



No. 18.

---

---

1st Session, 2nd Parliament, 36 Victoria, 1873.

---

---

**BILL.**

An Act to extend the provisions of "The Grand Trunk Arrangements Act, 1862," so far as relates to certain Preferential Bonds, for a further period; and for other purposes.

---

**PRIVATE BILL.**

---

Hon. J. H. CAMERON,  
(Cardwell)

---

OTTAWA :

Printed by I. B. TAYLOR, 23, 31 and 33, Rideau Street.

1873.

An act to extend the provisions of *The Grand Trunk Arrangements Act, 1862*, so far as relates to certain Preferential Bonds, for a further period : and for other purposes.

**W**HEREAS by "The Grand Trunk Arrangements Act, 1862" Preamble.  
the rate of interest upon the first and second Preferential Bonds of the Company was reduced from the rate of six per centum per annum to that of five per centum per annum, and all rights of action in respect of such bonds were suspended for a period of  
5 ten years from the thirty-first day of December one thousand eight hundred and sixty-two, hereinafter called "the suspense period," upon the terms in such Act mentioned :

And whereas it is expedient that the said suspense period shall, so far as regards Preferential Bonds of the Company and the  
10 stocks into which the same respectively may have been converted be continued for a further period of three years, and the extension of such period has been agreed to by a majority of the bond and stockholders of the Company in general meeting, upon the condition that the said Preferential Bonds and any stock into  
15 which any of such Preferential Bonds may have been converted shall, as to interest or dividend, revert to their former position and hereafter the interest or dividend thereon respectively shall be at the rate of six per centum per annum :

Therefore Her Majesty by and with the advice and consent of  
20 the Senate and The House of Commons of Canada enacts as follows :—

1. This Act may for all purposes be cited as "The Grand Short title.  
Trunk Arrangements Act, 1873."

2. So far as relates to the first and second Preferential Bonds Extension of  
25 of the Company, and the stock into which any of such Preferential Bonds respectively shall have been converted, the said suspense period for three years, so far as relates to first  
of ten years shall be continued for a further period of three years, and no action, suit, or other proceeding shall be and second  
maintainable by or on behalf of any holder of any Preferential Preferential  
30 Bond, whether first or second, of the Company, or of any coupon Bonds  
for interest in respect of such bond, or by or on behalf of any holder of stock into which any such bond may have been converted, or in respect of any interest or dividend due on such bond or stock  
during the said extended period of three years, and no judgment  
35 recovered in respect of any such bond, or interest, or dividend shall be enforceable against the Company, or its property or effects during that period.

3. In lieu of the rate of interest at five per cent prescribed by the seventh section of the said Act, the rate of interest on the  
40 said bonds shall, as from the first day of January one thousand eight hundred and seventy-three, be six per centum per annum, and Increase of rate of interest and power to reconvert Preferential

Stocks into  
Bonds.

that interest shall be payable only in coupons representing the amount of interest half-yearly due on such bonds : and the first and second Preference Stocks of the Company, respectively representing first and second Preferential Bonds, converted under the sixth and seventh sections of the said Act shall henceforward, as from the first day of January one thousand eight hundred and seventy-three, be entitled to receive dividend on such stocks in accordance with their present priorities at the increased rate of six per centum per annum in perpetuity : provided that the holders of the said first and second preference stocks respectively shall have the option, at any time within six months from the time when the passing of this Act shall have been notified by advertisement in some daily newspaper published in London, England, on presentation and delivery of their respective certificates of such stocks, to receive in lieu thereof first or second Preferential Bonds, as the case may be, of the nominal amount of one hundred pounds for each one hundred pounds of such stock, with coupons attached for payment of the interest thereon at the rate of six per centum per annum, and for every fraction of such stock, being less than one hundred pounds, certificates for such fractional amount entitled to and bearing the same rate of interest, and on delivery of such bonds and certificates, the stock for which the same respectively shall have been substituted shall be cancelled.

Annual capitalization of interest.

4. During the suspense period as extended by this Act, the interest or dividend payable on such bonds and stock respectively shall, at the end of each year, and in respect of such year, be capitalised by the delivery of bonds of the nominal amount of one hundred pounds each, and of certificates for fractional amounts of one hundred pounds, or, as the case may be, by the addition of the dividend or interest payable on the stocks not reconverted into bonds as before provided, to the stocks respectively upon which such interest or dividend shall have accrued, and such bonds and additional stocks respectively shall bear and be entitled to the same rate of interest as the bonds or stocks in respect of which the interest or dividend so capitalised shall have accrued, and such capitalisation shall be in full discharge and satisfaction of the interest and dividend respectively for the time being accrued and due upon the said bonds and stocks respectively.

Power to issue further equipment bonds.

5. The Company may from time to time issue further equipment mortgage bonds No. 2, of the class defined by section three of *The Grand Trunk Railway Act, 1867*, to the further nominal amount of one million one hundred thousand pounds sterling, and such bonds when issued shall rank *pari passu* in all respects, and be a charge upon the undertaking of the Company, as if the same had been issued under the authority of the said *Grand Trunk Railway Act, 1867* : Provided however, that five hundred thousand pounds of the nominal amount of such bonds so to be created shall be set apart for and be applied solely to the redemption or satisfaction of the first equipment bonds of the Company issued under the provisions of the third section of *The Grand Trunk Arrangements Act 1862*.

6. And whereas a proposition has been made for an alternative plan to enable the necessary funds to be raised for the purposes above mentioned, to the following effect, viz. : that after paying working expenses, as defined in the *The Grand Trunk Arrangements Act 1862*, the interest on the first and second preferential bonds shall be fixed at five per centum per annum

that the interest on the third preference stock shall, when it is earned, be at the rate of four and one-half per centum, and on the fourth preference stock, four per centum per annum, until the ordinary stock of the Company is paid from the net earnings, three per centum per annum; and that thereafter the said preferences, in their order, shall receive out of the net earnings of the Company, one per centum per annum in addition to the rates before mentioned, and that afterwards, all beyond this, shall be paid to the ordinary stock of the Company:

10 And whereas by the method above stated, the funds required to change the gauge of the railway, and put it in a complete state of repair and equip it in all respects, can be more advantageously raised, and the Company have prayed that, subject to the consent and approval of the bond, stock and shareholders of the Company, to be given as hereinafter provided, power shall be given them to adopt and carry out the said proposed plan, in lieu of that in the first five sections of this Act contained therefore, after paying working expenses as defined by the *Grand Trunk Arrangements Act, 1862*,—

20 (1.) The said first and second preference bonds of the Company, shall hereafter bear interest at the rate of five per centum per annum, payable in cash, until the other interests hereinafter mentioned are paid, when the said interest shall be increased to the extent hereinafter expressed.

(2.) The interest on the third and fourth preference stock, shall be as follows:—on the third, four and one-half per centum per annum; and on the fourth, four per centum, when the net earnings in any year will permit of the payment of such dividends:

(3.) And so soon as the net income of the Company, applicable to that purpose is more than enough to pay three per centum per annum on the ordinary stock of the Company, the said first and second preferential bonds; and the third and fourth preference stock, shall be paid in the respective order of the said preferences, as the funds shall be available, each, one per centum per annum additional to the rates above in this section specified and no more; and all surplus earnings after such increased dividends to the preference bonds and stocks shall go to the common stock.

7. To carry out the foregoing provisions as set forth in section six of this Act, a special general meeting shall be called before the first day of September, 1873, in the manner provided in the 39th section of the Act of the late Province of Canada, 25 Vict., cap. 56, known as the *Grand Trunk Arrangements Act, 1862*," and if such special meeting, by the majority in the said section mentioned, approves the said plan, then sections one to five of this Act, both inclusive, shall be considered null and void, and section six shall be binding upon the Company; but in the event of the said special general meeting not approving such plan, then section six shall be null and void, and sections one to five shall be in full force and effect; the evidence of the approval or the reverse, of said special meeting being certified as provided by section 39 of 25 Victoria, cap. 56.

8. Except as in this Act otherwise provided, and subject thereto, the several enactments of *The Grand Trunk Arrangements Act, 1862*," so far as the same shall not have been already carried into effect, and the rights and priorities declared by that Act, shall be and remain in full force.