REPORT OF THE PROCEEDINGS

AT THE

TWENTIETH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 2ND, 1901

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.

Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE TWENTIETH ANNUAL MEETING OF THE SHAREHOLDERS, HELD AT MONTREAL, ON WEDNESDAY, OCTOBER 2ND, 1901.

The meeting assembled, in conformity with the notice convening the same, at noon, at the General Offices of the Company at Montreal.

The Chairman of the Board, Sir Wm. C. Van Horne, K.C.M.G., presided, and the Secretary of the Company acted as secretary of the meeting.

The notice calling the meeting having been read by the Secretary, the President, Sir Thomas G. Shaughnessy, in moving the adoption of the Report on the affairs of the Company for the period of eighteen months ended June 30, 1901, which had been previously mailed to the shareholders, said :

" In moving the adoption of the Annual Report of the Board of Directors, I may be permitted to direct your attention to the excellent result of the operations of the Company during the past fiscal year, notwithstanding the loss of revenue resulting from the serious shrinkage in the grain crops of North-western Canada last autumn, caused by unfavourable weather conditions. The grain tonnage from Manitoba and the North-west Territories was only about one third of that received from the crop of 1899 and, according to most authentic reports, less than one fifth of the tonnage available from the crop just harvested.

"A few years ago, such serious injury to these crops would have been almost disastrous in its effect on the Company's revenue, and, therefore, the development of other traffic in sufficient volume to materially reduce the comparative importance of the grain business as a factor in your gross earnings is most gratifying.

"As indicated by the Annual Report, five per cent. Land Grant Bonds, to the amount of $428,500, were redeemed and cancelled since the last meeting of the shareholders. Your Directors expect to reduce the outstanding bonds by a still larger amount during the current year, the land sales for the past three months being seventy-five per cent. in excess of those for the corresponding period in 1900. None of these sales were in large blocks.

"The desirability of making some provision for the pensioning of faithful officers and employees, who, after a long term of service, become incapacitated for their respective positions by reason of advanced age, has suggested to the Directors the propriety of asking your consent that a sum of money, say $250,000, be set aside as the nucleus of a pension fund, so soon as your Directors have succeeded in formulating a feasible and satisfactory plan for its administration. It is hoped that this will be accomplished shortly, but the large number of employees, and the varied conditions of service, make it necessary that the details of the scheme should receive the gravest consideration before it is put into operation.

"In this connection, I desire to express for the Directors their hearty appreciation of the zeal and fidelity displayed by the officers and employees in the performance of their respective duties during what has been, in some respects, a most trying year."

The Report having been considered, it was moved by Sir Thomas G. Shaughnessy, seconded by Richard B. Angus, Esq., and unanimously

Resolved,—That the Report on the affairs of the Company for the eighteen months ended June 30th, 1901, now submitted, be and is hereby adopted.

The lease to this Company of the Kootenay and Arrowhead Railway, referred to in the Annual Report, was explained and laid on the table, and it was moved by the Hon. J. K. Ward, seconded by Henry Beatty, Esq., and unanimously

Resolved,—That the lease dated the 15th day of August. 1901, made by the Kootenay and Arrowhead Railway Company, as Lessor, to this Company as Lessee, now submitted to this meeting, be and the same is hereby approved, ratified and confirmed ; which lease amongst other things demises for the term of nine hundred and ninety-nine years the Lessor's Railway, whether constructed or to be constructed, from a point at or near Lardo, near the head of Kootenay Lake, to a point at or near Duncan, and thence in a direction generally north-west to Arrowhead on Arrow Lake, Kootenay District, British Columbia, by a route passing near Trout Lake, and the north side of the east arm of Arrow Lake, together with all branches, etc., (as described in the said lease) at a rental equal to the interest payable on all bonds, carrying interest at a rate not exceeding five per cent. per annum (payable half-yearly), to be issued by the Lessor with the consent of this Company, the aggregate of all such bonds not at any time to exceed a sum equal to the rate of twenty-five thousand dollars per mile of the Lessor's Railway and branches then either constructed or under contract to be constructed.

The lease to this Company of the Vancouver and Lulu Island Railway, referred to in the Annual Report, was explained and laid on the table, and it was moved by Edmund B. Osler, Esq., M.P., seconded by Charles R. Hosmer, Esq., and unanimously

Resolved,—That the lease dated the 31st day of August, 1901, made by the Vancouver & Lulu Island Railway Company, as Lessor, to this Company, as Lessee, now submitted to this meeting, be and the same is hereby approved, ratified and confirmed; which lease amongst other things demises for the term of nine hundred and ninety-nine years, the Lessor's Railway, whether constructed or to be constructed, from the City of Vancouver, thence in a southerly direction to the North Arm of the Fraser River, thence across the North Arm to Lulu Island, thence in a southerly direction across Lulu Island to the South Arm of the Fraser River; thence to be connected by a steam ferry or otherwise with some point on the south bank of the Fraser River near Ladner's Landing, together with all branches etc (as described in the said lease), at a rental equal to the interest payable on all bonds, carrying interest at a rate not exceeding five per cent. per annum (payable half-yearly), to be issued by the Lessor with the consent of this Company, the aggregate of all such bonds not at any time to exceed a sum equal to the rate of seventeen thousand five hundred dollars per mile of the Lessor's Railway then either constructed or under contract to be constructed.

The lease to this Company of the western section and certain branch lines of the British Columbia Southern Railway, referred to in the Annual Report, was explained and laid on the table, and it was moved by Richard B. Angus, Esq., seconded by Sir Sandford Fleming, K.C.M.G., and unanimously

Resolved,—That the lease dated the first day of October, 1900, made by the British Columbia Southern Railway Company, as Lessor, to the Canadian Pacific Railway

Company as Lessee, sanctioned by the Governor in Council as required by the Statute 60-61 Victoria, Chapter 36, by Order in Council dated the 3rd day of May, 1901, and now submitted to this meeting, be and the same is hereby approved, ratified and confirmed, with all the terms, conditions and covenants therein contained, which lease, amongst other things, demises that portion of the western section of the Lessor's railway therein described, also a railway which the Lessor has been authorized to construct between a point on its railway in the neighborhood of Fort Steele and a point on this Company's railway near Golden, also its Coal Creek Branch and North Star Branch, as well as a branch from a point on its main line near the Forks of Michel Creek to Martin Creek, together with all such branches from any of the above mentioned railways or from its main line, and all such branches from those branches as the Lessor is now or may be hereafter empowered to construct, together with the appurtenances described in the said lease, at the rentals therein stated, such rentals being equal to the interest payable on all bonds, carrying interest at a rate not exceeding five per cent. per annum, payable half yearly, to be issued by the Lessor with the consent of this Company and legally issued in respect thereof, and which lease provides also for certain specified changes in the lease from the Lessor to this Company, dated the first day of January, 1898.

The agreement dated 1st January, 1901, entered into between this Company, the Duluth South Shore & Atlantic Railway Company and the Mineral Range Railroad Company, under authority of the Act 53 Victoria, Chapter 47, entitled, "An Act to amend the Canadian Pacific Railway Act 1889, and for other purposes," referred to in the Annual Report, providing for a permanent traffic arrangement between the said Companies, and containing the guaranty by this Company of the interest upon First Mortgage Four Per Cent. Bonds issued, and to be issued with the consent of this Company, by the Mineral Range Railroad Company, to the extent and at the times therein set forth, provided that the outstanding unpaid Bonds of the last mentioned Company shall not at any time exceed in the aggregate a sum equal to $25,000 per mile of its Railways then constructed or under contract to be constructed; and the mortgage securing the same, were submitted and explained, and it was moved by Wilmot D. Matthews, Esq., seconded by George R. Harris, Esq., and unanimously

Resolved,—That the terms of the said agreement be and the same are hereby approved; that the guaranty of the payment of interest upon the said issue of First Mortgage Four Per Cent. Bonds to the amount of One million two hundred and fifty-four thousand dollars, mentioned in the agreement referred to in the preamble hereto, be endorsed upon such Bonds and be executed by the Secretary, and that the form of such guaranty be as follows:—

> *For value received* the Canadian Pacific Railway Company hereby guarantees the punctual payment of the interest on the within Bond at the rate of four per cent. per annum, payable half-yearly at the times and in the manner herein stated.
>
> *In Witness Whereof* the said Company has caused this guaranty to be duly executed by the Secretary under the authority of a resolution of its Board of Directors approved of at the Shareholders' Meeting held on 2nd October, 1901.

....

Secretary, Canadian Pacific Railway Co.

The following resolution, authorizing the issue of Four Per Cent. Consolidated Debenture Stock to provide for the construction and equipment of extensions of certain branch lines in Manitoba, was submitted; and on motion of

Eustache H. Lemay, Esq., seconded by Michael Burke, Esq, was unanimously adopted; that is to say:—

Whereas, by the Act of the Dominion Parliament, 63-64 Vic., cap. 55, authority was conferred upon the Company to construct, acquire and operate certain branch lines of railway therein specified, and to issue, in lieu of bonds, as in the said Act mentioned, in aid of the construction and equipment of the said lines, Consolidated Debenture Stock to an amount not exceeding $20,000 per mile thereof;

And whereas, the shareholders, at the last Annual Meeting, in pursuance of the said Act, authorized the issue of Four Per Cent. Consolidated Debenture Stock to the extent of $15,000 per mile of the following lines:—

Wascada Branch	18 miles
Snowflake Branch	16 "
West Selkirk and Lake Winnipeg Branch.....	24 "
	58 miles

And whereas, the actual length of the said lines now under construction, when completed, will be as follows:—

Wascada Branch	37 miles
Snowflake Branch	25 "
West Selkirk and Lake Winnipeg Branch.....	26 "
	88 miles

or an additional mileage of 30 miles, and it is desirable to provide for a further issue of Consolidated Debenture Stock to cover such additional mileage;

It is therefore hereby Resolved,—That for the purpose of aiding the construction and equipment of the said additional miles of railway, the Directors may issue and dispose of Consolidated Debenture Stock of the Company to such amounts as they may deem expedient, not exceeding in the aggregate an amount equal to $15,000 per mile for such additional mileage, and at the same rate for any portion of a mile, bearing interest at the rate of four per cent. per annum, payable at the times and places, and in the same manner as interest is payable on the stock heretofore issued.

The undermentioned By-laws, passed by the Board of Directors since the last Annual Meeting were submitted and laid on the table, viz.:—

By-law No. 83.—Establishing passenger fares on the Crow's Nest Line.

By-law No. 84.—Against riding on platforms or steps of passenger cars.

By-law No. 85.—Repealing By-law No. 27 respecting the Registrar of Transfers of Stock, and enacting that the Secretary shall keep at the Head Office, books of record in which all transfers of shares, stocks and bonds shall be entered.

By-law No. 86.—Establishing the rules governing the Montreal Transfer Office of the Company, the form of the Montreal certificate, etc., and providing for the appointment of a Registrar of Transfers.

By-law No. 87.—Establishing rules and regulations for the guidance of officers and employees in connection with the working of the Company's lines

Whereupon it was moved by George Olds, Esq., *seconded by* W. F. Tye, Esq., and unanimously

Resolved,—That By-laws Nos. 83, 84, 85, 86 and 87, passed by the Directors since the last General Meeting of Shareholders, be and the same are hereby approved.

A resolution providing for the establishment of a Pension Fund, referred to by the President this day in moving the adoption of the Annual Report, was submitted, and on motion of the Hon. L. J. Forget, seconded by John

Morrison, Esq., the same was unanimously adopted as follows, that is to say:—

Whereas, in the opinion of the shareholders of this Company, it is deemed advisable that some definite provision be made for the relief of employees of the Company who have rendered long and faithful service to the Company, and for the purpose of enabling them to retire when age or bodily infirmity necessitates relief from duty;

And whereas, the Directors have recommended that for the aforesaid purpose a pension fund be established;

Now, therefore, it is Resolved, that the Board of Directors be and they hereby are authorized and empowered:—

(*a*) To set apart from the funds of the Company a sum not exceeding the amount of $250,000 as a nucleus for a fund to be known as "The Pension Fund" of the Company, to assist in the establishment of a system of pensions payable to such employees;

(*b*) To invest and keep the said funds invested for the aforesaid purposes;

(*c*) To establish a Department for the administration of such fund, and of any additions that may be made thereto in the future;

(*d*) To adopt such rules and regulations as the Board may in its discretion deem necessary or advisable for the organization of such Department and the administration of such fund, and for determining what employees, or class of employees, shall be entitled to participate therein, and the terms and conditions upon which they shall so participate.

The President explained that the scheme contemplated by this resolution did not involve any contribution by the employees.

The meeting then proceeded to the election of Directors for the ensuing year, and it was moved by Charles R.

Hosmer, Esq.; seconded by Wilmot D. Matthews, Esq., and unanimously

Resolved, that a ballot be now taken for the election of Directors for the ensuing year; that Charles Meredith, Esq, and Wm. R. Miller, Esq., be appointed scrutineers to take such ballot and that the poll be closed when five minutes shall have elapsed without a vote being cast at such election.

The ballot having been taken and no further votes having been cast within the specified time, the Chairman read the report of the scrutineers, which declared that the undermentioned gentlemen had been unanimously elected the Directors of the Company for the ensuing year, viz. :—

The Rt. Hon. Lord Strathcona and Mount Royal
Sir William C. Van Horne, K.C.M.G.
Sir Thomas G. Shaughnessy
Mr. Richard B. Angus
Mr. Edmund B. Osler, M.P.
Mr. Wilmot D. Matthews
Mr. George R. Harris
Sir Sandford Fleming, K.C.M.G.
Mr. Thomas Skinner
Gen. Samuel Thomas
Mr. John W. Mackay
Mr. Charles R. Hosmer

The meeting was thereupon made special for the consideration of the special business mentioned in the notice convening the same. The following resolution was submitted, and, on motion of Richard B. Angus, Esq., seconded by Donald Macmaster, Esq., K.C., the same was unanimously adopted, viz. :—

Whereas, in and by an Act of the Parliament of Canada, being 52 Victoria, chapter 73, this Company, being first authorized by a resolution passed at a Special General Meeting of its shareholders duly called for the purpose, is empowered from time to time to issue bonds in aid of the acquisition of any such steam vessels as, by its charter. it is authorized to acquire, but not exceeding in amount the cost thereof, and to secure the payment of such Bonds by mortgage to Trustees;

And whereas, in order to provide funds to aid in the acquisition of certain steam vessels, to wit:

1. The steel screw steamship "Charmer," built at San Francisco, California, in 1886—length 200 feet, beam 42 feet, depth 12 feet, and gross tonnage 1,044 tons; (2) the iron screw steamship "Danube," built at Fairfield, Scotland, in 1869—length 215 feet, beam 28 feet, depth 20 feet, gross tonnage 886 tons; (3) the screw steamship "Amur," built at Sunderland in 1890—length 216 feet, beam 28 feet, depth 20 feet, and gross tonnage 907 tons; (4) the screw steel steamship "Tees," built at Thornby-on-Tees in 1893—length 165 feet, beam 26 feet. depth 10 feet, and gross tonnage 569 tons; (5) the wooden side-wheel steamship "Yosemite," built at San Francisco in 1862--length 282 feet, beam 34 feet, depth 13 feet, and gross tonnage 1,525 tons; (6) the wooden side-wheel steamship "Princess Louise," built at New York in 1869—length, 184 feet; beam, 30 feet; depth, 13 feet, and gross tonnage 931 tons; (7) the wooden stern-wheel steamship "R. P. Rithet," built at New Westminster in 1882—length, 177 feet; beam, 33 feet; depth, 8 feet, and gross tonnage 816 tons; (8) the wooden screw steamship "Queen City," built at Vancouver in 1894—length, 116 feet; beam, 27 feet; depth, 10 feet, and gross tonnage 391 tons; (9) the wooden screw steamship "Willapa," built at Astoria, Oregon, in 1891—length, 136 feet; beam, 22 feet; depth, 10 feet, and gross tonnage 373 tons; (10) the steel stern-wheel steamship "Beaver," built at Victoria in 1898—length, 140 feet; beam, 28 feet; depth, 5 feet, and gross ton-

nage 545 tons; (11) the wooden screw steamship "Otter," built at Victoria in 1900—length, 128 feet; beam, 24 feet; depth, 11 feet, and gross tonnage 366 tons; (12) the wooden screw steamship "Maude," built at Victoria in 1852—length, 113 feet; beam, 21 feet; depth, 9 feet, and gross tonnage 175 tons; (13) the wooden stern-wheel steamship "Transfer," built at New Westminster in 1893—length, 122 feet; beam, 24 feet; depth, 5 feet, and gross tonnage 246 tons, now being operated by the Canadian Pacific Navigation Company, Limited, and (14) the twin screw steamship "Hating," built at Newcastle-on-Tyne in 1888—length, 250 feet; breadth, 34 feet; depth, 18 feet, and gross tonnage 1,394 tons, together with their rigging, appurtenances and auxiliaries, and all of which vessels are now engaged in navigating the waters of the Pacific Ocean, and are intended to be continued by the Company on such waters which are reached by or connected with the Company's railway; (15) A steamship for the North Pacific Coast trade to be hereafter constructed or acquired, being a screw steel steamship of about 290 feet in length; beam 40 feet; depth about 23 feet and a gross tonnage of about 1,800 tons, somewhat similar in size, style and arrangement to this Company's upper lake steamship "Manitoba"; (16) A steamship to be hereafter constructed or acquired for service between Vancouver and Victoria, being a steel steamship of about 280 feet in length; beam about 38 feet; depth about 15 feet and a gross tonnage of about 1,500 tons, somewhat similar in style to the said steamship "Charmer," and (17) a steamship somewhat similar in style and arrangement to the Company's steamships now engaged in the Trans-Pacific trade, but of a larger size and greater speed and cost, and to be hereafter constructed or acquired; it is advisable to issue bonds of this Company under the provisions of the said Act to an amount not exceeding the amount hereinafter mentioned, which amount does not exceed the cost to this Company of the said vessels already constructed and above described, and the estimated cost of the said vessels to be hereafter constructed or acquired;

And whereas, it is deemed advisable that this Company should execute a deed or deeds of mortgage covering the said steam vessels, including those to be hereafter constructed or acquired (after the same have been constructed or acquired), their rigging, appurtenances and auxiliaries, in favor of Trustees to be appointed at this meeting of shareholders for the purpose of securing such issue of bonds;

And Whereas,—The Royal Trust Company have consented to act as Trustees under such deed or deeds of Mortgage to secure such Bonds,

Therefore be it Resolved,—That the Company do issue in aid of the acquisition of the said steam vessels the bonds of the Company to an amount not exceeding £480,000 sterling, payable at the end of twenty years from the date thereof, with interest half-yearly on the first day of January and July in each year at the rate of 5 per cent. per annum, such bonds and the interest coupons to be made payable at such place or places, and to be for such amounts and otherwise in such form as the Board of Directors of the Company shall determine by resolution: and the Board of Directors is hereby authorized and empowered to issue and dispose of the said bonds, or to pledge or hypothecate the same from time to time for the purposes set forth in this resolution; and also for the purpose of securing such issue of bonds and the payment of the principal and interest thereof, the Board of Directors is hereby authorized and empowered to cause to be prepared, executed in due form by the Company, and delivered to the Royal Trust Company as Trustees, and which Company are hereby appointed Trustees for Bondholders, a valid and sufficient deed or valid and sufficient deeds of mortgage on each or all of the said vessels, including those to be hereafter constructed or acquired, (after the same have been constructed or acquired) their rigging, appurtenances and auxiliaries, in such form and containing such provisions as the Board shall approve in order to meet the requirements of the law in that behalf, together with such other instrument or instruments as the Directors may deem expedient and proper, and in such form and containing such provisions as they may determine for the purpose of securing efficiently the said issue of Bonds and the payment of the principal and interest thereof, and the rights and remedies of the holders of the same.

And the proceedings terminated.

WM. C VAN HORNE,
Chairman.

C. DRINKWATER,
Secretary.

NOTE.—At a meeting of the Board subsequently held, Sir Wm. C. Van Horne was re-elected Chairman of the Board, and Sir Thomas G. Shaughnessy President of the Company, and the following were appointed the

EXECUTIVE COMMITTEE:

Sir Wm. C. Van Horne, K.C.M.G. — Sir Thomas G. Shaughnessy

The Rt. Hon. Lord Strathcona and Mount Royal

Mr. Richard B. Angus — Mr. Edmund B. Osler, M.P.