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BILL.

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.

*(Re-printed, as amended by the Railway Committee.)*

Mr. Wood.

QUEBEC:

PRINTED BY HUNTER, ROSH & CO.,  
ST. URSULE 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.

*(Re-printed, as amended by the Railway Committee.)*

**W**HEREAS 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.

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.

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 twenty-sixth day of January, one thousand eight hundred and sixty-four, 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.....		59,665	0	0	} 250,000 0 0
Shares and Options in Company's hands....		1,273	6	8	
(B) Difference in the nominal and actual value of the new Preference Shares.....		103,477	13	4	}
Arrears of Preference Interest to May, 1864 (B)		57,750	0	0	
Floating debt say about, as at foot.....		30,000	0	0	
		£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 0 0</u>

## FLOATING DEBT

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

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

(Signed) PHILIP RAWSON.

## SCHEDULE B.

This Indenture, made the twenty-sixth day of January, 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, and their respective successors and assigns, covenant, each with the other of them, its successors and assigns, in manner following, that is to say:—

1. From the date hereof, and for one thousand years thereafter, the Grand Trunk Company shall have the right to run passenger and freight trains in both directions, originating at places west of Stratford, over the railway of the Buffalo and Lake Huron Company from Stratford as far as Buffalo, and the Buffalo and Lake Huron Company shall have the right to run passenger and freight trains in both directions, originating at places east of Stratford, over all railways of, or rented by, the Grand Trunk Company from Stratford as far as Detroit, each company employing in such running its own engines, cars, conductors, brakemen, and all other servants necessary or proper to be attached to any train; but having, so far as required for the purpose of such running, and free of all cost and charge, the full use and enjoyment of all stations, sidings, switches, watering apparatus, wharves, ferry-boats, and other appurtenances of the other company, and the services of all station masters, booking clerks, and other servants attached to the stations of the other company; Provided always that the trains of each company shall be worked subject to, and in strict accordance with, all reasonable by-laws and regulations of the company on whose railway they are for the time being; Provided also that engines or cars hired by either of the companies, parties hereto, either by time or mileage, or otherwise, from any other person or company shall, for the purposes of this Agreement, be deemed to be the engines or cars respectively of the company by whom they are so hired.

2. Neither company shall under the powers hereby given, carry over any part of the railway of the other company any traffic which shall neither have originated at, nor be destined for, some place on or beyond, or reached by, its own railway, other than Stratford.

3. The Stratford Junction Station shall be occupied and used by the two companies as a joint station, under the joint control of their respective managers, and all expenses of the repair and maintenance of the said station, and the salaries, wages, or other remuneration of all persons employed in connection therewith, and also the cost of providing all additional siding or other accommodation which may be required at the said station for the traffic carried between Buffalo and Detroit, under the powers hereby given, shall be borne and paid by the two companies in proportion to the distances between Stratford and Detroit, and Stratford and Buffalo respectively.

4. At all other places than Stratford each company shall provide, at its own sole cost, all station, terminal and other accommodation which may be required on its own railway, or on any railway rented by it, for the traffic carried between Buffalo and Detroit, under the powers hereby given.

5. All expenses which shall be incurred by the mutual consent of the companies, or of their respective managers, in advertising, or in outside agencies connected with, or on account of, the through route between Buffalo and Detroit, hereby intended to be established, shall be borne and paid by the two companies in proportion to the distances between Stratford and Detroit, and Stratford and Buffalo respectively.

6. Equal rates shall be charged by the two companies for all traffic between Buffalo and Detroit, and shall, as far as possible, be settled by mutual agreement, but in default of, and until, such agreement, the lowest rate proposed by either company shall be adopted by both companies; Provided, and it is hereby agreed, that the proportion of such rate accruing to the company whose line is run over shall, in no case, be lower than one cent and a half per mile per passenger for first class passengers, and for passengers of other classes in proportion, or than one cent per ton per mile for freight payable in the currency in which such rates or fares are collected.

7. Unless and until the two companies can arrange between themselves for monthly settlements, and payment over of the balance found due on either side from time to time, or in case of default of such settlement, or in the payment over of such balance, the amount of all tolls, rates and charges from time to time received by either company for traffic carried between Buffalo and Detroit, under the powers hereby given, shall be paid into an account to be opened in the names of two Directors of each company, at a Bank to be agreed on by the Boards of Directors of the two companies, each company first deducting out of all moneys so to be from time to time paid in, the amount (if any) which shall have properly paid out on any goods or other traffic.

8. All moneys to be paid in, under the last preceding clause, shall in the first place be divided in proportion to the lengths of railway of the respective companies over which they were earned, and then each company shall, of all moneys earned by its own exercise of the powers hereby given, be entitled to receive out of the said Banking account for its own use the entire proportion due to the mileage of its own railway, and forty-five per cent. of the proportion due to the mileage of the railway of the other company, and the remaining fifty-five per cent. of the last mentioned proportion shall belong to the said other company.

9. When the bridge over the river Niagara, at Buffalo, shall be completed and opened for traffic, the Buffalo and Lake Huron Company shall be entitled to reckon the same, for the purpose of the last preceding clause, as ten miles of railway, and the Grand Trunk Company shall thenceforth be entitled to reckon the ferry at Sarnia, for the same purpose, as five miles of railway.

10. So long as the running powers hereby given shall not be exercised each company shall provide and appropriate to employment on the said through route, hereby intended to be established, as many cars as may be necessary for the working of the traffic thereon, so as to develop the said route to the utmost possible extent; the number of cars to be so provided by the respective companies to be in proportion to the distances between Stratford and Sarnia, and Stratford and Buffalo, respectively; and the managers of the respective companies shall jointly appoint a superintendent, with all necessary powers and authority, to work the traffic over the said route to the best advantage, and the salary of such superintendent, and all expenses consequent upon his appointment, shall be borne and paid by the two companies in the proportion aforesaid.

11. Passengers' tickets from stations on the Buffalo and Lake Huron Railway, north of Stratford, to Toronto and *vice versa*, shall be issued *via* Stratford, and the Buffalo and Lake Huron Company shall receive the same amount out of the price of such tickets as it would receive out of the price of tickets issued between the same stations and Toronto *via* Paris.

12. Each company shall keep all such accounts and preserve all such vouchers as shall be proper for any purpose of these presents, and all such accounts and vouchers shall be open at all reasonable times to inspection and transcription by the Directors and agents of the other company, and each company shall afford all proper and sufficient facilities for such inspection and transcription.



18. On satisfactory arrangements being made with the connecting Railway Companies in the United States of America, a third rail shall be laid down from Buffalo to Sarnia, by way of Stratford, so as to pass engines, carriages, waggons and cars on the narrow guage to and fro, between New York on the one hand, and Chicago and the north-western United States on the other hand, each of the companies parties hereto bearing and paying the cost of laying down such third rail on its own railway, and laying down the same accordingly and with all practicable despatch.

14. If any dispute or differences shall arise between the parties hereto, or their respective managers, as to the true intent and meaning of these presents, or anything herein contained, or as to the reasonableness of any such by-laws or regulations as mentioned in the first clause hereof, or in the appointing of a superintendent under the tenth clause hereof, or as to any other matter or thing arising or to be done hereunder, such dispute or difference shall be settled by two referees or their umpire in manner following, that is to say:—If the dispute or difference shall have arisen between the respective managers, then each manager shall, within fourteen days after notice to that effect shall have been given, appoint one referee by writing, but in any other case each of the respective Boards of Directors shall, within one calendar month after notice to that effect shall have been given, appoint one referee by writing, and the referees so appointed shall, before they enter on their duty, appoint an umpire by writing, and the decision of such referees on their appointment of a superintendent if they agree, or the decision of, or appointment made by, such umpire, if they disagree, shall be final and binding; Provided that if either party shall refuse or neglect to appoint a referee within the time specified, or if the referee appointed by either party shall refuse or neglect to act, the referee appointed by the other party shall make alone a final and binding decision or appointment of a superintendent.

15. Application shall be made to Parliament in the year one thousand eight hundred and sixty-four for an Act giving to the parties hereto any needful powers to make the foregoing Agreement, and in perpetuity, 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 one thousand years; and if and so far as any portion of this Agreement may not be within the existing powers of the parties, it shall be held to be only in that respect an agreement to apply and assent to and concur in any application or applications to Parliament for all needful further powers, from time to time, during the said term of one thousand years, both parties hereby agreeing in the meantime and until the success of any needful application or applications to Parliament, fully to perform and carry into effect all such portions of this Agreement as are or may be within the powers from time to time vested in them. In witness whereof the said Buffalo and Lake Huron Railway Company have hereunto affixed their common seal the day and year first above written.

(Signed,)

P. RAWSON,  
Chairman.  
THOMAS SHORT,  
Secretary.

EDW. WATKIN,  
President Grand Trunk Railway,

[L.S.]