

34. A description of the equipment acquired during 1951 will be found on the top of page 42, which also shows an inventory of equipment at the year-end.

35. Major improvements to road property are dealt with under appropriate heading later in this Report.

36. New construction and improvements in System Hotels were advanced during 1951. The floors of the new fifteen-storey wing of the Macdonald Hotel in Edmonton were completed and the building closed in up to the fourteenth storey by the end of the year. At St. John's, the rehabilitation and modernization of the Newfoundland Hotel made considerable progress and is expected to be completed in 1952.

37. Important property acquisitions during the year included the purchase of two small railway lines. The properties of the Quebec Railway, Light and Power Company were acquired in order to integrate rail operations between Quebec City and Nairn's Falls on the north shore of the St. Lawrence River. The electric lines of this Company extended for a distance of 25 miles from Quebec City to St. Joachim, making connections at the latter point with Canadian National lines terminating at Nairn's Falls. The New London Northern Railroad Company was acquired in order to effect a saving in rentals and taxes to which the Central Vermont Railway, a subsidiary of the Canadian National, was obligated by virtue of a 99-year lease. This line comprises 121 miles of main line between Brattleboro, Vermont, and New London, Connecticut.

38. A general office building was purchased in Detroit for the accommodation of Grand Trunk Western Railroad staffs hitherto occupying rented premises.

39. Major property retirements involved the sale of land and coal properties. The assets of the Rail and River Coal Company, located at Bellaire, Ohio, were sold following a careful study which established that ownership no longer afforded any special advantage to the Railway. Some 633,000 acres of land grant lands adjacent to the railway line between Fort William and Sioux Lookout, Ontario, were sold during the year to the Abitibi Power and Paper Company Limited. These lands were previously under a long term lease which conveyed timber cutting rights to the Paper Company. The sale price was \$1,600,000 with a reservation of such of the lands as may be required for further use by the Railway.

40. The following rail lines were abandoned under authority of the Board of Transport Commissioners and the Interstate Commerce Commission:

	Distance
Port Hope to Millbrook, Ontario	16.6 Miles
Cass City to Bad Axe, Michigan	18.3 Miles

Financing

41. On January 15th, 1951, a \$13,500,000 issue of 2½ per cent Ten Year Serial Equipment Trust Certificates, maturing in twenty semi-annual instalments, was sold at a cost of 2.95 per cent. The issue provides approximately 75 per cent of the cost of the new equipment covered by this Trust agreement.

42. \$48,022,000 of 4½ per cent Bonds payable at the holder's option in Sterling, Canadian or United States funds, outstanding in the hands of the public, matured on September 1st, 1951, and funds for this redemption were borrowed from the Government of Canada.