REPORT OF THE PROCEEDINGS

AT THE

THIRTY-THIRD ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 7TH, 1914,

AT THE

GENERAL OFFICES OF THE COMPANY AT MONTREAL.

CANADIAN PACIFIC RAILWAY COMPANY

REPORT

OF THE PROCEEDINGS AT THE THIRTY-THIRD ANNUAL MEETING OF THE SHAREHOLDERS HELD AT MONTREAL ON WEDNESDAY, OCTOBER 7th, 1914.

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 Company, Sir Thomas Shaughnessy, 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 Shaughnessy, in moving the adoption of the report on the affairs of the Company for the fiscal year ended June 30th, 1914, which had been printed and distributed to the Shareholders, said:—

"The contraction in the volume of trade and travel during the last half of the fiscal year under review was greater than your Directors anticipated when they had the privilege of meeting the Shareholders a year ago, and the effect on your revenue in every branch of the service was quite pronounced. However, with the property in splendid physical condition, and with the facilities for economical operation that had been provided at large cost in recent years, your operating officials were enabled to make a substantial reduction in working expenses, and the decrease in net revenue was far more moderate than it would have been in other circumstances.

Since the close of the fiscal year the unrest and uncertainty resulting from the outbreak of the European War has created a condition of affairs unique in the history of the Company, and any attempt to forecast the business situation in the immediate future would, at this stage, serve no useful end.

The crops recently harvested in Western Canada, although probably 15% to 20% less in volume than they were a year ago owing to an insufficient midsummer rainfall in some sections, will yield the producers a larger gross return because of the high prices that prevail in the markets, and the purchasing power of the producers will be improved accordingly. This should have the effect of stimulating westbound traffic, with a favourable influence on your earnings, but to what extent this influence may be counteracted by the unsatisfactory business conditions that prevail generally cannot be estimated with any degree of accuracy at this time.

When the peace of the world has been restored, emigration from Europe to the newer countries, where lands can be obtained on moderate terms, will doubtless be on a large scale, and Canada should profit very substantially by the incoming of new settlers and the consequent increase in production. The serious setback that our country experienced in the past two years was due unquestionably, in a considerable measure, to our rapid growth and increase of wealth, with the consequent optimism that clouded the effect of unsound speculation in lands and industrial enterprises and of railway schemes years in advance of their time, but it was due in a greater degree to external causes in which Canada had no share.

The period of retrenchment and financial conservatism that the country has passed through will have had the effect of liquidating to an important extent the injurious results of domestic mistakes, and Canada, when the tide turns, will be ready with renewed sturdy strength to utilize her almost unlimited resources and prosecute her plans for agricultural, industrial and commercial development on sane and logical lines.

Your Directors have the same implicit faith in the future growth and prosperity of the country that they have had from the beginning.

The large railway mileage that you had in process of construction has been practically completed, and the only important works now in hand are the tunnel in the Selkirk Mountains, the Passenger and Freight Terminals at Quebec that are to be used jointly by this Company and the National Transcontinental Railway, and the station at North Toronto. No new expenditures of any consequence will be required for some time to come.

As indicated by the Annual Report, your finances are in excellent shape. While the balance in bank is, of course, not as large as it was at June 30th, the amount is still a very substantial one, a fortunate circumstance in these trying times, and you have over $50,000,000 of securities to issue with reference to completed railway lines and rolling stock equipment for which the money was advanced from your Treasury. With some improvement in financial conditions such portion of these securities as may be thought desirable can be readily sold.

On the morning of May 29th the Company's Atlantic Steamship "Empress of Ireland" was rammed by a collier and sunk in the St. Lawrence River near Father Point. The injury to the steamship was of such a character and so serious that there was little opportunity for rescue before the vessel foundered with a lamentable loss of life. A Royal Commission appointed for the purpose of investigating the circumstances made a report acquitting the Company and its officers of all blame, and held the collier accountable for the disaster. Nevertheless, I am sure that all the Shareholders join with the Directors and Officers in a feeling of profound sorrow for those who lost their lives while travelling under the auspices of the Company, and of deep sympathy for their relatives and friends. The monetary loss was not a matter of any special moment.

Your Directors have selected Mr. John K. L. Ross, of Montreal, to fill the vacancy in the Board resulting from the death of the late Lord Strathcona, and his name will be submitted for your ballot with the names of the other two Directors whose term of office has expired.

At a Special General Meeting to be held upon the adjournment of this meeting there will be submitted for your consideration a proposal to increase the authorized Ordinary Capital Stock of the Company from $260,000,000 to $335,000,000. This is essentially a precautionary measure for the future, establishing your right to issue new capital when your traffic has reached such proportions as to compel further large additions to your property."

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

Resolved—That the report on the affairs of the Company for the fiscal year ended 30th June, 1914, now submitted, be and the same is hereby adopted.

The following resolution relating to the agreement between the Toronto Terminals Railway Company, the Grand Trunk Railway Company and this Company, referred to in the Annual Report, was submitted, and on motion of Sir Edmund Osler, seconded by Wilmot D. Matthews, Esq., was unanimously adopted, viz.:—

Resolved—That the agreement dated the 5th day of March, 1914, between the Toronto Terminals Railway Company, the Grand Trunk Railway Company and this Company, providing for the construction pursuant to Order of the Board of Railway Commissioners for Canada of a Union Passenger Station and Joint Terminals and the elimination of grade crossings on the water front, in the City of Toronto, which agreement, amongst other things, provides for the joint ownership of the Stock of the Toronto Terminals Railway Company by the Grand Trunk Railway Company and this Company, the guarantee by the Grand Trunk Railway Company and the Canadian Pacific Railway Company, jointly and severally, of the principal and interest of the securities issued by the Toronto Terminals Railway Company with their consent, and the payment by the Grand Trunk Railway Company and the Canadian Pacific Railway Company respectively by way of rental of a sum equal to one-half the interest at 5% per annum on the amount from time to time standing to the debit of the Capital Account of the Toronto Terminals Railway Company, and the payment of the maintenance and operation expenses on a wheelage basis as defined in the agreement, be and the same is hereby approved and the execution thereof by the President and Assistant Secretary ratified and confirmed.

The following resolution relating to the agreement between the Kettle Valley Railway Company and the Vancouver, Victoria and Eastern Railway Company, referred to in the Annual Report, was submitted, and on motion of Sir Thomas Tait, seconded by Charles Meredith, Esq., was unanimously adopted, viz.:—

Resolved—That the agreement dated the 20th day of November, 1913, between the Kettle Valley Railway Company, which Company's railway is leased to this Company, and the Vancouver, Victoria and Eastern Railway Company, covering the use by the Vancouver, Victoria and Eastern Company of the line of the Kettle Valley Company between Otter Summit and Hope, a distance of about 54 miles, and providing for a like agreement for the use by the Kettle Valley Company of the line of the Vancouver, Victoria and Eastern Company between Princeton and Otter Summit, a distance of about 38 miles, all in British Columbia, be and the same is hereby approved, and that the execution by this Company of the guarantee of the performance by the Kettle Valley Company of that Company's obligations under the Agreement be and is hereby ratified and confirmed, and further that the Directors be and they are hereby authorized and empowered to approve, on behalf of this Company, the formal agreement between the Kettle Valley Company and the Vancouver, Victoria and Eastern Company respecting the use by the Kettle Valley Company of that portion of the line of the Vancouver, Victoria and Eastern Company between Princeton and Otter Summit, and upon such approval being given that the same be executed by the President and Secretary of this Company under the Company's Corporate Seal.

The following resolution relating to the lease to this Company of the Kettle Valley Railway was submitted, and on motion of H. S. Holt, Esq., seconded by W. B. Blackader, Esq., was unanimously adopted, viz:—

Whereas at the Annual Meeting of the Shareholders of this Company held on the 2nd day of October, 1912, a lease from the Kettle Valley Railway Company to this Company of the former Company's railways was duly authorized and the annual rental payable by this Company was limited by such resolution to an amount equal to interest at 4% per annum upon the Bond Issue of $50,000 per mile of the Kettle Valley Company's Coquihalla Branch having a length of approximately 52½ miles and $40,000 per mile of the other railways of the Kettle Valley Company, being the maximum amount then authorized by Parliament;

And whereas the cost of construction of the said Coquihalla Branch will exceed $50,000 per mile and it has been found necessary to increase the Bond Issue to $60,000 per mile of said Branch, which increase has been duly authorized by Parliament;

And whereas, pursuant to the said resolution of 2nd October, 1912, a lease of the said railways of the Kettle Valley Company to this Company was duly entered into bearing date the 2nd day of June, 1913;

And whereas it is deemed desirable to increase the rental authorized by the said resolution to an amount equal to the interest at the same rate upon the increased amount of the said Bond Issue in respect of the Coquihalla Branch.

Therefore it is resolved as follows, that is to say:—

That the Directors of this Company be and they are hereby authorized and empowered to consent to the increase in the limit of the Bond Issue of the Kettle Valley Railway Company upon which this Company has in said Lease agreed to pay interest by way of rental, from $50,000 to $60,000 per mile in respect of the Coquihalla Branch, and that this Company guarantee the payment of the interest on such increased amount at the rate of 4% per annum, and that the President and Secretary be and they are hereby authorized to execute on behalf and under the Corporate Seal of the

Company such documents as may be necessary to give effect to this Resolution.

The following resolution relating to the lease to this Company of the Lake Erie and Northern Railway, referred to in the Annual Report, was submitted, and on motion of Charles R. Hosmer, Esq., seconded by Hon. Robert Mackay, was unanimously adopted, viz.:—

Resolved—That the Indenture of Lease from the Lake Erie and Northern Railway Company, as Lessor, to this Company, as Lessee, of which a draft is submitted to this meeting endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which Indenture, amongst other things, demises to this Company for the term of 999 years the whole of the railways and branches which the Lake Erie and Northern Railway Company has been or may be hereafter by law authorized to construct, whether constructed or to be constructed, including the railway now under construction from Port Dover on Lake Erie to the Town of Simcoe, thence to the Village of Waterford, thence to the City of Brantford, and thence to the Town of Galt, all in the Province of Ontario, a distance of about 51½ miles, and their appurtenances at an annual rental of a sum equal to the interest payable on all Bonds bearing interest at a rate not exceeding 4% per annum, payable half-yearly, which the Lessor may issue at the request of this Company expressed in writing under its Corporate Seal, the payment of interest being guaranteed by this Company, and the aggregate of all such Bonds unpaid or unredeemed not to exceed at any time the rate of $45,000 per mile of railway constructed or under contract to be constructed.

And it is further Resolved—That the President and Secretary be and they are hereby authorized to execute the said Indenture on behalf and under the Corporate Seal of this Company with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The following resolution relating to the lease to this Company of the Southampton Railway, referred to in the Annual Report, was submitted, and on motion of A. R. Creelman, Esq., K.C., seconded by W. H. Evans, Esq., was unanimously adopted, viz.:—

Resolved—That the Indenture of Lease trom the Southampton Railway Company, as Lessor, to this Company, as Lessee, of which a draft is submitted to this meeting endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which Indenture, amongst other things, demises to this Company for the term of 99 years the whole of the railways which the Southampton Railway Company has been or may hereafter be by law authorized to construct, whether constructed or to be constructed, including the railway from a point on the Gibson Branch of this Company's railway near Millville Station, to a point in the vicinity of Pokiok Bridge, in the County of York, all in the Province of New Brunswick, a distance of approximately thirteen miles, together with their appurtenances, on the basis of a rental of 40% of the gross earnings as defined in the said proposed Lease.

And further—That the President and Secretary be and they are hereby authorized to execute the said Indenture on behalf and under the Corporate Seal of this Company with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The following resolution relating to the lease to this Company of the railway of the Fredericton & Grand Lake Coal & Railway Company, referred to in the Annual Report, was submitted, and on motion of A. M. Nanton, Esq., seconded by Frank R. Heaton, Esq., was unanimously adopted, viz.:—

Resolved—That the Indenture of Lease from the Fredericton and Grand Lake Coal and Railway Company, as Lessor, to this Company, as Lessee, of which a draft is submitted to this meeting endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which Indenture, amongst other things, demises to this Company for the term of 999 years the whole of the railway which the Fredericton and Grand Lake Coal and Railway Company has been by law authorized to construct, whether constructed or to be constructed, including the railway from a point on the Intercolonial Railway at or near Gibson, in the County of York, to a point at or near Minto, in the County of Sunbury, a distance of about 31.1 miles, and a branch from Marysville Junction to Marysville, a distance of about 2.84 miles, together with their appurtenances, on the basis of a rental of 40% of the gross earnings as defined in the said proposed Lease;

And further—That the President and Secretary be and they are hereby authorized to execute the said Indenture on behalf and under the Corporate Seal of this Company with such verbal changes, if any, as they may deem proper without altering the substance thereof as above described.

The following resolution relating to the lease to this Company of the Glengarry & Stormont Railway, referred to in the Annual Report, was submitted, and on motion of Henri Jonas, Esq., seconded by Alfred Piddington, Esq., was unanimously adopted, viz.:—

Resolved—That the Indenture of Lease from the Glengarry and Stormont Railway Company, as Lessor, to this Company, as Lessee, of which a draft is submitted to this meeting endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which Indenture, amongst other things, demises to this Company for the term of 99 years the whole of the railway which the Glengarry and Stormont Railway Company has been by law authorized to construct, whether constructed or to be constructed, from a point on this Company's railway at or near St. Polycarpe Junction, in the Province of Quebec, thence through the Townships of Lancaster, Charlottenburg and Cornwall to the Town of Cornwall, in the County of Stormont, a distance of approximately 27 miles, together with the appurtenances of the said railway, on the basis of a rental of 40% of the gross earnings as defined in the said proposed Lease, it being agreed that if in any year during the term of the Lease the amount paid by way of rent is not sufficient to pay the interest for such year on the Bonds to be issued by the Glengarry and Stormont Railway Company to the amount of $575,000, known as "Series A", and $250,000, known as "Series B", after being applied firstly to the payment of interest on the Bonds of "Series A", this Company shall pay to the Glengarry and Stormont Railway Company an amount sufficient to make up the deficiency in interest in respect of the Bonds in "Series B" up to and not exceeding $12,500;

And further—That the President and Secretary be and they are hereby authorized to execute the said Indenture on behalf and under the Corporate Seal of this Company with such verbal changes, if any, as they may deem proper without altering the substance thereof as above described.

The following resolution relating to the Spokane International Railway Company, referred to in the Annual Report, was submitted, and on motion of George R. W. Notman, Esq., seconded by J. M. McIntyre, Esq., was unanimously adopted, viz.:—

Resolved—That the Directors of the Company be and they are hereby authorized and empowered to take such measures and enter into such agreements as they may think advisable for the purpose of establishing closer and more permanent relations between this Company and the Spokane International Railway Company, with which this Company has a working arrangement, and that such purpose may be effected by the acquisition of the Capital Stock of the Spokane International Railway Company or guarantee of interest on the Bonds of that Company, or otherwise, as appears to them desirable in the interests of this Company.

By-law No. 29 repealing former By-law of the same number relating to the office of Assistant Secretary was read, and on motion of David McNicoll, Esq., seconded by Clarence I. de Sola, Esq., the following resolution was unanimously adopted, viz.:—

Resolved—That By-law No. 29 relating to the office of Assistant Secretary, enacted by the Directors, and reading as follows, that is to say:—

"The President or Executive Committee may appoint "one or two persons as Assistant or Assistants to the Sec- "retary who shall fulfil such of the duties of the Secretary "as the President or Secretary may from time to time direct, "and each of the persons so appointed shall, in the performance "of his duties, use the title Assistant Secretary,"

be and the same is hereby approved.

The meeting then proceeded to the election of Directors to replace the three retiring Directors, and on motion of Sir William Van Horne, seconded by Richard B. Angus, Esq., the following resolution was unanimously adopted, viz.:—

Whereas in pursuance of By-law No. 6, Sir Thomas G. Shaughnessy, K.C.V.O., Sir Thomas Skinner, Bart., and John K. L. Ross, Esq., Directors of the Company, retire from office at this meeting;

And whereas three Directors to replace the said retiring Directors, who are, however, eligible for re-election, must be elected at this meeting for the term of four years as provided for in the said By-law;

It is resolved—That a ballot be now taken for the election of three Directors for the term of four years to fill the vacancies created as above stated, that Charles Meredith, Esquire, and Major George R. Hooper 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 Sir Thomas G. Shaughnessy, K.C.V.O., Sir Thomas Skinner, Bart., and John K. L. Ross, Esq., had been unanimously re-elected Directors of the Company for the term of four years from the date of this meeting, and the report was adopted.

The meeting was thereupon made special for the consideration of the special business mentioned in the notice convening the same, and the following resolution authorizing an increase of the Company's Ordinary Capital Stock was submitted, and on motion of Sir William Van Horne, seconded by Richard B. Angus, Esq., was unanimously adopted, viz.:—

Whereas the authorized Capital Stock of this Company is $260,000,000 divided into 2,600,000 shares of the par value of $100 each, and it is deemed advisable in the interests of the Company to increase the same to $335,000,000 in order to make it accord with the amount which the Company is empowered by Order of the Governor-General-in-Council to issue;

And whereas this meeting has been duly called for the purpose of authorizing such increase, all preliminary and legal requirements having been complied with;

Now therefore it is resolved as follows, that is to say:—

1. That an increase of the Company's Ordinary Capital Stock to the extent of 750,000 shares of the par value of $100 each be and the same is hereby authorized and approved.

2. That such increase of the Ordinary Capital Stock shall not be issued until the sanction of the Shareholders thereto has been first obtained at a Special Meeting duly called for the purpose.

The proceedings then terminated.

T. G. SHAUGHNESSY,
Chairman.

W. R. BAKER,
Secretary.

At a meeting of the Board held immediately after the Shareholders' meeting, Sir Thomas G. Shaughnessy, K.C.V.O., was re-elected President of the Company, and Mr. David McNicoll, Vice-President, and the following were appointed the Executive Committee:

Mr. Richard B. Angus.
Mr. Herbert S. Holt.
Mr. David McNicoll.
Sir Edmund B. Osler, M.P.
Sir Thomas G. Shaughnessy, K.C.V.O.
Sir William C. Van Horne, K.C.M.G.