Canadian Pacific Railway Company.

Issue of £3,000,000 Sterling 5 per Cent.
First Mortgage Debenture Bonds.

Forming part of a Total issue of $35,000,000 First Mortgage Debenture Bonds.

Messrs. Baring Brothers & Co. are prepared to receive application s for £3,000,000 Sterling First Mortgage Debenture Bonds of the above Company, bearing interest at the rate of 5 per cent, per annum, from the 1st. July, 1885, payable by half- yearly Dividend Warrants, at their Counting House in London, on the 1st January and 1st July of each year.

The Subscription List will be opened simultaneously in Amsterdam by Messrs. Hope & Co.

The principal will be repaid on July 1, 1915, and both principal and interest will be payable at the Counting House of Messrs Baring Brothers & Co.

Trustees for the Bondholders :—

The HON. SIR CHARLES TUPPER, K. C. M. G., *High Commissioner for Canada.*
The RIGHT HON. LORD WOLVERTON, } *Financial Agents for the Dominion of*
The RIGHT HON. LORD REVELSTOKE, } *Canada.*

Issue price 95 per cent., payable as follows :—

£5	per cent.	on application.
20	" "	allotment.
20	" "	12th August.
20	" "	15th September.
30	" "	15th October.
£95	per cent.	

Payment may be made in full under discount at the rate of 3 per cent, per annum, on any Tuesday or Friday. The failure to pay any instalment when due forfeits all previous payments.

The proceeds of the Bonds now offered will be applied to the purposes set forth in the annexed Official Memorandum, which explains the position and prospects of the Company.

The Bonds will be in denominations of £1,000, £500, and £100.

For the security of investors, the bonds may be exchanged for Registered Certificates at the Counting House of MESSRS. BARING BROTHERS & CO., *where a Register of Transfers will be kept; Warrants for the Dividends being forwarded by post to the registered address of the proprietor.*

The subscription will be opened on Tuesday, the 21st inst., and will be closed on or before Wednesday, the 22nd inst., at 4 o'clock p. m.

Applications must be accompanied by a deposit of 5 per ccnt., as per enclosed form, and in cases where it is not practicable to make any allotment, the amount deposited on application will be returned as soon as possible.

Scrip Certificates to Bearer will be issued against Letters of Allotment, and Bonds to Bearer, when ready, will be exchanged for fully paid-up Scrip.

8, *Bishopsgate Street Within*,

20*th July*, 1885.

OFFICIAL MEMORANDUM.

The Canadian Pacific Railway is built throughout on British territory ; when complete it will form a direct line from Montreal to the Pacific Ocean, and will have several large and important branches. The length of the main line is 2,895 miles, and over the small portion uncompleted, the rails will be laid within two months.

The Canadian Pacific Railway, the only transcontinental route owned by one Company, will then become the shortest railway line across the North American Continent, as the following table of comparative distances will show :—

	Statute Miles.
Main Line—Montreal to Port Moody, all Rail route	2,895
From New York to Port Moody, *via* Brockville and Canadian Pacific Railway	
From New York to San Francisco, *via* Central and Union Pacific Railways and shortest connecting lines through the United States	3.331
From Liverpool to Montreal	3,043
From Liverpool to New York	3,431
From Liverpool to Port Moody, *viâ* Montreal and Canadian Pacific Railway	5.938
From Liverpool to San Francisco, *viâ* shortest connecting lines in the United States	6,762
From Liverpool to Yokohama (Japan), *vîa* Montreal and Canadian Pacific Railway	10,974
From Liverpool to Yokohama (Japan), *via* New York aud San Francisco	11,990

The Railway has been built under the supervision of the Dominion Government, which has subsidised it to the following extent :—

By cash, £5,000,000.

By 713 miles of Railway, costing about £7,000,000.

By 25 million acres of Farming Lands.

The Bonds now offered form part of a total issue of $35,000,000, secured by a first mortgage on properties representing an expenditure of upwards of $100,000,000, viz :—

Main Line from Callander to Port Moody, 2, 548 miles.

Branch Lines, 308 miles.

Equipment. Steamers, & c.

It is agreed that the remainder of this issue, viz., $20,000,000, shall be held until 1891 by the Dominion Government as security for advances made to the Company. The Company retain the right of disposing of these Bonds, but it would not be to their advantage to do so, except at a high premium, as the Loan to the Government bears but 4 per cent. interest, whereas these Bonds carry 5 per cent.

The proceeds of the Bonds now offered will be applied to the payment for, or purchase of, equipment and Terminal facilities and to the general purposes of the Company.

Upon the completion and opening of the Main Line the Fixed Charges will be approximately as follows :—

$20,000,000 Government Loan, 4 per cent	$800,000
$15,000,000 First Mortgage Bonds, 5 per cent.	750,000
$3,500,000 due Government Quebec (account Q. M.O. & O. Railway) 5 per cent	175,000
$1,823,000 Canada Central Bonds and Sinking Fund, 6 per cent	107,400
Rental Leased Lines	778,434
	$2,610,834

There are also $3,688,000 5 per cent Land Grant Bonds still outstanding; but they are not included in the above calculation, because the greater part of the interest thereon is covered by deferred payments on lands already sold, and it is only reasonable to suppose that within a short time all these Bonds will be redeemed by the sale of land, of which the Company still own over 21,000,000 acres. The additional sum due to the Government ($9,880,912), and the interest charge thereon at 4 per cent, are also not included in the fixed charges, as it is provided that both principal and interest shall be paid out of the nett proceeds of the sale of the Lands.

As regards the earning capacity of the line to meet these charges, the gross income of the first six months of the current year amounted to $3,272,000 as compared with $2,216,000 in the corresponding period of 1884; the mileage operated on June 30th, 1884, was 2,408, and on June 30th. 1885, 2,794.

The nett revenue of the first five months of the current year has been $830,000, and it is now calculated that the nett result of the current year will exceed $2,400,000. With the main line completed and in full operation, it is estimated that the gross traffic for the first year will be not less than $12,000,000, yielding a nett profit of not less than $3,600,000.

CANADIAN PACIFIC RAILWAY COMPANY.

202243.1

Issue of £4,191,500 *Sterling* 5 *per Cent. First Mortgage Debenture Bonds.*

Being balance of the Loan of $35,000,000 First Mortgage Debenture Bonds.

Messrs. BARING BROTHERS & CO., are prepared to receive applications for **£4,191,500 Sterling** First Mortgage Debenture Bonds of the above Company, bearing Interest at the rate of **5 per cent.** per annum, from the 1st April, 1886, payable by half-yearly Dividend Warrants, at their Counting House in London, on the 1st January and 1st July of each year. A Coupon with three months' interest, due 1st July will be attached to the Scrip.

The proceeds of this Issue will be applied to the repayment of the $20,000,000 owing to the Canadian Government, by the CANADIAN PACIFIC RAILWAY COMPANY. This debt is not absolutely due until 1891, but its immediate repayment is part of an arrangement by which all matters outstanding between the Government and the Company will be advantageously settled, the Government agreeing to take back land from the Company, in full settlement of the Principal and Interest of such part of the Loan made to the Company in 1884, as at present ranks upon the Company's Land Grant, amounting to about $10,000,000. When this arrangement is completed the whole property of the Company, including about 15,000,000 acres of land, will be represented by $35,000,000 of Bonds and $65,000,000 of Shares.

The annexed official memorandum gives particulars of the present earnings and condition of the Company.

The Subscription List will be opened simultaneously in Amsterdam by Messrs. HOPE & Co.

The Bonds will be in denominations of £1000, £500, and £100, and the Principal will be repaid on July 1, 1915. Both Principal and Interest will be payable at the Counting House of Messrs. BARING BROTHERS & CO.

Trustees for the Bondholders:—

The Hon. Sir CHARLES TUPPER, G.C.M.G., *High Commissioner for Canada.*
The Right Hon. Lord WOLVERTON, } *Financial Agents for the*
The Right Hon. Lord REVELSTOKE, } *Dominion of Canada.*

Issue price **104 per cent.** payable as follows:—

£ 5	per cent.	on application.
20	„	„ allotment.
25	„	„ 12th May.
25	„	„ 9th June.
29	„	„ 14th July.
£104	per cent.	

Payment may be made in full under discount at the rate of **4 per cent.** per annum, on any Tuesday or Friday. The failure to pay any instalment when due forfeits all previous payments.

For the security of Investors, the Bonds may be exchanged for Registered Certificates at the Counting House of Messrs. BARING BROTHERS & Co., where a Register of Transfers will be kept; Warrants for the Dividends being forwarded by post to the registered address of the proprietor.

The Subscription will be closed on or before Wednesday the 14th inst., at 2 o'clock, p.m.

Applications must be accompanied by a deposit of 5 per cent., as per enclosed form, and in cases where it is not practicable to make any allotment, the amount deposited on application will be returned as soon as possible.

Scrip Certificates to Bearer will be issued against Letters of Allotment, and Bonds to Bearer, when ready, will be exchanged for fully paid-up Scrip.

8, BISHOPSGATE STREET WITHIN,
12th April, 1886.

Canadian Pacific Railway Company.

Issue of **£4,191,500** *Sterling* **5** *per Cent. First Mortgage Debenture Bonds.*

Being balance of the Loan of $35,000,000 First Mortgage Debenture Bonds.

Messrs. Baring Brothers & Co.,

__________ request that you will allot to __________

£ __________

nominal capital of the above Loan on which __________ enclose the required deposit of Five per Cent. or £ __________, and __________ agree to accept that amount or any less amount that may be allotted to __________, and to pay the balance of such allotment according to the conditions of your Prospectus of the 12th instant.

Name in full __________

Address __________

Date __________

OFFICIAL MEMORANDUM.

Including branches and leased lines, the Canadian Pacific Railway system now consists of 4,306 miles, and a further section of 23 miles is in course of construction on the Pacific Coast.

The fixed charge upon the Company's revenue for Mortgage Bonds, leasing engagements, etc., will, when the present re-arrangement with the Government is concluded, amount to $3,110,834.

In the past year the gross revenue was $8,200,000, and net revenue $3,200,000, which, as will be seen, is in excess of the charges which will rank upon the completed system in the current year, while the earning power has in the meantime been increased by the completion to the Pacific Coast, and extensions in other directions.

GEORGE STEPHEN, *President.*

April 9th, 1886.