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No. 44.

4th Session, 8th Parliament, 29th Vict., 1865.

BILL.

An Act to legalize and confirm an Agreement made between the Grand Trunk Railway Company of Canada, and the Buffalo and Lake Huron Railway Company.

[No. 94 of 1865—1st Session.]

Mr. Wood.

QUEBEC:
PRINTED BY HUNTER, ROSE & CO.,
ST. URSULA STREET.

An Act to legalize or confirm an Agreement made between the Grand Trunk Railway Company of Canada and the Buffalo and Lake Huron Railway Company.

WHEREAS an Agreement, bearing date the seventh day of July, one thousand eight hundred and sixty-four, has been made between the Grand Trunk Railway Company of Canada and the Buffalo and Lake Huron Railway Company, which said Agreement is set out in the schedule to this Act.

And, whereas the said Companies have petitioned that the said Agreement should be confirmed, and it is expedient to grant the prayer of the said Petition; Therefore, Her Majesty, by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as follows :

1. The Agreement, bearing date the seventh day of July, one thousand eight hundred and sixty-four and made between the Grand Trunk Railway Company of Canada of the one part and the Buffalo and Lake Huron Railway Company of the other part, which said agreement forms the Schedule to this Act, is hereby confirmed, and all the powers, provisions, stipulations, covenants, premises, agreements, and all and singular other the matters in the said agreement contained, shall be valid and binding as fully and as effectually, and shall in all respects have the same force and effect as though the same were and every of them was expressly embodied in this Act.

2. For and notwithstanding anything in the tenth, eleventh and twelfth sections or elsewhere in the said Agreement contained to the contrary, the said Agreement set out in the Schedule to this Act, is hereby declared to be, and the same is the "formed agreement" between the said companies therein referred to, and this Act is hereby declared to be, and is the Act of Parliament therein also referred to.

3. The Grand Trunk Railway Company of Canada, in working the Buffalo and Lake Huron Railway, shall have the right to use, exercise and enjoy all the rights, powers, privileges, immunities and other the premises created or conferred upon the Buffalo and Lake Huron Railway Company by all Acts of Parliament relating to the Buffalo and Lake Huron Railway Company or otherwise.

4. Meetings of the Shareholders of the Buffalo and Lake Huron Railway Company, whether general or special, may be held in the City of London or elsewhere, in England, and may do all the acts and exercise all the powers that any such meeting could do or exercise if held in Canada.

Meetings of
Directors.

5. The meetings of the Directors of the Buffalo and Lake Huron Railway Company may, after the passing of this Act, be held at any place in England or in Canada, or in both, that a majority of the said Directors shall from time to time by resolution or otherwise determine.

Reduction of
number of
Directors.

6. It shall be lawful for the Shareholders of the Buffalo and Lake Huron Railway Company at any general meeting, by resolution, to reduce the number of Directors of the said Company to not less than three.

SCHEDULE TO THE PRECEDING ACT.

THIS AGREEMENT, made this seventh day of July, one thousand eight hundred and sixty-four, between the Grand Trunk Railway Company of Canada of the one part, and the Buffalo and Lake Huron Railway Company of the other part,

Witnesseth, that the said Companies do for themselves respectively and their respective successors covenant each with the other of them and its successors in manner following, that is to say :

1. The Buffalo and Lake Huron Railway Company shall forthwith raise seventy-five thousand pounds, to be applied under the direction of the Joint Committee hereinafter mentioned, towards the laying down of a third rail on the Railway between Buffalo and Stratford, and the erection of a bridge over the Niagara river near Buffalo.

2. As from the first day of July one thousand eight hundred and sixty-four, or the other day on which the working of the Buffalo and Lake Huron Railway shall be undertaken by the Grand Trunk Company, the net receipts of the two undertakings shall be divided between the two Companies, after deduction of amounts expended for renewal of rails, *et cetera*, in the following proportions, namely:—

	GRAND TRUNK.	BUFFALO AND LAKE HURON.
1st year, - - -	87	13
2nd " - - -	86	14
3rd " - - -	85	15
4th " - - -	84½	15½
5th " - - -	84	16
6th and thereafter, 83½		16½

the amount of loss of the two undertakings on American currency being divided in each year in the same proportions.

3. As between the Buffalo and Lake Huron Company on the one hand; and the holders of the securities specified in the Schedule hereto on the other hand, the interest payable on the mortgage debentures and the deferred debentures specified therein according to their respective rights and priorities among themselves, shall be the first charges on the proportion of net receipts from time to time, payable to the Buffalo and Lake Huron Company, and so long as that proportion is duly paid to that Company, none of those holders nor the mortgagees for any of them shall exercise any of their powers or rights against the undertaking, Railway property, or effects of that Company, except their proportion of net receipts, but those powers and rights shall be suspended.

4. Any additional capital required for the purchase of stock, or for new works in connection with the through traffic of the two lines, shall be raised and applied by and under the said joint Committee, and be a first charge on the joint net receipts of the two undertakings at six per cent. per annum, it being understood that the two hundred and fifty thousand pounds now being raised by the Grand Trunk Company, is not to be considered as raised for joint purposes.

5. The Grand Trunk Company to have the option, at any time within six years, on assuming all the obligations and liabilities, whether fixed or guaranteed, of the Buffalo and Lake Huron Company, an approximate statement of which as at present existing is set out in the Schedule hereto, and which said liabilities shall not be increased without the concurrence of the joint committee, to purchase for six hundred and sixty thousand pounds the whole of the Ordinary Share Capital of the latter Company, at present, amounting to one million two hundred and thirty thousand pounds, the purchase money being payable either in cash or in Grand Trunk stock, calculated at its then market value, at the option of the holders individually of the Buffalo and Lake Huron capital, and the Buffalo and Lake Huron Company shall not, until after the expiration of the six years provided by this clause, pay any dividend on its share capital, without first extinguishing its floating debt.

6. The control and working of the Buffalo and Lake Huron undertaking shall, from the time of its being handed over as aforesaid to the Grand Trunk Company, be placed in the hands of the Grand Trunk Company, under a joint committee, consisting of two nominees from the Board of each Company, all matters on which they differ being referred to arbitration, and the Buffalo and Lake Huron Board shall, from time to time, nominate one of their own body, who shall, *ex-officio*, have a seat at the Grand Trunk Board as one of that body.

7. This agreement to subsist for twenty-one years, and to be without prejudice to the provisions from time to time remaining in force or to be fulfilled of the existing agreement between the two Companies dated the fourth day of December, one thousand eight hundred and sixty-three, or so many of such provisions as the Companies may hereafter agree on, or as are not inconsistent with this agreement.

8. During the said term the said Buffalo and Lake Huron Railway and its appurtenances shall be maintained and kept in a good and efficient state as to repairs, renewals, the supply of rolling stock, and generally, and shall be delivered up in such state at the end or other sooner determination of the said term of twenty-one years.

9. All differences between the two Companies relating to this agreement, and all questions as to the carrying into effect of any of its provisions, or anything to be done by either of the parties hereto, to be determined from time to time by arbitration as nearly as may be in the manner prescribed by the "Railway Companies Arbitration Act, 1859," or in any event by a single arbitrator to be (if not agreed on) nominated by the Board of Trade of the United Kingdom, or by the Chancellor for the time being of Upper Canada, or the Chief Justice for the time being of the Court of Queen's Bench in Lower Canada, with ample powers.

10. A more formal agreement for carrying these heads into effect, to be settled on behalf of the two Companies by counsel, to be (if not agreed on) nominated by the Board of Trade of the United Kingdom, or by the said Chancellor or Chief Justice, with such details and incidental provisions as such counsel may think fit, and with such modification, if any, as the Companies mutually agree to, and to be executed under seal, and to be binding on them respectively.

11. Application shall be made to Parliament in the year one thousand eight hundred and sixty-four to sanction the foregoing agreement in so far, if at all, as the same may not be within the existing powers of the Companies, and such application shall be renewed from time to time, if necessary, and may be so made or renewed by either party at the joint expense of the parties hereto (the other party hereby agreeing not in any way to oppose, but in all ways to assist and assent to the same), in

any session or sessions during the said term of twenty-one years, subject to the suspensions provided for by clause three.

12. This agreement, and the formal agreement, and any Act of Parliament so applied for to be in all respects subject and without prejudice to the mortgages, bonds, securities, powers, rights and interest of the bond-creditors of the Buffalo and Lake Huron Company for the aggregate sum of five hundred thousand pounds, or thereabouts, as specified in the Schedule hereto, and the interest and arrears of interest thereon, and of the mortgages in trust for them, and due provision for them respectively to be made accordingly by the formal agreement and the Act of Parliament respectively. But, except under clause five, if the option thereby given be exercised, those mortgages, bonds, securities, powers, rights and interests respectively, not to be extended so as to comprise or relate to any undertaking, railway or property, revenues, tolls, rents or profits other than the present undertaking, railway and property of the Buffalo and Lake Huron Company, and the revenues, tolls, rents and profits arising from the same.

IN WITNESS WHEREOF, the said Grand Trunk Railway Company of Canada, and the Buffalo and Lake Huron Railway Company, have hereunto affixed their respective common seals the day and year first above written.

[L. S.] (Signed) J. M. GRANT,
Secretary.

(Signed) E. W. WATKIN,
President of the Grand Trunk Railway
Company of Canada.

[L. S.] (Signed) THOS. SHORT,
Secretary.

(Signed) PHILIP RAWSON,
Chairman of the Buffalo and Lake
Huron Railway Company.

7th July, 1864.

SCHEDULE REFERRED TO IN THE FOREGOING AGREEMENT.

*Approximate Statement of Liabilities of the Buffalo and Lake Huron
Railway Company.*

Mortgage Debentures about.....	£	502,000	0	0	
Deferred Debentures.....		166,666	13	4	
Arrears of Interest on do. to 6th June, 1864.....		36	376	0	0
1st Preference Capital.....		150,000	0	0	
2nd do do.....		85,000	0	0	
(A) Options issued for Preference Capital.....		59,655	0	0	
Shares and Options in Company's hands.....		1,273	6	8	} 250,000 0 0
(B) Difference in the nominal and actual value of the new Preference Shares.....		103,477	13	4	
Arrears of Preference Interest to May, 1864 (a).....		57,750	0	0	
Floating debt say about, as at foot.....		30,000	0	0	
		<hr/>			
		£1,192,792	13	4	

(A) And subsequent arrears of interest, if any.

CONTRA.

(B) These will give as an asset.	£60,928	6	8		
Deferred Bonds, nominal value...	41,666	13	4		
				<u>102,595</u>	0 0

FLOATING DEBT

Bank and Interest, say.	24,000	0	0		
Directors.	1,350	0	0		
London Office expenses.	650	0	0		
				<u>26,000</u>	0 0
Estimated proportion of preliminary expenses relative to the International Bridge.					4,000 0 0
				<u>£30,000</u>	0 0

(Also Bill of Exchange for deposit on Bridge, capital £5,184 6 8 not yet due).

(Signed) PHILIP RAWSON.