

With a very small increase in earnings five per cent dividends can be maintained without regard to the Guaranty fund, and the Directors have no doubt that at the expiration of the Guaranty in August 1893 the surplus earnings will be more than sufficient for this purpose.

The Directors, in conclusion, would remind the shareholders that it will be ten years on the 21st of October next since the contract for the construction of the Canadian Pacific Railway was signed, and that the 1st of May, 1891, was the date fixed by the contract for the completion of the line through to the Pacific.

Neither the Government, nor any one of those who signed the contract on behalf of the Company, had at that time the remotest idea that through trains would be regularly running between Montreal and the Pacific Coast by the month of June, 1886, five years before the date stipulated in the contract; and up to a much later time but very few of even the best informed and most steadfast friends of the enterprise foresaw or believed that the year 1889 would see the Company with over 5,000 miles of railway, earning, under anything but favorable circumstances, more than \$15,000,000, with profits exceeding \$6,000,000; having at the same time the highest possible reputation, based on the prompt discharge of all its obligations from the beginning, and having attained a financial standing hardly second to that of any Railway Company on this continent; and occupying, furthermore, the unique position of having made a reasonable return to its shareholders from the outset, and in having repaid with interest, and long before it became due, every dollar borrowed from the Government.