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REPORT OF THE PROCEEDINGS

AT THE

THIRTY-FOURTH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 6TH, 1915

AT THE

GENERAL OFFICES OF THE COMPANY AT
MONTREAL

CANADIAN PACIFIC RAILWAY COMPANY

REPORT

OF THE PROCEEDINGS AT THE THIRTY-FOURTH ANNUAL MEETING OF THE SHAREHOLDERS HELD AT MONTREAL ON WEDNESDAY, OCTOBER 6th, 1915.

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, 1915, which had been printed and distributed to the Shareholders, said:—

"The Annual Statement of your affairs now before you for consideration and approval is, in some respects, the most unsatisfactory that has been submitted for a number of years past. The shrinkage of $31,000,000 in the gross earnings of your railway system as compared with the previous year is very marked; indeed it is in excess of your entire gross earnings in the year 1901, but the fact that notwithstanding this great falling off in revenue your regular dividend was earned is unquestionable evidence of your foresight and wisdom in having made such expenditures during the past ten or twelve years as to enable you to make a saving in your working expenses representing such a substantial offset to the loss of gross revenue.

The physical condition of your property has never been better than it is at this time, the reduction in the cost of maintenance of way for the year being due very largely to a favourable winter and to the fact that works of betterment, chargeable in considerable part to working expenses, were completed before unfavourable business conditions appeared, and the additional facilities for the conduct of your business provided by your expenditures made it possible for you to handle your traffic more expeditiously and economically. As an illustration, the number of tons of freight traffic hauled one mile in the year covered by the report was 82% greater than in 1905, but it required only 17% additional train miles to perform the service. Improved gradients, double tracks, better terminal facilities, larger locomotives and cars, enabled you to earn $3.17 per freight train mile in the last year as against $1.93 in 1905, an improvement of 64%, although there had been a substantial reduction of freight rates in the meantime.

Taking everything into account I feel that we may accept the outcome of the year as evidence of the strongly entrenched position of the Company, and may look forward to the future with buoyant confidence.

In these days, when so many nations are engaged in a bloody and expensive war, when the financial machinery of the world is out of gear and general business conditions are disturbed, it is not wise to make predictions, but everything points to marked improvement in your revenue during the current fiscal year. The country has been blessed with a most bountiful harvest, and while the price of wheat is lower than it was a year ago it is still above the average, and conditions prevailing abroad should cause a continued demand for this and many of our other products. Conservatively estimated, the field crops harvested this autumn in the four provinces west of Lake Superior will yield per capita to the rural population in these provinces more than twice as much money as the rural population of the eight states directly south of them received per capita for their field crops in 1914. With agriculture as the most important pedestal of our prosperity any substantial addition to the income, and therefore to the buying power of the agricultural community, is reflected in every line of trade, so that we have reason to anticipate a decided betterment of the westbound merchandise traffic.

A substantial improvement in your land sales, 77,000 acres in the last three months as compared with 41,000 acres in the same months last year, increased activity in the mining and smelting industries of Southern British Columbia, larger shipments of lumber from the western mills to the interior, are all encouraging signs, indicating as they do a partial restoration of confidence and a step in the direction of normal times.

It is to be hoped that in anticipation of the close of the war and the new conditions that will come with it, an organization will be perfected for unity of action by the Dominion and Provincial Governments and the important business interests of the country, looking not only to the largest possible immigration of agriculturists, but to the development, on a more comprehensive scale than ever before, of the vast natural resources of the country, so that the position of Canada may be strengthened to meet the financial obligations of the country resulting from the war and from other causes with which everybody is familiar.

Until the market improves no special effort will be made to dispose of any portion of the four per cent. Consolidated Debenture Stock, amounting to about $40,000,000, representing advances made from your Treasury for the construction of additional railway mileage, as there is in hand at present sufficient money to meet all your requirements for a considerable period.

The Company has suffered severe loss by the death of two of its most valued and esteemed Directors. Sir Sandford Fleming, who died July 22nd, was associated with the

Canadian Pacific, before the organization of the present Company, as Chief Engineer of the Dominion Government, and he became a member of the Board of Directors of the Company in 1885. He attended the meetings of the Board with great regularity and took keen interest in the Company's affairs until he was seized with the illness that finally proved fatal.

Sir William Van Horne, who passed away September 11th, joined the Company as General Manager at the end of the year 1881, and from that time until he retired from the Presidency in 1899 he devoted himself to the administration of the Company's affairs with a whole heart and with unbounded confidence. During the period that the through line of railway was under construction and when its early completion was a matter of vital importance, his energy, ability and indomitable courage were of a value that could not be over-estimated. He lived to see the enterprise attain proportions quite beyond the most ambitious anticipations of the earlier days. The Shareholders as well as his associates on the Board of Directors will, I am sure, always cherish his memory."

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, 1915, now submitted, be and the same is hereby adopted.

The following resolution relating to the arrangement with the Canadian Pacific Ocean Services, Limited, referred to in the Annual Report, was submitted, and on motion of Sir Edmund Osler, seconded by Sir Herbert Holt, was unanimously adopted, viz:—

Whereas the Company is the owner of 57,637 fully paid shares of the par value of £10 each of the Allan Line Steamship Company, Limited, and is also the owner of the several steamships engaged in Trans-Atlantic and Trans-Pacific service, a list whereof, with their respective ports of registry, is attached hereto marked Schedule "A";

And Whereas the Company is desirous that its said steamers and those of the Allan Line, of which it has control through its holding of the said shares in the Allan Line, shall be operated under the management and control of a separate Company, and it has accordingly procured the formation of a Steamship Company under the name "The Canadian Pacific Ocean Services, Limited," incorporated under the Companies Acts, 1908 and 1913, of the United Kingdom, with a capital of £2,000,000 divided into 200,000 shares of £10 each, and having its registered office at 8 Waterloo Place, in the County of London (hereinafter called "the Steamship Company"), *inter alia* for the purpose of acquiring and operating the said steamships and acquiring the said shares;

And whereas the Company is by Statute empowered to sell its steam or other vessels engaged in ocean service to the Steamship Company upon such terms and for such consideration as may be determined by the Boards of Directors of the Steamship Company and this Company, and is further empowered to guarantee payment of the principal and interest of and acquire and hold Stock, Bonds, Debentures, Debenture Stock, or other Securities of the Steamship Company;

Therefore be it resolved—That the Company do sell to the Steamship Company the said 57,637 fully paid shares of £10 each of the Allan Line Steamship Company, Limited; do transfer to the Steamship Company the several steamships named in the Schedule attached, and the good-will pertaining thereto, together with their several boats, machinery, gear, tackle, apparel, furniture and other equipment, including all stores and bunker coal, and do contemporaneously with the transfer of the shares of the Allan Line execute in favour of the Steamship Company absolute bills of sale of the said steamships in the form required by the Merchant Shipping Acts, 1894 to 1914, the consideration for the sale of the said shares of the Allan Line Steamship Company, Limited, being the sum of £576,370, which shall be paid and satisfied by the allotment and issue to this Company of 57,637 shares of the Steamship Company, fully paid-up and non-assessable, and the consideration for the transfer of the said steamships and goodwill pertaining thereto, being the payment by the Steamship Company to this Company of the sum of £4,252,400, which shall be paid and satisfied by the allotment and issue to this Company of 138,654 shares of the Steamship Company, allotted and issued as fully paid-up and non-assessable, and by the delivery to this Company of First Debentures or Debenture Stock of the Steamship Company, bearing interest at the rate of 5% per annum, to the amount of £2,865,860, which, together with such First Debentures or Debenture Stock as may be issued by the Steamship Company ranking *pari passu* therewith, shall be secured as a first floating charge upon the whole of the undertaking, property and assets of the Steamship Company, present and future, the Deed securing such First Debentures or Debenture Stock to contain all usual and appropriate provisions for the protection of the holders of the said First Debentures or Debenture Stock secured thereby and to be approved of by the Company's Counsel.

Be it further resolved—That the Agreement between the Company and the Canadian Pacific Ocean Services, Limited, dated the Ninth day of August, 1915, now submitted to this meeting be and the same is hereby approved, and the execution thereof by the President and Secretary of the Company be and the same is hereby ratified and confirmed, the said Agreement to be effective from the first day of November next or from such later date as the Directors may determine.

And be it further resolved—That pursuant to the statutory authority in that behalf, this Company do guarantee payment of the principal and interest of such Bonds, Debentures, Debenture Stock or other Securities of the Steamship Company as may be from time to time issued by the Steamship Company with the consent of this Company expressed in writing under its Corporate Seal.

SCHEDULE "A" REFERRED TO IN THE FOREGOING RESOLUTION.

Name of Steamship.	Port of Registry.
Empress of Britain	Liverpool
Missanabie	London
Metagama	London
Lake Manitoba	Liverpool
Mount Temple	Liverpool
Lake Michigan	Liverpool
Montreal	Liverpool
Montfort	Liverpool
Monmouth	Liverpool
Milwaukee	Liverpool
Medora	Liverpool
Empress of Russia	London
Empress of Asia	London
Empress of Japan	London
Monteagle	Liverpool
Melita	Liverpool
Minnedosa	Liverpool

The meeting then proceeded to the election of four Directors, three to replace retiring Directors and one to fill the vacancy caused by the death of the late Sir William Van Horne, and on motion of Sir Thomas Shaughnessy, seconded by Wilmot D. Matthews, Esq., the following resolution was unanimously adopted, viz.:—

Whereas, in pursuance of By-law No. 6, Richard B. Angus, Esquire, Sir Edmund B. Osler, M.P., and Sir Herbert S. Holt, Directors of the Company, retire from office at this meeting, and the vacancy caused by the death of the late Sir William Van Horne requires to be filled at this meeting;

And whereas, four Directors, three to replace the said retiring Directors (who are, however, eligible for re-election) and one to fill the said vacancy 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 four Directors for the term of four years to fill the vacancies created as above stated; that William R. Miller, 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 Richard B. Angus, Esquire, Sir Edmund B. Osler, M.P., Sir Herbert S. Holt and Colonel Frank S. Meighen had been unanimously elected Directors of the Company for the term of four years from the date of this meeting, and the report was adopted.

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. George Bury, Vice-President, and the following were appointed the Executive Committee:

Mr. Richard B. Angus.
Mr. George Bury.
Sir Herbert S. Holt.
Sir Edmund B. Osler, M.P.
Sir Thomas G. Shaughnessy, K.C.V.O.