

guaranteed stock of the Grand Trunk, amounting to £12,500,000 the latter being hereinafter called the "present guaranteed stock."

3. The said agreement shall contain provisions for the defining of the companies, properties and interests, comprised in the Grand Trunk system, and, including the terms and provisions hereinafter set forth, may contain such other terms and conditions as the parties may agree upon.

4. As part of the consideration for such acquisition, the Government may agree to guarantee the payment of:

(a) Dividends payable half-yearly, at four per cent per annum, upon the present guaranteed stock;

(b) The interest upon the present debenture stocks as and when payable, in accordance with the terms thereof.

These guarantees to take effect upon the date of the appointment of the Committee of Management hereinafter mentioned.

(c) Dividends payable half-yearly at four per cent per annum, from the date of the appointment of the Managing Committee hereinafter provided for, upon an issue which is hereby authorized, by the Grand Trunk under the terms of the said agreement of non-voting capital stock (hereinafter called the "new guaranteed stock") not exceeding the amount determined by the Board of Arbitrators, as hereinafter set forth.

Provided that concurrently with such guarantee of dividends and interest upon the present guaranteed stock and the present debenture stocks, respectively, the voting powers at meetings of shareholders of the Grand Trunk now vested in or exercisable by the holders of the said stocks respectively shall cease and determine absolutely.

5. The present guaranteed stock and the new guaranteed stock or any part thereof may be called in or redeemed by the Government, at any time after thirty years from the date of the appointment of the said Committee of Management, on six months' notice, by advertisement, to the holders thereof.

6. The value, if any, of the first, second and third preference stocks and the common or ordinary stock of the Grand Trunk now issued and outstanding to the face values above mentioned (hereinafter together called the "preference and common stock") shall be determined by a board of three arbitrators, one to be appointed by the Government, one by the Grand Trunk, and the third by the two so appointed, or, failing agreement, by judges to be designated in the said agreement. New guaranteed stock, to an amount not exceeding the value, if any, so determined, carrying a dividend as hereinbefore authorized, shall be distributed among the holders of the preference and common stock, upon the transfer to or vesting in the Government of such stock, in proportions which shall be determined by the arbitrators.

7. As soon as said agreement has been ratified by a majority of the holders of the stocks enumerated in the preamble to this Act present in person or by proxy and voting at a special general meeting of such stockholders duly called for the purpose of considering such agreement;

(a) A Committee of Management shall be formed consisting of five persons, two to be appointed by the Grand Trunk, two by the Government, and the fifth by the four so appointed, to insure the operation of the Grand Trunk System (in so far as it is possible so to do) in harmony with the Canadian National

Railways, the two systems being treated in the public interest as nearly as possible as one system. The committee shall continue to act until the preference and common stocks are transferred to or vested in the Government, when it shall be discharged.

(b) The books, minutes, reports, documents, and other records, and all the railways and properties of the companies comprised in the Grand Trunk system shall at all times be accessible and open to inspection and examination by any person or persons named by the Minister of Railways and Canals of Canada, or by the Board of Arbitrators; and all proper aid and assistance shall, on request, be rendered to such person or persons by the Committee of Management, and by the officers and employees of the Grand Trunk and its allied companies, including the making and giving of extract copies and statements.

8. The Government may lend to the said Committee of Management, upon the notes or other obligations of the Grand Trunk, such sums as the Government may from time to time deem necessary for the carrying on of the operation of improvement of the Grand Trunk System.

9. The said agreement shall provide, among other necessary and usual provisions for:—

(a) The appointment of the arbitrators, the control of the arbitration proceedings, the administration of oaths, the procuring and admission of evidence, and the making of the award;

(b) The transfer to or vesting in the Government or its nominees of the preference and common stocks upon the issue of new guaranteed stock in exchange therefor;

(c) The resignation or vacating the offices of the Board of Directors of the Grand Trunk and each Company comprised in the Grand Trunk System upon the preference and common stocks being transferred to or vested in the Government;

(d) The entrusting to the said Committee of Management by the Minister of Railways and Canals as Receiver of the Grand Trunk Pacific Railway System, on terms to be approved by the Governor in Council, of the exercise of such of his powers as receiver as the Governor in Council may deem requisite in order that the operation and management of the said Grand Trunk Pacific Railway System may be conducted in harmony with the operation of other railways and properties under the control of the said Committee;

(e) The continuation and administration of the Grand Trunk Railway of Canada Superannuation and Provident Fund Association, the Grand Trunk Pension Fund, and the Grand Trunk Railway Insurance and Provident Society, in accordance with the terms to be set forth in said agreement."

10. The Government and the Grand Trunk, and each company comprised in the Grand Trunk System, and all persons interested therein, are hereby respectively authorized and empowered to enter into the said agreement upon and subject to the terms herein set forth, and to do and perform all such acts and things as may be deemed necessary to observe, perform and comply fully with the terms and conditions of said agreement.

11. Any orders of the Governor in Council which the Government may deem requisite to vest in the Government any of the preference or common stocks not transferred to the Government or its nominees under the terms of this Act, or requisite to vacate any office of director, or otherwise to carry into effect the terms and