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REPORT OF THE PROCEEDINGS

AT THE

TWENTY-SEVENTH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 7TH, 1908,

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.

Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE TWENTY-SEVENTH ANNUAL MEETING OF THE SHAREHOLDERS HELD AT MONTREAL ON WEDNESDAY, OCTOBER 7TH, 1908.

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, K.C.V.O., in moving the adoption of the report on the affairs of the Company for the fiscal year ended June 30th, 1908, which had been printed and distributed to the shareholders, said:—

The Twenty-seventh Annual Report of the Company's affairs is now before you for consideration and approval.

The estimate of the Western crops made a year ago was not far astray as to quantity, but the quality was seriously affected by bad weather, and, therefore, the amount realized by the producers was much below the average.

About the end of October there was a disarrangement of business affairs approaching a panic in the United States, and the feeling of uncertainty and distrust reached Canada in a more rational and less pronounced form, resulting in a drastic but prudent contraction of bank credits and a consequent shrinkage of business activity in all lines of manufacture and commerce.

These conditions had a serious effect on your business, but more particularly on your westbound and local traffic, with the result that your gross income showed important decreases month by month, without any possibility of making reductions, that were at all commensurate, in the cost of transportation.

Your Directors, convinced that the depression was but temporary, did not feel warranted in changing their policy by curtailing the expenditure for the maintenance of the railway and equipment. As a consequence your gross income was $833,000. and your net revenue $3,500,000. below the previous year.

The crop just harvested is bountiful and of excellent quality, and we have every reason to believe that there will be an early return of sound and active business conditions.

Fair progress has been made during the year with all the works of construction and improvement that were in hand, but it is very desirable that the several railway lines now being built should be brought to completion before other works of a like character are undertaken, and, therefore, your Directors have decided to restrict operations in this respect, for the present at any rate.

As explained in the Annual Report, you will be asked at the Special General Meeting to be held immediately after this meeting, to sanction an increase in the Ordinary Capital Stock of the Company from $150,000,000. to $200,000,000. and to empower your Directors to utilize the additional stock in such amounts from time to time as may be desirable in connection with the Company's capital requirements.

It is not easy to designate in advance with any degree of particularity the purposes for which money will be required, excepting in the matter of rolling stock. In the six years, 1902 to 1908, there was an increase in your equipment of 659 locomotives, 842 sleeping cars and day coaches, and 25,190 freight cars, at an approximate cost of $37,000,000. This is equivalent to one locomotive every three working days, one passenger car every two days and fourteen freight cars each day during the entire period of six years, and yet the prospects are that within the next six weeks the demand will be in excess of the supply of freight cars.

While it is a healthy sign to have a shortage rather than an excess of equipment, it is due to the public, and in the best interests of the Company, that neither money nor effort should be spared to meet the reasonable requirements of shippers along your line, and, therefore, we must continue to build or purchase locomotives and cars as quickly as the development of traffic may warrant.

In the ordinary course of events the volume of traffic on your lines should increase with a fair degree of rapidity and an expansion of traffic necessarily involves not only additional cars and locomotives, but enlarged accommodation and greater facilities to care for it at very many new places over your 9,500 miles of railway, and in providing these, large sums of money are quickly absorbed.

You will, I am sure, recognize the desirability of having your financial arrangements in such shape that your Directors can, without avoidable delay, secure funds for your purposes at intervals as circumstances may justify or require, and to that end will invest them with the proposed powers.

The distribution from the land interest account will be the same in the current year as in the last, namely, one per cent in two semi-annual instalments of one-half per cent. each.

The report having been considered, it was moved by Sir Thomas G. Shaughnessy, K.C.V.O., 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, 1908, now submitted, be and the same is hereby adopted.

With reference to the death of Sir Robert G. Reid, for some years a Director of the Company, the following resolution, moved by Sir Thomas G. Shaughnessy, K.C.V.O., and seconded by Sir William C. Van Horne, K.C.M.G., was adopted, viz:—

Resolved,—That the Shareholders of this Company desire to record their deep sense of the loss sustained by the Company in the death of Sir Robert G. Reid who for several years occupied a seat on the Board, and whose high character, wide experience and sound judgment made his counsel of so much value.

The Chairman of the Board referred to the death of Mr. Charles Drinkwater, who had been Secretary of the Company since its incorporation, and he moved, seconded by Sir Thomas G. Shaughnessy, K.C.V.O., that the following resolution be and the same is hereby adopted, viz:—

Resolved,—That the Shareholders of this Company have heard with great regret of the death of Mr. Charles Drinkwater who had been Secretary of the Company since its incorporation, and who, during the last nine years, had also been Assistant to the President; his intimate knowledge of the Company's affairs had made his services of unusual value, and they desire to record their sense of the loss sustained by the Company in his death, and their high appreciation of his devotion to its interests during his long term of service.

The meeting then proceeded to the election of Directors to replace the four retiring Directors, and on motion of Edmund B. Osler, Esq., seconded by Hon. L. J. Forget, the following resolution was unanimously adopted, viz:—

Whereas in pursuance of By-law No. 88, Hon. Sir George A. Drummond, K.C.M.G., Sir Sandford Fleming, K.C.M.G., Wilmot D. Matthews, Esq., and Robert Meighen, Esq., 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, 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 Hon. Sir George A. Drummond, K.C.M.G., Sir Sandford Fleming, K.C.M.G., Wilmot D. Matthews, Esq., and Robert Meighen, Esq., 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 then adopted.

The meeting was thereupon made special for the purpose of considering an increase of the Ordinary Capital Stock of the Company, by an amount not exceeding $50,000,000, in accordance with the notice to the shareholders; and the following resolution on the subject having been read and considered was, on motion of Sir Thomas G. Shaughnessy, K.C.V.O., President, seconded by Richard B. Angus, Esq., unanimously adopted, viz:

Whereas the authorized Ordinary Capital Stock of this Company is $150,000,000 divided into 1,500,000 shares of the par value of $100 each and it is deemed advisable in the interests of the Company to increase the same to $200,000,000.

And whereas this Meeting has been duly called for the purpose of authorizing such increase, all preliminary legal requirements having been complied with:

Now therefore it is resolved as follows,—That is to say:—

1. *That* an increase of the Company's Ordinary Capital Stock, to the extent of 500,000 shares of the par value of $100 each be and the same is hereby authorized and approved:

2. *That* the said increase of Ordinary Capital Stock be issued by the Directors from time to time according to the requirements of the Company and be disposed of by the Directors in such manner and form, at such price not less than par, at such times, and upon such terms of payment as the Directors may determine;

3. *That* the proceeds of the said increase be applied in improving the Company's property and adding to its facilities and equipment from time to time, in order to meet the commercial requirements of the country and to secure the most convenient and economical handling of the Company's traffic, in such manner and at such times as the Directors may determine.

And the proceedings terminated.

WM. C. VAN HORNE,
Chairman.

W. R. BAKER,
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, K.C.V.O., President of the Company, and Mr. David McNicoll, Vice-President, and the following were appointed the

EXECUTIVE COMMITTEE:

MR. RICHARD B. ANGUS.
MR. DAVID McNICOLL.
MR. EDMUND B. OSLER, M.P.
SIR THOMAS G. SHAUGHNESSY, K.C.V.O.
THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL, G.C.M.G.
SIR WILLIAM C. VAN HORNE. K.C.M.G.