REPORT OF THE PROCEEDINGS

AT THE

FORTY-SECOND ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, MAY 2ND, 1923

AT THE

GENERAL OFFICES OF THE COMPANY AT MONTREAL

CANADIAN PACIFIC RAILWAY COMPANY

REPORT

OF THE PROCEEDINGS AT THE FORTY-SECOND ANNUAL MEETING OF THE SHAREHOLDERS HELD AT MONTREAL ON WEDNESDAY, MAY 2ND, 1923

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, Lord 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, Mr. E. W. Beatty, in moving the adoption of the report on the affairs of the Company for the year ended December 31st, 1922, which had been printed and distributed to the Shareholders, said:—

The active business conditions which developed at the end of last year have continued during the first three months of the present year, involving a moderate increase in the gross earnings of your Company over the same period of 1922. Traffic would undoubtedly have been much larger and a freer movement would have ensued were it not for the extraordinarily severe winter, particularly in Canada. These conditions were accentuated in traffic consequences by the slowness of the return of Canadian cars from the United States and embargoes placed by our connecting American railways due to unsatisfactory conditions on their lines.

With the termination of winter there has been an appreciable improvement in traffic which is being felt by all Canadian companies. The net results during the first three months were, of course, seriously affected by the severe weather conditions under which the operations of the Company were conducted.

As intimated in the annual report, the results of the operations for 1922 were, under the circumstances, satisfactory, especially in view of the adverse business conditions which existed during practically the first nine months of the year. The imposition of the lower scale of rates under what is known as "The Crow's Nest Pass Act" of necessity materially reduced the revenues from the grain traffic, which would have been extremely disappointing were it not for the extraordinarily heavy movement during the Fall months in consequence of the large crop. It is apparent, however, that these rate reductions have had results not fully appreciated by Parliament when re-enacting the legislation, in that they have contributed to an uneven rate structure which can only be removed when operating costs are lower and traffic heavier, and when removed will have to be in such a way as to first relieve that traffic which has not as yet experienced equivalent lower rates. If the suggestion made by the transportation companies last year had been adopted, freight rate reductions could then have been proceeded with as circumstances warranted in an orderly and uniform way and without any dislocation of or discrimination against commodity traffic generally.

It is gratifying to note that the prospects for the immigration into Canada of the class of colonist that is so urgently needed to assist in developing the country's natural resources are much brighter than they have been in the past two or three years, and heavier traffic from Great Britain and Northern Europe is indicated by the largely increased Western movement on the Company's ships during the first four months of this year. The agreement lately completed between the Imperial and Dominion Governments for joint action under the Empire Settlement Act justifies the expectation of still greater numbers of colonists from Great Britain.

The countries of Northern Europe, particularly Switzerland, Holland, Denmark, Norway and Sweden, which were neutral during the War and which, therefore, suffered no loss of man-power owing to war activity and from which emigration during the War ceased, find themselves over-populated, and Switzerland and Holland have already found it necessary to follow the lead of Great Britain in voting public money to aid in the emigration of their nationals.

The Government has recently, through the removal of restrictions which prevented the entry into Canada of citizens of certain countries, opened the door to the admission of immigrants of the highest type, men not only trained to agriculture but artisans thoroughly skilled in their crafts, with a reputation for hard work and thrift which will place almost beyond question their success in Canada. I feel strongly that citizens of these countries may be assimilated into Canadian life with great advantage to this country.

We have, in the past, obtained a large proportion of our colonists from the United States, but the general farming conditions there, particularly in the western portions of the United States, in common with portions of Western Canada, have not been entirely favourable during the past two years, and these conditions have checked the flow of agricultural colonists to Western Canada. A careful survey of existing conditions lately completed justifies the expectation that we can now hope to again stimulate a steady influx to Canada of desirable colonists from the United States, but this is naturally dependent upon improved agricultural conditions there.

The system lately inaugurated of obtaining from Great Britain and Northern Europe qualified farm labourers to assist Canadian farmers in carrying on their operations is proving successful, and already some thousands of farm labourers have been obtained to fill applications filed by Western Canadian farmers on a basis of wages and employment which warrants the hope that our Western farmers will be enabled thereby to produce their crops at a less cost than has been possible in the past with the class of itinerant labour available from time to time.

In spite of the slowness which has marked this country's grappling with the problem of immigration generally, a slowness which has been in marked contrast to the energetic and forward policies of other portions of the Empire, some progress has been made, and the conditions to-day are more satisfactory and more hopeful than at any time during the past four years.

The shareholders are aware of the proposed retirement of the Company's Note Certificates on July 10th next, though they do not mature until March 2nd, 1924. The moneys required to effect the retirement of these Certificates have been provided without any additional financing being necessary, and upon it being accomplished the deferred payments on lands and townsites, a portion of which have been held for the Special Investment Fund, will be released for the general purposes of the Company. I have no doubt that it is as gratifying to the shareholders as it is to the Directors that the retirement of these Certificates will be effected without dislocation to or strain upon the Company's finances.

The shareholders will, I feel, be also very gratified that the physical condition of the property has been thoroughly well maintained in spite of manifold difficulties under which the operations of the Company have been conducted in the past few years. As I pointed out on previous occasions, this has been possible only through the provision in former years of ample facilities, including rolling stock and motive power and the extraordinarily high standard of maintenance to which the properties were brought by the expenditure of large amounts of money when financial and traffic conditions were favourable.

As you will have observed from the annual report, the operation of your steamships is becoming increasingly important, the Company now having 15 passenger ships in regular service on the Atlantic and 4 on the Pacific, and 12 freight ships on both oceans. The prospects for improved business, particularly on the Atlantic, are good, and that on the Pacific, notwithstanding the acute competition which exists, should show progress during this year, especially if economic conditions in China and Japan become more favourable. Your Company has been in the Pacific trade for over thirty years and bears a very high reputation in the Orient. The expansion of Canada's trade with China and Japan is of great importance, both to the country and to the Company, and it is to be hoped that the Government and Canadian commercial interests will not overlook these opportunities, to which other countries appear to be so keenly alive.

With the completion of the consolidation of the Grand Trunk and the Canadian National Railways, the railway situation of Canada, which has over many years past been so disorganized, has now settled into a condition in which the wisdom of the policies adopted by former Governments can be tested and it can be ascertained whether they can be successfully administered and without further exhausting demands upon the country's exchequer. In this situation and its effect upon transportation companies generally, your Company is, of course, vitally concerned, and upon the extent to which political interference is eliminated or reduced will depend in a large measure the result of the experiment. If the Chief Executive of the National Railways and his tried and able assistants are permitted to administer the properties as a private enterprise would be administered, the people of this country will, in a short time, know exactly what prospects of success confront their venture into public ownership. If, on the other hand, political considerations prevail and a free hand is not given to these administering officers, there can be but one result, namely, the increasing of the financial burdens of the country, which are already onerous enough to give ground for apprehension.

As is always the case where a drastic departure from conditions previously existing, either in Canada or elsewhere, is made, new situations arise and new competitive methods are adopted, and it is scarcely to be expected that an appeal should not be made to sentiment by those who ask for support to the National Railways, but I do not anticipate that these appeals would succeed to the extent of being detrimental to the interests of this Company, as they would involve a forgetfulness of the history of the country and the extent to which private enterprise, whether commercial, industrial or other, have contributed to the country's advancement.

Fundamentally, private property and private enterprise constitute in no less degree than public property and public enterprise the wealth and business of the nation. Their interest is no less a national interest and entitled in all respects to the same measure of protection and favour at the hands of the Government. It makes little or no difference that the private enterprise may be in part or even entirely the property of British or foreign investors. Canada must for a long time depend upon foreign capital and must continue to afford it the same privileges as domestic capital. I do not mean to suggest that private enterprises which have been over-ambitious in their conception have not failed, because they have, but in the main the prosperity and progress of the country have been contributed to by individual initiative and enterprise to a greater extent than in any other way. It must, of necessity, follow that if the country is to expand in its commercial and industrial development, reliance must be placed upon individual and corporate enterprise. This in turn involves the support of British and foreign capital, a support which I would consider might conceivably be slow in forthcoming were it thought that political or government influence were such that the integrity of capital investment were jeopardized. I have, as yet, seen no indication that the Government of the day desires to take any other attitude than a judicial and impartial one as between the National Railways and this Company, and it is of great importance that it should not if the credit of Canadian enterprises is to be maintained and foreign capital successfully invited to its support and expansion.

This Company is Canada's largest property owner and largest tax-payer. No other corporation or citizen has a greater interest in the national welfare, nor contributes, I think, more to its advancement. Its railway was projected and constructed for the purpose of carrying out one of the terms of Confederation, namely, the construction of a trans-continental railway connecting the railways of Eastern Canada with the seaboard of British Columbia, and the contract with the Dominion Government contains a provision for its perpetual operation. It can therefore justly claim to be in the truest sense a national work.

The purposes for which it was projected have been more than fulfilled. Thousands of miles of other lines have been added to the original undertaking, uniting the Provinces of Canada, most of them pioneer lines, anticipating settlement and providing transportation facilities for remote districts. By its steamships it has provided for the foreign trade of Canada, and by its colonization work it has been the means of attracting many thousands of settlers. Its success in all these directions has brought other less direct but at the same time substantial benefits to Canada in the attraction of foreign capital and foreign enterprise.

As intimated in the Annual Report, your Directors lost their oldest colleague in the death of Mr. Angus in September last. Mr. Angus was the last survivor of the first Board of Directors of the Company, and the value of his services over a period of forty-one years can scarcely be over-estimated. As his term of office would have expired at this meeting, it will be necessary to elect a successor, and your Directors have recommended the election of Mr. F. W. Molson, whose name will be added to the ballots when they are distributed.

The shareholders will be glad, though not surprised, to know that the morale of the Company's officers and men remains high and that their loyalty and efficiency are, as always, unquestioned.

The report having been considered, it was moved by Mr. E. W. Beatty, seconded by Sir Edmund B. Osler, and unanimously

Resolved—That the report on the affairs of the Company for the year ended 31st December, 1922, now submitted, be and the same is hereby adopted.

The following resolution authorizing the construction of Branch Lines and the issue of Four per Cent. Consolidated

Debenture Stock in respect thereof, referred to in the annual report, was submitted, and on motion of Mr. J. M. McIntyre, seconded by Sir Thomas Tait, was unanimously adopted, viz:—

Whereas it is in the view of the Directors expedient that portions of the undermentioned Branch Lines be constructed in the near future, as follows:—

1.	Kipp-Retlaw Branch, Kipp to Bow River.....	22 miles.
2.	Archive-Wymark Branch, Mileage 25 to 50.....	25 "
3.	Tuffnell-Prince Albert Branch................	50 "

It is therefore resolved—That the Directors be and they are hereby authorized to proceed with the construction of the said portions of the said Branch Lines when in their opinion conditions warrant, and that to aid in the construction and equipment of the said portions of the said Branch Lines the Directors be and they are hereby authorized to issue and dispose of Consolidated Debenture Stock to such an amount as they may deem expedient, but not exceeding in respect of any of the said lines the amount which the Company is or may be empowered by Statute to issue.

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 Mr. Richard B. Angus, and on motion of Lord Shaughnessy, seconded by Mr. E. W. Beatty, the following resolution was unanimously adopted, viz:—

Whereas in pursuance of By-law No. 6, Sir Edmund B. Osler, Sir Herbert S. Holt and Colonel Frank S. Meighen, C.M.G., Directors of the Company, retire from office at this meeting and the vacancy caused by the death of Mr. Richard B. Angus 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 Lt.-Col. 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 Secretary read the report of the scrutineers, which declared that Sir Edmund B. Osler, Sir Herbert S. Holt, Colonel Frank S. Meighen, C.M.G., and Mr. Fred. W. Molson had been unanimously elected Directors of the Company for the term of four years from the date of this meeting.

The proceedings then terminated.

Shaughnessy

Chairman.

E Alexander

Secretary.

At a meeting of the Board held immediately after the Shareholders' meeting Rt. Hon. Lord Shaughnessy, K.C.V.O., was elected Chairman of the Company, Mr. E. W. Beatty, President, and Mr. Grant Hall, Vice-President, and the following were appointed the Executive Committee:—

Mr. E. W. Beatty,
Mr. Grant Hall,
Sir Herbert S. Holt,
Sir Vincent Meredith, Bart.,
Sir Augustus M. Nanton,
Sir Edmund B. Osler,
Rt. Hon. Lord Shaughnessy, K.C.V.O.