
Central of Canada

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01-Feb-1906 Page 83

Senator Domville, C.N. Armstrong of Montreal and A.N. Shepler of New York left for England early in Jan. in the interest of the Central Ry. of Canada.

01-Feb-1906 Page 63

The Central Railway is the title of a company originally projected as the Ottawa River Ry. with power to construct a line from Montreal to Ottawa. It was proposed to operate the line, for which surveys were made, by electricity. Charters were subsequently obtained from the Dominion Parliament as well as the Quebec and Ontario legislatures, covering the line from Montreal to Ottawa on the north side of the Ottawa River; a crossing of the river at Hawkesbury, and a line thence to Midland and St. Thomas. Senator Domville of Rothesay, NB is president of the company, and it is stated that United States capital is behind the project. The company has deposited \$25,000 with the Receiver-General in accordance with the provisions of the Dominion charter, 1903. This deposit will be repaid to the company as progress is made on the line between Montreal and Grenville but is liable to be forfeited if construction is not proceeded with. J.M. Shanley is Chief Engineer and it is stated that construction will be commenced early next year.

01-Apr-1906 Page 201

Hon. J. Domville, one of the promoters of the Canada Central Ry. fell on the deck of the Cunard liner Lucania, Mar. 7, while returning from England, and sustained a compound fracture of the leg.

01-Apr-1906 Page 215

Senator Domville has returned from Great Britain where he has been for some time seeking to finance the construction of this projected electric railway from Montreal to Ottawa thence to Georgian Bay and on to St. Thomas. At St. John NB he stated in an interview that he had interested a syndicate in London in the proposal. Representatives of the men belonging to it are in Canada looking at the plans and going over the projected route.

01-Nov-1906 Page 675

Sir Adolphe Caron and Senator Domville returned to Canada recently after a visit to Great Britain, in connection with the negotiations with a British syndicate respecting the construction of the proposed railway. A London, Eng. report of Sep 20 states that there are some difficulties in the way and it is not likely that there will be anything further done for some time.

An action has been entered by seven members of one of the company's survey parties for amounts totalling \$1,102 for salaries while out on survey work in Prescott and Russell counties.

01-May-1908 Page 353

Central Ry. of Canada. - In reply to a question in the House of Commons recently, it was stated that the company made a deposit of \$25,000 with the Government, which was still retained. Several claims had been sent in by engineers and others who had been engaged on surveys, but there was no way, at present, in which they could be dealt with by the Government paying claims against the company. The company was originally given an act, with the title of the Ottawa River Ry. Co., in 1903, with power to construct a large mileage of track in Quebec and Ontario to be operated by electricity, and in 1905 the name was changed. (May, 1906, pg. 275).

01-Jun-1908 Page 393

It is reported that arrangements are being made in London, England, for placing an issue of 2,350,000 pounds sterling of 5% bonds at 96. This is a first issue and if made would enable the company to start construction.

Press reports announced recently that a contract had been awarded to the Dominion Engineering and Construction Co., Ltd., of which Randolph Macdonald, of Toronto, is President, for the construction of the Central Railway of Canada. As a matter of fact, the contract was signed a year ago, to go into effect as soon as the railway company could make the necessary financing arrangements, but the matter has remained in abeyance on account of the financial stringency. Press reports state that 5% first mortgage bonds to the value of £2,350,000, to be issued to the public at 96, have been underwritten in England. We have not received any official confirmation of this, but have been advised from a reliable source that a portion at least of the bonds have been underwritten. The Hon. A. Campbell, of West Toronto, Ont., President of the company, left for England. July 25, in connection with its affairs. Surveys for the line were made by J.M. Shanly, C.E., of Montreal, some two or three years ago. We are advised that there is a probability that construction will be started this year.

The company was originally incorporated in 1903, as the Ottawa River Ry. Co., with an authorized capital stock of 1500,000, to construct and operate a railway from Grenville to Montreal, via the counties of Argenteuil, Two Mountains, Laval, and Jacques Cartier, with branch lines from St. Andrew's to St. Côme, up the Riviere Rouge to Lake Rouge, and to connect with the Canada Atlantic Ry. at Hawkesbury. Power was granted to issue securities to the extent of \$20,000 a mile, and to enter into agreements with the Jacques Cartier Union Ry., Canada Atlantic Ry., Carillon and Grenville Ry., Central Counties Ry., Great Northern Ry. of Canada, C.P.R., G.T.R., Chateaugay and Northern Ry., Montreal Park and Island Ry., and Montreal Terminal Ry. The company was also empowered to utilize waterpowers, etc., for the use and transmission of electric power for its railway; to acquire hotels, parks, etc.; to construct and operate telegraph and telephone lines; to build docks, dockyards, wharves, warehouses and other terminal facilities on navigable waters, for vessels and elevators, and to own and operate steam and other vessels on navigable waters which are reached or connected with by its railway. In 1904, the company was granted additional powers, to extend its railway from Grenville to Ottawa; to issue bonds to the extent of \$30,000 a mile of the railway constructed or under contract; to make agreements with the Montreal and Northern Ry., Irondale, Bancroft and Ottawa Ry., Central Ontario Ry., and G.T. Pacific Ry.; and the time within which construction was to be completed was extended. In 1905 the name was changed from the Ottawa River Ry. Co. to the Central Ry. Co. of Canada, and further additional powers granted; to extend the proposed line from Ottawa to Georgian Bay at Midland, Ont., passing through the counties of Russell, Carleton, Lanark, Frontenac, Lennox and Addington, Renfrew, Hastings and Haliburton, and Muskoka and Parry Sound districts; to enter into agreements with the Ottawa Valley Ry., Ottawa River Ry., and Quebec Southern Ry.; and a further extension of time was granted within which construction was to be commenced and completed. In 1900, an act was passed to increase the capital stock to \$10,000,000; empowering the issue of bonds upon terminal properties at Owen Sound, Midland, Stratford, London, St. Thomas and Toronto, confirming the agreements for the purchase of the Ottawa River Ry., for 2,000 fully paid-up shares in the company, and for the purchase of the Carillon and Grenville Ry.; declaring the undertaking to be for the general advantage of Canada, and extending the time for the construction and completion of the project.

The company bought the Ottawa River Navigation Co.'s property, including the Carillon and Grenville Ry., but it is said that only a portion of the purchase price has been paid. It is also reported to have obtained an option on the Irondale, Bancroft and Ottawa Ry.

There has been placed on the London, Eng., market, through Parr's Bank Ltd., an issue of £1,000,000 of first mortgage 5% bonds of the Central Ry. Co. of Canada. Of this issue £400,000 was stated to have been taken up in Canada and in Paris, France, the remaining £600,000 being offered at 95%. The issue is to be secured by a first mortgage on about 164 miles of railway, comprising a line of 110 miles from Montreal to Ottawa, and 54 miles of branch lines, which are at present partly built, together with the equipment, and a land grant of about 1,300,000 acres of land in the valley of the Ottawa River, to which the company will be entitled under 19 and 20 Vict., chap. 112, and 24 Vict., chap. 80. The proceeds of the bond issue will be utilized for the purpose of paying the balance of about £40,000 due on the purchase of the Ottawa River Navigation Co. and the Carillon and Grenville Ry., owned by it; the payments to C. J. Wills and Son, under their contract for building the line from Montreal to Ottawa, the provision of rolling stock, the defraying of legal and other expenses, and the balance to making surveys, etc., for extensions. The officers and directors are: President, Hon. A. Campbell, Toronto; Vice President, Hon. W. Owens, Montreal; other directors, Hon. A. Desjarine, E.G. Penny, H. W. Raphael, F. S. McLennan, Montreal; W. F. Tye, Toronto; J. A. C. Ethier, K.C., St. Scholastique, Que.; Sir R. Gresley, Burton-on-Trent, Staffordshire, Eng.

Accompanying the prospectus is a lengthy statement dated May 3, over the signature of Hon. W. Owens, the Vice President, and a map showing the district which will be served by the projected railway. This statement sets out that the main line will extend from Montreal to Midland, on Georgian Bay, 544 miles, and that legislative authority has been obtained to extend the line from Midland to St. Thomas, Ont., and other points, and to make connections, not only with Canadian railways, but with U.S. railways at the International boundary. The total length of main line and branches is stated as 660 miles. The present issue will provide for the completion of 164 miles of line, viz., the main line from Montreal to Ottawa, and two branches. The main line, Senator Owens says, "includes the Carillon and Grenville Ry., 13 miles, constructed and in operation, and the main line of the Central Counties Ry. from Hawkesbury to Ottawa; while the branch lines include the St. Agathe branch, 47 miles, "of which the seven miles already constructed are to be brought to standard, and 13 miles are partly constructed." The second branch to be built will be one of seven miles, to Ste. Rose. Out of the proceeds of the bond issue the company Proposes to acquire the Carillon and Grenville Ry., the Central Counties Ry., the Ottawa Valley Ry. and the Ste. Agathe branch, as well as the Ottawa River Navigation Co.

The plans for the railway have been reported upon by J. M. Shanly, C.E., Montreal, and an agreement has been made for connection with the projected terminals in Montreal of the Montreal Central Terminal Co.

A contract has been entered into with J. Wills and Sons, 28 Victoria St., Westminster, London, Eng., for the construction of the line from Montreal to Midland, and 37 miles of branch lines by Dec. 31, 1913, the section from Montreal to Ottawa to be completed Nov. 1, 1912. The contract provides for a high standard of construction, with low gradients, light curvature, bridges and culverts of stone, concrete and steel, 80 lb. rails. We are advised by the representative of the contractors in Canada that it is more than likely that a portion of the work will be sublet, but that no instructions have been received to go ahead with the work. A contract, states the prospectus, has been entered into for the construction of the branch from St. Andrews to Ste. Agathe, the contract price being \$21,400 a mile. The Ottawa River Ry. was originally incorporated by the Dominion Parliament in 1903, to build a railway from near Grenville to Montreal, with branches from St. Andrews to St. Come, up the River Rouge to Lake Rouge, and to connect with the Canada Atlantic Ry. near Hawkesbury, Ont. H. W. Rapheal and J. A. C. Ethier are the only two of the original directors who are now associated with the company. It obtained power to build additional lines in succeeding years, and in 1905 was authorized to change its name to the Central Ry. Co. of Canada, and was given power to amalgamate with various other railways. In 1904, the company obtained an act of incorporation from the Ontario Legislature as the Ottawa River Ry., and extensions of time have been granted by both the Dominion Parliament and the Ontario Legislature to both companies.

The Ottawa Valley Ry. was incorporated by the Dominion Parliament in 1892, to build a railway from St. Andrews to Carillon, and from Grenville to near Calumet, on the C.P.R., and in 1894 all the rights of this company were authorized to be transferred under an agreement to the Atlantic and Lake Superior Ry.

The Prescott County Ry. was incorporated by the Dominion Parliament in 1897. A further act was passed in 1889 changing us name to the Central Counties Ry., and amending acts were passed from time to time with respect to extensions of time for construction, arrangement of bond issue, etc. The company built a line from Glen Robertson to Hawkesbury, and from South Indian to Rockland, Ont., together 38.49 miles, which lines are leased to the Canada Atlantic Ry., the company maintaining a separate existence, and having power to build certain other lines. The Carillon and Grenville Ry., to which the prospectus says the 1,300,000 acre land grant attaches, was incorporated by the pre-Confederation Parliament in 1840-41, and the acts quoted as covering the land grant were passed in 1857 and 1861 respectively. The railway was built under a subsidy granted by the Dominion Parliament in 1894.

In connection with the statement in the prospectus and in the letter of Senator Owens, Vice President, that among other properties acquired is that of the Carillon and Grenville, 13 miles constructed and in operation, and that this line is to form part of the company's main line from Montreal to Ottawa, it should be noted that the physical property of the C. and G. Ry. has been sold by the Ottawa River Navigation to interests associated with Mackenzie, Mann and Co., but we are advised that this sale will be contested. With respect to the land grant of 1,300,000 acres, which is mentioned as an asset, Sir Richard W. Scott, ex-Secretary of State, who was one of the directors of the original company, is quoted as saying that the grant was made in 1854 for the building of a railway between Quebec and Lake Huron. In 1861 the Canada Central Ry. was formed to build a line between Ottawa and Carleton Place as a part of the project, but it was found impossible to float the bonds for construction. The 1854 charter was allowed to lapse, but the Canada Central Ry. charter was kept alive and the line was built in the seventies, and is now part of the C.P.R. The Ontario Government maintained that the land grant had lapsed at Confederation, and after an action in the courts a settlement was effected, and an act was passed by the Dominion Parliament in 1874, confirming the settlement. Sir Richard adds: "The prospectus, said to have been issued in England, claiming an asset of 1,300,000 acres of Ontario land, is not based in legal substance."

The Dominion Government started the policy of voting cash subsidies in aid of the building of railways in the session of 1882, the first payments being made in the financial year 1883-84. In J. E. H. Currier's Index to Railway Legislation, 1867 to 1905, is the following statement: "There have to be added the following exceptional subsidies," and then appears: "The Canada Central Ry. paid between 1878-83, \$1,525,250." As the company built 120 miles of line, which now forms part of the C.P.R. system, the subsidies received amounted to \$12,700 a mile.

The solicitor of the Central Ry. Co. of Canada advises us that the land grant referred to in the prospectus is intact, and that the company is acting upon the advice of eminent counsel in Canada and England.

In connection with the issue of bonds for the construction of this railway, it would appear that the original grant of land was in favour of the Carillon and Grenville Ry. and that the Canada Central Ry. was one of a group of railway companies incorporated with a view to carrying out the project, and entitled to participate in the land grant. The Company is advised by eminent counsel, not only in Canada but in Great Britain, that "no legislation has affected the rights of the Carillon and Grenville Ry. and the right of that company to call for the land grant remains in force."

A legal action as to the land grant was tried in 1873 and 1874 and is reported in 20 Grant's Chancery reports page 273, the decision dealing with the land grant and the method of distribution among the several railways entitled to it. The Canada Central Ry. succeeded in regard to about 360,000 acres of land in respect to the 28.5 miles of line between Ottawa and Carleton Place and it is said that this was afterwards commuted for a cash subsidy of about \$13,000 per mile. The payments made to the Canada Central as an "exceptional subsidy" amounted in all to \$1,525,250 and as the company built 120 miles of line this would work out to over \$12,700 a mile. The contention is that the agreement with the Canada Central Ry. only affects that company and the mileage constructed under its charter, and that the land grant is still available for any company building the balance of the line under the charter of the Carillon and Grenville Ry. or its successors. The Railway Act of 1903 gives a purchasing railway the right to a land grant attached to a purchased railway and this right is claimed to be fully protected by secs. 152 and 153 of the Railway Act in the Revised Statutes of Canada of 1906. The land grant available for the company originally would be about two-thirds in Ontario and one-third in Quebec. With reference to the sale of the physical property of the Carillon and Grenville Ry. to the Canadian Northern Ry. or allied interests, it is contended that neither company has power to sell to the other, and that the sale has not been properly ratified. The procedures which it is proposed to take will set this matter right.

So far as the old Ottawa Valley Ry., which is the charter upon which the Central Ry. of Canada has been built up, we are advised that seven miles of line has been graded and we are also advised that the C. Ry. of C. also owns the charter of the Central Counties Ry. which covers the equity in the constructed lines now leased to the Canada Atlantic Ry. and now operated by the GTR. The annual meeting of the shareholders was held in Montreal Sept. 6, C. Ross Dobbin, Guardian Building, Montreal, being the Secretary.

At the meeting of the directors of the Central Ry. of Canada held in Montreal Sept. 4, W.D. Hogg K.C. Ottawa was elected a director.

We are advised by a representative of the contractors, C.J. Willis and Sons, London, England and Montreal, that it is intended to start work on the main line from Montreal to Ottawa immediately, and a director of the railway is reported to have stated in Ottawa, Sept 13, that work would be started at Hawkesbury, that grading would be completed easterly and westerly for a total distance of 40 miles. by the end of the year, but that track laying would not be started until the spring when grading on the Ottawa-Midland section of the line would be started.

Meetings of the shareholders of the Ottawa River Navigation Co. and of the Carillon and Grenville Ry. have been called to be held in Montreal, Oct. 18, "to authorize and confirm the sale and transfer of the company's charter and all rights, properties and franchises thereof to the Central Ry. of Canada and to do all such things as may be necessary to carry out and complete the said transfer."

01-Nov-1911

Page 1035

We are officially advised that the engineers in charge of the parties are: De S. Beaudry, Hawkesbury, on the section west of that point and L.G. Parker, St. Andrews on the section east from Hawkesbury. It is expected to get the location completed, the right of way cleared and a start made with the earth work during the winter so as to have some grade ready for tracklaying in the spring of 1912. L.B. Howland, Toronto, formerly President and General Manager, Irondale, Bancroft and Ottawa Ry. has been appointed Superintendent of Construction.

01-Dec-1911

Page 1137

Application is being made to the Dominion Parliament to confirm certain transfers and agreements between the company and the Ottawa River Ry., the Central Counties Ry., the Great Eastern Ry., the Ottawa Valley Ry., the Carillon and Grenville Ry., and the Ottawa River Navigation Co. and to amalgamate these with the Central of Canada Ry. An extension of time for the construction of the several authorized lines is asked, and also power to build the following additional lines of railway:-

- from a point in Laval county to St. Jerome, Terrebonne county;

- from the main line in Two Mountains county to St. Scholastique;

- from the main line in Hochelaga county passing through Chambly, Vercheres and St. Hyacinthe counties to Ste Rosalie on the Intercolonial Ry.;

- from a point in Chambly county on the last named line through Laprairie and Napierville counties to the Intercolonial boundary in St. John's county.

The company also asks power to enter into agreements for various purposes with the Pontiac Central Ry., Western Central Ry., Quebec, Montreal and Southern Ry., Montreal and Southern Counties Ry., Joliette and Lake Manuan Colonization Ry. and the Imperial Traction Companies. The notice of application is signed by J.D. Wells, Secretary.

We are officially advised that L.B. Howland represents the C. Ry. Co. of Canada as Superintendent of Construction for the entire line from Montreal to Georgian Bay, together with the projected branches. It is proposed to carry on survey work east and west of Hawkesbury during the winter and to make arrangements for starting construction in the spring. The contractors, C.J. Willis and Sons of London, England have a branch office in Montreal and also have a temporary construction office in Hawkesbury.

01-Feb-1912

Page 67

A Montreal despatch of Jan 21 says-"It is announced that preparations are complete for the building of this line and that the first section from Montreal to Ottawa will be completed by the end of this year, while the further portion from Ottawa to Georgian bay will be built shortly thereafter. The company has changed its original plan, and the route, instead of passing through St. Benoit, will follow the shore of the Lake of Two Mountains, passing through St. Placide and Oka, crossing from the mainland to Ile Jesu at St. Eustache and reaching the Island of Montreal at Cartierville. It will then parallel the Riviere des Prairies, crossing the CPR tracks at Jacques Cartier jct. and reaching the Harbour Commissioner's lines on the waterfront at Tarte Pier. This will be the freight entrance into the city. A passenger entrance is planned from the west and it is expected that the terminus will be the GTR.

01-Mar-1912 Page 120

Complete surveys and profile and final location have been made from Montreal to South Indian via St. Eustache, St. Placide, Oka, St. Andrews, Hawkesbury, McAlpin, Lemieux. A large amount of the right of way has been purchased, including that for a terminal in Montreal. Rails and ties have been ordered for 50 miles. The bridges over Riviere des Prairies, near Montreal, Riviere des Millees Iles at St. Eustache, and over the Ottawa River at St. Andrews have been commenced. Other construction will be pushed directly weather permits. C.N. Armstrong, Montreal, is Managing Director; F. Stewart Williamson, Montreal, Chief Engineer, and C.J. Wills & Sons, London, England and Montreal are the contractors.

01-Apr-1912 Page 181

We are officially advised that surveys have been made for a line from St. Eustache to South Indian and the present intention of the general contractors, C.J. Wills & Sons is to build 20 miles of line in Quebec and 20 miles in Ontario this year. None of the work has as yet been put in the hands of subcontractors. Contracts have been placed for 100,000 ties to be delivered by June 30 and it is expected to place orders for steel rails at an early date.

Press reports state that the company has completed, ready for submission to the Board of Railway Commissioners, plans for a station and terminals in the eastern part of Montreal; that a contract had been let for the building of the line from Montreal to Ottawa and that the work will be started in the spring.

01-May-1912 Page 238

We are officially advised that the Minister of Railways is being asked to approve a route map of the line from Carlton, QC, to South Indian, and that as soon as this has been obtained, progress will be made towards construction.

01-Jun-1912 Page 299

The Minister of Railways has approved route maps from St. Eustache to South Indian, 70 miles. The Board of Railway Commissioners has approved plans and profile of the company's line from St. Eustache to Hawkesbury and has under consideration plans and profiles from Hawkesbury to South Indian.

Ties, poles and fence posts are being delivered at McAlpine, Ont. where the company has a spur and siding connection with the CPR. The right of way has been practically obtained from McAlpine to South Indian and construction has been commenced between McAlpine and South Indian.

There has been deposited in the office of the Secretary of State at Ottawa the deed of trust made between the company and the City Safe Deposit and Agency Co. to secure the Company's bonds. A meeting of the holders of the bonds under this deed has been called to be held in London, Eng., July 17 for the purpose of passing resolutions releasing the land grant subsidy for the security thereof upon terms of the security thereof being turned into bonds guaranteed by the Dominion, Quebec or Ontario government or other consideration under which the proceeds of the bonds are to be applied.

01-Jul-1912 Page 339

The Board of Railway Commissioners has approved location plans for this line from near the McAlpine station of the CPR to near the GTR station at South Indian, mileage 7.2 to 38.165. This portion of the route passes through Routinier, Fournier and Lemieux. The company's plans also show an extension of the line from McAlpine to Hawkesbury on the Ottawa River.

01-Jul-1912 Page 361

At a recent meeting of bondholders of the Central Ry. of Canada in London, Eng., called to deal with the proposed release of the land grant subsidy comprised in the trust deed from the security on the bonds being converted into bonds being guaranteed by the Dominion, Ontario or Quebec governments; and the modification of conditions under which the proceeds of the bonds are to be applied by the trustees, C.N. Armstrong, who presided, stated that owing to there not being a quorum present, no business could be done. He said that the whole object of the company was to get the bondholders' opinion as to whether they would prefer to get the bonds guaranteed by the Dominion Government or get what was expected in place of the bonds they now held. Ninety-five per cent of those he had been able to see or those he had heard from were entirely in favour of exchanging the bond worth, say, 95%, for a bond which would be worth at least par. There were only four bondholders who would prefer to stick to their land. Members of the Stock Exchange only represented about 5% of the bondholders. The total amount of debentures issued was £600,000 and the balance of £400,000 was all ready to be taken up on certain conditions. The cash in hand was about £125,000 and there was ample funds to carry on the whole of the work to be done this year, which was going on satisfactorily. He gave a history of the original land grant, and read an opinion by Sir Charles Cripps K.C. as to its validity.

01-Aug-1912 Page 411

We are officially advised that the contractors have got well started on the first section of this line and expect to have the grading completed early in September. This section extends from McAlpine on the CPR to Lemieux, 25 miles. The general contractor, C.J. Willis, London, Eng. and Montreal have sublet several short lengths of grading to farmers in the district. F.S. Williamson, Montreal is Chief Engineer.

01-Sep-1912 Page 450

W.D. Hogg and E. Wilson Smith, Montreal are reported to have been elected directors in place of Hon. A. Campbell, Toronto, and E. Goff Penny, Montreal resigned. Mr. Campbell was president of the company.

The Board of Railway Commissioners has authorized the Canadian Northern Ontario Ry. (sic) to build a spur line at McAlpine station, for use by the CRy. of C. for construction purposes.

01-Oct-1912 Page 501

We are officially advised that the company has ordered in the US 1,500 tons of 80 lb. steel rails for prompt delivery. This is in addition to an order previously given the Algoma Steel Co. Track laying will be started as soon as grading is completed from McAlpine to the Norton River. Ties have been delivered for the first 30 miles. All bridges and culverts are under construction and a contract has been given the Canadian Bridge Co., Walkerville, for the steel viaduct over the Scotch River. The station yard at McAlpine has been laid out and a station to be used jointly with the CPR is about to be built. Construction will be pushed ahead west of South Inhorn as rapidly as possible. Construction is also under way east of McAlpine, through Hawkesbury, St. Andrews and St. Eustache, thence on to the Back River and into Montreal. F. Stuart Williamson is the Chief Engineer.

01-Nov-1912 Page 557

A resolution passed at a public meeting in Midland, Oct. 10, endorsing the company's project to build a direct line from Montreal via Ottawa to Midland. C.N. Armstrong, Vice President, said the distance between the two points is 335 miles and the contract calls for the building of a line with a 0.4 gradient. The company has offered to grant the Dominion Government running powers over the line on an equitable basis. He also said that it is expected to start work upon the western half of the line in the spring.

01-Jan-1913 Page 20

We are advised that there is officially under construction a 38 mile section from Hawkesbury to South Indian, the contractors being C.J. Wills and Sons, London, Eng., and Montreal and a 15 mile section from Ste. Agathe to Francetown, QC, the contract for which is held by H. Armstrong. A general contract has been let for the entire line from Montreal to Midland but the two sections named cover all the mileage that has yet to be brought to the construction stage. Tenders were received to Dec. 20, 1912 for 1,000,000 ties to be delivered in quantities as directed to Ste. Agathe, Lachute, Montreal, Grenville, Hawkesbury, MacAlpine, Ottawa, South Indian, Carleton Place, Bannockburn, Fenelon Falls, Orillia and Midland.

01-Jan-1913 Page 22

C.N. Armstrong, of Montreal, Vice President of the C.Ry. of C. who has spent most of his time in England, for several years past, will, it is said, be the next conservative candidate in the Colne Valley division of Yorkshire for the House of Commons.

01-Apr-1913 Page 168

The Railways Committee of the House of Commons by a vote of 19 to 8 threw out the company's bill for an extension of time for construction and other amendments to its charter.

01-May-1913 Page 219

An action has been entered by C.J. Wills & Co. general contractors for the building of this railway, asking that the company be ordered to deposit in court \$750,000 to guarantee the cost of building the line from Montreal to Midland. The contractors claim that they have already built 20 miles and done other work for which they claim \$230,000. The company has filed a counter claim for \$100,000 alleging that the contractors have failed to carry out their contract with due diligence.

01-Jul-1913 Page 331

The Railway Committee of the House of Commons rejected the company's application for an extension of time, and other powers, recently. Following this the bill was introduced into the Senate and passed, but when it came before the House of Commons for consideration June 2, a resolution was passed directing it to be dropped from the order paper.

01-Aug-1913 Page 376

An injunction has been granted by a Quebec court. preventing the company from going on with construction of the line, either on its own account through contractors other than C.J. Wills and Sons. This firm has the general contract for building this line from Montreal to Midland, and has done considerable work. There have been some differences between the contracting firm and the company as to financing, which have been made the subject of action. The company claimed that the contractors were not proceeding with the work at a fast enough rate and proposed to put an end to the contract, and to let the work to another firm. The court held that the contractors were doing all they had agreed to do; that they were entitled to payment for the work already done, and that the company was not justified in attempting to get other contractors.

Central Railway of Canada and its contractors.

The Quebec Court of Appeal delivered judgement, Nov. 26 in the action of Wills against the Central Ry. of Canada. This was an appeal against the decision of Mr. Justice Archibald in the original action. The Central Ry. of Canada has a charter from the Dominion parliament to build a railway from Montreal to Midland, with charters from the Quebec and Ontario Legislatures to build various connecting lines. The company entered into a contract with C.J. Wills of London, Eng. to build the Montreal-Midland line, agreeing on its part to provide funds for carrying on construction. The contractors started work in 1911, but early in 1912 difficulties arose between the company and the contractors. The latter alleged that the company failed to provide money as agreed, and the former that the contractors were not proceeding with due diligence. As a result the contractors sought to recover damages, and the company took steps to let another contract for construction. The contractors thereupon applied for an injunction restraining the company from proceeding with the work itself or from letting a contract to any other person for building the line. At the original trial, judgement was given in favour of the contractors for \$2,373.30 on the first claim with a reservation to claim other damages for breach of the general contract, and an injunction restraining the company from having the line built by any one other than Wills and Co.

The railway company appealed against this decision, and the court of appeal found unanimously in favour of the contractors on the first point :- the condemnation to pay \$2,373.30. On the second point, the reservation to claim other damages, the Court of Appeal found that the trial judge's finding should be amended in such a way as to eliminate the enacting clause embodying the reservation in question. On the third point - the maintenance in full force and effect of the contract - the court found, by four to one, that while the company had failed to provide the necessary funds in conformity with the contract, and consequently was alone to blame for any delay experienced in the carrying out of construction, the company had a right to terminate the contract at any time on paying damages. The opinion of the trial judge was reversed on the point as to the present force of the contract. On the fourth point - the injunction to prevent the company building the line itself, or letting a contract to anyone else - the court, in a lengthened review as to law and practice affecting injunctions, set out a number of reasons why the injunction should be set aside. The decision of the trial judge is therefore upheld so far as to pay the contractors \$2,273.30, but is reversed as to all other of its enacting clauses.

We are officially advised that all construction on this projected line between Montreal and Ottawa has been stopped. F.S. Williamson, Chief Engineer, has resigned, and will act for the company in future as Consulting Engineer.

A meeting of shareholders, under the trust deed of July 17, 1911, made between the company and the City Safe Deposit and Agency Co., London, Eng., was held Dec. 16, for the purpose of passing resolutions canceling the trust deed and the redemption of the outstanding bonds.

The Central Ry. of Canada, which has been considerably in evidence during the last few years, particularly on account of its claim to a land grant made in 1855-6 by the old Parliament of Canada, for the building of a railway from Montreal to Georgian Bay, is gradually being freed from the various entanglements which followed the assertion of the claim. One of the matters involved was the railway known as the Carillon and Grenville Ry. which was part of the original project, but which for many years was owned by the Ottawa River Navigation Co. and operated by it in connection with its line of steamboats running on the Ottawa River. The O.R.N. Co. was acquired by the C. Ry. of C. but how far it became really a part of the undertaking is uncertain. Anyway the C. and G. Ry. sold its property to the Canadian Northern Ry. interests, retaining its charter and charter rights, by a resolution passed July 25, 1911. The O.R.N. Co. questioned the legality of the resolution, alleging among other things that the C. and G. Ry. had no authority to sell and the C.N.R. interests no authority to buy, and that the necessary proceedings prescribed by the Railway Act respecting sales had not been observed. An action was brought in the Quebec courts in the name of the O.R.N. Co. and certain other persons to have the sale set aside, and judgement was given Feb. 28, upholding the sale. During the trial of the action it was shown that 1,900 of the 2,000 shares of the C. and G. Ry. were owned by the O.R.N. Co. and 80 of the remaining shares by Senator Owens, who was at that time the owner or controller of practically the entire stock of the O.R.N. Co. Senator Owens at the meeting of the directors of the C. and G. Ry. when the sale was authorized, voted as representing the O.R.N. Co., in favour of the resolution. The court held that technically, while Senator Owens might not have been authorized to vote for the resolution on behalf of the O.R.N. Co., yet being the owner of the shares votes, the passing of a resolution authorizing him to vote would be a mere formality. The court found that there was nothing in the Railway Act which would prohibit the sale.

The Canadian Northern Ontario Ry. is applying to the Dominion Parliament for an act vesting in it the right of way and other property acquired under the terms of the resolution referred to in the above mentioned action. The right of way so acquired is to form part of the Montreal-Ottawa section of the C.N.R. transcontinental.

The Central Ry. of Canada application for an extension of time for the building of the various lines authorized, has been approved by the House of Commons. When the measure was before Parliament in 1913 there was a difference of view between the House of commons and the Senate as to the inclusion of a section prohibiting the company carrying on litigation with a view to securing from Ontario and Quebec certain lands granted in pre-confederation days, which it was claimed were still available for the lines proposed to be built by the company. The following section is included in the present bill:- "It is hereby expressly declared and enacted that the C. Ry. of Canada shall not, nor shall the Ottawa River Ry., the Central Counties Ry., the Ottawa Valley Ry., the Carillon and Grenville Ry., or the Ottawa River Navigation Co., not the assigns of the said companies, nor shall any other company or person whatsoever, be entitled to receive any land grant or grants under the provisions of the statutes of the late province of Canada, 19 and 20 Victoria, chap. 112, and 24 Victoria, chaps. 80 and 87, or any of them, or any amending statutes or acts of Canada or any of the provinces of Canada.

The judgement of the Imperial privy Council in the case of Wills and Sons against the Central Ry. of Canada was announced in London, Eng., Aug. 5. The company entered into a general contract for the building of a line from Montreal to Georgian Bay, and work was started from near Hawkesbury in the direction of Montreal. Subsequently the company became involved in difficulties of various kinds and the contractors claimed that the company had broken the contract by not making payments at the times fixed in the contract as the work progressed. The company, on the other hand, claimed the contractors had failed to prosecute the work with due diligence and proceeded to let other contracts, and the contractors sought an injunction to prevent this. The Privy Council dismissed the appeal of the contractors which sought to set aside the finding of the Court of Appeals which set aside the injunction obtained in the lower courts restraining the company from letting construction work to any other firm than the plaintiffs. The suits for damages on either side which were brought were not involved in the appeal, having been arrived at in the courts of the hearings.

There has been deposited with the Secretary of State at Ottawa a mortgage deed upon the Company's undertaking and assets, made with the City Safe Deposit and Agency Co. London, Eng.

A meeting of bondholders has been called to be held in London Aug. 17, to consider the Central Ry. Co. of Canada and its creditors which was filed by the company in the Exchequer Court of Canada in May 1916, and to consider what steps should be taken for protecting and enforcing the security of the bonds, and if thought fit, to pass all necessary resolutions requesting the trustees for the bondholders to declare the principal of the bonds to be due and to enforce the security for the bonds by the appointment of a receiver or otherwise, and to appoint a committee to represent the bondholders and to confer on such committee all such powers and authorities as may be thought expedient. The meeting is called by the City Safe Deposit and Agency Co., as trustee under the provision of the trust deed and at the request of the bondholders. It is proposed that bondholders shall hold all interest coupons overdue and those to become due, until Jan. 21, 1921, when they will receive first mortgage bonds for the total amount of the coupons. The creditors will be paid in 6% income bonds, interest being dependent on earnings after meeting interest on the first mortgage bonds. Shareholders will receive no dividends until the holders of the first mortgage bonds have received full payment of their interest for three consecutive years. All cash subsidies received up to Jan. 21, 1921 will be used for construction and equipment of the line and all subsidies received after that date will go to meet interest on the first mortgage bonds,

A general meeting of bondholders was called to be held in Montreal, Nov. 30, to consider the scheme of arrangement deposited by the directors in the Exchequer Court of Canada, to consider the company's position and to appoint a committee to assist the directors and the trustees in preserving bondholders' interests. The company has about £850,000 of 5% bonds outstanding in Canada, New York, Paris and London. Interest is in arrears from Oct. 1, 1913. A London, Eng., paper says "Apparently 58 miles of railway have been completed of which 38 miles are leased to the GTR and 380 miles were under construction, when, early in 1914, all work was suspended, pending new financial arrangements." A general contract was let for the entire line it was proposed to build between Montreal and Midland, but the only two sections which were ever brought to a construction stage were a 38 mile section from Hawkesbury to South Indian, ON, and a 15 mile section from Ste. Agathe des Montes to Francetown, QC, and the only track laid was on a small piece from Hawkesbury westerly for 2.50 miles in 1912. Location plans were authorized early in 1913 for a piece of line from mileage 0 to 7, and revised location plans from mileage 5 to 16 in Quebec, and a subsidy contract was entered into with the Dominion Government for the construction of a line from Ste. Agathe des Montes to Howard tp., 15 miles. Early in 1913, the general contractors, C.J. Wills & Co., London, Eng., commenced proceedings against the company, claiming \$230,000, for 20 miles of line which they claimed to have built, and since then no actual construction has been done.

The Exchequer Court of England has dismissed the application for the appointment of a receiver, giving the company until July 1 for the completion of its plan for the reorganization. To carry out thus plan it is necessary to obtain consent of 75% of the bondholders, and at the time of writing it was stated that 72% had consented.

In the Quebec High Court, Practice Division, Montreal, Oct. 18, Justice Bruneau gave judgement dismissing with costs the action of the central Ry. of Canada against C.J. Wills and others. This was an action for damages arising out of an alleged breach of contract in connection with the building of a railway from Montreal to Georgian Bay. The parties have been engaged in legal proceedings over the contract ever since construction ceased in 1912. The big suit was carried to the Imperial Privy Council in 1914, and since then the suits for damages have been up before Quebec courts from time to time. It is said that the whole have now been disposed of.

The Exchequer Court of Canada has refused the Central Ry. of Canada's directors' petition for confirmation of a scheme of arrangement between that company and its creditors. Following this, application was made by the City Safe Deposit & Agency Co. of London, Eng., trustees for the bondholders, asking for the appointment as receiver of F. Stuart Williamson, M.Can.Soc.C.E. of Montreal formerly the C.R. Co. of C.'s Chief Engineer, and the application was granted.

These judgements are the culmination of various proceedings in the Exchequer Court concerning the affairs of the company, of which C.N. Armstrong, formerly of Montreal, and now living in England, is its President, having succeeded to that office upon the death of Senator Owens. The other directors are W.D. Hogg, K.C., E.A.D. Morgan, J.T. Bethune, J.O. Dupuis and J.D. Wells, the latter also having acted as Secretary. The Central Ry. was projected to run from Montreal to Midland with several branches, but only some 20 miles have been partially constructed. Bonds for £427,000 were sold, principally in England and France.

In connection with the winding up of the affairs of this railway, the rather ambitious projects of which ended up disastrously, application is being made to the Board of Railway Commissioners for a recommendation for confirmation by order in council of agreements of sale between the company and the following companies:- Central Counties Ry., Ottawa Valley Ry., Ottawa River Ry., Carleton (sic) and Grenville Ry., St. Agathe Branch Ry., and Ottawa River Navigation Co. The agreements were signed by the president and secretary of the respective companies in Sept. and Oct. 1911. Copies of the agreements can be seen at the office of the receiver, F. Stuart Williamson, 103, St. Francois Xavier St., Montreal.

The Board of Railway Commissioners decided recently that the company had failed to make its case upon an application to have the franchises, assets, etc., of the Ottawa Valley Ry., the Carillon and Grenville Ry. and the Ottawa River Navigation Co. vested in it according to agreements, and that it would be manifestly against public interest and contrary to the spirit, if not the letter of the Railway Act, for the commissioners to recommend the Dominion Government to sanction the ratification of the agreements. The Central Ry. Co. of Canada is the survival of a pre-confederation project, initiated for the purpose of taking advantage of the Dominion land grant for the building of a line from Montreal to Georgian Bay. A short line was built many years ago, to which was awarded some part of the land, but this line was subsequently sold to the CPR. Some years ago the Ottawa Valley Ry. was incorporated, with which C.N. Armstrong of Montreal became associated and this branched out until the Central Ry. of Canada became its title. The existence of the old land grant was made use of in the flotation of bonds in England and this fact led to the canceling of the grant. The company made agreements to take over the Ottawa River Co.'s project, the old Carillon and Grenville Ry., and the Ottawa River Navigation Co., the two latter being worked in conjunction. As a railway company, some construction work was done in the vicinity of Hawkesbury, but financial stringency came, and the company and its contractors took legal action with the result that there were proceedings of various kinds - creditors meeting arrangements with bondholders, etc., in the course of which the right of way of the Carillon and Grenville Ry. was bought by the Canadian Northern Ry. The company applied to the Dominion Parliament in 1912, 1913 and 1914 for agreements referred to, but the bills failed to pass. A bill asking for an extension of time for construction of the company's projected railway from Montreal, via Ottawa to Georgian Bay, is before the Dominion Parliament, but in passing through the House of Commons, the power of the company to build any additional lines was done away with, and the bill left in such a form, as the Minister of Railways explained, would leave the bondholders to sell everything connected with the company to which any value could be attached. The company has an interest in two sections of line, viz. from South Glen Roberts (sic) to Hawkesbury, a total of 35 miles, which are leased to the Grand Trunk Ry., and it also owns the right of way from South Indian to Hawkesbury, and from there to St. Andrews to St. Agathe.

In connection with the action of the City Safe Deposit and Agency Co. against the Central Ry. of Canada, the Exchequer Court of Canada had directed that all persons has directed that all persons having claims against the company shall file them with the registrar of the Court at Ottawa on or before Sept. 9. F.S. Williamson, 103, St. Francois Xavier St., Montreal, is the Receiver.

The affairs of the unfortunate Central Ry. Co. of Canada figured in the Exchequer Court at Ottawa, Feb. 17, then C.N. Armstrong, of Montreal, appealed against the decision of the referee in the liquidation proceedings disallowing prior consideration for his claim of \$109,941. Armstrong was appointed manager of the railway when the company was being formed at \$10,000 a year for ten years, and his claim includes salary and other things. The referee refused to give prior consideration to the claim, and the Exchequer Court dismissed the appeal with costs, holding that a company would not be justified in paying a manager of a railway which does not operate and therefore has no revenue.

The Central Ry. Co. of Canada's liquidation came before the Exchequer Court of Canada, at Ottawa, recently, when the preferred creditors applied for an order authorizing the payment of the balance of their claims. The City Safe Deposit & Agency Co., London, Eng., trustee for the bondholders, also asked to have the balance of the funds remaining after payment of claims ranking ahead of the bondholders, for their benefit. An order was made authorizing the payment of the preferred creditors' claims forthwith, and the motion for an interim payment to the trustee for the bondholders, was enlarged pending the passing of the receiver's accounts. This order was made possible owing to the Supreme Court of Canada's judgement dismissing the appeal of C.N. Armstrong, who claimed \$100,000 for services as managing director. The Court's registrar decided that not only was Mr. Armstrong not entitled to the amount claimed, but that he ought to repay to the company the sum he received. This decision was upheld by the Exchequer Court and affirmed by the Supreme Court for want of prosecution by the appellant. The Exchequer Court still holds \$22,000 of assets realized from the sale of the steamboat Empress and the Queen's Wharf property at Ottawa.