

\$12,000,000

# Canadian Pacific Railway Company

## Convertible Fifteen-year 4% Collateral Trust Bonds

Due July 2nd, 1949

(Non-Callable)

Principal and semi-annual interest (July 2nd and January 2nd) payable in lawful money of Canada at any branch of the Bank of Montreal in Canada (Yukon Territory excepted). 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 fully registered bonds interchangeable. Bonds will bear interest as from July 2nd, 1934.

Bonds will be convertible at the option of the holder at any time during the period beginning July 2nd, 1934, and terminating July 2nd, 1941 (inclusive of both days) into shares of the Ordinary Capital Stock of the Company, in the ratio of 4 shares of the par value of \$25 each to each \$100 principal amount of the Bonds. In the event of conversion of any Bond, interest accrued on each Bond after the last preceding interest date shall not be payable. In the event of change in, or replacement of, the Ordinary Capital Stock of the Company, corresponding variation and adjustment of the conversion privilege will be made.

The Royal Trust Company, Montreal, Trustee

Information from a letter dated May 28th, 1934 from Mr. E. W. Beatty, K.C., Chairman and President of Canadian Pacific Railway Company, has been summarized as follows:

The Canadian Pacific Railway Company was incorporated in 1881. Directly or through its subsidiaries, it now operates a transcontinental railway system in Canada, together with hotels and commercial telegraph and express services. In addition, it operates passenger and freight steamship services from Canada to Great Britain and the European Continent and to Asiatic ports, as well as services along the Pacific Coast between Canadian and United States ports and on Canadian inland waters. The railway lines total about 17,000 miles, the main line extending from Saint John, N.B., to Vancouver, B.C. The gross tonnage of ocean, coastal and inland fleets exceeds 460,000 tons.

The new issue of Canadian Pacific Railway Company, Convertible Fifteen-year 4% Collateral Trust Bonds will be a direct obligation of the Company and will be specifically secured by pledge under a Trust Agreement to the Royal Trust Company of Consolidated Debenture Stock of Canadian Pacific Railway Company in the ratio of not less than \$125 principal amount of Consolidated Debenture Stock to \$100 principal amount of the Bonds from time to time outstanding.

The Consolidated Debenture Stock of the Company is a perpetual obligation authorized by Act of Parliament passed in 1889 and subsequent Acts. By these Acts the Consolidated Debenture Stock is a first charge on the whole of the undertaking, railways, works, rolling stock, plant, property and effects of the Company, including the rights of the Company in the several railways held by it under lease (except lands received by way of subsidy under the terms of the Act authorizing the incorporation of the Company), subject to the payment of working expenses of the railway as defined by law, and to the priorities created by charges existing at the time of the issue of Consolidated Debenture Stock.

The priorities consisting of First Mortgage Bonds of the Company aggregate in principal \$3,650,000, on which the annual interest charge is \$182,500, and the annual rentals, to which the Company's rights in railways held under lease are subject, amount to \$3,689,835. Such of these obligations as are payable in other than Canadian currency are calculated at par of exchange.

Net earnings and special income of the Company in 1933 amounted to \$27,084,587 available for fixed charges of \$24,388,615. For the four months ended April 30th, 1934, net earnings (exclusive of special income) amounted to \$4,496,904, compared with \$1,835,944 for the corresponding four months in 1933—or an increase of 144%.

The Convertible Fifteen-year 4% Collateral Trust Bonds will have priority over \$187,256,921 par value of Preference Stock and \$335,000,000 par value of Ordinary Stock. The Assets of the Company exceed in value its total liabilities, including Preference and Ordinary stocks, by more than \$335,000,000, and excluding Preference and Ordinary stocks by more than \$807,000,000.

We offer these bonds, if as and when issued and accepted by us and subject to the approval of all legal proceedings by Messrs. Tiley, Thomson and Parmenter. There may be a delay of sixty days in delivery.

Descriptive circular will be furnished upon request.

**Price: 97.75 and accrued interest, to yield over 4.20%**

<b>Bank of Montreal</b>	<b>The Royal Bank of Canada</b>	<b>The Canadian Bank of Commerce</b>
Wood, Gundy & Company Limited	Dominion Securities Corporation, Limited	A. E. Ames & Co. Limited
<b>The Bank of Nova Scotia</b>	<b>The Dominion Bank</b>	<b>Banque Canadienne Nationale</b>
Barclays Bank (Canada)	Nesbitt, Thomson & Co. Limited	Imperial Bank of Canada
James Richardson & Sons	Hanson Bros. Inc.	Royal Securities Corporation, Limited
Société de Placements du Canada	Collier, Norris & Henderson Limited	Harrison & Company Limited
Iselin Corporation of Canada	Holt, Rankin & Child	Fry, Mills, Spence & Co. Limited
Aldred & Co. Limited	W. C. Pitfield & Company Limited	L. G. Beaubien & Cie Limitée
Eastern Securities Company, Limited	Midland Securities Corporation, Limited	Osler & Hammond
R. A. Daly & Co. Limited	Greenshields & Co Inc	Ernest Savard Limitée
Griffis, Fairclough & Norsworthy Limited	Cochran, Murray & Co. Limited	Mathews & Company
R. O. Sweezey & Company Limited	Drury & Co.	C. H. Burgess & Co. Limited
Dyment, Anderson & Company	Gairdner & Company, Limited	J. L. Graham & Co. Limited
Aird, Macleod & Company	H. C. Monk & Company Limited	Mead & Co. Limited
Milner, Ross Securities Corporation Limited	Brawley, Cathers & Company	Williams, Partridge & Angus, Limited
Fleming Denton & Company	Harris, Ramsay & Company	Wills, Bickle & Robertson
T. M. Bell & Company, Limited	Irving, Brennan & Company, Limited	