

\$15,000,000

Canadian Pacific Railway Company**3% Convertible Nine and One-half year Collateral Trust Bonds**

These Bonds are part of an issue of \$38,000,000 Collateral Trust Bonds consisting of \$8,000,000 Three year 2½% Collateral Trust Bonds, \$15,000,000 Five year 2½% Collateral Trust Bonds and \$15,000,000 Convertible Nine and One-half year 3% Collateral Trust Bonds. The Three year and the Five year Bonds are not being offered for sale in this advertisement.

Particulars of the Convertible Nine and One-half Year Bonds now offered:

Date of issue April 1st, 1936.

Date of maturity October 1st, 1945.

Principal and semi-annual interest (October 1st and April 1st) payable in lawful money of Canada in principal Canadian cities. Coupon bonds in denominations of \$1,000 and \$500 negotiable as to principal only. Fully registered bonds in denominations of \$1,000, \$5,000 and \$10,000. Coupon bonds and fully registered bonds interchangeable. Bonds will bear interest as from April 1st, 1936. Callable on any interest date on thirty days' notice at 102 and accrued interest.

The Royal Trust Company, Montreal, Trustee

Bonds will be convertible at the option of the holder at any time during the period beginning April 1st, 1937, and terminating April 1st, 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.

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 March 27th, 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 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 \$38,000,000 Canadian Pacific Railway Company Three and Five Year 2½% Collateral Trust Bonds and Convertible Nine and One-half year 3% 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 currency of the Dominion of Canada, in the ratio of not less than \$120 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 consist of First Mortgage Bonds of the Company aggregating in principal \$3,650,000 on which the annual interest charge is \$182,500. The annual rentals to which the Company's rights in railways held under lease are subject, amounted in 1935 to \$8,574,350. Such of these obligations as are payable in other than Canadian currency are calculated at par of exchange.

As at December 31st, 1935, the assets of the Company exceeded its total liabilities, including Preference and Ordinary stocks, by more than \$290,000,000 and excluding Preference and Ordinary stocks by more than \$762,000,000.

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 May 1st, 1936.

Price: 94.44 and interest, to yield 3.70%

Descriptive circular gladly furnished upon request.

Wood, Gundy & Company Limited	Domain Securities Corporation, Limited	A. E. Ames & Co. Limited
Hanson Bros. Incorporated	James Richardson & Sons	Nesbitt, Thomson & Co. Limited
Aldred & Co. Limited	Royal Securities Corporation, Limited	Collier, Norris & Henderson Limited
McLeod, Young, Weir & Co., Limited	Bell, Gouinlock & Co., Limited	Gardner & Company, Limited
Société de Placements Incorporée	Midland Securities Corporation, Ltd.	Mead & Co. Limited
Greenshields & Co. Inc.	W. C. Pitfield & Company Limited	Kerrigan, MacTier & Co., Limited
L. G. Beaubien & Cie. Limitée	Ernest Savard Limitée	R. A. Daly & Co., Limited
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Harrison & Company Limited	J. L. Graham & Co. Limited	Matthews & Company
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W. H. Watson & Co.	Comptoir National de Placement Limitée	Lawson Williams & Co. Limited
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D. M. Duggan Investments, Ltd.	Pemberton & Son Vancouver Limited	Houston, Willoughby & Company Limited
Melady, Sellers & Company, Ltd.	Crédit Anglo-Français Limitée	The Western City Company, Limited
Wright, Henderson & Co. Limited	Vaughan & Company, Limited	Henri Turgeon Limitée
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