REPORT OF THE PROCEEDINGS

AT THE

TWENTY-FOURTH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 4TH, 1905.

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.

Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE TWENTY-FOURTH ANNUAL MEETING OF THE SHAREHOLDERS, HELD AT MONTREAL, ON WEDNESDAY, OCTOBER 4TH, 1905.

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, 1905, which had been printed and distributed to the shareholders, said :—

The Twenty-Fourth Annual Report, now submitted for your consideration and approval, gives evidence of the strong and satisfactory position of the Company. Your gross revenue from traffic during the fiscal year was over fifty millions of dollars, and even this large sum should be exceeded by a considerable amount in the current year. The business conditions throughout Canada are at the moment more favourable than at any other time in the history of the Company, and there would appear to be no reason for apprehending a change in the near future.

While in all the agricultural territory served by your lines the crops have been excellent, those of Manitoba and the two new provinces were most striking, ensuring a handsome return to the farmers, continued activity in every branch of trade and manufacture, and a large traffic to your lines.

As the result of the expenditure made during the past three or four years for the elimination of curvature, reduction of gradients and general improvements, I think that it may now be fairly claimed that in physical condition and capacity for the movement of traffic your railway between Montreal and the Pacific Coast, is at least, in the front rank of transcontinental lines.

With an eye to the future it will be necessary to provide additional cars and locomotives, and for this purpose a resolution will be submitted authorizing the Directors to make further capital expenditure, to an amount not exceeding $7,500,000.

The success attending the Company's operations is in no small degree due to the excellent staff of officers and men in all the departments from the Vice-President down, whose intelligence in the performance of their respective duties and whose loyalty and devotion to the Company could not be excelled.

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, 1905, now submitted, be and the same is hereby adopted.

The following resolution authorizing the construction of the Wolseley-Reston Branch, referred to in the Annual Report, and the issue of 4% Consolidated Debenture Stock in aid of the construction and equipment thereof was submitted, and on motion of M. Nowlan DeLisle, Esquire, seconded by Wm. M. Macpherson, Esquire, the same was unanimously adopted, viz. :—

Whereas, the Company has commenced the construction of a branch line of railway from a point on its main line in the vicinity of Wolseley, in the Province of Saskatchewan, to Reston on the Souris Branch, a distance of about one hundred and twenty-two miles, and it is desirable to complete such branch line in the near future, and to make provision for the moneys expended on the said branch line, and for that purpose to obtain the authority of the shareholders to issue Consolidated Debenture Stock ;

Be it therefore resolved,—That for the purpose of aiding the construction and equipment of the said branch line of railway, which construction and equipment are hereby approved of, the Directors may issue and dispose of Consolidated Debenture Stock of the Company to such amount as they may deem expedient,not exceeding in the aggregate an amount equal to three thousand pounds sterling per mile thereof, and at the same rate for any portion of a mile, bearing interest at the rate of four per cent. 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 draft of the proposed lease from the Nicola, Kamloops & Samilkameen Coal and Railway Co. of that Company's Railway to this Company, referred to in the Annual Report, was submitted, and on motion of Hon. J. K. Ward, seconded by Wm. R. Miller Esquire, the following resolution was unanimously adopted, viz :—

Resolved,—That the Indenture of Lease from the Nicola, Kamloops and Samilkameen Coal and 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 whole of the railway of the Lessor Company as constructed or hereafter to be constructed, including that portion now under contract for construction and partly constructed from Spence's Bridge on this Company's main line in British Columbia, to a point at or near the Western extremity of Nicola Lake, a distance of about 45 miles, and all extensions and branches and their appurtenances, at an annual rental of a sum equal to the interest payable on all bonds carrying interest at a rate not exceeding four per cent. per annum, payable half-yearly which the Lessor may issue at the request of this Company expressed in writing under its corporate seal, the payment of such interest being guaranteed by this Company, the aggregate of all such bonds outstanding not to exceed at any time the rate of thirty thousand dollars per mile of railway then either constructed or under contract to be constructed;

And further resolved, 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 4% Consolidated Debenture Stock to defray the cost of two new Steamships and their equipment and auxiliaries, as recommended by the Directors in the Annual Report, was read, and on motion of Henry Beatty, Esquire, seconded by Geo. Olds, Esquire, the same was adopted unanimously, viz. :—

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, being 3 Edward VII., Chapter 98, 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 the shareholders of this Company, at the Annual Meeting held on the fifth day of October, 1904, authorized the Directors to make, at such time or times as in their opinion was expedient, all necessary arrangements and contracts for the acquisition, either by construction or purchase, of two additional passenger steamships and equipment to supplement the Company's existing fleets, and to incur the necessary capital expenditure therefor;

And whereas the Directors, in pursuance of the authority lastly above recited, have entered into a contract for the construction by the Fairfield Shipbuilding and Engineering Company at its ship yards on the Clyde, Scotland, of two twin screw steel steamships to be named the "Empress of Britain" (Shipyard Number 442) and the "Empress of Ireland" (Shipyard Number 443) respectively, with rigging, appurtenances and auxiliaries complete, at a cost of £800,000 sterling, each steamship to have a gross tonnage of about 14,500 tons, a length of 550 feet between perpendiculars and 570 feet over all; beam 65 feet 6 inches, a moulded depth of 40 feet to upper deck and to be furnished with quadruple expansion engines of the most modern type;

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 eight hundred thousand pounds sterling for the purpose of paying the cost of the two steamships above described and their rigging, appurtenances and auxiliaries, 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 following resolution relating to the Agreement with the British Columbia Electric Railway Company for the operation of the Vancouver and Lulu Island Railway, referred to in the

Annual Report, was submitted, and on motion of James Williamson. Esquire, seconded by W. F. Tye, Esquire, the same was unanimously adopted, viz.:—

Resolved,—That the Agreement between this Company, the British Columbia Electric Railway Company, Limited, the Vancouver and Lulu Island Railway Company, and Lord Strathcona and Mount Royal, and Mr. Richard B. Angus (as Trustees), dated the 19th day of April, 1905, duly executed and now submitted to this meeting, be and the same is ratified and approved; which agreement embodies a traffic arrangement for the operation by the British Columbia Electric Railway Company, Limited, by electricity, for both passenger and freight traffic, of that part of this Company's English Bay Branch, between Granville Street in Vancouver, and its junction with the Vancouver and Lulu Island Railway, together with the Vancouver and Lulu Island Railway (now under lease to this Company) from the said point of junction to Steveston, with a spur thereof upon the south side of False Creek, with the use of certain property appurtenant thereto mentioned in a schedule to the agreement, and provides, amongst other things, that the earnings, after paying the operating expenses and four per cent. to this Company upon the cost of the Railway, and four per cent. to the Electric Company upon the cost of equipping the railway electrically, are to be divided on the basis of forty per cent. to this Company, and sixty per cent. to the Electric Company; such agreement to remain in force until February 11th, 1924, but in the event of the City of Vancouver acquiring the railways of the Electric Company in February, 1919, the agreement shall then lapse.

The agreement with the Spokane International Railway Company referred to in the Annual Report was submitted, and on motion of Sir Sandford Fleming, K.C.M.G., seconded by Wilmot D. Matthews, Esquire, the following resolution was adopted unanimously, viz.:—

Resolved,—That the agreement dated 3rd July, 1905, between this Company and the Spokane International Railway Company duly executed by both Companies and now submitted, be and the same is hereby ratified and approved, which agreement provides, amongst other things, that this Company will procure the construction of a railway from a point at or near Yahk Station on the line of the British Columbia Southern Railway to a point on the International Boundary, north of Bonner Ferry, a distance of about twelve miles, that the Spokane International Railway Company will construct a railway from the International Boundary (where it will form a junction with the said other railway) to the city of Spokane, and also provides for the interchange of traffic between the said railways and for the division and apportionment of tolls in respect of the traffic upon the railways so to be constructed, for a period of fifty years from 1st January, 1905.

The following resolution authorizing a lease of the Esquimalt and Nanaimo Railway, referred to in the Annual Report, was, on motion of Hon. Sir Geo. A. Drummond, K.C.M.G., seconded by John Morrison, Esquire, unanimously adopted, viz.:—

Resolved,—That the Directors be and they hereby are authorized and empowered to enter into a lease from the Esquimalt and Nanaimo Railway Company to this Company, of the railways of the Esquimalt and Nanaimo Railway Company as constructed or to be constructed, including the railway now constructed and in operation from Victoria to Wellington, on Vancouver Island in the Province of British Columbia, a distance of about seventy-eight miles, for a term of ninety-nine years at a rental equal to the interest at the rate of four per cent. per annum, payable half-yearly, on Bonds guaranteed by this Company, to be from time to time issued by the Esquimalt and Nanaimo Railway Company with the consent in writing and under the seal of this Company, the said Bonds not to exceed the sum of $30,000 per mile of the railway, branches and extensions constructed or under contract to be constructed ; such Lease to be in such form as may be approved of by the Directors of this Company, but it shall contain a clause to the effect that the Esquimalt and Nanaimo Railway Company shall from time to time and in such manner as may be agreed upon by the Boards of Directors of the two Companies, apply the net proceeds of all sales of land forming part of the Land Grant of the said Company, towards the redemption of the said Bonds at par until the total amount of said Bonds outstanding shall be reduced to the sum of $14,000 per mile of railway, branches and extensions constructed or under contract to be constructed.

The acquisition of the property of the St. John Bridge and Railway Extension Company, referred to in the Annual Report, was approved and capital expenditure on account thereof, as recommended by the Directors was authorized, the following resolution in relation thereto being, on motion of James Moore, Esquire, seconded by Geo. R. Hooper, Esquire, unanimously adopted, viz :

Resolved, That the action of the Board of Directors, as set forth in the Annual Report submitted to this meeting, in acquiring control of the property of the St. John Bridge and Railway Extension Company for the purprse of procuring, for this Company's trains, direct access into the City of St. John, New Brunswick, from the Company's present terminus at Carleton, be and the same is hereby approved of and ratified, and that the expenditure of the sum of two hundred thousand dollars from the capital of this Company, for the said purpose, be and the same is hereby duly authorized.

The following resolution authorizing the expenditure on capital account for additional rolling stock was submitted, and on motion of Hon. L. J. Forget, seconded by Charles Meredith, Esquire, the same was adopted unaminously, viz. :—

Resolved, That in accordance with the recommendation of the Directors, the shareholders do hereby authorize the expenditure of capital for additional locomotives, passenger and freight cars, to an amount not to exceed in the aggregate seven million five hundred thousand dollars ($7,500,000).

With reference to the death of the late Mr. George R. Harris, for many years a Director of the Company, the following resolution, moved by Richard B. Angus, Esquire, and seconded by Sir Sandford Fleming, K.C.M.G., was adopted, viz.:—

Resolved, That the shareholders now present desire to record their sense of the great loss sustained by the Company by the death of the late Mr. George R. Harris after twenty years of active service on its Board of Directors.

The meeting then proceeded to the election of Directors to replace the four retiring Directors, and on motion of Sir Thomas G. Shaughnessy, seconded by Richard B. Angus, Esquire, the following resolution was adopted, viz. :—

Whereas, in pursuance of By-law No. 88, Charles R. Hosmer, Esquire, Hon. Robert Mackay, David McNicoll, Esquire, and

Robert G. Reid, Esquire, 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, it is

Resolved, That a ballot be now taken for the election of four Directors for the term of four years to fill the vacancies created as above stated; that Charles Meredith, Esquire, and William R. Miller, Esquire, 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 Charles R. Hosmer, Esquire, Hon. Robert Mackay, David McNicoll, Esquire, and Robert G. Reid, Esquire, had been unanimously re-elected Directors of the Company for the term of four years from the date of this meeting.

The Report of the scrutineers was read and 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, Sir Thomas G. Shaughnessy, President of the Company and Mr. David McNicoll, Vice President, 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.