

**\$30,000,000**

# Canadian Pacific Railway Company

**5% Collateral Trust Gold Bonds**

Dated December 1, 1929.

Due December 1, 1954.

Principal and semi-annual interest (June 1 and December 1) payable in gold coin of the Dominion of Canada of the present standard of weight and fineness at any branch of the Bank of Montreal in Canada (Yukon excepted) or, at the option of the holder, in United States gold coin of the present standard of weight and fineness at the Agency of the Bank of Montreal in the City of New York. Coupon bonds in denominations of \$1,000 and \$500, registerable as to principal only. Fully registered bonds in denominations of \$1,000, \$5,000 and \$10,000. Coupon and registered bonds interchangeable.

Redeemable at the option of the Company in whole or in part on any interest date on 60 days' prior notice at 104 and accrued interest on or after December 1, 1939, and prior to December 1, 1944; at 103 and accrued interest on or after December 1, 1944, and prior to December 1, 1949; and at 102 and accrued interest on or after December 1, 1949 and prior to maturity.

TRUSTEE: THE ROYAL TRUST COMPANY.

*Mr. E. W. Beatty, K.C., Chairman and President of the Canadian Pacific Railway Company, has furnished the following information:*

The Canadian Pacific Railway Company 5% Collateral Trust Gold Bonds will be direct obligations of the Company and in addition will be specifically secured under a trust indenture, by deposit with the Trustee of \$37,500,000 Canadian Pacific Railway Company 4% Consolidated Debenture Stock.

The Company's 4% Consolidated Debenture Stock is authorized by Acts of Parliament of Canada, by the terms of which it is a first charge on the entire assets and undertaking of the Company, except lands received by way of subsidy, subject to certain priorities and to the payment of working expenses as defined in The Railway Act.

In the opinion of counsel, this Consolidated Debenture Stock is secured by a statutory charge on the assets and undertaking of the Company within the terms and meaning of the said Acts of Parliament. At the present time the priorities aggregate \$38,641,724, issued in respect of only 1,642 miles of railroad, while the lines embraced in the Company's traffic returns aggregate 14,821 miles.

Interest on the Consolidated Debenture Stock is, therefore, a first charge, subject to the above priorities, upon the net earnings of the Company, which in the year 1928 were \$64,372,136. The requirements of the securities underlying the Consolidated Debenture Stock were \$1,907,396, and the interest charges on the Consolidated Debenture Stock were \$10,617,146, which, together with rentals and other interest charges, made total fixed charges for the year 1928, of \$15,308,698. Fixed charges, including interest charges on this issue, were thus earned 3.83 times. For the ten year period ended December 31, 1928 the Company's earnings on a yearly average were in excess of 3.71 times fixed interest charges during that period including interest charges on this issue.

The Company's Collateral Trust Gold Bonds have priority over \$117,181,921 Preference Stock and \$335,000,000 Common Stock, representing an equity at present market prices of approximately \$762,573,717. The Preference Stock has received 4% dividends without interruption since its issuance in 1895. The Common Stock has paid dividends continuously since 1882, the rate since 1912 having been 10% per annum.

**Price: 100 and accrued interest yielding 5%**

These Bonds are offered, when, as and if issued and received by us, and subject to the approval of all legal details by Messrs. Meredith, Holden, Heward & Holden, Montreal. It is expected that temporary bonds in bearer form will be ready for delivery on or about December 27, 1929.

## Bank of Montreal

The Royal Bank of Canada

The Canadian Bank of Commerce

The National City Company  
Limited

Wood, Gundy & Company  
Limited

The Dominion Securities Corporation  
Limited

A. E. Ames & Co.  
Limited

Guaranty Company of New York  
Limited

Lee, Higginson & Co.

The Union Trust Company of Pittsburgh