

revealed that James Playfair, of Midland, who at that time was president of Inland Lines Ltd., had made to the directors an offer to purchase the company's stock at \$125 per share. A preliminary agreement had been reached between Playfair and six of the N.N.Co. directors (namely Sheppard, H. Y. Telfer, H. B. Smith, C. E. Stephens, F. A. Lett and C. D. Warren) whereby Playfair agreed to pay the \$125 per share, plus interest from January 31st at 6%, for all shares surrendered by March 12th, provided that the shareholders owning at least 51% of the entire stock accepted the offer, and also providing that the sale was approved by Charles M. Hays, who by that time had become president of the Grand Trunk. (Hays would perish only a year later, a victim of the TITANIC disaster.) The agreement also would require that the N.N.Co. directors resign from the board, and that Playfair pay a deposit of \$50,000. Sheppard, however, reported that Mr. Hays did not approve of the proposed transfer of ownership, and that the arrangement thus had failed.

The March 1911 issue of "The Railway and Marine World", in which all of this was reported, went on to comment that Playfair "then went to work to change Mr. Hays' views, and secure the G.T.R.'s approval". On February 6th, Hays wrote to Sheppard indicating that a conference had been held with Playfair that day and, as Playfair had agreed as to the desirability of building another steamer, had stated that he had no intention of "making any changes", and had agreed that any new management and directors of the company would be persons acceptable to the G.T.R., the railway's objections to the transfer of ownership had been eliminated. On that same day, Hays formally notified the N.N.Co. that it would be required to provide an additional steamship within 18 months, the plans to be approved by the G.T.R. On February 10th, Sheppard replied that the company would do so, that the new vessel probably would be 400 feet long, and that she would be ready not later than the opening of the 1913 navigation season.

On February 15, Playfair made his \$50,000 deposit, and the N.N.Co. directors issued a circular to the shareholders advising them of the offer and recommending its acceptance. The circular was signed by all of the directors except W. D. Matthews. "The Railway and Marine World" commented: "It is said that British as well as Canadian capital is behind Mr. Playfair in this transaction, and that Lord Furness, ship owner and ship engine builder, and head of Furness, Withy & Co., and the Furness Line, is interested". It was reported that there was no firm indication as to whether the N.N.Co. and Inland Lines would be merged (they weren't), but the magazine did indicate in its April issue that "a larger merger, to include the Richelieu and Ontario Navigation Co., is also much talked of". The R. & O. was an extremely venerable and highly respected firm specializing in the passenger and small freight business along the St. Lawrence River.

By March 12, some 7,600 of the 10,000 N.N.Co. shares had been deposited and others had been acquired in the market, and Playfair had gained control of 90% of the stock. At the N.N.Co. board meeting on March 24th, it was decided to invite tenders for a new ship. As well, all but two of the old directors retired. Elected were James Playfair, president; J. R. Binning (Montreal manager of Furness, Withy), vice-president, and F. A. Magee, Hamilton, secretary. Other directors were J. E. Dalrymple, Winnipeg; E. Bristol, M.P., Toronto; W. G. Morden, Montreal; T. P. Birchall, Montreal; H. W. Richardson, Kingston, and F. F. Pardee, M.P., Sarnia. H. H. Gildersleeve was reappointed as manager and the previous assistant manager, C. A. Macdonald, was reappointed and also named treasurer of the firm.

The rumour about the Richelieu and Ontario proved to be quite true, as confirmed in a press dispatch from Montreal on April 20, and so barely had the 1911 navigation season begun than there were more changes. At a special meeting of the shareholders of the Richelieu and Ontario Navigation Company Limited held at Montreal on June 26, 1911, it was decided to increase the company's capital from \$5,000,000 to \$10,000,000 and "to confirm the agreement made by the directors with the British Maritime Trust Co. Ltd., and