REPORT OF THE PROCEEDINGS

AT THE

TWENTY-NINTH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, OCTOBER 5TH, 1910,

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.

Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE TWENTY-NINTH ANNUAL MEETING OF THE SHAREHOLDERS HELD AT MONTREAL ON WEDNESDAY, OCTOBER 5TH, 1910.

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 Company, Sir Thomas G. Shaughnessy, K.C.V.O., 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, 1910, which had been printed and distributed to the shareholders, said:—

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

In round figures the gross revenue of your railway lines, and exclusive of the ocean steamships, shows an increase as compared with the previous year of $18,600,000, the working expenses an increase of $7,700,000, and the net earnings an increase of $10,900,000. The actual result was somewhat better than this, because the Directors thought it wise to create at the cost of working expenses an additional fund of about $3,700,000 to provide for maintenance works of one kind or another that were contemplated, but could not be completed in the current year.

These figures furnish conclusive evidence of the growth and progress of Canada, and of the earning power of your property, and they show in a most emphatic way that the large sums of money provided by you during the past seven or eight years for the improvement of your railway and for facilities of every description over the whole system are yielding handsome returns in the efficiency and economy with which your traffic is being handled.

Insufficient rainfall in some sections of Western Canada during the growing season had a damaging effect upon the grain crops, with the result that the quantity of wheat to be moved during the next few months is considerably less than it would have been had normal weather conditions prevailed. Up to the present time this has had no material effect upon the revenue of the Company, but it is not improbable that later on in the year there will be some shrinkage in gross earnings.

At the Meeting of the Directors in August last it was decided to increase the dividend on the common stock to seven per cent. per annum, exclusive of the one per cent. paid from land revenue, making a total distribution of eight per cent. Your Directors are aware of the feeling amongst the shareholders that, taking into account the income and financial position of the Company, this is scarcely sufficient, and if last year's returns be taken as a basis, that feeling is not without reasonable foundation, but we must not lose sight of the fact that conditions may not always be so favourable, that we may have lean years, and that in such a contingency a large cash reserve will be a source of convenience and strength.

But then apart from your surplus earnings you have extraneous assets in deferred payments, or land mortgages, cash proceeds of land sales, and other items of a like character in process of realization, that may be roughly estimated at fifty million dollars, without taking into account your unsold lands, and in ordinary course this amount should be substantially augmented within the next few years.

In the opinion of your Directors the best interests of the Company and its shareholders will be subserved by keeping intact a considerable portion of these assets instead of resorting to the policy ordinarily characterized as melon-cutting, which has not always proved a boon to the beneficiaries. At the same time there is every reason why the shareholders of the present day should expect such advantage in the way of income from these assets as may be possible without unduly encroaching on the principal, and it is the intention of your Directors to determine during the coming year how this can best be brought about.

There has been a very striking expansion in the passenger traffic between this Continent and Europe through Canadian ports since your two steamships, the "Empress of Britain" and the "Empress of Ireland", were put into service, and the time has now arrived when steamships of greater size and speed should be provided for the route in the interest of Canadian ports, the country generally and the rail transportation lines.

While there has not been the same increase of traffic on the Pacific Ocean, there has been a steady growth, and your steamship line has been securing at least its proper share.

While your Pacific Ocean boats are still in excellent condition, they are now too small for the trade and should be replaced.

Plans for meeting the situation on both oceans are now receiving attention, and your Directors expect that, within the next few weeks, they will be able to complete an arrangement.

Among the measures that will come before you for approval at this meeting is a by-law amending the existing by-laws so as to remove the necessity for closing the books in Montreal, London and New York before the payment of each dividend on the common shares. This will make it practicable to deal with the dividend quarterly instead of half-yearly, and your Directors propose to do this commencing with the first quarter of the current year.

Quite recently Sir William Van Horne, who since his resignation as President in 1899 has been Chairman of the Board of Directors, decided to retire from that office, but, of course, to retain his seat on the Board. The Directors, in common I know with all the shareholders, have a keen appreciation of the splendid services rendered to the Company by Sir William, first in the early days of construction when there were physical and financial difficulties to be overcome that seemed almost insurmountable, and later when the railway having been completed to the Pacific Coast it became his duty to formulate a policy of branch line construction, to establish relations with connecting railways for the interchange of business, and to complete and perfect an organization for securing traffic and for handling it as economically as circumstances would permit. With the pessimism that then prevailed at home and abroad he might easily have been discouraged, and the location and building of branch lines with great rapidity in a territory so vast furnished ample opportunity for error, but he was not given to discouragement, and the soundness of his judgment, as well as the accuracy of his work, have stood the test of time and experience. When he surrendered the Presidency of the Company I am quite sure that he was actuated, not so much by the call of growing years or the desire for leisure as by the wish that his chief lieutenant and his friend might have scope and opportunity; and during the intervening eleven years that have marked the development of what might be called a new Canadian Pacific he has been among the foremost Directors in support of every measure of progress and enlargement, and it is a source of great satisfaction to me, as I know it is to him, that after thirty years of intimate business association, nearly all of them with the Canadian Pacific, we are still colleagues and co-workers in the promotion of the welfare of the great Company in which we all take such pride. For the Directors and the shareholders I express the earnest hope that Sir William will be with us for many years to sit at our Board and to share in our councils.

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, 1910, now submitted, be and the same is hereby adopted.

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

Resolved,—That the Indenture of Lease from the New Brunswick Southern 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 999 years the whole of that Company's railway now constructed from the City of Saint John to the Town of St. Stephen, in the Province of New Brunswick, a distance of about 83 miles, and its appurtenances at an annual rental of a sum equal to the interest payable on the Bonds of the said the New Brunswick Southern Company at present outstanding amounting to $500,000 at the rate of 3% per annum and on such Bonds as may be issued by the New Brunswick Southern Company to replace or redeem the said outstanding Bonds at such rate as may be agreed upon by the two Companies.

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.

The following resolution relating to the lease to this Company of the St. Maurice Valley Railway Company, referred to in the Annual Report, was submitted, and on motion of E. H. Lemay, Esq., seconded by W. H. Evans, Esq., was unanimously adopted, viz:—

Resolved,—That the Indenture of Lease from the St. Maurice Valley 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 999 years the railways of the St. Maurice Valley Railway Company as now constructed from a point in the City of Three Rivers to the Town of Shawinigan Falls, thence to the Town of Grand Mere, all in the Province of Quebec, a distance of about 27½ 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 4% 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 $35,000 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.

The following resolution relating to the lease to this Company of the Kootenay Central Railway Company, referred to in the Annual Report, was submitted, and on motion of Elliott T. Galt, Esq., seconded by Major Geo. R. Hooper, was unanimously adopted, viz:—

Resolved,—That the Indenture of Lease from the Kootenay Central 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 999 years the whole of the Railways and Branches which the said the Kootenay Central Railway Company has been by law authorized to construct and whether constructed or to be constructed, including the railway from Fort Steele to a point about 5½ miles east of Wardner and from Fort Steele to Golden, all in the Province of British Columbia, 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 4% 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 $30,000 per mile of railway actually constructed and handed over to this Company from time to time in sections for operation.

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.

The following resolution relating to the construction of irrigation works in the Eastern Block of the Company's Land Grant in Alberta, East of Calgary, referred to in the Annual Report, was submitted, and on motion of Robert Meighen, Esq., seconded by Wilmot D. Matthews, Esq., was unanimously adopted, viz:—

Resolved,—That the action of the Board of Directors in authorizing the construction of irrigation works for the purpose of irrigating the Eastern Block of the Company's Land Grant in Alberta, East of Calgary, at an estimated cost of $8,500,000 be and the same is hereby approved.

The following resolution relating to the purchase by this Company of the stocks and securities of the Dominion Atlantic Railway Company, referred to in the Annual Report, was submitted, and on motion of Sir Wm. C. Van Horne, seconded by Hon. L. J. Forget, was unanimously adopted, viz:—

Resolved,—The Directors are hereby authorized, whenever it is competent for the Company to do so, to purchase the Preference Stock of the Dominion Atlantic Railway Company consisting of £270,000 at the price of 60% of the par or face value thereof and the Ordinary Stock consisting of £230,000 at 20% of the par or face value thereof and to acquire all or any portion of the securities of said Company at such prices and upon such terms as they may deem advisable and to take a Lease of the said Company's Railway to this Company for such term as may be agreed upon, which Lease shall, as nearly as the circumstances will permit, be in the form usually adopted by the Company and may contain a clause providing for the guarantee of payment by this Company by way of rental of the interest upon the said Company's existing securities and such other securities as the said Company may issue for its purposes with the consent of this Company.

The following resolution relating to the issue of four per cent. Consolidated Debenture Stock on account of Branch Lines and Extensions of Branch Lines, referred to in the Annual Report, was submitted, and on motion of Edmund B. Osler, Esq., seconded by Hon. L. J. Forget, was unanimously adopted, viz:—

Resolved,—Whereas the Branch Lines of Railway and Extensions set forth below have been constructed or are in course of construction, and it is deemed desirable that authority be given to the Directors to issue Consolidated Debenture Stock to meet the requisite expenditure in connection therewith.

It is Therefore Resolved that the construction and equipment of the following Branch Lines and extensions of other Branch Lines which have been heretofore authorized be and the same are hereby approved, that is to say:—

1. An extension in a North-westerly direction of the Moose Jaw Branch, now known as The Moose Jaw-Outlook Branch, from the Westerly end of the Branch and extension heretofore authorized, to a point on the Pheasant Hills Branch at or near Macklin, a distance of about 118 miles.

2. A Branch in a Westerly direction from Weyburn on the North-western extension of the Souris Branch, and now known as the Weyburn-Lethbridge Branch, a distance of 50 miles.

3. An extension in a Northerly direction of the Stonewall Branch, and known as the Teulon Extension from Stonewall via Teulon to Icelandic River, a distance of about 56 miles.

4. An extension in a Westerly direction of the Lauder Branch, now known as the Lauder-Griffin Branch, from a point in or near Broomhill, 20 miles West of Lauder on the Souris Branch, a distance of 33 miles.

5. A Branch in a Northerly and North-easterly direction from the City of Regina via Craven to Colonsay on the Pheasant Hills Branch, and known as the Regina-Colonsay Branch, a distance of 134 miles.

6. A Branch in a North-westerly direction from Craven on the Regina-Colonsay Branch, and now known as the Craven-Bulyea Branch to a point at or near Bulyea, a distance of about 21 miles.

7. A Branch in a Northerly and North-westerly direction from a point at or near Kipp on the Crows Nest Pass Branch to be known as the Kipp-Aldersyde Branch, a distance of 58 miles.

8. A Branch in a Northerly direction from the Company's Main Line at or near Langdon to be known as the Langdon Branch, a distance of 40 miles.

9. An extension in an Easterly direction of the Snowflake Branch from Mowbray to Windy Gates, a distance of about 7 miles.

10. A Branch in a Northerly direction from Virden on the Company's Main Line to a point at or near McAuley on the Pheasant Hills Branch and now known as the Virden-McAuley Branch, a distance of about 36 miles.

And that for the purpose of aiding the construction and equipment of the said Branch Lines and extensions of Branch Lines, 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 £6,000 sterling per mile in respect of the Moose Jaw-Outlook Branch Extension, the Regina-Colonsay Branch, the Langdon Branch and the Virden-

McAuley Branch; £5,000 sterling per mile in respect of the Weyburn-Lethbridge Branch, the Stonewall Branch extension, the Craven-Bulyea Branch and the Kipp-Aldersyde Branch, and £4,000 sterling per mile in respect of the extensions of the Lauder-Griffin and the Snowflake Branches.

Amendments to the following By-Laws passed by the Board of Directors were read, and on motion of C. R. Hosmer, Esq., seconded by Henry Beatty, Esq., the following amendments were unanimously approved and adopted, viz:—

Resolved,—That the following By-laws be and the same are hereby approved, that is to say:—

1. By-law No. 96 rescinding By-law No. 87 relating to the General Train and Interlocking Rules of the Company and prescribing for use on the Line of Railway of the Company the uniform Code of Train and Interlocking Rules approved by the Board of Railway Commissioners for Canada and enacted by the Directors on the 14th day of March, 1910.

2. By-law No. 1 repealing former By-law No. 1 and dealing with the question of the Chairman and Secretary respectively at Shareholders Meetings—enacted 9th May, 1910.

3. By-law No. 3 repealing former By-law No. 3 and dealing with Special Meetings of Shareholders—enacted 9th May, 1910.

4. By-law No. 5 repealing former By-law No. 5 and providing for the election of a Board of Directors, President, Chairman of the Company and Vice-Presidents—enacted 9th May, 1910.

5. By-law No. 8 repealing former By-law No. 8 and providing for Special Meetings of the Board—enacted 9th May, 1910.

6. By-law No. 17 repealing former By-law No. 17 and dealing with the appointment, meetings and powers of the Executive Committee—enacted 9th May, 1910.

7. By-law No. 19 repealing former By-law No. 19 and defining the duties and powers of the President of the Company—enacted 9th May, 1910.

8. By-law repealing By-laws No. 77, 78 and 81 except so much of By-law No. 78 as amends By-law No. 23—enacted 9th May, 1910.

9. By-law No. 43 repealing former By-law No. 43 and making provision for the closing of the Company's Transfer Books of shares and stock prior to Annual and Special Meetings of the Shareholders—enacted 5th October, 1910.

Sir William Van Horne in moving the re-election of the retiring Directors took the opportunity to express his appreciation of the remarks respecting himself made by the Chairman and he stated that he felt that the greatest service that he had been to the Canadian Pacific Company was in being instrumental in inducing Sir Thomas Shaughnessy to come to Canada and that the Shareholders may congratulate themselves in having at the head of the affairs of the Company in which they are so much interested so able, so energetic and so upright a man as Sir Thomas Shaughnessy.

The meeting then proceeded to the election of Directors to replace the three retiring Directors, and on motion of Sir Wm. C. Van Horne, seconded by Richard B. Angus, Esq., the following resolution was unanimously adopted, viz:—

Whereas, in pursuance of By-law No. 88, the Rt. Hon. Lord Strathcona and Mount Royal, G.C.M.G., Sir Thomas G. Shaughnessy, K.C.V.O. and Thomas Skinner, Esquire, Directors of the Company, retire from office at this meeting.

And Whereas three 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 three 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 the Right Hon. Lord Strathcona and Mount Royal, G.C.M.G., Sir Thomas G. Shaughnessy, K.C.V.O., and Thomas Skinner, 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 read and adopted and the proceedings terminated.

T. G. SHAUGHNESSY,
Chairman.

W. R. BAKER,
Secretary.

At a meeting of the Board held immediately after the shareholders meeting, Sir Thomas G. Shaughnessy, K.C.V.O., was re-elected 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.