2

REPORT OF THE PROCEEDINGS

AT THE

TWENTY-FIFTH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 3RD, 1906,

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.

Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE TWENTY-FIFTH ANNUAL MEETING OF THE SHAREHOLDERS HELD AT MONTREAL ON WEDNESDAY, OCTOBER 3RD, 1906.

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, 1906, which had been printed and distributed to the shareholders, said:—

It is scarcely necessary to dwell on the twenty-fifth annual report now submitted for your approval and adoption. No doubt the result of your operations is as gratifying to you as it is to your directors. The increase of more than eleven million dollars in gross earnings marks the progress and development of the territory served by your lines, and the very satisfactory net revenue remains after a liberal allowance in your working expenses for the maintenance of your property.

Thus far in the present year your revenue from traffic shows a large increase over the corresponding period in the previous year, and while it is entirely probable that later on the weekly comparisons will not be so striking, there is every reason to anticipate continued improvement. Indeed, although neither effort nor money is spared, we find it almost impossible to provide cars and locomotives rapidly enough to meet the requirements of the business development along your lines in such a manner as to satisfy ,with desirable promptness, the demands of your patrons.

At the special general meeting held March 19th last it was decided to supplement the proceeds of the issue of ordinary capital stock then authorized by an appropriation from surplus earnings of five million dollars. No portion of this appropriation had been expended prior to June 30th, but your directors have caused the amount to be set aside in the accounts of the current year to be employed from time to time, as circumstances may warrant, in additions and improvements to your property.

Early in July the balance required to redeem your 3½% land grant bonds was deposited with the Government, and the requisite instrument has been executed relieving the Company forever from any liability in respect of the principal or interest of the bonds, so that all of your lands are now free from any encumbrance whatever. Since June 30th, 1901, you have redeemed bonds to the amount of $17,831,000 out of the proceeds of land sales, and during the same period the balance due the Company on account of land sold has increased from $3,467,000 to $16,382,000, on which you are receiving interest at the rate of six per cent per annum. The principal sum realized from the sale of your lands should, in the opinion of your directors, be permitted to accumulate and be invested so as to give you the best interest return consistent with safety, until such time as a definite plan can be evolved for its utilization, but the interest on both the cash receipts and deferred payments which are increasing month by month is available revenue to be dealt with as you may think best. It is evident now that the receipts from this source will, during this year, be about equivalent to one per cent on the ordinary share capital. In the current year your directors propose to distribute this one per cent to the shareholders in semi-annual instalments of one-half per cent each payable April 1st and October 1st, 1907.

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, 1906, now submitted, be and the same is hereby adopted.

The draft of the proposed lease from the Georgian Bay and Seaboard Railway Company of that Company's railway to this Company, referred to in the Annual Report, was submitted, and on motion of C. E. Gault, Esq., seconded by W. Molson Macpherson, Esq., the following resolution was unanimously adopted, viz:—

Resolved,—That the Indenture of lease from the Georgian Bay and Seaboard 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 indentification, 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 railway of the Georgian Bay and Seaboard Railway Company from a point in or near Victoria Harbour in the County of Simcoe, to a point on the main line of the Ontario and Quebec Railway in or near the City of Peterborough, all in the Province of Ontario, a distance of about ninety-six miles, and all other railways or branches which may be hereafter constructed by that Company, 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 and 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 draft of the proposed lease from the Joliette and Brandon Railway Company 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 G. R. W. Notman, Esq., the following resolution was unanimously adopted, viz:—

Resolved,—That the Indenture of lease from the Joliette and Brandon 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 ninety-four years the whole of the railway of the lessor Company as now constructed, from a point near the Village of St. Gabriel de Brandon in the County of Berthier to a point of junction with the Canadian Pacific Railway within the Parish of St. Felix de Valois in the County of Joliette in the Province of Quebec, and all other railways or branches heretofore or hereafter constructed, 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 $20,000 per mile of railway then either constructed or under contract to be constructed, the present issue being fixed at $125,000;

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 draft of the proposed lease from the Walkerton and Lucknow Railway Company of that Company's railway to this Company, referred to in the Annual Report, was submitted, and on motion of E. H. Lemay, Esq., seconded by W. H. Evans, Esq., the following resolution was unanimously adopted, viz.:—

Resolved,—That the Indenture of lease from the Walkerton and Lucknow 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 ninety-nine years the railway of the Walkerton and Lucknow Railway Company now under contract for construction from Proton on the main line of the Toronto Grey and Bruce Railway to the town of Walkerton, all in the Province of Ontario, a distance of about 37 miles, and all other railways or branches heretofore or hereafter constructed by that Company, 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 and the aggregate of all such bonds outstanding not to exceed at any time the rate of twenty 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 draft of the proposed lease from the Berlin, Waterloo, Wellesley and Lake Huron Railway Co. of that Company's railways to this Company was submitted, and on motion of Henry Beatty, Esq., seconded by Wilmot D. Matthews, Esq., the following resolution was unanimously adopted, viz.:—

Resolved,—That the indenture of lease from the Berlin, Waterloo, Wellesley and Lake Huron 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 ninety-nine years, the railways of the Berlin, Waterloo, Wellesley and Lake Huron Railway Company, extending from the Grand Trunk Railway Station in the Town of Galt through the said Town to and through the Town of Preston, and thence to the Town of Hespeler, and from the Town of Preston to and through the town of Berlin, and thence to the Town of Waterloo, all in the Province of Ontario, having a mileage of 20.30 miles, and also all other railways or branches heretofore or hereafter acquired or constructed by that Company, 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 and the aggregate of all such bonds outstanding not to exceed at any time the rate of twenty 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 construction of the branch lines and extensions of branch lines described therein, and referred to in the Annual Report, and the issue of four per cent. Consolidated Debenture Stock in aid of the construction and equipment thereof, was submitted, and on motion of Donald Macmaster, Esq., K.C., seconded by Angus W. Hooper, Esq., the same was unanimously adopted, viz.:—

Whereas, the Company has constructed or has entered into contracts for the construction of certain branch lines of railway and extensions of existing branch lines, to wit:—

(a) A branch line called the Moose Jaw Branch extending from the Company's main line of railway at Moose Jaw in a north-westerly direction a distance of about fifty miles;

(b) A branch line called the Weyburn Branch, extending from Weyburn on the North Western Extension of the Souris Branch to Stoughton on the Arcola-Regina extension of the Souris Branch, a distance of about thirty-six miles;

(c) An extension of the Stonewall Branch from Teulon northerly a distance of about twenty miles;

(d) An extension of the West Selkirk Branch from Winnipeg Beach to Gimli, a distance of about ten miles, and

(e) A branch line called the Lauder Branch from Lauder on the Souris Branch westerly to Broomhill, a distance of about twenty miles,

and it is desirable to complete such branch lines and extensions in the near future and to make provision for the moneys expended and to be expended thereon 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 lines of railway and extensions, 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.

On the recommendation of the Directors the following resolution authorizing a contribution on behalf of the Company towards the cost of improving the water supply of the City of Winnipeg was, on motion of Robert Reford, Esq., seconded by G. A. Kohl, Esq., unanimously adopted, viz:—

Whereas, the rapid growth of the city of Winnipeg makes it essential that the present water system of the City be enlarged and improved so that the public health may not be imperilled, and that there may be proper protection against fire;

And whereas, the City authorities are now considering plans for securing a suitable and sufficient supply of water by the construction of works that will involve a large expenditure of money;

And whereas, the interests of the citizens of Winnipeg and of this Company are in many respects identical, more particularly in matters pertaining to the public health and the protection of property against fire;

And whereas, under an agreement with the City of Winnipeg, the properties of the Company situate within the City are practically exempt from municipal taxation;

And whereas, the Directors of the Company being of opinion that in view of these facts the Company might properly cooperate towards securing, with the least possible delay, a suitable supply of water by offering to participate in the cost, and have in consequence signified to the Mayor and City Council of Winnipeg, the Company's willingness to so participate to the extent of $200,000, payable in ten annual instalments of $20,000 each, or twenty annual instalments of $10,000. each, as may best suit the City's proposed financial arrangements;

Therefore be it resolved,—That the action of the Directors in the premises is approved, and they are hereby authorized and empowered to enter into such agreement or agreements with the Municipal Corporation of the City of Winnipeg as may be necessary to give effect to their proposal in case it be accepted by the City.

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, Clarence H. Mackay, Esquire, Thomas Skinner, Esquire, The Right Hon. Lord Strathcona and Mount Royal and Sir Thomas G. Shaughnessy, 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 Chas. 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 been taken, and no further votes having been cast within the specified time, the Chairman read the report of the scrutineers, which declared that Clarence H. Mackay, Esquire, Thomas Skinner, Esquire, The Right Hon. Lord Strathcona and Mount Royal and Sir Thomas G. Shaughnessy, 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.	Mr. DAVID McNICOLL