

the present guaranteed stock and the new guaranteed stock taken together would be \$5,000,000; that is, the value, if any, so determined shall not exceed \$64,166,666.66. The fixing of this limit shall not be taken by the arbitrators as any admission or indication that the value to be determined is the amount so fixed, or any other amount.

12. Issue of new Guaranteed Stock.—Upon the value of the preference and common stock being finally determined under the provisions of this agreement, the Grand Trunk shall create an issue of non-voting 4% capital stock. The amount thereof shall be the amount of the value, if any, of the preference and common stock, determined as above provided, less such deductions therefrom as are to be made under the terms of this agreement. The government shall guarantee to the holders of the new guaranteed stock that there shall be paid a dividend thereon at the rate of 4% per annum, payable half yearly, from the date of the appointment of the committee of management. The new guaranteed stock 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. The new guaranteed stock shall be deemed and issued as fully paid stock and free from calls and other liabilities. The new guaranteed stock shall be in the form, or substantially in the form, set forth in the fourth schedule to this agreement, and the guarantee of the government in respect thereof shall be signed and deposited in the same manner as is provided in this agreement with respect to the guarantee of the present guaranteed stock. A copy of the guarantee in this clause provided for shall be endorsed or printed upon the certificates of new guaranteed stock as from time to time issued.

13. Transfer of Preference and Common Stocks.—The new guaranteed stock shall be issued in exchange for the preference and common stock upon the transfer to or vesting in the government, or its nominees, of such preference and common stock as aforementioned. Should any shares or any part of the preference and common stock not be transferred to the government, the

Governor in council may declare such shares or any such part of the preference and common stock to be the property of the Minister of Finance in trust for His Majesty and upon the making of such declaration the shares or part thereof not so transferred shall immediately become the property of His Majesty, and proper entries thereof in the stock registers and other books in that behalf shall be made. The amount of the new guaranteed stock to which the holders of any such shares or part thereof so vested in His Majesty would be entitled to under the terms of this agreement shall be issued and delivered to such holders, or their representatives, upon proper application being made therefor to the government and the surrender or delivery of such shares to the government or its nominees, or proper evidence of the applicants' rights thereto should such share certificates be lost or destroyed.

14. Redemption of Stocks.—The present guaranteed stock and the new guaranteed stock, or any part thereof, may be called in or redeemed by the government or the Grand Trunk, at par, at any time after five years from the date of the appointment of the said Committee of Management, on six months notice, by advertisement, to the holders thereof.

15. Vacating of Offices.—Upon the preference and common stock being vested in the government, or its nominees, the Grand Trunk shall cause its board of directors, and the board of directors of each Company comprised in the G. T. System, to resign or vacate their offices, as directors, at such time or times and in such manner as may be requested by the government, and nominees of the government shall be duly appointed to the vacancies caused thereby. Should any director of the Grand Trunk, or of any company comprised in the G. T. System, which is within the legislative authority of the Parliament of Canada, neglect to resign or vacate his office in accordance with such request, the Governor in council may declare the office of any such director to be vacant on and after a date to be named in such order, and may appoint a director in his stead.

16. Varying Obligations.—After the execution of this agreement and until the preference and common stock is vested in the government, the Grand Trunk shall refrain, without the approval of the

Governor in council, from varying by bylaws, agreement, or in any other manner whatsoever, the rights or liabilities appertaining to the capital stocks or securities of the Grand Trunk, or of any company comprised in the G. T. System, and from increasing, without such approval, except in so far as is necessary in the usual and ordinary conduct of the business of the system, or as may be concurred in by the committee of management and by the Governor in council, the obligations or liabilities of the Grand Trunk or of any company comprised in the G. T. System. The Grand Trunk shall also refrain, without such approval, from declaring any dividends on any of the capital stocks.

17. Superannuation and Pension Funds.—The Grand Trunk Superannuation Fund shall continue in existence, and shall continue to be administered as at present, and in accordance with the rules and regulations governing the same. The rules and regulations of the Grand Trunk pension system shall continue to be applicable to employees of the G. T. System until a general pension scheme applicable to all employees of Canadian Government owned or controlled railways shall be adopted and become effective. The rules and regulations of the Grand Trunk Insurance and Provident Society shall continue to be applicable unless and until the government shall adopt and make effective a general insurance scheme applicable to all employees of Canadian Government owned or controlled railways.

Schedule Companies Directly Controlled by G. T. R. Co. of Canada.		
Bay City Terminal Ry. Co.	Stock ownership	100%
Canada Atlantic Transit Co.	"	100%
Canada Atlantic Transit Co. of U.S.	"	100%
Central Vermont Ry. Co.	"	Majority
Champlain & St. Lawrence Ry. Co.	" and lease	100%
Chicago, New York & Boston Refrigerator Co.	Stock ownership	100%
Detroit, Grand Haven & Milwaukee Ry. Co.	"	100%
Detroit Terminal Rd. Co.	"	50%
Grand Rapids Terminal Rd. Co.	"	100%
Grand Trunk Junction Ry. Co.	"	100%
Grand Trunk Pacific Ry. Co.	"	100%
Grand Trunk Western Ry. Co.	"	100%
International Bridge Co.	"	100%
Michigan Air Line Ry.	" and lease	100%
Montreal & Southern Counties Ry. Co.	"	Majority
Montreal Warehousing Co.	"	Majority
New England Elevator Co.	"	50%
Ontario Car Ferry Co.	"	100%
Ottawa Terminals Ry. Co.	"	100%
Portland Elevator Co.	"	100%
St. Clair Tunnel Co.	"	100%
Terminal Warehouse Registered	"	100%
The Canadian Express Co.	"	100%
The Erie, London & Tilsonburg Ry. Co.	"	100%
The Lachine, Jacques Cartier & Maisonneuve Ry. Co.	"	100%
The Maganetawan River Ry. Co.	"	100%
The Oshawa Ry. Co.	"	100%
The Rail & River Coal Co.	"	100%
The Realty Assets Co., Ltd.	"	100%
The Toronto Belt Line Ry. Co.	"	100%
Thousand Islands Ry. Co.	"	100%
Toledo, Saginaw & Muskegon Ry. Co.	"	50%
Toronto Terminals Ry. Co.	"	100%
Transcontinental Townsite Co., Ltd.	"	100%
United States & Canada Rd. Co.	" and lease	100%

Companies Controlled by G.T.R. Co. of Canada by Lease.		
Atlantic & St. Lawrence Ry.		
Buffalo and Lake Huron Ry. Co.		
Central Counties Ry. Co.		
Chicago, Detroit & Canada Grand Trunk Junction Rd. Co.		
Cincinnati, Saginaw & Mackinaw Rd. Co.		
Lewiston & Auburn Rd. Co.		
Norway Branch Rd. Co.		
Pembroke Southern Ry. Co.		

Companies Controlled by Subsidiary Companies of G.T.R. Co. of Canada		
Chicago & Kalamazoo Terminal Rd. Co.	Controlled by G.T. Western Ry. Co. through ownership of 100% of stock.	
Detroit & Huron Ry. Co.		
Pontiac, Oxford & Northern Rd. Co.		
Chicago, Kalamazoo & Saginaw Ry.		
Detroit & Toledo Shore Line Ry. Co.		
Toledo Terminal Railway Co.	Controlled by G.T.W. Ry. Co. by lease. G.T.W. owns 50% of stock. G.T.W. owns 9.68% of stock. G.T. Junction Ry. owns 1/12 of stock. G.T. Junction Ry. owns 1/5 of stock.	
Belt Ry. Co. of Chicago		
Chicago & Western Indiana Rd. Co.		
Grand Trunk Milwaukee Car Ferry Co.	Controlled by Detroit, Grand Haven & Milwaukee Ry. through ownership of 100% of stock.	
G.T. Pacific Branch Lines Co.	Controlled by G.T. Pacific Ry. Co. by ownership of 100% of stock.	
G.T. Pacific Coast Steamship Co., Ltd.		
G.T. Pacific Development Co., Ltd.		
G.T. Pacific Dock Co. of Seattle		
G.T. Pacific Saskatchewan Ry. Co.		
G.T. Pacific Telegraph Co.		
G.T. Pacific Terminal Elevator Co., Ltd.		
The Bulkley & Telkwa Valley Coal Co.		
The National Construction Co., Ltd.		
The Pacific Northern & Omineca Ry. Co., Ltd.		
The G. T. Pacific Alaska Steamship Co., Ltd.		
Barre Granite Ry.	Controlled by G.T. Pacific Dock Co. of Seattle, by ownership of 100% of stock.	
Bethel Granite Ry.		
Central Vermont Transportation Co.		
Montreal & Province Line Ry. Co.		
Montreal & Vermont Junction Ry.		
Southern New England Ry. Co.	Controlled by C.V. Ry. by ownership of 100% of stock.	
Southern New England Rd. Corporation		
Southern Vermont Ry.		
Stanstead, Shefford & Chambly Rd. Co.		
New London Northern Rd. Co.		
West River Rd. Co.	Controlled by C.V. Ry. by lease.	