REPORT OF THE PROCEEDINGS

AT THE

FORTY-SIXTH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, MAY 4TH, 1927

AT THE

GENERAL OFFICES OF THE COMPANY AT MONTREAL

CANADIAN PACIFIC RAILWAY COMPANY

REPORT

OF THE PROCEEDINGS AT THE FORTY-SIXTH ANNUAL MEETING OF THE SHAREHOLDERS HELD AT MONTREAL ON WEDNESDAY, MAY 4TH, 1927

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, Mr. E. W. Beatty, 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, 1926, which had been printed and distributed to the shareholders, said:—

While the Report, which has been in your possession for some time, contains a very full review of the Company's operations during the past year as well as some general observations by your Directors respecting the improved conditions existing in Canada, I desire, in moving its adoption, to direct your attention briefly to one or two phases of the present transportation situation which are of paramount importance to your interests.

The gross earnings for the first four months of the present year show an increase of $4,150,000 and the net earnings for the first three months a small decrease of $68,438 under those of the previous year. The decrease in net earnings for the first quarter, which will be wiped out by the prospective increased earnings for the month of April, has been occasioned by increased wage scales, the extraordinarily unfavourable weather conditions under which the operations of your Company were conducted in Western Canada during the months of January and February and by an unusually extensive programme of alterations and improvements to equipment.

Immigration for the first three months of this year has increased, there having been admitted into Canada from Great Britain, Continental countries and the United States approximately 29,956 immigrants, an increase of 8,007 or 36.39% over the immigration in the same period of last year. In addition, Canadians returned to Canada after an absence of six months or longer in the United States numbered 8,356 as against 13,692 during the first three months of 1926. During the same period, it is estimated that 12,529 persons emigrated from Canada to the United States. The increased number of immigrants is highly gratifying, but the figures have not yet approached what I think is the limit of the absorption power of the country now that its development is proceeding more rapidly. Canada can readily absorb 300,000 people per annum.

The shareholders of the Company will, no doubt, be interested in the present trend of events affecting wages and rates, any change in either of which is reflected immediately in the Company's net earnings.

Applications for increases in wages have been made by all classes of the Company's employees following upon similar demands presented to United States railroads. The officers of the Company have taken up each of these applications as presented and negotiations have proceeded for the last few months in an effort to find a basis which would be mutually acceptable to the Company and the men. While the negotiations so far concluded have resulted—with one exception—in amicable adjustments, all of them involving increases which in the aggregate are very substantial, we have definitely taken the position that rates of wages paid in the United States should not, solely by reason of their application there, be applied on Canadian railways, for the very sufficient reason that the earnings per mile of the principal American railroads are almost two and one-half times greater than those of Canadian railways and that the cost of living in comparison with the pre-war cost has increased to a lesser extent in

Canada than in the United States and has decreased to a greater extent in Canada than in the United States from the high point of 1920. We have not been able to convince ourselves that wage scales fixed in a foreign country, either through negotiation or otherwise, and under conditions which do not obtain in Canada, should be accepted as reasonable on Canadian roads. I am glad to say that while pressing their claims with persistence and vigour, the representatives of the men have met the Company's officers in a fair spirit, with the result that adjustments have been made with employees of various classes, including Conductors and Trainmen, Federated Trades, Maintenance of Way employees, Shop Laborers and Signal Maintainers. Other negotiations are proceeding or pending, and I have no reason to expect that any dislocation in the operations of the Company will be occasioned, though, as previously stated, the aggregate increase in operating expenses will be very heavy.

As the shareholders are aware, the Board of Railway Commissioners for Canada—under an Order-in-Council issued in 1925—has been conducting a long and comprehensive inquiry with a view to equalization so far as that is possible of the freight rate structures in Canada. The hearings before the Board involved the consideration of 69 complaints, requiring for presentation and argument a total of 112 days. The inquiry is naturally one of great importance, perhaps more important and far-reaching than any other reference to the Commission. It would, of course, be improper for me to comment upon the representations made to the Board on behalf of the various Provinces and commercial bodies who appeared before it while the questions are still sub-judice, but there can be no objection to my pointing out the needs of your Company in particular and of Canadian railways in general and their dependence upon reasonable rates if they are to maintain financial strength, continue to give satisfactory transportation services and make their not unsubstantial contribution to Canadian development.

Notwithstanding the fundamental unsoundness of the contention, it is periodically suggested that a difference in the character of the ownership of the two great Canadian railway systems involves a difference in attitude towards the matter of rates and therefore of revenues. There is only one problem respecting rates and that is their reasonableness and their freedom from what the statute terms "unjust discrimination." These fundamentals do not change with the character of the ownership of the two principal Canadian companies. It has been stated that because of their ownership of the National Railways, the people of Canada have the right to determine what their financial position shall be; in other words, that they may at their option insist on adequate compensation for transportation services or elect that these services shall be performed at unremunerative rates and the resulting deficits made up by increased taxation. It must not be forgotten that the Parliament of Canada has passed the Railway Act and made it applicable to all companies, has by statute provided that rates should be just and reasonable both to the carrier and to the shipper, and has set up an independent rate-regulating body under that statute known as the Railway Commission. Fortunately Canada saw fit to adopt in principle a system of determining, as between the Companies and the public, the reasonableness of the freight and passenger tolls very similar to the systems in Great Britain and the United States, and it is based upon the recognition that investments honestly made in public utilities are entitled to the protection of fair rates. Forty-four per cent. of the railway mileage of this country, representing an approximate investment of $1,250,000,000, is in the hands of private owners. These companies, as well as the National System, must operate under the provisions of the Railway Act and subject to rate regulation by the Commission. The rates on all Canadian railways must of necessity be on the same basis for the simple reason that the traffic will follow the cheapest route and any railway with a higher scale of rates would speedily lose the only means by which it can be self-sustaining. The companies operating this forty-four per cent. of the total railway mileage of the country do not enjoy the resources of the public purse and have no open sesame to the treasury of the nation to defray their costs, furnish them with money for capital expenditures and pay their debts. They must pay their own way, and the only way they can do so is through revenues secured from rates which are reasonable. I therefore suggest to you that it is wholly inaccurate to say that insofar as the Government System is concerned the people of Canada may ordain, even if they would, that goods can be hauled for nothing and that the resultant burden shall be borne through the medium of taxation. Such a course or any similar—even if less extreme—course involves consequences to other railway properties and to the nation itself of a character no thinking person would care to contemplate. The implication in such a statement that as the people of this country own one railway, the important question of freight rates can be considered from the standpoint of the Government System alone is so extraordinary and so erroneous that I scarcely believe it is seriously suggested. The problem is not what the National Railways can stand in the way of deficits or what the people of Canada can stand in the way of increased taxation, important considerations though these are, but what the Canadian railways as a whole are entitled to receive in the way of compensation for the services they perform, and I do not think that any railway executive, certainly no executive of this Company, need apologize for having a definite view on that subject and explaining it and the reasons for it.

As conditions are, there are no sounder or safer principles upon which we can proceed than those laid down in the letter and in the spirit of the Railway Act which provides for reasonable rates, prohibits unjust discrimination and has regard to service and its cost as factors in determining what shippers shall pay.

The Interstate Commerce Act of the United States, as amended in 1920, declares that:

> "In the exercise of its power to prescribe just and reasonable rates the Commission shall initiate, modify, establish or adjust such rates so that carriers as a whole—or as a whole in each of such rate groups or territories as the Commission may from time to time designate—will,

under honest, efficient and economical management and reasonable expenditures for maintenance of way, structures and equipment earn an aggregate annual net railway operating income equal, as nearly as may be, to a 'fair return' upon the aggregate value of the railway property of such carriers held for and used in the service of transportation."

Pursuant to this Statute, the Interstate Commerce Commission, after careful investigation, fixed 5¾% of the value of a railway property as constituting a fair return.

It will be interesting to you to know that the return on the investment—not valuation—of your properties for the year 1926 was 4.66%, leaving a surplus from railway operations after payment of charges and dividends of 77/100 of 1%. The average return on investment for what is known as "Class One" railways in the United States for the same year was 5.13%. This rate applied to the investment in the Canadian Pacific Railway properties would produce $49,480,000 in net earnings, and a fair return of 5¾% would yield $55,460,000. These figures indicate that the Canadian railways are not yet earning adequate net revenues; that under the existing rate scales their revenues in the aggregate are unduly low rather than unduly high, and that with mounting wage scales they are not able and should not be asked to submit to further reductions in rates and the lessening of their receipts.

The question is often asked why is it that your Company under a low scale of rates is able to earn its regular dividends of seven per cent. from rail earnings. The answer to that question is simple. The capitalization of the Company is extremely moderate notwithstanding the rather substantial borrowings it has been necessary to make since the War. The actual cash invested in its rail properties is $964,537,000, while the par value of its securities and stocks in the hands of the public is $678,450,000. In other words, there is invested in the property $286,084,000 not represented by any security and which does not carry any interest or other charges. A second reason which contributed to the Company's ability to earn reasonable dividends, even when commercial conditions were sub-normal, has been its conservative and efficient administration over a long period of years. Efficiency in operation means, of course, economy in operation. The Company's record has fortunately been consistently good and the scrutiny of its expenditures careful and honest. It is, however, needless for me to assure the shareholders that there is a third factor which enters into the adequacy of the revenue of the Company and that is, as mentioned in the Report, the availability of surplus earnings for re-investment in improvements and betterments. These are as essential to the protection of the integrity of the property as a physical unit and as an earning factor, as are the payments of interest and dividends to the protection of its credit. At no time since the War has the margin of receipts over necessary expenditures and disbursements been adequate, and this is another reason why I view with some concern applications for reductions in freight rates made under the guise of equalization. The contentions of the railways have been presented in the most complete form to the Railway Commission and we are now awaiting their decision on the very important questions before them.

I have dealt very briefly with the principal factors which enter into the operations of the Company at the present time, and I would like to add a word as to the general situation in the country and the present character of the Company's most extensive organization. The figures given for gross earnings for last year and the first period of 1927 plainly indicate a steady expansion in the general trend of the country's trade quite apart from that resulting from agricultural prosperity, and, what is still more gratifying, the attitude of our own people towards their national and economic problems is vastly improved, indicating that well-founded confidence has taken the place of the doubt and discouragement of previous years.

I do not know whether all of our shareholders comprehend the magnitude of the Company's undertaking, the diversity of its activities and the widespread character of its operations in transportation, colonization and development.

The Railway was itself a part of the scheme of Confederation, the Sixtieth Anniversary of which is being celebrated in Canada this year, and from its inception has been charged with the great and serious responsibility of providing a facile means of communication—a constant and thoroughly efficient service—to enable the people of this wide Dominion to enjoy the close communication that is essential to the integrity of Confederation and the continued development of the Nation.

Not only that—in order to live and grow, the Canadian Pacific of the Eighties was charged with the task of attracting people, of seeing them comfortably settled, of encouraging industry, of making arable through irrigation extensive areas of land which otherwise would have remained unavailable for settlement and of developing by divers means the traffic that is the life-blood of the country and of the railway system. It was necessary that Canada be advertised, that the people of the world should know of her wealth of land, forest, mines, water power and other resources, and that thereby they and their capital be woven into the pattern of Canadian industrial history.

The Diamond Jubilee suggests an accounting of the manner in which the responsibilities undertaken by the Company in the early Eighties have been discharged, and it may be of interest to recount very briefly some of the more outstanding activities of the Company since that time. In addition to Railway Transportation, they may be listed generally under the following headings:

Colonization,
Irrigation and Farm Development,
Encouragement of Industry,
Advertising,
Ocean and Inland Steamships,
Hotels,
Telegraphs,
Express.

The work of colonization and development undertaken by the Company, always important and involving considerable expense, has increased materially in the past few years. The Company maintains Colonization offices and representatives outside of Canada in the British Isles, on the Continent of Europe, and in the United States, totalling 78 agencies, and up to the end of the year 1924, in addition to the multitude of immigrants induced to come to Canada owing largely to its activities, it was directly responsible for the settlement on western farms of some 55,000 families, who occupied and cultivated 30,000,000 acres of land.

In 1926 your Company's Department of Colonization and Development was responsible for the movement of approximately 50,000 immigrants from Europe and placing them on farms or in agricultural employment. In addition, some 825 settlers from the United States were moved through its agency and definitely placed in the Western Provinces.

Since its inception, the Company has expended nearly $75,000,000 for colonization, land settlement, irrigation and similar works—an amount exceeding that spent by the Dominion Government on like work in the same period—and up to March 31st, 1926, the Company has sold 14,705,605 acres of the land grant received from the Dominion Government at the time of its incorporation.

The Company's lands are now sold on terms involving the payment of 7% cash, with no interest accruing or other payment due for the first year, at the end of which the balance of purchase price and interest is amortized in 34 equal annual payments.

I know of no organization in any country which gives such terms to settlers as does your Company, and at no time during the life of the contract is the purchaser called upon to pay more than $200 a year on each quarter section, except in the case of the higher-priced irrigated land. In the United States and other countries, he would pay more than this amount in annual rental alone.

I need not do more than merely refer to the ready-made farms established by the Company beginning in 1910, under which system 246,919 acres have been developed, containing 823 improved farms and 432 loan and central demonstration farms. Neither need I more than mention the fact that these demonstration farms, under the auspices of experts, have given the most valuable aid to farming operations in the surrounding districts.

The irrigation work established by the Company has in itself constituted a really exceptional national enterprise, and by this course and the incurring of heavy expenditures the Company has relieved the Government of what would have been a very heavy burden on the tax-payer had the Government itself undertaken it. This irrigation system is the largest private enterprise of its kind ever carried out and has proved that even that portion of Canada apparently doomed by uncertain rainfall to agricultural failure could be successfully transformed into a splendid source of national wealth. Some idea of the magnitude of the system is apparent when it is considered that in the distribution of water in the Western and Eastern Divisions of the Irrigation Block over four thousand miles of main and secondary canals and distribution ditches are utilized. Approximately $20,000,000 has been expended upon this undertaking.

Your Company operates a development branch known as the Department of Colonization and Development and in connection therewith maintains a bureau of information about Canada with appropriate publications, all designed to disseminate accurate data which is continually reproduced in the press and other publications in Canada and abroad. It has a most efficient Exhibit Department and maintains attractive displays in the United States and Europe, as well as at the principal fairs in Canada, the United States, the Dominions overseas, and elsewhere.

The Company's activities in the development of the Company's natural resources have, as you know, extended to mining, it being the largest holder in the stock of the Consolidated Mining and Smelting Company, which produced in 1926 8% of the world's supply of lead and 5% of the world's supply of zinc.

The shareholders are, I think, tolerably familiar with the Company's steamship activities, especially on the Atlantic and Pacific, where its fleets form a very important link in the development of Canadian trade. The tonnage of the fleet in Lake, Coast and Ocean services in operation and under construction aggregates 469,000 tons. The Company maintains one hundred general agencies in forty countries on five continents. It is the only transportation company in the world which conducts cruises—ship and shore—as part of its own operations, and it has been able to do so with profit and at the same time enhance its own reputation.

In addition, the Company owns and operates a chain of fourteen hotels and eleven bungalow camps, involving in capital expenditure to date the large sum of $34,100,000.

Your Telegraph service was officially opened in September, 1886, with a pole line mileage of 4,525 miles and with a wire mileage of 14,500 miles. The System has grown from year to year until at the present time there is a pole line mileage of 15,431 miles, a wire mileage of 134,000 miles and a cable mileage of 400 miles. The system, connecting as it does with the Postal Telegraph Cable Company of the United States and with the Postal Telegraph System, with the British Imperial Cable Service, the Marconi Beam System, the Commercial Cable System and the British Pacific Cable Service across the Pacific, has access to practically every part of the world.

Your Express subsidiary, until recently known as the Dominion Express Company, has been operating since 1882 and has made an enviable reputation for itself in transportation and financial services which extend to the most distant parts of the globe.

In order that you may have some idea of the enormous expenditures which it has made and of the importance of the Company and of all railways to industry, particularly Canadian industry, may I indicate to you that the Company has paid to date in taxes $80,000,000. It has expended in the last eight years in wages and for supplies and materials an amount in excess of $2,403,000,000. In the same period of time, it has expended in branch line construction over $32,000,000, and for rolling stock improvements and replacements over $71,000,000.

The personnel of the Company aggregates 81,000 officers and men in all branches of its service.

Its prestige at home and abroad is very high and I feel sure that the shareholders will not misunderstand this passing reference to it because it is a matter of pride to the Directors and Officers—a pride which I feel confident is shared by all Canadians.

I would be lacking in my duty if I did not refer to the spirit which pertains among the officers and men of the organization, to which and their efficient and loyal efforts must be attributed in a great measure the past and present success of the Company. I doubt if there is any corporation, Canadian or other, whose employees show more alertness in the Company's interests or whose loyalty in the Company's service is more conspicuous. Those of us whose duties are more executive or administrative are very conscious of the high morale which exists among all classes and of its effect on the Company's operations.

In conclusion, may I add that the importance of the services rendered by the transportation companies in Canada, and of your Company in particular, is being increasingly recognized throughout the country, and I am convinced that the majority of Canadians, as well as the Government itself, do not desire to see their efficiency impaired or their interests adversely affected in any way.

The report having been considered, it was moved by Mr. E. W. Beatty, seconded by Sir Herbert S. Holt, and unanimously

Resolved—That the report on the affairs of the Company for the year ended 31st December, 1926, now submitted, be and the same is hereby adopted, and that the expenditures on capital account reported and recommended therein be and the same are hereby approved and authorized.

The following resolution relating to the construction of Branch Lines and the issue of Consolidated Debenture Stock in respect thereof was submitted and, on motion of Sir Thomas Tait, seconded by Mr. Alister F. Mitchell, was unanimously adopted, viz.:—

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

Moose Jaw Southwesterly Branch—Mileage 96 to 109	13 miles
Rosetown Northerly Branch—Mileage 0 to 21......	21 "
Gem Colony Branch from Rosemary North—Mileage 0 to 8.5..........................	8.5 "
Cutknife Whitford Lake Branch—Mileage 115 to 181	66 "
Asquith to Clonn—Mileage 0 to 28..............	28 "
Cassils Southerly Branch—Mileage 0 to 22........	22 "

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 the amount which the Company is or may be empowered by Statute to issue in respect of the said Branch Lines.

The following resolution relating to the purchase of a portion of the Manitoba Great Northern Railway was submitted and, on motion of Mr. W. B. Blackader, seconded by Mr. William Leggat, was unanimously adopted, viz.:—

Resolved—That the Agreement between the Manitoba Great Northern Railway Company and this Company, dated the first day of August, 1926, providing for the purchase by this Company of that part of the Manitoba Great Northern Railway between Carman and Plum Coulee for the sum of Sixty-four Thousand Eight Hundred Dollars ($64,800) be and the same is hereby sanctioned and approved and the execution thereof by this Company ratified and confirmed.

The following resolution relating to the proposed new hotel in the City of Toronto was submitted and, on motion of

Mr. Henri Jonas, seconded by Mr. A. R. W. Plimsoll, was unanimously adopted, viz.:—

Whereas the Company is authorized by Statute to build and operate hotels in connection with its transportation business and it is in its interest to establish a hotel in the City of Toronto;

It is therefore resolved—That the purchase of the property of the Queens Hotel and adjacent properties in the City of Toronto be and is hereby approved and that the Directors be and are hereby authorized to proceed with the erection of a hotel thereon at such time as they may deem expedient and according to plans which they shall approve.

By-law No. 91, enacted by the Directors on the 9th day of November, 1926, was read as follows:—

BY-LAW NO. 91

The Canadian Pacific Railway Company doth hereby enact as follows:—

That By-Law No. 91 of the Company is hereby repealed and the following substituted therefor:—

That the Vice-President in Charge of Traffic, the Freight Traffic Manager, the Assistant Freight Traffic Manager and the Chief of the Tariff Bureau of the Eastern Lines, the Assistant Freight Traffic Manager and the Chief of the Tariff Bureau of the Western Lines, and any other officer appointed for that purpose by the Vice-President in Charge of Traffic, are and each of them is hereby authorized from time to time to prepare and issue tariffs of the tolls to be charged for the carriage of freight traffic upon all the railways and all portions of the railways and all vessels owned or operated by the Company; and the General Passenger Traffic Manager and the Passenger Traffic Manager are and each of them is hereby authorized in like manner to prepare and issue tariffs of the tolls to be charged for the carriage of passenger traffic upon the said railways and all portions thereof and upon the said vessels;

And, on motion of Mr. William C. Finley, seconded by Mr. Samuel M. Baylis, it was unanimously

Resolved—That By-law No. 91, now submitted, be and the same is hereby approved and confirmed.

By-law No. 56, increasing the number of the Directors of the Company, was read as follows:—

BY-LAW NO. 56

Whereas by Act of Parliament it is provided that the number of the Directors of the Company shall be such, not exceeding eighteen, as shall be fixed by By-law, and may be altered from time to time in like manner;

And whereas it is expedient that the present membership of the Board should be increased.

Therefore the Canadian Pacific Railway Company enacts as follows:

1. By-Law No. 6 is hereby amended by striking out the word "fifteen" in the first line thereof and substituting therefor the word "seventeen."

2. The additional Directors herein provided for shall be elected to hold office until the Annual Meeting in 1930, and thereafter for the period fixed by By-Law No. 6.

And on motion of Mr. George B. Fraser, seconded by Mr. Robert B. Ross, it was

Resolved—That By-Law No. 56 increasing the number of the Directors of the Company to seventeen, enacted by the Board of Directors on the 4th day of May, 1927, be and the same is hereby approved and confirmed.

The meeting then proceeded to the election of Directors and, on motion of Mr. E. W. Beatty, seconded by Sir Herbert S. Holt, the following resolution was unanimously adopted, viz.:—

Whereas in pursuance of By-law No. 6, Colonel Henry Cockshutt, Sir Herbert S. Holt, Colonel Frank S. Meighen, C.M.G., and Mr. F. W. Molson, Directors of the Company, retire from office at this meeting;

And whereas four 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;

And whereas the Board of Directors having been, by By-law enacted this day, increased in number from fifteen to seventeen, it is necessary that two additional Directors be elected at this meeting for the term of three years;

It is resolved—That a ballot be now taken for the election of four Directors for the term of four years and two Directors for the term of three years; and that Mr. William R. Miller and Lt.-Col. W. A. Grant 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 by a unanimous vote Colonel Henry Cockshutt, Sir Herbert S. Holt, Colonel Frank S. Meighen, C.M.G., and Mr. F. W. Molson were elected Directors for the term of four years, and that Mr. James A. Richardson and Mr. W. J. Blake Wilson were elected Directors for the term of three years, 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 the issue of $75,000,000 additional Ordinary Capital Stock of the Company was submitted and, on motion of Mr. E. W. Beatty, seconded by Sir Herbert S. Holt, was unanimously adopted, viz.:—

Whereas the authorized Ordinary Capital Stock of this Company is $335,000,000 divided into 3,350,000 shares of the par value of $100 each of which amount $260,000,000 or 2,600,000 shares have heretofore been issued, and it is deemed advisable in the interest of the Company that the issue of the remaining $75,000,000 should now be authorized;

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

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

1. That the issue of additional Ordinary Capital Stock of the Company to the extent of 750,000 shares of the par value of $100 each be and the same is hereby authorized;

2. That the said 750,000 shares be issued by the Directors from time to time according to the requirements of the Company and be disposed of by the Directors in such amounts, at such times, in such manner and form, at such price not less than par, and upon such terms of payment as the Directors may determine;

3. That the proceeds of the said issue be applied in improving the Company's property, adding to its facilities and equipment and in constructing such works and acquiring such property as in the opinion of the Directors are desirable in connection with the Company's business.

The proceedings then terminated.

Chairman.

E. Alexander

Secretary.

At a meeting of the Board held immediately after the Shareholders' meeting Mr. E. W. Beatty was elected Chairman and President of the Company, 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,
Mr. Charles R. Hosmer,
Sir Vincent Meredith, Bart.,
Mr. W. N. Tilley, K.C.