REPORT OF THE PROCEEDINGS

AT THE

TWENTY-EIGHTH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 6TH, 1909,

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.

Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE TWENTY-EIGHTH ANNUAL MEETING OF THE SHAREHOLDERS HELD AT MONTREAL ON WEDNESDAY, OCTOBER 6TH, 1909.

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, 1909, which had been printed and distributed to the shareholders, said:—

I beg to submit for your consideration and approval the Twenty-eighth Annual Report of the Company.

The gross receipts for the year were quite as large as we had reason to expect, but the working expenses were abnormally heavy, due in part, as explained in the Annual Report, to the additional mileage included in the traffic returns, and in a greater measure to other conditions that could not well be controlled.

However, with the abundant crops harvested in almost every section of the territory served by your lines and the certainty of a very large westbound merchandise traffic, there is reason to anticipate a substantial increase in the total earnings for the current year as well as an improvement in the ratio of working expenses.

In the Annual Report reference is made to the Company's land affairs, but more particularly to the success that has attended the irrigation project in the territory east of Calgary. I am sure that the outcome of this great undertaking is a source of satisfaction to the Shareholders, as it is to the Directors. In this connection you may be interested in knowing that the cash in hand resulting from the sale of lands and townsites has now reached the considerable sum of $14,000,000. and that the deferred payments exceed $18,000,000. in amount.

Accompanied by several of the Directors I have recently travelled over a considerable portion of the Company's lines in Canada and of the subsidiary lines in the United States and the information that we gathered, not only as to the physical condition of the properties but as to the progress of settlement and the enlargement of agricultural and business development of every description, was most gratifying.

The area of the wheat growing belt served by your lines in Western Canada is steadily increasing and interior elevators for handling grain are now to be found in districts where a few years ago the best informed never expected to see grain produced.

The valleys of the Columbia and Kootenay Rivers and the lands tributary to the Okanagan and other lakes in British Columbia are rapidly being converted into orchards, the lumber interests of the mainland and Vancouver Island are becoming of vast importance, and every city and town west of Fort William bears the marks of progress and prosperity. And in the commercial and manufacturing centres of Eastern Canada all of this is being reflected in a most pronounced way, as indicated by the business activity and the growth of population in practically all the cities and towns reached by your lines in Ontario, Quebec and the Lower Provinces. Beyond doubt we are justified in declaring that the agricultural and general business interests of Canada are in splendid shape and that the outlook for the Company is at this time more reassuring and more promising than ever before.

The traffic prospects of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company, commonly known as the "Soo Line," are also very satisfactory.

Having secured access to Chicago and Milwaukee by the lease of the Wisconsin Central Railway, the "Soo Line," in conjunction with this Company, has become an important factor in the transcontinental business between these points and the Pacific Coast.

The sanction of the Governor-in-Council having been obtained, the shareholders at the special general meeting held a year ago took the necessary action to provide for an increase of the ordinary capital of the Company from $150,000,000. to $200,000,000. and the Directors were clothed with authority to issue the additional $50,000,000, in such amounts and on such terms from time to time, according to the requirements of the Company, as they might determine.

Thus far the Directors have not thought it necessary to deal with the subject, but the same conditions that bring enhanced revenue also compel constant and important expenditures for locomotives and cars, for the acquisition or enlargement of terminal grounds and buildings, and more siding accommodation, not only at the important centres but at hundreds of other places on the system, and for desirable additions and improvements of almost every description on different sections of the railway throughout the country.

Anticipating these future general requirements of the Company, and to meet them as they arise, the Directors think it prudent at this time to make provision for the necessary funds by offering to the holders of the ordinary capital stock a portion of the unissued shares.

It is proposed that the issue shall be in the proportion of 20% of the shares registered in the name of each individual holder in the books of the Company in London, New York and Montreal, on November 15th, proximo, and the issue price will be 125, or at a premium of 25% over the face value of the shares.

The usual practice of having payments made in instalments at intervals of about sixty days will be followed, and interest at the rate of 6% per annum will be allowed on such payments.

After the requisite formal action has been taken by the Board of Directors, a circular letter dealing with the subject in greater detail will be prepared and mailed to the shareholders.

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, 1909, now submitted, be and the same is hereby adopted.

The following resolution relating to the lease to this Company of the Orford Mountain Railway Company, referred to in the Annual Report, was submitted, and on motion of J. G. Scott, Esq., seconded by Robert Reford, Esq., was unanimously adopted, viz.:—

Resolved,—That the Indenture of Lease from the Orford Mountain 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, among other things, demises to this Company for the term of nine hundred and ninety-nine years, the railway of the Orford Mountain Railway Company as now constructed from Eastman to Windsor Mills, together with the branches heretofore constructed, having a total length of about fifty-eight and a half (58½) miles, and all other railways or branches 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 Fifteen Thousand Dollars, ($15,000) per mile of railway, then either constructed or under contract to be constructed.

And further, 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 verbal changes if any, as they may deem proper, not altering the substance thereof as above described.

By-law No. 94 prohibiting spitting in Passenger Stations, Waiting Rooms, or other premises of the Company was read, and on motion of E. H. Lemay, Esq., seconded by Henry Beatty, Esq., the following resolution was unanimously adopted, viz.:—

Resolved—That By-law No. 94 prohibiting spitting in Passenger Stations, Waiting Rooms, or other premises of the Company, passed by the Directors on 14th June, 1909, and reading as follows, that is to say:—

"Spitting in Passenger Stations, Waiting Rooms, Closets or other premises of the Company, and in Passenger Cars, or on platforms of same, except in receptacles provided for the purpose, is prohibited. Every person violating the provisions of this By-law, in addition to any other liability he may incur, will be liable to a fine not exceedng forty dollars for each violation, such penalty to be imposed and collected in the manner prescribed by the Railway Act. Where such violation is attended with damage or annoyance to the public, the Company may summarily interfere, using reasonable force if necessary, to prevent such violation or to enforce observance of the provisions of this By-law without incurring any penalty by reason thereof";
be and the same is hereby approved.

By-law No. 95 relating to the tariffs of the telegraph tolls to be charged by the Company was read, and on motion of Harry W. Birks, Esq., of London, England, seconded by C. R. Hosmer, Esq., the following resolution was unanimously approved and adopted, viz.:—

Resolved,—That By-law No. 95 relating to the tariffs of the telegraph tolls to be charged by the Company passed by the Directors on 6th October, 1909, amending By-law No. 93, and reading as follows, that is to say:—

"*That* Mr. James Kent, the Manager of Telegraphs of the Company, be and he is hereby authorized to prepare and issue tariffs of the telegraph tolls to be charged by the Company as provided for by the Railway Act as amended by 7-8 Edward VII, Chapter 61, being " An Act to amend the Railway Act with respect to Telegraphs and Telephones and the jurisdiction

of the Board of Railway Commissioners," and any further amendments of such Railway Act, for all telegraph traffic of the Company upon that portion of its railway upon which the telegraph tolls clause of the Act applies, and upon other railways owned or operated by the Company";
be and the same is hereby approved.

Mr. Birks took the opportunity, when moving By-law No. 95, to express the very high esteem in which the Securities of the Canadian Pacific Railway Company and its methods are held on the London Stock Exchange and Mr. Albert G. Neville, also of London, congratulated the Shareholders on the position which the Company had attained and moved a vote of thanks to the Directors, which after being seconded by Mr. William H. Evans was unanimously carried.

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, David McNicoll, Esquire, Charles R. Hosmer, Esquire, Hon. Robert Mackay and Hon. James Dunsmuir, 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 David McNicoll, Esq., Charles R. Hosmer, Esq., Hon. Robert Mackay and Hon.

James Dunsmuir, 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.

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.