REPORT OF THE PROCEEDINGS

AT THE

TWENTY-FIRST ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 1ST, 1902.

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.

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Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE TWENTY-FIRST ANNUAL MEETING OF THE SHAREHOLDERS, HELD AT MONTREAL, ON WEDNESDAY, OCTOBER 1ST, 1902.

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 Board, Sir William C. Van Horne, K.C.M.G., presided, and the Secretary of the Company acted as Secretary of the meeting.

The notice calling the meeting having been read by the Secretary, the President, Sir Thomas G. Shaughnessy, in moving the adoption of the Report on the affairs of the Company for the fiscal year ended June 30th, 1902, which had been previously mailed to the shareholders, said :—

"The twenty-first Annual Report of the Directors, now submitted for your approval, furnishes most satisfactory and striking evidence of the Company's position and of the progress and prosperity of the territory served by its lines.

Keen and growing interest in the fertility and productiveness of Northwestern Canada is indicated by the increase in your land sales during the past year. Settlers, attracted by cheap lands and agricultural conditions that assure to them and their children, farms and homes on a basis of investment not now possible in the thickly populated districts south of the International boundary, are coming into Manitoba and the Territories in gratifying numbers. Nearly all of them will make excellent farmers and most desirable citizens.

As stated in the report, the last of the 5% Land Grant Bonds are now being paid off. With the extinguishment of these, there will remain against your lands 3½% bonds to the amount of $15,000,000. Under the terms of the Statute and the mortgage by which these bonds are secured, the proceeds of land sales will be deposited with the Dominion Government until the amount reaches the face value of the bonds, the Government in the meantime paying interest on the deposits at the rate of 3½% per annum.

By referring to the item in the Balance Sheet of "Deferred Payments on Land Sales," which yield 6% per annum, you will see that neither the principal of these bonds nor the interest need, for any lengthy period, give you much concern.

When the subject of an improved Atlantic service between Great Britain and Canada was receiving consideration in London, your Directors thought it wise to submit to the Canadian Government, on behalf of the Company, a proposition to provide what they believe to be the best and most practicable service under existing conditions.

The Company offered, subject to certain traffic arrangements, to establish a weekly service of twenty knot steamships between Liverpool and a St. Lawrence port during the summer months, Halifax to be the Canadian port during the winter months, for a subsidy of £265,000 sterling per annum during the first ten years, with a graduated reduction in the amount of subsidy during each of the two following periods of five years, the ships to be most modern in every respect and to be built specially for the route. In addition to this, the Company signified its willingness to furnish a fleet of modern freight steamers of 10,000 tons capacity each, sailing at a speed of about twelve or thirteen knots per hour, serving Canadian ports.

Up to the present time your Directors have no information as to the policy likely to be adopted by the Government. It is evident, however, that whatever may be the outcome of the negotiations for the fast mail service, the rapid growth of your export tonnage and the necessity for being in a position to meet the rates of any of your competitors, make it imperative that your Company be so situated on the Atlantic that it can quote through rates of freight and give through bills of lading without being compelled to negotiate for space and rates with independent steamship lines. To that end there will be submitted for your approval a resolution authorizing the Directors to make arrangements for the charter or control of vessels, if and when, in their opinion, they are required for the protection of the Company's freight interests on the Atlantic Ocean. It is not expected, of course, that these freight vessels, when provided, will receive any Government subsidy, and, therefore, there will be no restrictions to prevent your Company from running them between such ports as may best suit the purposes of the Company.

The rapid and pronounced increase in the volume of traffic leaving little opportunity to provide the additional facilities required for handling it economically, caused a perceptible increase in the ratio of working expenses for the year. Expenditures are being made as rapidly as possible to meet present and future requirements.

While, of course, there will be years when, from uncontrollable causes, your revenue will suffer some diminution, it may be safely assumed that the settlement and development of territory now in progress, give promise of a general improvement in your earnings during the next few years even more satisfactory and gratifying than the advance made during the past seven years. Indeed, in moving the adoption of the annual report and congratulating the shareholders on the excellent position of their finances, I cannot help personally expressing my conviction that the Company has barely entered upon the threshold of the expansion and success that the future has in store for it."

The Report having been considered, it was moved by Sir Thomas G. Shaughnessy, seconded by Richard B. Angus Esq., and unanimously

Resolved,—That the Report on the affairs of the Company for the fiscal year ended 30th June, 1902, now submitted, be and the same is hereby adopted.

The lease to this Company of the Ottawa, Northern & Western Railway amalgamated lines, and of the Interprovincial Bridge at Ottawa, referred to in the Annual Report, was submitted for approval, and it was moved by James Ross, Esq., seconded by Eustache H. Lemay, Esq., and unanimously

Resolved,—That the indenture of lease from the Ottawa, Northern and Western Railway Company as Lessor to this Company as Lessee, of which a draft is submitted to this meeting endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved; which indenture amongst other things demises to this Company for the term of nine hundred and ninety-nine years, the railways and branches which that Company has been authorized to construct, and their appurtenances, including its main line as now constructed from the City of Ottawa, in the Province of Ontario, thence across the Ottawa River by means of the Interprovincial Bridge to the City of Hull, in the Province of Quebec, thence northerly to the village of Gracefield, and the portion now under construction from Gracefield to Maniwaki; and the said Interprovincial Bridge; also that portion of its main line now constructed and in operation from the point of junction thereof in the said City of Hull, with the portion above described, thence north-westerly via the Town of Aylmer to the village of Waltham in the Province of Quebec, and all extensions, branches and additions to any of the railways above described, at an annual rental of a sum equal to the interest payable on the bonds which the Ottawa, Northern and Western Railway Company, with the consent of this Company, is about to issue to retire the bonds now outstanding charged on the said railway and bridge, and to aid in the construction and equipment of an extension of its railway from Gracefield to Maniwaki and branches, and also on all such bonds in excess of those above mentioned as that Company may hereafter issue at the request of this Company, the total of all such bonds unpaid or unredeemed not exceeding at any time $20,000 per mile of the railway of the Lessor constructed or under contract to be constructed, and one million dollars in respect of the said Interprovincial Bridge and approaches thereto, and the said bonds to bear interest at a rate not exceeding four per cent. per annum, payable half-yearly; and the Lessor Company covenanting in the said lease not to issue any bonds, or create any other financial obligation which would be an encumberance on the demised Railway and Bridge without the consent of this Company.

And further, that the President and Secretary be and they are hereby authorized to execute the said indenture, on behalf and under the corporate seal of this Company, with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

The following Resolution authorizing the issue of Four Per Cent Consolidated Debenture Stock to provide for the construction and equipment of the Branch Line from Kirkella, a point on the main line in Manitoba, referred to in the Annual Report, was submitted; and, on motion of Sir Sandford Fleming, K.C.M.G., seconded by The Hon. J. K. Ward, was unanimously adopted, that is to say:—

Whereas, the Company has now under construction, to be completed this season, the branch line from Kirkella on its main line in Manitoba, north-westerly, a distance of about 105 miles, referred to in the Annual Report to the shareholders;

And whereas, the said branch line will be further extended in a westerly or north-westerly direction from time to time as the settlement of the country warrants its construction;

And whereas, application will be made at the approaching Session of the Parliament of Canada for an Act authorizing the Company to issue Consolidated Debenture Stock in respect of the said branch line, and of any extension thereof;

And whereas, it is desirable to make provision for the moneys expended and to be expended on the said branch line, and for that purpose to obtain the authority of the shareholders to issue Consolidated Debenture Stock after the necessary Parliamentary authority has been obtained;

Be it therefore resolved,—That for the purpose of aiding the construction and equipment of the said branch line of railway from Kirkella, now under construction, and any further extension or extensions of the same, the Directors may, as soon as the necessary legislative authority has been obtained, issue and dispose of Consolidated Debenture Stock of the Company to such amounts as they may deem expedient, not exceeding in the aggregate an amount equal to $20,000 per mile thereof, and at the same rate for any portion of a mile, bearing interest at the rate of 4% per annum, payable at the times and places and in the same manner as interest is payable on the Consolidated Debenture Stock heretofore issued.

The following resolution referred to by the President in moving the adoption of the Report was read, and, on motion of Henry Beatty, Esq., seconded by John Morrison, Esq., was unanimously adopted ; that is to say :—

Resolved,—That the Directors be, and they are hereby authorized and empowered, as provided for in Clause 26 of the Company's Charter, to hold, charter, work and run such steamships as they may from time to time find necessary to provide for and to protect the trans-Atlantic traffic of the Company.

The By-law relating to the election of Directors, referred to in the Annual Report and passed by the Board at a meeting held this day, was read as follows :—

CANADIAN PACIFIC RAILWAY COMPANY.

By-Law No. 88.—The Board of Directors of the Canadian Pacific Railway Company do hereby enact as follows :—

(*a*) The Board of Directors elected at the Annual Meeting of the shareholders of the Company, held in the year 1902, shall be ten in number and each Director shall hold office until his term of office expires. The Board may, from time to time, subject to the limitation contained in the Company's Charter, increase the said number ;

(*b*) At each subsequent annual meeting, one-fourth in number of the Directors, or, if the number shall at any time be not divisible by four, as nearly as may be to one-fourth shall retire from office, and Directors shall, at such annual meeting, be elected by the shareholders for the longest term consistent with this By-law in the place of those so retiring. The retiring Directors shall be eligible for re-election ;

(*c*) The order of retirement of the Directors elected at the annual meeting in 1902 shall be settled after such meeting and before the next annual meeting, by resolution of the Board, or by lot under the direction of, and in such manner as may be determined by, the Board, and the Directors shall retire in one, two, three and four years respectively, according to such order ;

(*d*) Any vacancy in the Board, however caused, may be filled by the Board. Any Director appointed to fill a vacancy occasioned by the death, resignation or absence of a Director, or because of a Director ceasing to be a shareholder of the Company, shall hold office until the term of office of his predecessor would have expired if such vacancy had not occurred, and any Director appointed to fill a vacancy occasioned by the number of the Board being increased shall hold office for such term as may be determined by resolution of the Board at or subsequent to the time of his election.

Dated at Montreal, this first day of October, 1902.

Whereupon it was moved by W. H. Evans, Esq., seconded by James Moore, Esq., and unanimously

Resolved,—That By-law No. 88 relating to the election of Directors of the Company passed by the Board this day, and now read, be and the same is hereby approved.

The meeting then proceeded to the election of Directors, and it was moved by Thomas Skinner, Esq., seconded by R. Wilson-Smith, Esq., and unanimously

Resolved, That a ballot be now taken for the election of Directors; that George Olds, Esq., and Eustache H. Lemay, Esq., be appointed scrutineers to take such ballot, and that the poll be closed when five minutes shall have elapsed without a vote being cast at such election.

The ballot having been taken, and no further votes having been cast within the specified time, the Chairman read the Report of the scrutineers, which declared that the under-mentioned shareholders had been unanimously elected Directors of the Company, viz. :—

THE RT. HON. LORD STRATHCONA AND MOUNT ROYAL, G.C.M.G.
SIR WILLIAM C. VAN HORNE, K.C.M.G.
MR. RICHARD B. ANGUS
MR. EDMUND B. OSLER, M.P.
MR. WILMOT D. MATTHEWS
MR. GEO. R. HARRIS
SIR SANDFORD FLEMING, K.C.M.G.
MR. THOMAS SKINNER
MR. CHARLES R. HOSMER
SIR THOMAS G. SHAUGHNESSY

And the proceedings terminated.

WM. C. VAN HORNE,
Chairman.

C. DRINKWATER,
Secretary.

At a meeting of the Board held immediately after the shareholders meeting, Sir William C. Van Horne was re-elected Chairman of the Board, and Sir Thomas G. Shaughnessy President of the Company, and the following were appointed the

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.