REPORT OF THE PROCEEDINGS

AT THE

TWENTY-SECOND ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 7TH, 1903.

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.

Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE TWENTY-SECOND ANNUAL MEETING OF THE SHAREHOLDERS, HELD AT MONTREAL, ON WEDNESDAY, OCTOBER 7TH, 1903.

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, 1903, which had been previously mailed to the Shareholders, said :—

In submitting the twenty-second Annual Report of the Company's affairs for your approval and adoption, I do not know that there is much to be said beyond what appears in the body of the report.

The result of the year's operations was particularly gratifying, notwithstanding the substantial increase in working expenses, and your Directors felt justified in distributing, for the second half of the fiscal year, an additional one-half per cent.

Since the publication of the Report a further amount of one million dollars has been deposited with the Dominion Government toward the redemption of the three and one-half per cent. Land Grant Bonds, leaving the balance to be paid on account of that security, $13,500,000.

The Directors of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company, at a meeting held in August, declared a dividend out of the earnings of that Company for the last calendar year of seven per cent. on the Preferred Shares and two per cent. on the Common Shares, payable 15th instant. Your portion of these dividends amounts to $388,670.

Although not an auspicious season for Atlantic traffic your own Steamship Line, established on the opening of St. Lawrence navigation, has done very well, the earnings, which are not included in the published monthly returns, but are kept separately, being more than sufficient to meet the interest on the investment.

The location of the balance of the lands earned by the construction of your main line and branches in Manitoba and the North-West has been finally and satisfactorily settled with the Dominion Government.

Wet weather has had the effect of delaying the harvest in the North-West, and, as a consequence, your grain traffic thus far this season has been less than it was a year ago, but there is every indication that the total yield, when harvesting has been completed, will reach last year's figures at least. The crops in Ontario are better than for many years past.

Excellent progress has been made, up to the present time, with the vast works of improvement undertaken by your Company during the past two years. The enlargement of the yards at most of the Divisional points west of Lake Superior will facilitate the movement of traffic, and the grade reductions now in hand, and that will be completed before the crop commences to move next autumn, will have the effect of increasing the haulage capacity of your locomotives by fifty to one hundred per cent. over twelve hundred miles of your main line in the busiest sections of the Country.

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, 1903, now submitted, be and the same is hereby adopted.

The acquisition of the Kingston and Pembroke Railway on the terms stated in the Annual Report was referred to, and it was moved by the Hon. J. K. Ward, seconded by E. H. Lemay, Esq., and unanimously

Resolved,—That the purchase by the Directors on behalf of this Company of a controlling interest in the Kingston and Pembroke Railway Company, which Company's railway extends from Renfrew on the main line of this Company, to Kingston, on Lake Ontario, a distance of 104 miles; such purchase comprising 22,602 shares of the preferred stock and 35,182 shares of the Common Stock, constituting about 83% of the whole Capital Stock of the said the Kingston and Pembroke Railway Company, be and the same is hereby approved, sanctioned and ratified, and the Directors are hereby authorized to enter into such working arrangements with that Company as they may deem advisable, pending the execution of a formal lease of the said railway to this Company.

The following resolution relating to the lease to this Company of the Calgary and Edmonton Railway, and the acquisition of the Capital Stock of that Company, was submitted, and on motion of Alfred Piddington, Esq., seconded by Geo. Olds, Esq., the same was unanimously adopted, viz :—

Resolved,—That the Indenture of Lease from the Calgary and Edmonton Railway Company, as Lessor, to this Company as Lessee, now submitted to this meeting and 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 the Railways and Branches which the said Company has been authorized to construct, whether constructed or to be constructed, including the main line as now constructed from Fort McLeod to Edmonton in the territory of Alberta, and all extensions, branches and additions thereto, for a term of ninety-nine years, at an annual rental of a sum equal to the interest upon the present debenture stock issue of the Company, namely £1,121,700 Sterling, terminable at the expiration of ninety-nine years and bearing interest at the rate of 4% per annum, payable half-yearly, being an annual rental of £44,868 Sterling, the payment of such interest being guaranteed by this Company, and which Indenture of Lease contains, in addition to the usual covenants in railway leases, a covenant on the part of the Lessors to issue Bonds, Debentures, Debenture Stock or other securities upon the request of this Company, the interest upon the same, if issued at the request of this Company, being payable by this Company, and also a covenant that, at the option of this Company, the Lessors will renew the said lease for a further term of ninety-nine years; and a covenant on the part of this Company that, at the expiration of the said term of ninety-nine years, this Company will either pay off the nominal amount of the said Debenture Stock issue of £1,121,700 or will take a renewal of the said lease on similar terms to those contained in the said Indenture, and at the same rental, for a further period of ninety-nine years ;

Also, that the execution by the President and Secretary of the said Indenture of Lease on behalf and under the corporate seal of this Company, and of the guarantees in the form determined by the Directors, provided for in the said Indenture, be and the same is hereby approved and ratified.

And further, that the purchase by the Directors of the whole of the Capital Stock of the said Company for the sum of $500,000 be and the same is hereby sanctioned, approved and confirmed.

The agreement for a lease to this Company of the Lindsay, Bobcaygeon and Pontypool Railway referred to in the Annual Report was submitted, and on motion of Henry Beatty, Esq., seconded by Jas. Williamson, Esq., it was unanimously

Resolved,—That the agreement between this Company and the Lindsay, Bobcaygeon and Pontypool Railway Company and James Bond Clark and Robert Heber Bowes, and the draft Indenture of lease from that Company, as Lessor, to this Company as Lessee, and which draft is annexed to the said agreement now submitted to this meeting and endorsed by the Secretary for the purpose of identification, be and the same are hereby sanctioned and approved ; which agreement, amongst other things, provides for a lease to this Company in the form attached thereto of the Lindsay, Bobcaygeon and Pontypool Railway, when constructed, from Burketon, on this Company's railway to Bobcaygeon, a distance of about forty miles, for a term of ninety-nine years, on the basis of a rental of forty per cent. of the gross earnings, as defined in the said proposed lease, with a minimum rental of $20,000 per annum and a maximum rental of $28,000 per annum and with an option in favor of this Company to purchase the whole of the capital stock of the said Company within twelve years for the sum of $200,000.

And further, that the execution by the President and Secretary of the said agreement on behalf and under the corporate seal of the Company be and the same is hereby approved and ratified and when the said railway shall have been constructed and shall be ready to be handed over to this Company for operation, the President and Secretary are hereby authorized to execute a lease in the terms of said draft Indenture 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 approving an extension of the line of the Manitoba & North-Western Railway and authorizing the acquisition of the Bonds to be issued in respect of such extension, referred to in the Annual Report, was submitted, and on motion of E. H. Botterell, Esq., seconded by Jesse Joseph, Esq., it was unanimously adopted.

Resolved,—That the action of the Board of Directors in entering into an agreement with the Directors of the Manitoba and North-Western Railway Company for the construction of a further extension of the main line of that Company's railway, about 33 miles, be and the same is hereby sanctioned and approved, and the Directors are hereby authorized and empowered to acquire the Bonds issued or to be issued by the said Company in respect of such further extension, the interest thereon being guaranteed by this Company, such issue not to exceed in the aggregate an amount equal to £3,000 per mile of such extension, and at the same rate for any portion of a mile, and to dispose of Consolidated Debenture Stock of the Company for the purpose of acquiring the said Bonds.

The extension of the Pipestone Branch of the Company's Railway from Arcola to Regina, referred to in the Annual Report, was alluded to, and on motion of Charles R. Hosmer, Esq., seconded by Donald MacMaster, Esq., K. C., it was unanimously

Resolved,—That the action of the Directors in constructing a Branch Line of railway between Regina, on this Company's Main Line, and Arcola, the present terminus of the Pipestone Branch (about 113 miles) be and the same is hereby sanctioned and approved, and the Company is hereby authorized to create, issue and dispose of Consolidated Debenture Stock of this Company, payable in Sterling money of Great Britain, and bearing interest not exceeding 4% per annum, to such amounts as the Directors 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, for the purpose of aiding in the construction and equipment of the said Branch line, and that such stock may be issued in such manner, and in such amounts respectively, as shall from time to time be determined by the Board of Directors, who are hereby empowered to do or cause to be done every act, matter or thing which may become expedient or necessary in order to give effect to this resolution ; to have such stock duly issued according to the provisions of the Acts relating thereto and to dispose of the same for the purpose herein set forth.

The acquisition by the Directors of certain Atlantic Steamships, under authority of the resolution passed by the Shareholders at the last Annual Meeting, was referred to, and the following resolution authorizing the issue of 4% Consolidated Debenture Stock for the purpose of defraying the cost of the same was submitted ; and it was moved by the Hon. George A. Drummond, seconded by Wilmot D. Matthews, Esq., and unanimously adopted.

Resolved,—That whereas, in and by an Act of the Parliament of Canada, being 52 Victoria, Chapter 73, this Company, under the authority of its shareholders, is empowered from time to time to issue bonds in aid of the acquisition of any such Steam Vessels as, by its Charter, it is authorized to acquire, but not exceeding in amount the cost thereof;

And whereas, in and by a certain other Act of the Parliament of Canada, passed during the present Session of the said Parliament intituled "An Act respecting the Canadian Pacific Railway Company" this Company, being first authorized so to do by the votes of at least two-thirds of the Shareholders present or represented at an Annual Meeting, or at a Special Meeting of the Shareholders duly called for the purpose, is empowered, from time to time, to issue Consolidated Debenture Stock, in lieu of bonds, which the Company is authorized to issue and to the same amount;

And whereas, this Company has recently purchased from Elder Dempster & Co. fifteen Steel Screw Steamships, being the Steamships "Montezuma," "Montreal," "Milwaukee," "Mount Royal," "Lake Michigan," "Mount Temple," "Lake Manitoba," "Lake Erie," "Lake Champlain," "Montfort," "Monteagle," "Montrose," "Montcalm, "Monterey" and "Monmouth" together with their rigging, appurtenances and auxiliaries at a cost of £1,417,500 Sterling.

And whereas, in order to provide funds for payment of the cost of the said Steamships and their rigging, appurtenances and auxiliaries, it is deemed advisable, in lieu of the issue of bonds of this Company, to create an issue of Consolidated Debenture Stock in pursuance of the powers above recited;

Now, therefore, it is resolved, by the Shareholders present personally or represented by proxy at this meeting, that this Company is hereby authorized to create, issue and dispose of Consolidated Debenture Stock of this Company, payable in Sterling money of Great Britain and bearing interest not exceeding 4% per annum, to the amount of £1,417,500 Sterling, for the purpose of paying the cost of the fifteen Steamships above described and their rigging, appurtenances and auxiliaries, and that such stock may be issued in such manner and in such amount respectively as shall from time to time be determined by the

Board of Directors ; who are hereby empowered to do or cause to be done every act, matter or thing which may become expedient or necessary in order to give effect to this resolution ; to have such stock duly issued according to the provisions of the Acts relating thereto and to dispose of the same for the purpose herein set forth.

The following resolution authorizing the expenditure on capital account recommended by the Directors in the Annual Report was read, and on motion of Sir Sandford Fleming, K.C.M.G., seconded by Geo. R. Harris, Esq., it was unanimously adopted.

Resolved,—That in accordance with the recommendation of the Directors, the Shareholders do hereby authorize the expenditure on Capital Account of an amount not exceeding in the aggregate $9,500,000 for the following purposes, that is to say :—

1. Additional Rolling Stock Equipment, as required,..$5,000,000.
2. Increased terminal facilities, grade reductions and additions to property other than new lines, in the discretion of the Board of Directors,........................$4,500,000.

By-law No. 89 passed by the Directors on 14th September, 1903, was read, as follows :—

By-Law No. 89.—The Board of Directors of the Canadian Pacific Railway Company do hereby enact as follows :—

No smoking shall be permitted upon any of the Company's wharves, docks or station platforms, or in any stations or premises occupied by the Company, except in such places as may from time to time be provided by the Company for that purpose.

Any person found smoking upon the Company's premises contrary to the provisions of this By-law shall be and he is hereby subjected to a penalty not exceeding forty dollars.

Dated at Montreal, this 14th day of September, 1903.

Whereupon it was moved by John Morrison, Esq., seconded by the Hon. Robt. Mackay and unanimously

Resolved,—That By-law No. 89, prohibiting smoking on the Company's premises be and the same is hereby approved.

The meeting then proceeded to the election of Directors, and it was moved by A. F. Riddell, Esq., seconded by W. H. Trenholme, Esq. and unanimously

Resolved,—That a ballot be now taken for the election of fifteen Directors for the respective terms of one, two, three and four years; that Charles Meredith, Esq., and Wm. R. Miller, 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 being taken, and no further votes having been cast within the specified time, the Chairman read the report of the Scrutineers, which declared that the undermentioned shareholders had been unanimously elected Directors of the Company for the respective terms stated, viz.:

THE HONOURABLE GEORGE A. DRUMMOND SIR SANDFORD FLEMING, K. C. M. G. GEORGE R. HARRIS WILMOT D. MATTHEWS,	For one year.
CHARLES R. HOSMER THE HONOURABLE ROBERT MACKAY DAVID McNICOLL ROBERT G. REID	For two years.
CLARENCE H. MACKAY THOMAS SKINNER THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL SIR THOMAS G. SHAUGHNESSY	For three years.
RICHARD B. ANGUS EDMUND B. OSLER, M. P. SIR WILLIAM C. VAN HORNE, K. C. M. G.	For four years.

The report was adopted, 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, K.C.M.G., 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.