

extraordinary resolution shall be a clear majority in value of the holders of stock outstanding. Owing to a large proportion of debenture stockholders being resident in Canada, it would not appear to be possible to obtain the necessary quorum at the meeting called for the 27th July. Under such circumstances the meeting called for 27th July would, under the terms of the Trust deed, have to be adjourned for 21 days, viz., until 17th August, in order that those debenture stockholders present in person or by proxy at the adjourned meeting to be held on 17th August may be able to deal with the resolutions.

It is of the utmost importance that those debenture stockholders who are unable to be present at the meeting in person should send in their proxies.

If resident in Great Britain, to:

The British Empire Trust Company Ltd.,  
Stafford House, 14-20 King William Street,  
London, E.C.4.

If resident in Canada to Messrs. A. J. Mitchell and Co., Ltd.,  
25 King Street West, Toronto 2.

Yours faithfully,

For and on behalf of

THE BRITISH EMPIRE TRUST COMPANY LIMITED,  
H. M. Cox, *Secretary*.

In this circular is the letter written by Mr. Hungerford dated 4th May, 1933, which sets forth the offer that was made, addressed to the British Empire Trust Company:—

DEAR SIRS,—This will confirm that on the 24th April, I approved of there being sent by Mr. A. J. Mitchell to your Mr. John Davidson, cable as follows:—

Without prejudice and subject to parliamentary approval, the Canadian National Railways suggest full settlement of claims of debenture holders Toronto Suburban Railway on basis payment by National Railways of twenty-five per cent cash in sterling: all physical assets of Suburban Railway, including cash and securities in hands of trustees, to be turned over to the National. If you consider stockholders would prefer new securities in lieu of cash on substantially same ultimate financial basis management would consider such proposal.

Since then I have written Mr. Mitchell that if arrangements as referred to in such cable are made I would recommend payment of certain expenses and disbursements of the trustee and the receiver aggregating not more than \$35,000.

It must be understood that the above approval was given without prejudice to, and without admission of any liability by the Canadian National Railways, but subject to approval by parliament of any arrangement on the lines referred to in the cable.

That refers to the receiver appointed in Canada. After the bonds were defaulted a receiver was appointed and took possession of the property, and that refers to his expenses. This circular which was sent out bearing date 15th July, 1933, recommended the acceptance of the proposition and an extraordinary resolution of the bondholders was passed on the 17th August, in which settlement was approved. The resolution reads:—

Extraordinary resolutions passed at an adjourned meeting held on August 17th, 1933, of the holders of the Canadian National Electric Railway 4½ per cent first mortgage debenture stock issued by said company's predecessor, the Toronto Suburban Railway Company under Trust Mortgage dated 15th July, 1911.