

\$15,000,000

Canadian Pacific Railway Company**3% Serial Collateral Trust Bonds****3½% Convertible Collateral Trust Bonds**

(Non-Callable)

To be dated February 15th, 1936.

To mature February 15th, 1937-1941 and 1951.

Principal and semi-annual interest (February 15th and August 15th) payable in the principal cities of Canada, in lawful money of Canada. 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 bonds in denominations of \$1,000, and fully registered bonds interchangeable. Bonds will bear interest as from February 15th, 1936.

The Royal Trust Company, Montreal, Trustee.

The 3% Serial Bonds are not convertible. Bonds maturing 1951 will be convertible at the option of the holder at any time during the period beginning February 15th, 1937, and terminating February 15th, 1944 (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 such 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.

SCHEDULE OF MATURITIES

Due February 15th	Amount	Coupon	Price	Yield
1937	\$1,000,000	3%	100.00	3%
1938	1,000,000	3%	100.00	3%
1939	1,000,000	3%	100.00	3%
1940	1,000,000	3%	100.00	3%
1941	1,000,000	3%	100.00	3%
1951	10,000,000	3½%	94.40	4%

In the opinion of Counsel, these bonds will be a legal investment for Insurance Companies under Chapter 45 of the Statutes of 1934 amending the Canadian and British Insurance Companies' Act, 1932.

Information from a letter dated February 4th, 1936, from Sir Edward W. Beatty, G.B.E., 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 communication 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 409,000 tons.

The new issue of Canadian Pacific Railway Company 3% Serial Collateral Trust Bonds and Convertible Fifteen-year 3½% 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, amounted in 1934 to \$3,325,070. Such of these obligations as are payable in other than Canadian currency are calculated at par of exchange.

The 3% Serial Collateral Trust Bonds and the Convertible Fifteen-year 3½% Collateral Trust Bonds will have priority over \$137,256,921 Preference Stock and \$335,000,000 Ordinary Stock. The assets of the Company exceed in value its total liabilities, including Preference and Ordinary stocks, by more than \$317,000,000, and excluding Preference and Ordinary stocks by more than \$790,000,000.

We offer these Bonds, if as and when issued and accepted by us and subject to the approval of all legal proceedings by Messrs. Tilley, Thomson and Parmenter.

It is expected that temporary bonds will be available for delivery on or about March 1st, 1936.

Descriptive circular gladly furnished upon request.

Wood, Gundy & Company Limited	Dominion Securities Corporation, Limited	A. E. Ames & Co. Limited
Hanson Bros. Inc.	James Richardson & Sons	Nesbitt, Thomson & Co. Limited
Aldred & Co. Limited	Royal Securities Corporation, Limited	Collier, Norris & Henderson Limited
Greenshields & Co Inc.	W. C. Pitfield & Company Limited	Gardner & Company, Limited
Société de Placements du Canada		Midland Securities Corporation, Limited
	McTaggart, Hannaford, Birks & Gordon, Limited	
L. C. Beaubien & Cie Limitée	Ernest Savard Limitée	R. A. Daly & Co. Limited
Iselin Corporation of Canada	Harris, Ramsay & Company	Brawley, Cathers & Company
Harrison & Company Limited	J. L. Graham & Co. Limited	Matthews & Company
Osler & Hammond	Holt, Rankin & Child	Mead & Co. Limited
Cochran, Murray & Co. Limited	Milross Securities Corporation Limited	Eastern Securities Company, Limited
Osler, Hammond & Nanton	T. M. Bell & Company, Limited	Irving, Brennan & Company, Limited
Isard, Robertson & Company Ltd.	Bartlett, Cayley & Company Limited	Wills, Bickle & Robertson
R. O. Sweezy & Company Limited	C. H. Burgess & Co. Limited	Griffis, Fairclough & Norsworthy Limited
Dyment, Anderson & Company	Aird, Macleod & Company	Burns Bros. Limited
W. H. Watson & Co.	H. C. Monk & Company Limited	René-T. Leclerc Incorporated
Comptoir National de Placements Limité	Lawson Williams & Co. Limited	A. T. Ross, Limited
Canadian Alliance Corporation Limited	Flemming & Company Limited	Duggan Investments, Ltd.
Wright, Henderson & Co. Limited		Pemberton & Sons Vancouver Limited
	Houston, Willoughby & Company Limited	