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ANNUAL REPORT

OF THE

CANADIAN PACIFIC RAILWAY COMPANY

FOR THE

FISCAL YEAR ENDED JUNE 30TH

1902.

MONTREAL, AUGUST, 1902.

ANNUAL REPORT
OF THE
CANADIAN PACIFIC RAILWAY COMPANY
FOR THE
FISCAL YEAR ENDED JUNE 30TH, 1902.

NOTICE TO SHAREHOLDERS.

The Twenty-First Annual Meeting of the Shareholders of this Company for the election of Directors, and the transaction of business generally, will be held on WEDNESDAY, the 1st day of October next, at the principal office of the Company at Montreal, at twelve o'clock noon.

The Common Stock transfer books will close in London at 3 p.m. on Friday, 22nd August, and in Montreal and New York at 3 p.m. on Friday, 5th September.

The Preference Stock books will close at 3 p.m. on Tuesday, 2nd September. All books will be reopened on Thursday, 2nd October.

By order of the Board,

CHARLES DRINKWATER,

Secretary.

Montreal, August, 1902.

BOARD OF DIRECTORS

SIR WILLIAM C. VAN HORNE, K. C. M. G., *Chairman.*

THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL, G. C. M. G.	
MR. RICHARD B. ANGUS, - - - - -	MONTREAL.
" EDMUND B. OSLER, M.P., - - - - -	TORONTO.
SIR SANDFORD FLEMING, K. C. M. G., - - - - -	OTTAWA.
MR. GEORGE R. HARRIS, of Messrs. Blake Bros. & Co., - - -	BOSTON.
" WILMOT D. MATTHEWS, - - - - -	TORONTO.
" THOMAS SKINNER, - - - - -	LONDON.
" CHARLES R. HOSMER, - - - - -	MONTREAL.
SIR THOMAS G. SHAUGHNESSY, - - - - -	do

GENERAL OFFICERS

SIR THOMAS G. SHAUGHNESSY, <i>President</i> , - - -	MONTREAL.
MR. D. MCNICOLL, <i>2nd Vice-President and General Manager</i> , -	do
" I. G. OGDEN, <i>3rd Vice-President</i> , - - -	do
" GEO. M. BOSWORTH, <i>4th Vice-President</i> , - - -	do
" CHAS. DRINKWATER, <i>Secretary</i> , { and Asst. to the President }	do
" A. R. CREELMAN, K.C., <i>Chief Solicitor</i> , - - -	do
" W. SUTHERLAND TAYLOR, <i>Treasurer</i> , - - -	do
" THOS. TAIT, <i>Manager of Transportation</i> , - - -	do
" ROBT. KERR, <i>Passenger Traffic Manager</i> , - - -	do
" E. H. MCHENRY, <i>Chief Engineer</i> , - - -	do
" W. WHYTE, <i>Assistant to the President</i> , - - -	WINNIPEG.
" W. R. BAKER, <i>Assistant to the 2nd Vice-President</i> , -	MONTREAL.
" C. W. SPENCER, <i>Gen. Supt. Eastern Division</i> , - - -	do
" R. MARPOLE, <i>Gen. Supt. Pacific Division</i> , - - -	VANCOUVER.
" J. W. LEONARD, <i>Gen. Supt. Western Division</i> , - - -	WINNIPEG.
" H. P. TIMMERMAN, <i>Gen. Supt. Ontario Division</i> , -	TORONTO.
" JAMES OBORNE, <i>Gen. Supt. Atlantic Division</i> , -	ST. JOHN, N.B.
" G. J. BURY, <i>Gen. Supt. Lake Superior Division</i> , -	NORTH BAY.
" JAS. KENT, <i>Manager of Telegraphs</i> , - - -	MONTREAL.
" F. T. GRIFFIN, <i>Land Commissioner</i> , - - -	WINNIPEG.
" HARRY MOODY, { <i>Deputy Secretary and Registrar of Transfers</i> , 1 Queen Victoria St., London, E.C.	
" ARCHER BAKER, { <i>European Traffic Manager</i> , 67 and 68 King William Street, - - -	do
Agents of the Bank of Montreal, <i>Transfer Agents</i> , -	59 Wall St., NEW YORK.
Montreal Transfer Office, - - -	Office of the Secretary, Montreal.

EXECUTIVE COMMITTEE

SIR WILLIAM C. VAN HORNE, K. C. M. G., *Chairman.*

THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL, G. C. M. G.	
MR. RICHARD B. ANGUS, - - -	MR. EDMUND B. OSLER, M.P. - - -
SIR THOMAS G. SHAUGHNESSY.	

CANADIAN PACIFIC RAILWAY COMPANY

TWENTY-FIRST ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY
FOR THE YEAR ENDED JUNE 30TH, 1902.

To the Shareholders.

The result of the Company's operations during the
fiscal year ended June 30th, 1902, was as follows :

The Gross Earnings were.....	\$37,503,053.78
The Working Expenses were.....	23,417,141.37
And the Net Earnings were.....	\$14,085,912.41
Add interest earned on deposits and loans.....	\$271,224.12
Add interest due from Duluth South Shore & Atlantic Ry. on Consolidated bonds held by your Company against Debenture Stock issued.....	\$604,280.00
Less advanced by your Company.....	108,280.00
	496,000.00
Add interest from Minneapolis St. Paul & Sault Ste. Marie Ry. Co. on bonds held by your Company against Debenture Stock issued.....	159,720.00
Add interest from Mineral Range Railroad Co. on Bonds held by your Company against Debenture Stock issued.....	31,882.52
	958,826.64
	\$15,044,739.05
Deduct Fixed Charges accrued during the year, including interest on Land Bonds.....	7,334,825.09
The surplus for the year was.....	\$ 7,709,913.96
Deduct amount applied against cost of Steamships.....	150,000.00
Carried forward.....	\$ 7,559,913.96

<i>Brought Forward</i>	\$ 7,559,913.96
From this there has been charged off the half yearly dividend on Preference Stock of 2 per cent. paid 1st April, 1902	\$ 623,420.00
And half-yearly dividend on Ordinary Stock of 2½ per cent., paid 1st April, 1902.....	1,625,000 00
	2,248,420.00
	\$ 5,311,493.96

From this there has been declared a second half-yearly dividend on Preference Stock of 2 per cent., payable 1st October, 1902.....	\$ 623,420.00
And a second half-yearly dividend on Ordinary Stock of 2½ per cent., payable October 1st, 1902.....	1,625,000.00

2. The working expenses for the year amounted to 62.44 per cent. of the gross earnings, and the net earnings to 37.56 per cent., as compared with 60.75 and 39.25 per cent. respectively in 1901.

3. The earnings per passenger per mile were 1.75 cents, and per ton of freight per mile 0.75 cents, as against 1.93 and 0.79 cents respectively in 1901.

4. Four per cent. Consolidated Debenture Stock to the amount of six hundred and fifty thousand pounds (£650,000) was created and sold on account of the construction of branch lines authorized, and for the purpose of acquiring first mortgage bonds, on which the interest is guaranteed by your Company, of the Mineral Range Railroad Company, the Columbia and Western Railway Company and the British Columbia Southern Railway Company, as shown in the statement.

5. The sales of the Company's lands during the year amounted to one million three hundred and sixty-two thousand eight hundred and fifty-two acres (1,362,852) for four millions four hundred and forty-two thousand one hundred and thirty-six dollars (\$4,442,136), being an average price of three dollars and twenty-six cents (\$3.26) per acre, and the cash receipts enabled your Directors to redeem and cancel Five per cent. Land Grant Bonds to the face value of one million four hundred and one thousand dollars (\$1,401,000), leaving in the hands of the public at the end of the fiscal year one million four hundred

and thirty thousand dollars (\$1,430,000) of these bonds, all of which have since been called for redemption and cancellation.

6. For the purpose of improving the Company's position in the City of Ottawa and adjacent territory, and with a view to the ultimate shortening of the line between Montreal and Pembroke, your Directors entered into an agreement for the control of the Ottawa Northern and Western, the Pontiac Pacific Junction and the Hull Electric Railway Companies, owning one hundred and fifty-one miles of railway and the Interprovincial bridge across the Ottawa River. The terms of the arrangement will be fully set out in the proposed agreement of lease which will be submitted for your approval.

7. An agreement has been made for an extension of the Montreal and Western Railway, one of your acquired lines in the Province of Quebec, a distance of twenty-two miles, on a basis that will involve the payment of practically no interest or rental for a period of twelve years.

8. A branch line, one hundred and five miles in length, from Kirkella on your main line west of Brandon, to serve the country north of the Qu'Appelle River, and an extension of the Manitoba and North Western Railway forty miles in length, are now under construction with a view to their completion before winter sets in.

9. Four hundred and eighty miles of eighty pound rails are being laid in the main line this season, and before the end of 1904 your Directors hope to have the lighter rails replaced on all the main lines of your system.

10. Among the more important works completed during the year were, a diversion of the line about seven miles in length between Field and Ottetail on the Pacific Division, and the construction of a tunnel eight hundred and ninety-four feet long, at the loop on the Crow's Nest line, for the purpose of improving gradients and alignment. Two steel grain elevators of an aggregate capacity of three millions seven hundred thousand bushels are being built at Fort William. When these are com-

pleted there will be storage at that point for nine millions of bushels.

11. During the fiscal year your Company endorsed its guarantee of interest, at four per cent. per annum, on bonds of the Minneapolis St. Paul & Sault Ste. Marie Railway Company to the amount of five hundred thousand dollars (\$500,000), representing the cost of additional mileage constructed.

12. Pursuant to the resolutions adopted at the special general meeting of the shareholders held March 27th ultimo, one hundred and ninety-five thousand shares (195,000), being nineteen millions five hundred thousand dollars (\$19,500,000) of the Common Stock of the Company were offered to the shareholders of record at par. and were accepted by them with the exception of Rights to the face value of three hundred and sixty-eight thousand dollars (\$368,000), which are being sold for account of the Company in open market by order of your Directors. The proceeds of the issue are being expended in accordance with the terms of the Order in Council of the Dominion Government granting the necessary legal authority, and of the resolution of the shareholders authorizing it.

13. In these busy days it is very difficult to secure additional locomotives and cars to keep pace with the growth of your traffic; contracts were made, however, for all that could be delivered during the current year. On the completion of your large locomotive and car shops at Montreal, now in course of erection, you will be able to provide these facilities more rapidly and economically.

14. The earnings of the Duluth South Shore and Atlantic Railway Company show some improvement, and the increase in the net revenue of the Minneapolis St. Paul and Sault Ste. Marie Railway Company is very striking, the net surplus, after the payment of all charges for the year, being one million two hundred and eighty-six thousand five hundred and one dollars (\$1,286,501). A conservative and prudent policy on the part of the Directors of the latter Company will, beyond doubt, have your approval and commendation, but, with this large income, it is reasonable to expect that dividends on the shares in that

Company, held in your interest, will be forthcoming in the near future.

15. There will be submitted for your approval an amendment of the existing By-law relating to the election of Directors, providing for the retirement of only a limited number of Directors at the end of each year hereafter, instead of the whole Board as was the practice heretofore.

16. Your Company sustained a serious loss by the death, in July last, of Mr. John W. Mackay, who had been a member of your Board of Directors since 1890, and whose advice and co-operation were particularly valuable in connection with your telegraph interests.

For the Directors,

T. G. SHAUGHNESSY,

President.

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CANADIAN PACIFIC
CONDENSED BALANCE

COST OF RAILWAY AND EQUIPMENT.....		\$ 230,072,641.83
OCEAN, LAKE AND RIVER STEAMSHIPS	\$ 5,814,602.58	
Less amount applied against cost of construction	1,818,224.69	
		3,996,377.89
ACQUIRED SECURITIES HELD (COST) :		
Exhibit "A".....		39,818,943.45
HOTELS, BUILDINGS AND PROPERTIES HELD IN TRUST FOR THE COMPANY.....		1,785,411.99
DEFERRED PAYMENTS ON LAND SALES.....		7,025,254.28
DEFERRED PAYMENTS ON TOWN SITE SALES.....		195,680.97
ADVANCES:		
To Montreal & Atlantic Ry., secured by \$500,000 First Mortgage Bonds.....		424,144.80
To Duluth South Shore & Atlantic Ry., Car Trusts, etc.....		236,213.19
ADVANCES TO NEW LINES UNDER CONSTRUCTION...		2,154,473.31
MATERIAL AND SUPPLIES ON HAND.....		4,450,526.98
STATION AND TRAFFIC BALANCES, ACCOUNTS RE- CEIVABLE		3,207,939.97
MISCELLANEOUS SECURITIES AND ADVANCES:		
Exhibit "B".....		1,678,182.14
IMPERIAL AND DOMINION GOVERNMENTS:		
Accounts due for mail transportation.....		230,758.93
CASH IN HAND.....		15,227,691.47
		<u>\$ 310,504,240.70</u>

NOTE.—In addition to the above Assets, the Company owns 14,680,101 acres of land in Manitoba and the Territories (average sales past year \$3.29 per acre) and 3,922,922 acres in British Columbia.

RAILWAY COMPANY

SHEET JUNE 30, 1902

CAPITAL STOCK.....		\$ 65,000,000.00
PAYMENTS ON SUBSCRIPTION TO NEW ISSUE CAPITAL STOCK—\$19,500,000.....		7,624,162.00
FOUR PER CENT. PREFERENCE STOCK.....		31,171,000.00
FOUR PER CENT. CONSOLIDATED DEBENTURE STOCK		63,532,415.86
MORTGAGE BONDS:		
First Mortgage Bonds, 5 per cent.....	\$ 34,998,633.33	
Canada Central Ry. 6 per cent.....	973,333.33	
Due Province of Quebec on Q. M. O. & O. & North Shore Ry.....	7,000,000.00	
Algoma Branch 1st Mortgage.....	3,650,000.00	
North Shore Ry. 1st Mortgage.....	616,119.67	
		47,238,086.33
LAND GRANT BONDS:		
First Mortgage—Amount of issue. \$25,000,000.00		
Less—Amount redeemed, surren- dered and cancelled.....	23,570,000.00	
	1,430,000.00	
3½ per cent. Land Bonds.....	15,000,000.00	
		16,430,000.00
CURRENT ACCOUNTS, PAY ROLLS AND TRAFFIC BALANCES.....		5,911,699.72
INTEREST ON FUNDED DEBT AND RENTAL OF LEASED LINES:		
Coupons due July 1st, 1902, and including coupons overdue, not presented.....	1,478,946.76	
Accrued to date, not due.....	301,618.95	
		1,780,565.71
CASH SUBSIDIES FROM DOMINION AND PROVIN- CIAL GOVERNMENT AND MUNICIPALITIES...		29,969,688.07
LAND GRANT:		
Net proceeds of sales of land.....		27,660,988.13
SURPLUS EARNINGS ACCOUNT.....		14,185,634.88
		<u>\$ 310,504,240.70</u>

I. G. OGDEN,

3rd Vice-President.

FIXED CHARGES FOR YEAR ENDED JUNE 30TH, 1902

£7,191,500	1st Mortgage Bonds 5% due July 1st, 1915.	\$1,749,931.66
\$7,000,000	Province of Quebec, $4\frac{1}{2}\%$	283,500.00
£1,100	North Shore Ry. 1st Mortgage 5% Bonds due April 20th, 1904.....	267.66
£200,000	Canada Central Ry. 2nd Mortgage 6% Bonds due Nov. 1st, 1910.....	58,400.00
£200,000	St. Lawrence & Ottawa Ry. 4% 1st Mortgage Bonds due June 15th, 1910.....	38,933.34
\$2,544,000	Man. South Western Colonization Ry. 1st Mortgage 5% Bonds due June 1st, 1934.....	127,200.00
	Toronto, Grey and Bruce Ry. Rental.....	140,000.00
£4,007,381 15s. 5d.	Ontario and Quebec Ry. Debenture Stock 5%.....	975,129.56
\$2,000,000	Ontario and Quebec Ry. (Ordinary Stock) 6%.....	120,000.00
£1,330,000	Atlantic & North West Ry. 1st Mortgage Bonds (less Government proportion) due Jan. 1st, 1937...	136,333.34
£750,000	Algoma Branch 5% First Mortgage Bonds due July 1st, 1937.....	182,500.00
	Rental, Farnham to Brigham Jct.....	1,400.00
	Rental, Mattawamkeag to Vanceboro.....	23,800.00
	Rental, New Brunswick Railway system.....	372,829.74
	Rental of Terminals at Toronto.....	33,270.29
	Rental of Terminals at Hamilton.....	32,781.33
	Rental, Hamilton Junction to Toronto.....	40,000.00
	Rental, St. Stephen and Milltown Ry.....	2,050.00
	Interest on Montreal and Western Ry. purchase...	20,497.76
	Interest on equipment leases.....	107,478.95

4% DEBENTURE STOCK

Issue for general purposes	£ 3,933,748	
Issue for China and Japan Steamers.....	720,000	
Issue for Souris Branch.....	1,004,000	
Issue for Branch lines.....	437,400	
Issue to retire Canada Central Ry. 1st Mortgage Bonds....	250,000	
Issue for acquiring Mortgage Bonds of Roads of which principal or interest is guaranteed by C. P. Ry.....	6,709,458	
		£13,054,606 \$2,541,296.63

Interest on Land Grant Bonds	\$653,683.23	
Less: Interest on deferred payments on land sales and proceeds of Town Sites not covered by mortgage.	306,458.40	347,224.83
		<u>\$7,334,825.09</u>

EXHIBIT "A"

ACQUIRED SECURITIES HELD

MORTGAGE BONDS

				PAR VALUE
Atlantic & North-West Ry.,				
Eganville Branch.....	4%	First Mortgage.....	\$	302,400.00
British Columbia Southern				
Ry.....	5%	First	"	967,500.00
Columbia & Kootenay Ry..	4%	First	"	1,277,500.00
Columbia & Western Ry....	5%	First	"	5,691,000.00
Duluth South Shore & At-				
lantic Ry.....	4%	Consolidated Mortgage.....		15,107,000.00
Great North West Central				
Ry.....	5%	First	"	875,000.00
Minneapolis, St. Paul &				
Sault Ste. Marie Ry.....	4%	Consolidated	"	3,993,000.00
Mineral Range Railroad....	4%	First	"	1,254,000.00
Manitoba & North Western				
Ry.....	6%	First	"	£539,700.. 2,626,540.00
Manitoba & North Western				
Ry., Shell River Branch	5%	First	"	£ 33,000.. 160,600.00
Montreal & Ottawa Ry.....	5%	First	"	1,636,250.00
Manitoba South Western				
Colonization Railway..	5%	First	"	72,000.00
North Shore Railway.....	5%	First	"	610,766.67
Pacific Steamships.....	4%	First	"	£720,000.. 3,504,000.00
Souris Branch.....	4%	First	"	£400,000.. 1,946,666.67
Saskatchewan & Western				
Ry.....	5%	First	"	£ 37,200.. 181,040.00
				<u>\$40,205,263.84</u>
Duluth South Shore & At-				
lantic Ry.....	..	Income Certificates.....		<u>\$3,000,000.00</u>

STOCKS

Atlantic & North-West Ry.	5%	Guaranteed Stock.....	\$3,240,000.00
Duluth South Shore & At-			
lantic Ry.....		Preferred	" 5,100,000.00
Duluth South Shore & At-			
lantic Ry.....		Ordinary	" 6,100,000.00
Minneapolis St. Paul &			
Sault Ste. Marie Ry.....		Preferred	" 3,533,400.00
Minneapolis St. Paul &			
Sault Ste. Marie Ry.....		Ordinary	" 7,066,600.00
Manitoba & North Western			
Railway	5%	Debenture	" £126,000..... 613,200.00
Manitoba & North Western			
Railway	5%	Preferred	" 415,000.00
Manitoba & North Western			
Railway		Common	" 5,612,113.63
Montreal & Atlantic Ry....		Common	" 2,160,000.00
Saskatchewan & Western			
Railway		Common	" 232,500.00
			<u>\$34,072,813.63</u>

EXHIBIT "B"

DETAILS OF BALANCE SHEET ITEM

"MISCELLANEOUS SECURITIES AND ADVANCES"

CHATEAU FRONTENAC, (QUEBEC HOTEL,) Stock	\$ 280,000.00
CANADA NORTHWEST LAND Co., STOCK, (cost).....	518,087.27
(Taken by this Company in 1882, as one of the terms of the sale of 2,200,000 acres of land to the C.N.W. Ld. Co.)	
NIAGARA BRIDGE & REAL ESTATE.....	97,823.57
(Acquired in 1890, with view to extension of line from Wood- stock and Hamilton to Niagara Falls.)	
DOMINION EXPRESS COMPANY, STOCK.....	113,750.00
(This Company's Express, the stock of which is all held in the Treasury. Amount paid up represents cost of original equip- ment and organization.)	
INSURANCE PREMIUMS PREPAID.....	402,884.90
(On contract to secure advantageous terms.)	
SOUTH ONTARIO PACIFIC RAILWAY STOCK.....	20,000.00
(This Company's organization for line, Woodstock, Hamilton and Niagara Falls.)	
NAKUSP & SLOCAN RAILWAY STOCK	35,000.00
ONTARIO & QUEBEC RAILWAY STOCK, (cost).....	7,650.00
VICTORIA ROLLING STOCK CO. BONDS.....	187,986.40
TOWN OF MORRIS, MAN., BONDS	15,000.00
	\$1,678,182.14

EXHIBIT "C" LANDS

SALES—	ACRES	AMOUNT REALIZED	AVERAGE PER ACRE
CANADIAN PACIFIC LAND GRANT—			
July 1st, 1901 to June 30th, 1902.....	1,362,852	\$ 4,442,136	\$3.26
July 1st, 1900 to June 30th, 1901.....	340,058	1,047,268	3.08
MAN. SOUTH WESTERN GRANT—			
July 1st, 1901 to June 30th, 1902.....	206,412	713,366	3.46
July 1st, 1900 to June 30th, 1901.....	59,750	214,956	3.60
GREAT NORTH WEST CENTRAL GRANT—			
July 1st, 1901 to June 30th, 1902.....	19,804	72,260	3.65
TOTAL SALES—			
July 1st, 1901 to June 30th, 1902.....	1,589,068	\$5,227,762	\$3.29
July 1st, 1900 to June 30th, 1901.....	399,808	1,262,224	3.15

POSITION OF LAND GRANTS AT JUNE 30TH, 1902

CANADIAN PACIFIC—	ACRES	ACRES
Original Grant.....	25,000,000	
Disposed of to the Dominion Government under agreement of March 30th, 1886.....	6 793,014	
	18,206,986	
SOURIS BRANCH GRANTS.....	1,611,520	
	19,818,506	
Sales to June 30th, 1902.....	6,109,442	
Less cancelled during year.....	17,224	
	6,092,218	
Quantity of land unsold.....		13,726,288
MANITOBA SOUTH WESTERN—		
Total Grant.....	1,396,800	
Sales to June 30th, 1902.....	745,381	
Less cancelled during year.....	2,194	
	743,187	
Quantity of land unsold.....		653,613
GREAT NORTH WEST CENTRAL—		
Total Grant.....	320,004	
Sales to June 30th, 1902.....	19,804	
Quantity of land unsold.....		300,200
Total agricultural land owned by the Company.....		14,680,101

BRITISH COLUMBIA LANDS

COLUMBIA & KOOTENAY—		
Total Grant.....	190,000	
Sales to June 30th, 1902.....	25,371	
Less cancelled during year.....	2,560	
	22,811	
		167,189
BRITISH COLUMBIA SOUTHERN—		
Total Grant.....		3,755,733
Total British Columbia lands owned by the Company.....		3,922,922

In addition to the foregoing the Company will receive through the Columbia & Western Railway about 2,500,000 acres of land.

EXHIBIT "D"

CONSTRUCTION—ACQUIRED AND BRANCH LINES

Souris Branch—Pipestone Extension.....	\$ 16,873.51
Lac du Bonnet Branch.....	5,245.86
Stonewall Branch.....	1,250.87
Dyment Branch.....	606.14
Crows Nest Pass Branch	38,091.87
Vancouver and New Westminster Railway.....	803.45
Surveys projected lines.....	80,824.53
	\$ 143,696.23

EXHIBIT "E"

DETAILS OF EXPENDITURE ON ADDITIONS AND IMPROVEMENTS FROM
JULY 1ST, 1901, TO JUNE 30TH, 1902

MAIN LINE:

QUEBEC TO BONFIELD:

Additional sidings, buildings, stations and yards	\$ 58,237.02	
Permanent bridges and improvement of line ..	31,041.96	
Right of way	2,000.00	
Wharves, docks and warehouses	5,069.75	
Ottawa terminals	4,706.40	
Payment account purchase Canada Central Railway	405.00	
		\$ 101,460.13

BONFIELD TO PORT ARTHUR:

Additional sidings, buildings, stations and yards	\$ 14,125.83	
Permanent bridges and improvement of line...	174,988.95	
Wharves, docks and warehouses	13,975.57	
		203,090.35

PORT ARTHUR TO LAGGAN:

Additional sidings, buildings, stations and yards	\$178,497.26	
Permanent bridges and improvement of line...	248,081.77	
Winnipeg terminals	21,696.68	
Right of way	8,462.77	
Wharves, docks and warehouses	22,613.56	
Coal handling plant, Fort William	44,520.61	
Annex Elevators A and B, Fort William	36,792.62	
		560,665.27

LAGGAN TO PACIFIC COAST:

Additional sidings, buildings, stations and yards	\$ 81,207.85	
Permanent bridges and improvement of line...	216,587.88	
Right of way	1,095.05	
Wharves, docks and warehouses	37,953.72	
Diversion of line between Field and Ottertail...	158,835.55	
		495,680.05
Montreal terminals	353,004.03	
Richford elevator	2,380.66	
Total Main Line carried forward		\$1,716,280.49

Main Line brought forward \$1,716,280.49

BRANCH LINES:

South Western Branch	3,483.70
Selkirk Branch.....	19,630.58
Stonewall Branch.....	585.83
Emerson Branch.....	1,419.35
Revelstoke and Arrow Lake Branch.....	2,464.09
Nakusp and Slocan Branch.....	6,910.77
Mission Branch.....	2,649.28
Buckingham Branch.....	411.25

SOURIS BRANCH:

Additional sidings, buildings, stations and yards	8,462.51
Permanent bridges and improve- ments of line.....	24,879.21
	<u>33,341.72</u>

ALGOMA BRANCH:

Additional sidings, buildings, stations and yards.....	17,924.96
Permanent bridges and improve- ments of line.....	9,719.77
Sault Ste. Marie Terminals..... Cr.	36,174.19
Right of way..... Cr.	1,355.00
	<u>Cr. 9,884.46</u>
	61,012.11

Telegraph Extensions and Additions.....	90,881.74
Rented and temporary sidings.....	49,099.60

Total for improvements Main Line and Branches..... \$ 1,917,273.94

EXHIBIT "F"

DETAILS OF EXPENDITURE ON LEASED AND ACQUIRED LINES
FROM JULY 1st, 1901, TO JUNE 30th, 1902.

ONTARIO AND QUEBEC RAILWAY:

Additional sidings, buildings, stations and yards...	\$ 101,479.87	
Permanent bridges and improvement of line.....	118,791.52	
Right of way.....	1,324.19	
Real estate, Montreal and Toronto.....	64,207.97	
		\$ 285,803.55

ATLANTIC AND NORTH-WEST RAILWAY:

Additional sidings, buildings, stations and yards ...	\$ 48,908.30	
Permanent bridges and improvement of line.....	34,653.05	
Right of way.....	1,131.65	
		84,693.00

NEW BRUNSWICK RAILWAY:

Additional sidings, buildings, stations and yards ...	\$ 15,823.14	
Permanent bridges and improvement of line.....	61,223.42	
Right of way.....	500.00	
Wharves, docks and warehouses.....	9,869.63	
West St. John yard improvements.....	94,257.94	
		181,674.13

MONTREAL AND WESTERN RAILWAY:

Additional sidings, buildings, stations and yards ...	\$ 3,656.53	
Account purchase of road	7,373.24	
		11,029.77

NORTHERN COLONIZATION RAILWAY:

Expenditure on surveys, etc		8,568.69
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MANITOBA SOUTH-WESTERN COLONIZATION RAILWAY:

Additional sidings, buildings, stations and yards ...	\$ 13,374.26	
Permanent bridges and improvement of line.....	20,828.40	
Right of way.....	341.35	
		34,544.01

COLUMBIA AND KOOTENAY RAILWAY:

Additional sidings, buildings, stations and yards ...	\$ 133.13	
Permanent bridges and improvement of line.....	96,447.99	
Right of way.....	7.84	
Slocan Lake Branch.....	339.63	
		96,928.59

MANITOBA AND NORTH-WESTERN RAILWAY:

Additional sidings, buildings, stations and yards...	\$ 6,358.58	
Permanent bridges and improvement of line.....	16,688.37	
Right of way.....	444.40	
		23,491.35

GREAT NORTH-WEST CENTRAL RAILWAY:

Additional sidings, buildings, stations and yards...	\$ 5,613.71	
Permanent bridges and improvement of line.....	2,867.11	
Right of way.....	21.55	
		8,502.37

Total leased and acquired lines.....		\$ 735,235.46
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EXHIBIT "G"

DETAILS OF BALANCE SHEET ITEM

LAND GRANT

6,092,218 acres sold, amounting to.....	\$19,747,591.64
6,793,014 acres disposed of to the Dominion Government in 1886.....	10,189,521.00
	\$29,937,112.64
<i>Less:—</i> Expenses, cultivation rebate, and 10 p.c. on Land Grant Bonds retired and cancelled.....	3,490,898.70
	\$26,446,213.94
<i>Add:—</i> Proceeds Columbia and Kootenay Ry. Land Sales	16,377.93
Proceeds Manitoba South Western Colonization Ry. Land Sales.....	1,123,389.72
Proceeds Great North West Central Ry. Land Sales....	75,006.54
	\$27,660,988.13

RECEIPTS AND EXPENDITURE
YEAR ENDED JUNE 30TH, 1902

Cash in hand June 30th, 1901..... \$ 9,793,462.90

RECEIPTS:

Surplus revenue, as per statement..... 7,709,913.96

LAND DEPARTMENT

Net proceeds of sales..... \$ 5,133,447.52

Less amounts remaining in Deferred Payments 3,993,719.83

\$ 1,139,727.69

Collection of Deferred Payments of previous years

on land and town sites..... 430,173.79

1,569,901.48

BONUSES

Amount of bonds received in adjustment with Town
of Morris, Man..... \$ 15,000.00

Dominion Government subsidy on Souris Branch
Extension..... 1,152.00

Dominion Government subsidy on Nelson to Proce-
tor Extension of British Columbia Southern
Railway..... 22,946.00

39,098.00

SUBSCRIPTION TO \$19,500,000.00 ADDITIONAL ORDINARY STOCK

Payments on instalments..... 7,624,162.00

CONSOLIDATED DEBENTURE STOCK

Amount realized from issue of

£642,600 for acquiring guaranteed securities,
7,400 for construction branch lines,

£650,000..... 3,431,528.78

\$ 30,168,067.12

DEDUCT INCREASE IN ACCOUNTS RECEIVABLE

Stations and traffic balances \$ 3,207,939.97

Advances to new lines under construction 2,154,473.31

Miscellaneous securities and advances 1,678,182.14

Due from Imperial and Dominion Governments.... 230,758.93

7,271,354.35

Less, amounts at June 30th, 1901..... 6,779,761.65

491,592.70

\$29,676,474.42

EXPENDITURES:

Dividends on Preference Stock,		
2 per cent paid October 1st, 1901	\$ 623,420.00	
2 per cent paid April 1st, 1902	623,420.00	
		<u>\$1,246,840.00</u>
Dividends on Ordinary Stock,		
2½ per cent paid October 1st, 1901	1,625,000.00	
2½ per cent paid April 1st, 1902	1,625,000.00	
		<u>3,250,000.00</u>
Hotels, buildings and properties held in trust for the Company.		337,030.51
Construction acquired and branch lines, Exhibit "D"		143,696.23
Additions and improvements, main line and branches, Exhibit		
"E"		1,917,273.94
Additions and improvements, leased and acquired lines, Ex-		
hibit "F"		735,285.46
Rolling stock, shops and machinery		2,214,827.16
New Montreal shops		445,681.64
Land grant bonds,		
Amount paid in redemption of \$1,401,000 bonds		1,541,100.00
Ocean, lake and river steamers,		
Additional lake steamer		22,786.72
Guaranteed securities acquired by sale of 4 per cent.		
Debenture Stock.		
Manitoba & North-Western Railway System		
securities	\$ 2,433.32	
Columbia & Western Railway 5% First Mortgage		
Bonds	1,078,451.38	
British Columbia Southern Railway 5% First		
Mortgage Bonds	232,946.91	
Mineral Range Railroad 4% First Mortgage Bonds	1,254,000.00	
		<u>2,567,831.61</u>
Increase in material and stores in hand		1,525,614.20
		<u>\$15,947,917.47</u>
Less increase in current liabilities		1,499,134.52
		<u>\$14,448,782.95</u>
Cash in hand June 30th, 1902		15,227,691.47
		<u><u>\$29,676,474.42</u></u>

STATEMENT OF EARNINGS FOR THE YEAR ENDED JUNE 30TH, 1902

From Passengers.....	\$ 9,359,522.00
“ Freight.....	24,199,428.14
“ Mails.....	655,407.47
“ Express.....	737,107.82
“ Parlor and Sleeping Cars.....	530,764.89
“ Telegraph, Grain Elevators and Miscellaneous, including profit on Pacific Steamships.....	2,020,823.46
Total.....	<u>\$37,503,053.78</u>

STATEMENT OF WORKING EXPENSES FOR THE YEAR ENDED
JUNE 30TH, 1902

Conducting Transportation.....	\$ 5,361,067.27
Maintenance of Way and Structures.....	5,634,497.17
Motive Power.....	7,387,065.81
Maintenance of Cars.....	1,868,045.17
Parlor and Sleeping Car Expenses.....	115,770.33
Expenses of Lake and River Steamers.....	468,943.88
General Expenses.....	2,088,848.86
Commercial Telegraph.....	492,902.88
Total.....	<u>\$23,417,141.37</u>

STATEMENT OF EQUIPMENT AT JUNE 30TH, 1902

Locomotives.....	745
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars.....	678
First class sleeping and dining cars.....	124
Parlor cars, Official and Paymasters' cars.....	40
Freight and cattle cars, (all kinds).....	21,159
Conductors' vans.....	448
Board, Tool and Auxiliary Cars and Steam Shovels.....	928
<i>Ocean Steamships—Empress of China, Empress of Japan, Empress of India, Athenian, Tartar.</i>	
<i>Lake Steamers—Alberta, Athabasca, Manitoba.</i>	
<i>Ferry Steamers—Ontario, Michigan.</i>	
<i>River Steamers—Schwatka, Walsh, Kootenay, Rossland, Lytton, Kokanee, Slocan, Illecillewaet, Aberdeen, Nelson, Moyie, Minto, Wm. Hunter, York.</i>	
<i>Tugs—Columbia, Sandon, Ymir, Proctor, Valhalla, Denver.</i>	

DESCRIPTION OF FREIGHT CARRIED

		YEAR ENDED DEC. 31ST, 1899	YEAR ENDED JUNE 30TH	
			1901	1902
Flour	Barrels	4,005,226	3,735,873	4,921,993
Grain	Bushels	42,763,253	32,927,468	52,719,706
Live Stock	Head	810,559	945,386	963,742
Lumber	Feet	975,702,349	899,214,646	1,033,569,377
Firewood	Cords	202,461	204,818	204,963
Manufactured Articles...	Tons	1,795,663	1,954,386	2,288,234
All other Articles	Tons	1,461,144	2,206,970	2,571,136

FREIGHT TRAFFIC

	YEAR ENDED DEC. 31ST, 1899	YEAR ENDED JUNE 30TH	
		1901	1902
Number of tons carried.....	6,620,903	7,155,813	8,769,934
Number of tons carried one mile....	2,509,171.700	2,383,633,945	3,247,922,167
Earnings per ton per mile.....	0.74 cts.	0.79 cts.	0.75 cts.

PASSENGER TRAFFIC

	YEAR TO JUNE 30TH, 1902
Number of passengers carried.....	4,796,746
Number of passengers carried one mile.....	534,777,135
Earnings per passenger per mile.....	1.75 cts.

TRAFFIC TRAIN EARNINGS
YEAR ENDED JUNE 30TH, 1902

	Mileage	Earnings	Earnings per Traffic Train Mile
Passenger	8,300,140	\$10,961,825.88	\$1.32
Freight	12,828,159	23,462,413.83	1.83
Total	21,128,299	\$34,424,239.71	\$1.63

The above earnings of traffic trains include earnings from Mails, Express and Sleeping Cars, but do not include Ocean, Lake and River Steamers, Telegraph, Elevators, Rents, &c., the net earnings from which amounted to \$2,116,967.31.

EXPENSES PER TRAFFIC TRAIN MILE
YEAR ENDED JUNE 30TH, 1902

	Expenses	Expenses per Traffic Train Mile
Maintenance of way and structures	\$ 5,634,497.17	0.267
Motive power	7,387,065.81	0.349
Maintenance of cars	1,868,045.17	0.088
Traffic and general expenses	7,565,686.46	0.358
	\$22,455,294.61	1.062

CANADIAN PACIFIC RAILWAY COMPANY

MILEAGE OF ALL THE COMPANY'S LINES.

Length of Main Line Montreal to Vancouver—2,903.00 miles.

EASTERN DIVISION

Main Line	Montreal to Chalk River	245.8	Miles
Quebec	Quebec to St. Martin's Jct.	159.8	
Piles Branch	Piles Jct. to Grand Piles	26.9	
Joliette Branch	Joliette Jct. to St. Felix	16.8	
Berthier	Berthier Jct. to Berthier	2.0	
St. Jerome	St. Therese Jct. to St. Jerome	13.6	
St. Lin	St. Lin Jct. to St. Lin	15.0	
St. Eustache	St. Therese Jct. to St. Eustache	6.0	
Brockville	Carleton Jct. to Brockville	45.0	
Buckingham	Buckingham Station to Village	4.2	
		535.1	

Ontario & Quebec Ry. (leased line):

Montreal (Windsor St. Station) to Montreal Jct.	4.8
Mile End to Adirondack Jct.	9.9
St. Luc Jct. to Western Jct.	1.7
Montreal Jct. to Smith's Falls	123.5
	139.9

St. Lawrence & Ottawa Ry. (leased line):

Ottawa to Prescott	51.8
Chaudiere Jct. to Sussex Street, Ottawa	6.6
	58.4

Montreal & Ottawa Ry.:

Vaudreuil to Junction with Canada Atlantic Ry.	86.2
Rigaud to Point Fortune	7.0
	93.2

Canada Atlantic Ry. (running powers only):

Montreal and Ottawa Jct. to Ottawa	.8
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Lake Maskinonge Ry. (leased line):

St. Felix to St. Gabriel	11.0
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Montreal & Western Ry. (acquired line):

St. Jerome to Labelle	66.9
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Cap de la Magdeleine Ry. (leased line):

Piles Jct. to Cap de la Magdeleine	3.0
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Atlantic & North-West Ry. (leased line):

A. & N. W. Jct. to Eganville	19.2
Adirondack Jct. to Megantic	166.4
	185.6

Montreal & Atlantic Ry. (worked for account of owners):

Farnham to Newport	64.8
Drummondville to Stanbridge	60.7
Drummondville to Sutton Jct.	59.2
	184.7

Total mileage of Eastern Division..... 1278.6

ONTARIO DIVISION

Ontario & Quebec Ry. (leased line):

Smith's Falls to Toronto Jct.	210.5
Toronto Jct. to Toronto, Union Station	4.7
Toronto Jct. to St. Thomas	116.8
Toronto Jct. to Owen Sound	116.8
Leaside Jct. to Toronto, Union Station	5.3
Woodstock to London	26.6
London to Windsor	112.6
Orangeville Branch—Streetsville Jct. to Melville Jct.	31.6
Elora " " " " " " " " " " " "	27.3
Teeswater " " " " " " " " " " " "	69.8
Wingham " " " " " " " " " " " "	4.5
	728.5

Grand Trunk Ry. (running powers only):

Toronto to Hamilton Jct.	35.2
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Toronto, Hamilton & Buffalo Ry. (leased line):

Hamilton Jct. to Hamilton	2.7
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Guelph Jct. Ry. (leased line):

Guelph Jct. to Guelph	15.0
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Total mileage of Ontario Division..... 779.4

ATLANTIC DIVISION

New Brunswick Ry. (leased line):

Vanceboro to St. John	90.1
Carleton Branch " " " " " " " " " " " "	4.0
Fredericton Branch " " " " " " " " " " " "	22.1
St. Stephen " " " " " " " " " " " "	33.9
St. Andrews " " " " " " " " " " " "	27.5
Northern " " " " " " " " " " " "	50.8
Houlton " " " " " " " " " " " "	8.0
Aroostook " " " " " " " " " " " "	88.6
Gibson " " " " " " " " " " " "	58.4
Edmundston " " " " " " " " " " " "	57.2
	440.6

Atlantic & North-West Ry. (leased line):

Megantic to Mattawamkeag	159.9
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Maine Central Ry. (running powers only):

Mattawamkeag to Vanceboro	56.0
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Tobique Valley Ry. (leased line):

Perth Centre to Plaster Rock	28.0
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St. Stephen & Milltown Ry. (leased line):

St. Stephen to Milltown	
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Total mileage of Atlantic Division..... 683.1

Mileage carried forward..... 2747.1

Mileage brought forward..... 2747.1

LAKE SUPERIOR DIVISION

Main Line	Chalk River to Port Arthur	747.3
Algoma Branch	Sudbury to Sault Ste. Marie	178.9
Stobie	Sudbury to Copper Mines	5.6
		931.8

Lake Temiscamingue Colonization Ry.:

Mattawa to Temiscamingue	38.8
Kippewa Jct. to Kippewa	9.2
	48.0

Total Mileage Lake Superior Division..... 979.8

WESTERN DIVISION

Main Line	Port Arthur to Laggan	1387.1
Emerson Branch	Emerson to Winnipeg Jct.	64.5
Selkirk	Winnipeg to West Selkirk	24.0
Stonewall	Air Line Jct. to Teulon	37.3
Gretna	Rosenfeld to Gretna	13.7
Pembina	Winnipeg Jct. to Manitou	101.1
Snowflake	Wood Bay to Snowflake	16.3
Lac du Bonnet	Molson to Lac du Bonnet	22.0
Dymont	Dymont to Ottamaine	7.0
McGregor	McGregor to Wellwood	26.1
West Selkirk Ext.	West Selkirk to Winnipeg Beach (under construction)	26.0
Pheasant Hill Branch	Kirkella north west, terminus not named (under construction)	108.0
McGregor Branch Ext.	Wellwood to Brookdale (under construction)	10.0
Pembina Branch Ext.	Osborne, south-west (under construction)	6.0
Snowflake Branch Ext.	Snowflake to Mowbray (under construction)	10.0
		1859.1

Crows Nest Pass Line:

Dunmore Jct. to Lethbridge	107.0
Lethbridge Jct. to Kootenay Landing	288.6
North Star Branch—North Star Jct. to Kimberley	19.1
	414.7

Manitoba South Western Colonization Ry. (leased line):

Manitou to Deloraine	100.4
South West Branch Jct. to Glenboro	101.9
Elm Creek to Carman	12.1
	214.4

Souris Branch & Extensions:

Kemnay to Estevan	156.2
Glenboro to Souris	45.7
Deloraine to Napinka	18.6
Menteith Jct. to Arcola (Pipestone Extension)	94.8
North Port to Pasqua	160.3
Deloraine to Waskada	17.2
Waskada Branch Ext., Waskada to Lyleton (under con.)	20.0
Lauder—eastward (under construction)	6.0
Lauder—westward " " " "	6.0
	524.8

Manitoba & North Western Ry. (leased line):

Portage la Prairie to Yorkton	222.9
Minnedosa to Rapid City Jct.	18.2
Binscarth to Russell	11.3
Yorkton Extension—Yorkton West, terminus not named (under construction)	40.0
	292.4

Great North West Central Ry. (leased line):

Chater to Miniota	71.0
Forrest Extension—Forrest to Lenore (under con.)	41.4
	112.4

Qu'Appelle, Long Lake & Saskatchewan Ry.:

(Worked for account of owners)	253.6
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Calgary & Edmonton Ry.:

(Worked for account of owners)	296.2
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Total Mileage Western Division..... 3967.6

PACIFIC DIVISION

Main Line—Laggan to Vancouver	524.8
New Westminster Branch—New Westminster Jct. to New Westminster	8.2
Mission Branch—Mission Jct. to Mission	10.0
Arrow Lake Branch—Revelstoke to Arrow Head	27.7
Vancouver to Coal Harbour	1.2
	571.9

British Columbia Southern Ry. (leased line):

Nelson to Proctor	20.4
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Columbia & Kootenay Ry. (leased line):

Nelson to Robson	27.7
Spur to mouth of Kootenay River	.8
Slocan Lake Branch—Slocan Jct. to Slocan	32.0
	60.5

Columbia & Western Ry. (leased line):

Castlegar Jct. to Rossland	30.7
Rossland to le Roi	1.3
Trail to Smelter Jct.	2.0
Robson to Midway	99.6
Mining Spurs in Boundary Creek District	23.5
	157.1

Shuswap & Okanagan Ry. (leased line):

Sicamous Jct. to Okanagan Landing	50.8
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Nakusp & Slocan Ry. (leased line):

Nakusp to Three Forks	33.3
Three Forks to Sandon	4.2
	40.5

Vancouver & Lulu Island Ry.:

Vancouver to Steveston (under construction)	17.2
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	33.6
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Total Mileage of Pacific Division..... 952.0

Grand Total Mileage, all lines..... 5646.5

SUMMARY.

Mileage included in C. P. R. Traffic Returns	7587.8
Mileage of other lines	734.5
Mileage under construction	324.2
	8646.5
Mileage of Minneapolis, St. Paul & Sault Ste. Marie Railway	1412.3
Mileage of Duluth, South Shore & Atlantic Railway	565.0
	1977.3
	10623.8

MAP OF THE CANADIAN PACIFIC RAILWAY,

THE MINNEAPOLIS, ST. PAUL AND SAULT STE MARIE RAILWAY,
THE DULUTH, SOUTH SHORE AND ATLANTIC RAILWAY.

AND CONNECTIONS.

