by the Agreement dated November 18, 1853, and by an exchange of letters dated April 18<sup>th</sup>, and 22<sup>nd</sup>, 1862, between the President of Montreal Telegraph Company and the Managing Director of The Grand Trunk Railway Company of Canada, as far as same are consistent with this deed, the latter Company sold to Montreal Telegraph Company for \$30,000, the sole and exclusive right and privilege of erecting, maintaining and operating, upon, along and over the lines of the said Railway Company, with the guarantee of quiet and undisturbed possession forever.

By Agreement dated September 22, 1870, between the Crown and Montreal Telegraph Company, the latter Company erected a line of telegraph between Riviere du Loup and Halifax along the entire line of The Intercolonial Railway and Branches, the line to be built and maintained by the Telegraph Company, with The Crown contributing \$30.00 per mile towards the first cost, which gave the Railway one wire and the right to a second wire to be furnished and maintained at the cost of the Telegraph Company. The Crown can at any time elect to purchase the Telegraph property at a fair valuation to be determined by arbitration.

By Agreement dated July 25, 1878, between Montreal Telegraph Company and the Crown, Montreal Telegraph Company undertook to provide lands and to construct, maintain and operate at all times after construction, a telegraph line between Matane and Fox River in the Province of Quebec, and to maintain and operate at least 9 stations along the telegraph line between these two points, to be located at:

St. Felicite	Cap de la Madeleine
Cap Chatte	Grand Vallee
St. Anne des Monts	Chlorodrome
Martin River Lighthouse	Grand Etang,
Mont Louis	

or at such points as may be hereafter agreed upon between the Minister of Marine and Fisheries and the Company. The Crown agreed to pay \$15,000 upon completion of construction to the satisfaction of the Minister within the time limit set forth in the Agreement i.e. August 10, 1878.

Under Lease dated August 17, 1881, between Montreal Telegraph Company, The Great North Western Telegraph Company, and The Western Union Telegraph Company as Guarantor, The Great North Western Telegraph Company as Guarantor, The Great North Western Telegraph Company undertook to operate and manage the telegraph lines and property of Montreal Telegraph Company in Canada and the United States for a

term of 97 years from July 1, 1881, and agreed to deliver the demised premises to Montreal Telegraph Company upon termination of the lease in as good condition as when received.

Details of lines, offices, buildings, property, and supplies for purposes of maintenance, transferred to The Great North Western Telegraph Company of Canada are on File #C. 3284 A., along with above mentioned Lease, in the Agreements Branch. The total estimated value of the property transferred was \$2,207,533.35 summarized as follows:

12,693 <sup>3</sup> / <sub>4</sub> miles of poles and 21,607 miles of wire		\$1,626,903.50
71,322 feet - cables	) crossing	24,693.70
20,160 feet - Gutta Percha covered wire	) bridges,	2,193.69
1,323,036 feet - covered copper wire	) rivers and	6,600.00
	) canals	

Offices in:

New Brunswick	41		
Quebec	468		
Ontario	<u>935</u>	1,444	
Maine	19		
New Hampshire	7		
Vermont	11		
New York	181		
Michigan	<u>12</u>	<u>230</u>	
	1,674		\$212,500.00

Buildings in Quebec, Montreal, Ottawa and Toronto (1875 valuation)	279,946.46
Equipment, horses, harness and supplies for maintenance	<u>54,696.00</u>
	\$2,207,533.35

The telegraph lines and facilities extended along the route of The Intercolonial Railway and The Grand Trunk Railway, with numerous branches, including the following:

Halifax, NS - Port Huron, Michigan  
Montreal, QC - Portland, Maine  
Ottawa, ON - Windsor, Ontario  
Matane, QC - Fox River, QC

By Agreement dated October 13, 1944, between Montreal Telegraph Company and The Great North Western Telegraph Company of Canada, the latter Company, and The Western Union Telegraph Company as Guarantor, consented to the sale by Montreal Telegraph Company of the land and building (which had become obsolete and in need of extensive repairs) located at the south-west corner of Scott and Wellington Streets in Toronto for \$20,000, Montreal Telegraph Company retaining this sum and releasing The Great North Western Telegraph Company from all obligations under its lease with respect to this property.

On February 1, 1954, Canadian National Railway Company made an offer to Montreal Telegraph Company to pay \$3,000,000 in consideration of Montreal Telegraph Company agreeing to assign to Canadian National Railway Company or its nominee all the rights, title and interest of Montreal Telegraph Company under the Lease and sell to

Canadian National Railway Company or its nominee the reversionary rights of Montreal Telegraph Company to the telegraph line and properties described or referred to in the Lease, and desisting from its appeal from the judgment of the Superior Court, Montreal, dated January 26, 1953, dismissing Montreal Telegraph Company's action against The Great North Western Telegraph Company of Canada (Court of Queen's Bench) (Appeal Side) No. 4968; provided that Montreal Telegraph Company be dissolved as provided for in Chapter 93, Statutes of Canada 1882.

At Special General Meeting of the Shareholders of Montreal Telegraph Company held on April 20, 1954, Montreal Telegraph Company was dissolved and its existing Directors were authorized to accept the offer made by Canadian National Railway Company and were empowered to realize all properties in the name of Montreal Telegraph Company and to divide the proceeds amongst the Shareholders after payment of all expenses as mentioned in minutes of said meeting.

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 Lease 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; excepting the reversionary rights to lot and buildings on southwest corner of St. Francois Xavier and St. Sacrament Streets in Montreal, lot and buildings between St. Peter and Sault-au-Matelot Streets in Quebec City, and lot and buildings on north-west corner of Sparks and Metcalfe Streets in Ottawa, which were transferred by separate deeds 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 The Great North Western Telegraph Company of Canada, said agreement being supplementary to the lease and dealing with insurance. Montreal Telegraph Company also declared that it had discontinued its appeal from the judgment of the Superior Court mentioned above, and that the telegraph lines and properties transferred were clear of all encumbrances. Receipt of cheques dated May 31, 1954, in the amount of \$3,000,000 covering the purchase price, and in the amount of \$27,500 covering rental for the period April 1, 1954 to May 31, 1954 were acknowledged by Montreal Telegraph Company.

#### ACQUISITION OF WESTERN UNION TELEGRAPH COMPANY LINES AND PROPERTY

In British Columbia -	as of September 1, 1924
In Nova Scotia, New Brunswick and Prince Edward Island -	as of July 1, 1929
In Newfoundland -	as of March 1, 1950

The Western Union Telegraph Company, operated by its own or leased or controlled lines a general telegraph system in the Provinces of New Brunswick, Nova Scotia, and Prince Edward Island, and in Newfoundland and employed its system in the transaction of public or commercial telegraph business within those areas, as well as in the transmission of messages between its offices in the United States and its ocean cable stations in Canada, and its offices abroad. The Company also owned and operated properties in the Province of British Columbia and elsewhere.

Canadian National Railway Company operated by its own leased or controlled lines a similar telegraph system in Canada except in the Maritime Provinces of New Brunswick, Nova Scotia, and Prince Edward Island, in the transaction of public or commercial telegraph and cable business, and desired to extend its operations to all provinces of the Dominion by purchase of the land lines facilities of the Western Union in the Maritimes. At the time Union of Newfoundland with Canada was not contemplated.

By Agreement dated August 28, 1924, effective September 1, 1924, between Canadian National Telegraph Company and The Western Union Telegraph Company, a corporation of the State of New York, (in fulfilment of the intent of a certain section of Agreement dated January 1, 1915, between the Western Union Telegraph Company, The Canadian Northern Telegraph Company and The Canadian Northern Railway Company) the Canadian National Telegraph Company purchased for \$97,618.66 certain stated properties of The Western Union Telegraph Company in the Province of British Columbia, (Vancouver, Victoria and New Westminster, with connecting pole lines, wires, cable equipment, etc.).

By Agreement of January 4, 1929, between Canadian National Railway Company and The Western Union Telegraph Company, Canadian National Railway Company acquired all the land lines business and property of The Western Union Telegraph Company in the Provinces of New Brunswick, Nova Scotia and Prince Edward Island (the Western Union reserving to itself ownership of all pole lines, wires and appurtenances and the cables and cable stations and equipment and other property necessary for its cable business) as set out in detail in Section I of Schedule "A" of the Agreement, as well as the lands, buildings, cables, rights, easements and other properties movable and immovable as described in Section II of Schedule "A", owned by The Anglo-American Telegraph Company, Limited (a British corporation) for the sum of \$1,103,295 (including \$126,788 being the sum agreed upon in a separate Agreement dated January 4, 1929 covering the purchase by Canadian National Railway Company of all the property of The Anglo-American Telegraph Company Limited in Prince Edward Island and New Brunswick and then under lease by the Anglo Company to the Western Union, which Agreement forms Schedule "B" of this Agreement). Certain privileges with respect to qualification for pension under the G.N.R. Pension Plan were extended to former Western Union employees who were transferred to Canadian National Railways at this time.

Prior to Union of Newfoundland with Canada on April 1, 1949 communications service was provided in Newfoundland by the Department of Posts and Telegraphs of Newfoundland (which service was entrusted to Canadian National Railway Company for operation and management as from date of Union). The Western Union Telegraph Company was also operating a telegraph service at St. John's, Newfoundland and certain plant facilities connected therewith as lessee of the Anglo-American Telegraph Company. Both parties believed it would be unprofitable and undesirable for both parties to continue providing telegraph service in Newfoundland and agreed that Canadian National Railway Company should take over operation of service theretofore performed by Western Union.

By Conveyance dated December 13, 1950, between Canadian National Railway Company, The Anglo-American Telegraph Company Limited and The Western Union Telegraph Company, Canadian National Railway Company acquired as of March 1, 1950 free of all encumbrances the land line telegraph property and a telegraph office leasehold in the Province of Newfoundland, which property the Western Union had been operating as lessee of the Anglo-American Company under lease dated March 12, 1912, for the sum of \$39,371; also certain spare parts and office equipment in St. John's and certain other landline telegraph property near Argentia owned by Western Union for the sum of \$5,629. Details of the properties acquired form Schedule "A" of the Conveyance. By direction of The Anglo-American Company payment of the whole amount of \$45,000 was made to Western Union. Certain privileges with respect to qualification for pension under the C.N.R. Pension Plan were extended to former Western Union employees who were transferred to Canadian National Railways at this time.

#### ACQUISITION OF ANGLO-AMERICAN TELEGRAPH COMPANY PROPERTY

In Prince Edward Island & New Brunswick - acquired as of July 1, 1929.  
In Newfoundland - acquired as of March 1, 1950.

By Agreement dated January 4, 1929, between Canadian National Railway Company, The Anglo-American Telegraph Company Limited, and The Western Union Telegraph Company, the Canadian National Railway Company purchased for the sum of \$126,788 all the property of The Anglo-American Telegraph Company Limited in Prince Edward Island and New Brunswick, which was then under lease to The Western Union Telegraph Company. By direction of the Anglo-American Company payment was made to The Western Union Company. The Agreement forms Schedule "B" of Agreement of the same date between Canadian National Railway Company and The Western Union Telegraph Company mentioned above, and the properties acquired are described in detail in Section II of Schedule "A" of the same Agreement.

Note: 50% of some 225 miles of wire in Prince Edward Island are jointly owned, half being owned by Canadian Government.

By Conveyance dated December 13, 1950, between Canadian National Railway Company, The Anglo-American Telegraph Company Limited, and The Western Union Telegraph Company, Canadian National Railway Company acquired as of March 1, 1950 free of all encumbrances the land line, telegraph property and a telegraph office leasehold in the Province of Newfoundland, which property the Western Union had been operating as Lessee of the Anglo-American Company under lease dated March 12, 1912, for the sum of \$39,371 paid by direction of the Anglo-American Company to Western Union. Details of the properties acquired form part of Schedule "A" of the Conveyance.

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 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 acquisition of the controlling shares of Capital Stock of The Great North Western Telegraph Company of Canada, The Canadian Northern Telegraph Company had constructed telegraph lines along the route of the Canadian Northern Railway, and operated those lines as a separate commercial telegraph business. The operating results from 1902 to 1915 inclusive were included as miscellaneous operation in the accounts of The Canadian Northern Railway Company.

Effective January 1, 1915, the Canadian Northern Railway management conducted the commercial telegraph business of The Canadian Northern Telegraph Company and The Great North Western Telegraph Company (and of The Grand Trunk Pacific Telegraph Company from November 1, 1920) as one system under the name of the Great North Western, until December 31, 1921.

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 Canadian Northern Telegraph Company proportion of net result of operation from 1916 to 1922 inclusive was included as miscellaneous operation in the accounts of The Canadian Northern Railway Company.

Effective November 1, 1920, management of the telegraph service of The Grand Trunk Pacific Telegraph Company was transferred to the Canadian National Telegraph Company.

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. Effective January 1, 1928, the accounts were consolidated under the name "Canadian National Railways".

As of September 1, 1924, Canadian National Telegraph Company purchased certain properties of The Western Union Telegraph Company in Vancouver, Victoria and New Westminster, British Columbia, with connecting pole lines, wires, cable equipment, etc. for the sum of \$97,618.66.

As of July 1, 1929, Canadian National Railway Company purchased all the land lines, business and property of The Western Union Telegraph Company in the Provinces of New Brunswick, Nova Scotia and Prince Edward Island, as well as the lands, buildings, cables, rights, easements and other properties owned by The Anglo-American Telegraph Company, Limited (a British Corporation) which were then under lease to Western Union for the sum of \$1,103,295 (including \$126,788 being the sum agreed upon as the purchase price of The Anglo-American Company property), The Western Union reserving to itself ownerships of all pole lines, wires and appurtenances and the cables and cable stations and equipment and other property necessary for its cable business.

As of April 1, 1949, the date of Union of Newfoundland with Canada, the communication facilities formerly operated by the Department of Posts and Telegraphs of Newfoundland were entrusted to Canadian National Railway Company for operation and management, and effective the same date were included in the operations of Canadian National Railways, except to pay Newfoundland Government instead of Western Union.

As of March 1, 1950, Canadian National Railway Company purchased all the land line telegraph property and a telegraph office leasehold in the Province of Newfoundland, which property the Western Union had been operating as lessee of The Anglo-American Telegraph Company under lease dated March 12, 1912, for the sum of \$39,371; also certain spare parts and office equipment in St. John's and certain other land line telegraph property near Argentia owned by Western Union for the sum of \$5,629. Certain privileges with respect to qualification for pension under the C.N.R. Pension Plan were extended to former Western Union employees who were transferred to Canadian National Railways at this time.

By Agreement dated May 13, 1954, between Canadian National Telegraph Company and The Grand Trunk Pacific Telegraph Company, authorized by Board of Directors of each company by resolutions dated March 26, 1954, and sanctioned by

Dominion Order in Council P.C. 1954-714 dated May 13, 1954, the two companies were amalgamated to form one company under the name "Canadian National Telegraph Company", with Capital Stock of 5259 shares of \$100 each - \$525,900 - being the aggregate amount of the fully paid up Capital Stock of the two predecessor companies. A counterpart of the Agreement was filed in the office of the Secretary of State of Canada on June 8, 1954, and the Amalgamation became effective on that date.

#### **PROPERTY INVESTMENT:**

Communication properties are used jointly for Railway and Commercial telegraph operations. Investment in plant and equipment is carried in the property accounts of the railway and is not recorded separately from railway property.

#### **CAPITAL STOCK:**

Prior to Amalgamation on June 8, 1954:

Authorized:	50,000 shares - par value \$100 each	\$5,000,000
Issued:	5,000 shares - par value \$100 each	500,000

All owned by The Canadian Northern Railway Company.

Upon Amalgamation all outstanding share certificates were cancelled and in substitution therefor certificate for 5,000 shares of Capital Stock - par value \$100 each - of the amalgamated company was issued in the name of Canadian National Realities, Limited in trust for The Canadian Northern Railway Company.

As at December 31, 1960:

Authorized:	5259 shares - par value \$100 each	\$525,900
Issued:	5259 shares - par value \$100 each	525,900

5,000 shares are owned by The Canadian Northern Railway Company (now Canadian National Railway Company) covered by Certificate in the name of Canadian National Realities, Limited in trust for The Canadian Northern Railway Company - Unpledged.

259 shares are owned by The Grand Trunk Pacific Railway Company (now Canadian National Railway Company) covered by Certificate in the name of Canadian National Realities, Limited in trust for The Grand Trunk Pacific Railway Company - Unpledged.

#### **FUNDED DEBT:**

As at December 31, 1960: NIL.

First Mortgage 5% Gold Bonds issued July 1, 1907 -

Matured June 30, 1930	\$2,000,000
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\$1,200,000 of these securities are in the name of Canadian National Realities, Limited in trust for The Canadian Northern Railway Company (now Canadian National Railway Company) and held in Royal Trust Company vaults, Montreal - Unpledged.

\$800,000 are registered in the name of the Trustees under Trust Deed dated June 30, 1903. This Trust Deed was discharged on February 1, 1955.

#### **DIRECTORS**

Donald Gordon  
Wilfrid Gagnon  
J. A. Northey  
J. R. Griffith  
W. G. Stewart  
H. W. Marsh

#### **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. Soland	Vice-President
J. L. Toole	Vice-President
W. T. Wilson	Vice-President
H. C. Friel	Vice-President - Law
J. M. Tarr	Vice-President & Secretary
H. C. Grayston	Vice-President
J. M. Young	Assistant Secretary
D. W. Gilmour	Assistant Secretary
J. R. White	General Manager
L. J. Mills	Comptroller
E. J. Denyar	Treasurer
H. C. Grayston	Vice-President
H. M. Blaiklock	General Manager of Real Estate

#### CANADIAN NATIONAL TRANSFER COMPANY

(Wholly owned subsidiary of "Canadian National Railway Company")

**INCORPORATED:** October 6, 1903 - Dominion Letters Patent.  
March 29, 1920 - Dominion P.C. 637, name changed (see History).

**HISTORY:** Under Dominion Letters Patent, October 6, 1903, "The Canadian Northern Transfer Company, Limited" was incorporated to conduct a general transfer and cartage business throughout the Dominion of Canada and elsewhere.

Under Agreement dated November 30, 1910, between Mackenzie, Mann and Company Limited, and Canadian Northern Transfer Company, Limited, Capital Stock amounting to \$500,000 fully paid up was issued to Mackenzie, Mann and Company, Limited, who in consideration transferred to the Canadian Northern Transfer Company, Limited, a cartage and transfer business. By a further Agreement of November 30, 1910, Mackenzie, Mann and Company, Limited sold the whole of the paid up Capital Stock of the Canadian Northern Railway Express Company Limited, who pledged it under the Canadian Northern Railway Express Company Limited, Mortgage Trust Deed, dated November 30, 1910 and it was held by the National Trust Company Limited as Trustees under this mortgage. This mortgage was discharged on June 25, 1955.

Under Dominion P.C. 637, March 29, 1920, the name was changed to "Canadian National Transfer Company".

In addition to operations in Winnipeg, MB, operations were later undertaken in Toronto, Ontario, under Ontario license of July 6, 1904, and in Montreal, Quebec. Due to the adverse effect of increased wage rates the Company sold its property in Winnipeg to Percival George Denison for \$80,000 on May 23, 1921, and in December 1929, sold its property in Toronto to Hendry Cartage Company for \$34,886.90, and its property in Montreal to Canadian Cartage and Storage Company for \$37,197.94.

#### **CORPORATE STATUS:**

The Company has been inactive since December 1929, but its charter has not been surrendered because of the potential value of powers granted thereunder.

#### **CAPITAL STOCK:**

As at December 31, 1955:

Authorized:	5,000 shares - \$100 each	\$500,000
Issued:	5,000 shares - \$100 each	500,000

All the Capital Stock was owned by The Canadian Northern Railway Express Company, Limited until the latter company was amalgamated with 16 other companies

**FUNDED DEBT:**

into one company under the name "Canadian National Railway Company" on June 11, 1956, when Canadian National Railway Company became the owner. - Unpledged.  
As at December 31, 1960 - Nil.

**DIRECTORS**

Donald Gordon  
Wilfrid Gagnon  
J. A. Northey  
J. R. Griffith  
W. G. Stewart  
H. W. Marsh

**OFFICERS**

Donald Gordon	Chairman & President
N. J. MacMillan	Executive Vice-President
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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 & Secretary
H. C. Grayston	Vice-President
J. M. Young	Assistant Secretary
D. W. Gilmour	Assistant Secretary
L. J. Mills	Comptroller
E. J. Denyar	Treasurer

**"CANADIAN NATIONAL TRANSPORTATION, LIMITED"**

(wholly owned subsidiary of "Canadian National Railway Company")

**INCORPORATED:**

Dominion Letters Patent dated 19 March 1931. Supplementary Letters Patent dated 18, December 1959.

**HEAD OFFICE:**

Montreal, Quebec

**HISTORY:**

By Dominion Letters Patent dated March 19, 1931 "Canadian National Transportation, Limited" was incorporated for the purpose of carrying out bus and truck operations which the Railway cannot operate directly under its own charter. The Company has powers wide enough to indulge in any form of transportation in any part of Canada - except by rail and except as a Railway Company.

**1931** Company acquires buses, which, under Agreement dated 20 November 1931, were leased to Niagara, St. Catharines and Toronto Railway Company on a rental basis to be operated in substitution of its electric railway. This Service was discontinued during 1960 and 1961.

**1939** Oshawa Railway Company leased buses from Canadian National Transportation, Limited in substitution for its electric street cars. Operations commenced 28<sup>th</sup> January 1940, and were discontinued on 31<sup>st</sup> December 1959.

- 1940 Additional equipment acquired and operations commenced on 9<sup>th</sup> September 1940 of a bus and trucking service between Port Arthur, Geraldton and Longlac, Ontario supplementing Canadian National rail Service. This still operates and is included in the rail income of the system.

The following bus services were placed in operation, but were later discontinued due to lack of patronage.

<u>Route</u>	<u>Commenced</u>	<u>Discontinued</u>
Victoriaville - Drummond	June 1940	April 1942
Kamloops - Prince Rupert - Smithers	May 1951	April 1954
Kamsack, SK - Flin Flon, MB.	November 1953	May 1956
Oshawa	January 1940	December 1959
City of Niagara Falls and Stamford	November 1931	October 1960
City of St.Catharines	November 1931	August 1961

- 1953 Department of Road Transport, Canadian National Railways formed 1st September 1953 to take over the services operated by The Oshawa Railway Company, The Niagara, St. Catharines and Toronto Railway Company and Canadian National Transportation, Limited. These include the bus services operated by these three companies, and the interurban trucking service operated over the highway by Canadian National Railways in the name of Canadian National Transportation, Limited.

- 1959 The Company entered the trucking company field with the purchase of Sydney Transfer and Storage Limited and Eastern Transport Limited. At 31<sup>st</sup> December 1960 seven companies were in the process of being acquired, and purchase options had been taken on two more. These companies were:

	<u>Acquired</u>
Sydney Transfer and Storage Limited	5 October 1959
Eastern Transport Limited	5 October 1959
East-West Transport Limited	29 April 1960
Empire Freightways Limited	30 January 1960
Wacos Holdings Limited	5 May 1960
Montalta Holdings Limited	5 May 1960
Midland Superior Express Limited	
49%	5 May 1960
51% not yet acquired	

#### Options:

Hoar Transport Limited  
Husband Transport Limited

At 31<sup>st</sup> December 1960, in addition to the trucking companies shown above, Canadian National Transportation, Limited was operating an all-year bus service between Port Arthur, Geraldton and Longlac, Ontario (195 miles one way) meeting all main line trains at Longlac, in which four buses and seven employees were engaged; also trucking services over the highways between various points on the Atlantic, St. Lawrence, Great Lakes, Prairie and Mountain regions ancillary to or in substitution of train service.

A public messenger and delivery service was also operated by Canadian National Telegraphs in the name Or Canadian National Transportation, Limited at larger points where it maintains messengers for delivery of telegrams. As from January 1961 the net income from this service will be included in Canadian National Telegraphs operating statements.

#### PROPERTY INVESTMENT:

As at 31<sup>st</sup> December 1960

	Non-rail property	\$4,832,472
<b>ACCRUED DEPRECIATION:</b>	As at 31 <sup>st</sup> December 1960	
	Non-rail property	\$1,646,700
<b>CAPITAL STOCK:</b>	As at 31 <sup>st</sup> December 1960	
	Authorized: 1,500,000 n.p.v.	
	Issued: 50 shares at \$10 per share \$500 (unpledged)	
	All shares are owned by Canadian National Railway Company. The share certificate is in the name of Canadian National Realities in Trust for Canadian National Railway Company.	
<b>LANG TERM DEBT:</b>	As at 31 <sup>st</sup> December 1960	
	Canadian National Railways	\$10,263,994

#### DIRECTORS

Donald Gordon  
Wilfrid Gagnon  
J. A. Northey  
J. R. Griffith  
W. G. Stewart  
H. W. Marsh

#### OFFICERS

Donald Gordon	Chairman and President
N. J. MacMillan	Executive Vice-President
R. H. Tarr	Vice-President & Secretary
F. A. Gaffney	Vice-President
L. J. Henderson	General Manager
I. Macaskill	Acting General Manager
J. M. Young	Assistant Secretary
D. W. Gilmour	Assistant Secretary
L. J. Mills	Comptroller
E. J. Denyar	Treasurer

#### **ACQUISITIONS:**

##### Sydney Transfer and Storage Limited.

This Company was acquired on October 5, 1959. Its operations Inter-City Service between Sydney, New Glasgow, Halifax and Moncton as well as peddler operations throughout Cape Breton Island. It operates sixty pieces of Automotive Equipment and maintains terminals at Moncton, Halifax, New Glasgow and Sydney. The Company has 44 employees.

Head Office King's Road, Sydney, NS.

#### OFFICERS

F. M. Chisholm	General Manager, Truro, NS.
D. M. Beattie	Assistant General Manager, Sydney, NS.
A. R. Hamlin	Office & Traffic Manager, Sydney, NS.
W. B. Butler	Sales Manager, Sydney, NS.
J. Leclair	Comptroller, Sydney, NS.

##### Eastern Transport Limited, Head Office

This Company was acquired on October 5, 1959, and operates between Halifax, Truro, New Glasgow and Moncton providing inter-city and peddler service throughout this territory. It has a total of 60 motor vehicles and maintains terminal facilities at Moncton, Truro, Halifax and New Glasgow. It employs 68 people.

Head Office: Willow Street, Truro, NS.

OFFICERS

F. M. Chisholm	General Manager, Truro, NS.
D. A. Chisholm	Assistant General Manager, Truro, NS.
I. W. Blondon	Rate & Claims Manager, Truro, NS.
W. L. Phillips	Office Manager, Truro, NS.

Empire Freightways Limited

This Company was acquired on January 30, 1960. It operates intra-provincially on the Saskatoon - Melfort - Prince Albert - North Battleford area of Saskatchewan, and inter-provincially between this area and Winnipeg. This Company operates 115 motor vehicles and maintains terminals at Winnipeg, Regina, Saskatoon, Prince Albert, Melfort, North Battleford and Moosomin. It has 77 employees. Head Office, 1902, Quebec Avenue, Saskatoon, Saskatchewan.

OFFICERS

G. G. Dean	General Manager, Winnipeg
D. F. Pope	Comptroller, Winnipeg
R. A. Craig	Administrative Assistant, Winnipeg
J. Keller	Maintenance Supervisor, Winnipeg
E. Carter	Safety Supervisor, Winnipeg
S. W. C. Brown	Operations Manager, Saskatoon
M. Woytowich	Assistant Operations Manager, Saskatoon

East-West Transport Limited

This Company was acquired on April 30, 1960. It operates inter-provincially between the major Western Canadian Cities of Vancouver, Calgary, Edmonton, Saskatoon, Regina, and Winnipeg. In addition the Ontario points of Toronto, Hamilton, Windsor, Sarnia and Kitchener are served inter-provincially from and the four western provinces. It operates about 185 units of Rolling Stock, and terminals are maintained at Winnipeg, Vancouver, Kitchener and Toronto. There are 165 employees on the staff. Head Office 570 Nairn Avenue, Winnipeg, Manitoba.

OFFICERS

G. G. Dean	General Manager, Winnipeg
D. F. Pope	Comptroller, Winnipeg
R. A. Craig	Administrative Assistant, Winnipeg
J. Keller	Maintenance Supervisor, Winnipeg
E. Carter	Safety Supervisor, Winnipeg

Midland Superior Express Limited

This Company is authorized to carry freight from Edmonton and Calgary to Sault Ste. Marie, North Bay, Sudbury, Windsor, Hamilton, Toronto, Ottawa and Montreal and return. It operates into Vancouver from the Province of Alberta on East-West Transports' franchises. Terminals are located in Calgary, Edmonton, Hamilton, Toronto and Montreal. This Company owns all its trailers, local cartage units and some tractors and obtains motive power by contract with tractor owners. It employs 275 people.

Under agreement dated October 20, 1959, Canadian National Transportation Limited, acquired 49% of Midland Superior Express Limited. A second agreement dated May 5, 1960 covers the acquisition of the remaining 51% with a provision that the closing date shall be twenty days following the date upon which the Quebec Transportation Board approves the transfer. This Board has completed its formal hearing of the application to transfer the shares of Midland to Canadian National Transportation Limited, and decision will be handed down in due course. Head Office 1111, 42<sup>nd</sup> Avenue, S.E., Calgary, Alberta.

OFFICERS

G. N. Warnick	President, Calgary, AB.
J. D. Brechin	General Manager, Calgary, AB.
A. Warnick	Western Zone Manager, Edmonton, AB.
B. Cordick	Eastern Zone Manager, Toronto, ON.
G. E. Shaw	Fleet Manager, Calgary, AB.
G. Bennett	Sales Manager, Toronto, ON.
R. J. Barrett	Comptroller, Calgary, AB.

#### Wacos Holdings Limited and Montalta Holdings Limited

These two Companies were formed by Midland Superior Express Limited, to hold the various lands and buildings used in the Midland Superior operations.

The trucking terminals located at Calgary, Edmonton, Saskatoon and Toronto are owned by Wacos Holdings Limited, while the terminals located at Montreal is the property of Montalta Holdings Limited.

Two agreements dated April 13, 1960 and April 28, 1960 cover the acquisition of 100% each of Wacos and Montalta Holdings by the Canadian National Transportation Limited.

#### Toronto-Peterborough Transport Company, Limited

This Company was acquired in June 1961. It operates between Metropolitan Toronto and such points as Hamilton, Oakville, Ottawa, Port Hope, Cobourg, Belleville, Peterborough, Lindsay, Campbellford, Madoc and points north to and including Barry's Bay. It has a total of 300 motor vehicles, and operates terminals at Toronto, Hamilton, Port Hope, Cobourg, Belleville Peterborough, Lindsay and Madoc. It employs 260 people. Head Offices on O'Connor Drive at Sunrise Avenue, Toronto 16, Ontario.

##### OFFICERS

C. W. Tanner	Vice President, Peterborough, Ontario
F. A. Gaffney	Vice President, Montreal, Quebec
I. Macaskil	Treasurer, Montreal, Quebec
C. C. Henderson	Secretary, Montreal, Quebec
R. G. Tanner	Fleet Superintendent, Toronto, Ontario
C. A. Ashton	Traffic Manager, Toronto, Ontario
K. J. McAlister	Operations Manager, Toronto, Ontario

#### Hoar Transport Company, Limited

This Company was acquired in October 1961. It operates between Metropolitan Toronto and such points as Orillia, Gravenhurst, Bracebridge, Huntsville, Parry Sound, North Bay and Sudbury and between Metropolitan Toronto, Orono and Bomanville. It operates a total of 175 pieces of rolling stock and maintains terminals at Toronto, North Bay, Sudbury, Bracebridge Barrie, Huntsville, Orillia, Parry Sound and Oshawa. It employs 190 people. Head Office is 2525 Garrard Street E., Scarborough, Ontario.

##### OFFICERS

L. J. Henderson	President, Montreal, Quebec
C. V. Hoar	Vice-President, Toronto, Ontario
S. M. Cooper	Secretary, Toronto, Ontario
L. A. Hewitt	Treasurer, Montreal, Quebec

#### THE CANADIAN NORTHERN ALBERTA RAILWAY COMPANY

**INCORPORATED:** May 4, 1910 - Dominion Act 9-10 Edward VII, Chapter 6.



<b>HISTORY:</b>	Under Dominion Act 9-10 Edward VII, Chapter 6, May 4, 1910, " <u>The Canadian Northern Alberta Railway Company</u> " was incorporated to construct and operate a railway from Edmonton or Strathcona, westerly to coal areas near Brazeau and McLeod Rivers, and was empowered to amalgamate with The Canadian Northern Railway Company.		
	At a Meeting of the Provisional Directors held August 2, 1910, Certificates for 20 shares each were issued fully paid up to each of ten directors. At a Meeting on February 10, 1911 these ten directors were declared to be all the directors of the Company, and a further 29,880 shares were issued to A. J. Mitchell and R. P. Ormsby in trust. These 30,000 shares were transferred to the Trustees of the Canadian Northern Railway Company's 4% Guaranteed Debenture Stock and Bonds dated July 15, 1914.		
	The line was completed and opened for traffic as follows:		
	Trelle Junction to Peace River Junction	25.61 miles	October 8, 1913
	Peace River Junction to Yellowhead	<u>224.96</u> miles	October 4, 1915
	<b>Total - Trelle Junction to Yellowhead</b>	<b>250.57 miles</b>	
	During World War I, a demand for rails for overseas became urgent, and in 1917, the Dominion Government, under its powers conferred by the War Measures Act, lifted rails on both The Grand Trunk Pacific Railway and The Canadian Northern Railway between Imrie in Alberta and Red Pass Junction in British Columbia. The Canadian Northern rails being unsuitable in some respect for overseas requirements, were used to replace those taken from Grand Trunk Pacific Line. In the new alignment, the two railways were merged between Imrie and Red Pass Junction, so that the transcontinental main line of Canadian National Railways between these two points became a composite road, approximately 150 miles being on former Grand Trunk Pacific right of way and approximately 150 miles being on former Canadian Northern right of way.		
<b>AMALGAMATION:</b>	Under Amalgamation Agreement dated May 17, 1956, between Canadian National Railway Company, and The Canadian Northern Alberta Railway Company and 16 other companies (approved by Dominion Order in Council P.C. 1956-772 dated May 17, 1956) duplicate original counterpart thereof having been filed with the office of Secretary of State of Canada on June 11, 1956, The Canadian Northern Alberta Railway Company and the other 16 companies were amalgamated with and under the name Canadian National Railway Company effective June 11, 1956.		
<b>PROPERTY INVESTMENT:</b>	Included in property accounts of Canadian Northern Railway, and is not recorded separately.		
<b>SUBSIDIES:</b>	Dominion of Canada - fiscal year	1914      \$2,832,024	
		1915      262,080	
		1919 <u>25,896</u>	\$3,120,000
	Municipal Bonus		168,353
	Dominion Government Land Grant - 1,582.14 acres		
<b>LOCATION:</b>	Railway as existing at present:		
	Trelle Junction to Peace River Junction		25.61 miles
	Styal to Chip Lake		13.19 miles
	Solomon to Snaring		29.25 miles
	Geike to Yellowhead		<u>7.88 miles</u>
	<b>Total -</b>		<b>75.93 miles</b>
<b>ABANDONED:</b>	171.64 miles		
<b>CAPITAL STOCK:</b>	As at June 11, 1956:		
	Authorized: 30,000 shares par value \$100 each		\$3,000,000
	Issued: 30,000 shares par value \$100 each		3,000,000
	The entire Capital Stock was pledged under the Canadian Northern Railway Company's 4% Guaranteed Debenture Stock and Bonds dated July 15, 1914.		
	Under Agreement dated May 17, 1956 the Canadian Northern Pacific Railway Company		

amalgamated with the Canadian National Railway Company. This Agreement was approved by Order in Council P.C. 1956-772 dated May 17, 1956 and filed with the Secretary of State of Canada on June 11, 1956 on which date it became effective. The Capital Stock was treated as cancelled.

**FUNDED DEBT:**

The Canadian Northern Alberta Railway Company's First Mortgage 3½% Debenture Stock secured by Trust Deed dated March 22, 1911 and Supplementary Trust Deed dated April 20, 1912, maturing May 4, 1960. This mortgage is guaranteed as to Principal and Interest by the Dominion of Canada, and is a First Charge on the line from St. Albert to Medicine Lodge a distance of 150.00 miles.

Authorized:	\$3,150,000.00
Issued: 676,260 pounds Sterling @ \$4.86- <sup>2</sup> / <sub>3</sub>	3,149,998.66
Held by Public	3,149,998.66

This mortgage is payable in Sterling.

This mortgage matured May 4, 1960 and proceedings to discharge this mortgage are now under way.

The Canadian Northern Alberta Railway Company's First Mortgage 3½% Debenture Stock secured by Trust Deed dated November 29, 1912, and maturing on April 1, 1962. This mortgage is guaranteed as to Principal and Interest by the Dominion of Canada and is a First Charge on the line from Medicine Lodge to the British Columbia boundary a distance of 97.6 miles.

Authorized:	\$3,570,000,000
Issued: 733,561 pounds Sterling	3,569,996.86

This was pledged with the Minister of Finance as part security for a loan of \$1,887,821.16 under the 1918 War Measures Act and an Order in Council issued July 5, 1918.

This mortgage is payable in Sterling.

**FUNDED DEBT:**

Under Dominion Act 1, Elizabeth II. Chapter 36 known as the Canadian National Railway's Capital Pension Revision Act 1952 assented to July 4, 1952. This mortgage was released to the Canadian National Railways Securities Trust in exchange for 4% Preferred Stock of the Canadian National Railway Company.

The Canadian Northern Alberta Railway Company's 4% Debentures were secured by Trust Deed dated July 15, 1914 and maturing September 1, 1934. This mortgage has no guarantee and was a Second Charge on the line from St. Albert to the British Columbia boundary, a distance of 247.6 miles. The amount authorized was the equivalent of the advances received from the proceeds of Canadian Northern 4% Debenture Stock. The amount issued was \$886,434.00 and it was pledged under the Canadian Northern Railway Company 4% Guaranteed Debenture Stock and Bonds and was held by the National Trust Company Limited as Trustees under this mortgage. It was payable in Canadian currency. This mortgage was discharged on April 1, 1939.

**THE CANADIAN NORTHERN COAL AND ORE DOCK COMPANY, LIMITED**

(Formerly wholly owned subsidiary of "The Canadian Northern Railway Company"). Charter surrendered March 31, 1942.

**INCORPORATED:** February 17, 1905 - Ontario Letters Patent.

**HISTORY:** Under Ontario Letters Patent dated February 17, 1905, "The Canadian Northern Coal and Ore Dock Company, Limited" was incorporated for the purpose of building a dock at Port Arthur, Ontario.

Under Agreement dated March 1, 1905 between the Canadian Northern Coal and Ore Dock Company; Limited, Mackenzie, Mann and Company Limited; and the Pittsburgh Coal Company, the Canadian Northern Coal and Ore Dock Company agreed to issue to Mackenzie, Mann and Company as part payment for the construction of the dock at Port Arthur, 5000 fully paid up shares of \$100.00 each of the Capital Stock. Under authority of Order in Council P.C. 1568 dated July 20, 1920 the Canadian Northern Railway Company acquired the whole of the Capital Stock for \$125,000.

A plant was built on a re-claimed block of land 616 feet wide, running easterly out into Lake Superior approximately 2,000 feet, at a total cost including buildings and equipment of more

than \$2,000,000.

The property was leased to The Canadian Northern Railway Company for operation for a period of 25 years ending January 1, 1941. The facilities and equipment became antiquated and too costly to operate and would have required heavy expenditure for rehabilitation. The Railway decided in the circumstances to discontinue operation as of June 30, 1926.

In 1926, C. B. Devlin & Company of Fort William offered to sub-lease the premises and attempted operations. Difficulties arose which prevented final execution of the lease and the property became vacant.

On May 30, 1935, after several unsuccessful attempts to sub-lease the premises, a 21-year lease of the land, water-lot and dock with option of renewal for a further 21 years was entered into between The Canadian Northern Coal and Ore Dock Company, Limited, The Canadian Northern Railway Company and the Ontario Creosoting Company Limited, to become effective June 1, 1935.

In December 1935 accounts the value of equipment, machinery, etc., no longer required for railway purposes, was written off (the loss being absorbed by the amount available in the Sinking Fund). The value of land, water-lot and dock, estimated to be \$369,569.86, remained in the investment account.

By Trustees Resolution dated June 19, 1936, title to the remaining property (then under lease to Ontario Creosoting Company Limited) was transferred to Canadian National Realities, Limited on November 23, 1936, at the book value of \$369,569.86.

#### **CHARTER SURRENDERED:**

As of March 31, 1942, the Charter of The Canadian Northern Coal and Ore Dock Company, Limited lapsed by reason of non-filing of annual returns for three consecutive years, as provided for under Section 40 (1) and (2) of the Companies Act (Ontario, Chapter 251, R.S. 1927,) and the corporate existence of the company was terminated. The Charter was surrendered to the Provincial Secretary of Ontario. The Seal, original Minute Books and other corporate documents pertaining to the corporate existence of the Canadian Northern Coal & Ore Dock Company, Limited are in the custody of the Secretary, Canadian National Railway Company, Montreal.

#### **CAPITAL STOCK:**

Authorized: 5,000 shares - \$100 each	\$500,000
Issued: 5,000 shares - \$100 each	\$500,000

All owned by the Canadian National Railway Company at a cost of \$125,000 and written out of its accounts in December 1935 when the plant and equipment was retired.

Share Certificates were cancelled when the corporate existence of the Company was terminated on March 31, 1942.

#### **LONG-TERM DEBT:**

As at March 31, 1942 - Nil

5% First Mortgage Twenty Year Sinking Fund Gold Bonds in the amount of \$1,750,000 were issued January 1, 1916. These were paid off at maturity, January 1, 1936 and the Mortgage relating thereto was discharged on February 9, 1937.

#### CANADIAN NORTHERN CONSOLIDATED RAILWAYS

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

#### **FORMED:**

June 8, 1954 - Dominion - by Amalgamation.

#### **HISTORY:**

By Agreement dated May 13, 1954, between twelve railway companies, authorized by the Board of Directors of each of the said companies by resolutions dated March 26, 1954, and sanctioned by Dominion Order in Council P.C. 1954-716 dated May 13, 1954, the following companies were amalgamated to form one Company under the name "Canadian Northern Consolidated Railways", with Capital Stock of \$35,306,600, being the aggregate amount of Capital Stock issued by the parties to the agreement. A counterpart of the Agreement was filed in the Office of the Secretary of State of Canada on June 8, 1954, and the Amalgamation became effective on that date.

Capital Stock Issued

The Bay of Quinte Railway Company	\$1,395,000.00
The Bessemer and Barry's Bay Railway Company	125,000.00
Canadian National Electric Railways	1,750,000.00
Canadian Northern Manitoba Railway Company	250,000.00
Canadian Northern Pacific Railway Company	25,000,000.00
Canadian Northern Western Railway Company	2,000,000.00
The Central Ontario Railway	3,331,000.00
The Halifax and SoUth Western Railway Company	1,000,000.00
The James Bay and Eastern Railway Company	125,000.00
The Marmora Railway and Mining Company	128,600.00
The Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company	201,000.00
The St. Charles and Huron River Railway Company	<u>1,000.00</u>
	\$35,306,600.00

Outstanding share certificates of the predecessor companies, which were all owned and held by The Canadian Northern Railway Company, were cancelled and in substitution therefor a share certificate for an equal amount was issued by Canadian Northern Consolidated Railways.

**AMALGAMATION:**

Under Agreement dated May 17, 1956, approved by Order in Council P.C. 1956-772 Canadian Northern Consolidated Railways amalgamated with the Canadian National Railway Company. This Agreement was filed with the Secretary of State of Canada on June 11, 1956 on which date the Amalgamation became effective. The Capital Stock \$35,306,000 was cancelled.

**CAPITAL STOCK:**

Prior to Amalgamation on June 11, 1956:

Authorized: 353,066 shares - \$100	\$35,306,600
Issued: 353,066 shares - \$100	35,306,600

All owned by The Canadian Northern Railway Company. Upon Amalgamation on June 11, 1956, in accordance with the terms of Amalgamation Agreement dated May 13, 1956, the Capital Stock was treated as cancelled.

**FUNDED DEBT:**

As at June 11, 1956 - Nil.

CANADIAN NORTHERN MANITOBA RAILWAY COMPANY

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

**INCORPORATED:**

February 20, 1914 - Manitoba Act 4, George V, Chapter 135.

**DECLARATORY:**

Works and undertaking declared to be works for the general advantage of Canada. Dominion Act 4-5 George V, Chapter 20, 1914.

**HISTORY:**

Under Manitoba Act 4, George V. Chapter 135, February 20, 1914, "Canadian Northern Manitoba Railway Company" was incorporated to construct and operate lines of railway from a point on the Oak Point Branch of The Canadian Northern Railway Company to a point on the eastern shore of Lake Manitoba; from Gypsumville to a point between Pas Mission and Hudson Bay; from a point between Roblin and Grand View to Portage La Prairie; and from Portage La Prairie to a point between Emerson and Sprague.

**AMALGAMATION:**

On June 8, 1954, Canadian Northern Manitoba Railway Company and 11 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:**

Land Grants were as follows (Statistics of Steam Railways - 1938, Page 63).

**LOCATION:** Dominion - 73.16 acres.  
 The railway was completed and opened for traffic:  
 Steep Rock Junction to Steep Rock 12.13 miles December 14, 1914.

**CAPITAL STOCK:** Prior to Amalgamation on June 8, 1954:  
 Authorized: 10,000 shares of \$100 each - \$1,000,000  
 Issued: 2,500 shares of \$100 each - \$250,000  
 At a Meeting of the Provisional Directors held on June 11, 1914 Certificates were issued for 250 shares, \$25,000 on which 20% or \$5,000 was paid up. On July 6, 1914 Certificates were issued to the Trustees of the Canadian Northern Railway Company's 4% Debenture Stock and Bonds, for 2250 shares, \$225,000. These shares were pledged with the National Trust Company as Trustees under the mortgage of July 15, 1914. The Canadian Northern Railway Company owned the entire stock issued \$250,000.  
 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:** As at June 8, 1954 - Nil.  
 The Canadian Northern Manitoba Railway Company issued a First Mortgage 4½% Debenture Stock and Bonds for \$160,000 secured by Trust Deed dated January 2, 1916 and maturing on June 30, 1930. This mortgage was guaranteed by the Province of Manitoba according to tenor and was a first charge on the railway from Steep Rock Junction to Steep Rock, 12.13 miles. This mortgage was discharged on July 15, 1940.