

CANADIAN PACIFIC RAILWAY.

REPORT

FOR THE

YEAR ENDING

DECEMBER 31ST, 1883.

UNIVERSITY OF TORONTO

CANADIAN PACIFIC RAILWAY

REPORT

FOR THE

Year Ending December 31st, 1883.

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GAZETTE PRINTING CO., MONTREAL.

BOARD OF DIRECTORS.

GEORGE STEPHEN,	MONTREAL.
R. B. ANGUS,	“
HON. DONALD A. SMITH,	“
WILLIAM C. VAN HORNE,	“
JOHN TURNBULL,	“
PASCOE DU P. GRENFELL,	LONDON.
H. S. NORTHCOTE,	“
C. D. ROSE,	“
BARON J. DE REINACH,	PARIS.
R. V. MARTINSEN,	NEW YORK.
W. L. SCOTT,	ERIE, PA.

OFFICERS.

GEORGE STEPHEN, <i>President</i> ,	MONTREAL
R. B. ANGUS, } <i>Vice-Presidents</i> ,	“
W. C. VAN HORNE, }	
HON. J. J. C. ABBOTT, <i>General Counsel</i> ,	“
CHARLES DRINKWATER, <i>Secretary</i> ,	“
I. G. OGDEN, <i>Auditor</i> ,	“
W. SUTHERLAND TAYLOR, <i>Treasurer</i> ,	“
JOHN H. McTAVISH, <i>Land Commissioner</i> ,	WINNIPEG
HENRY BEATTY, <i>Manager Lake Transportation</i> ,	TORONTO
JOHN M. EGAN, <i>Gen.-Supt. Western Division</i> ,	WINNIPEG
ARCHER BAKER, <i>Gen. Supt. Eastern Division</i> ,	MONTREAL
WILLIAM WHYTE, “ <i>Ontario</i> “	TORONTO.

EXECUTIVE COMMITTEE.

GEORGE STEPHEN.	HON. DONALD A. SMITH.
R. B. ANGUS.	WM. C. VAN HORNE.

GENERAL OFFICES, MONTREAL



REPORT

OF THE

BOARD OF DIRECTORS ON THE OPERATIONS OF THE CANADIAN
PACIFIC RAILWAY COMPANY, FOR THE YEAR ENDED
DECEMBER 31ST, 1883, SUBMITTED TO THE
SHAREHOLDERS AT THE ANNUAL
MEETING.

MONTREAL, May 14th, 1884.

To the Shareholders :

A statement of the progress of the work of construction of the Main Line and branches, and of the condition of the work, and prospects of the Company generally, having recently been made and transmitted to the Shareholders, it is unnecessary to go over the ground again in this Report, which will deal mainly with the financial position of the Company at the 31st December last, that being the date to which the Annual Report is, by the Company's By-Laws, required to be made.

It may be stated, however, that the progress made in the construction of the eastern section of the Main Line warrants the Directors in the confident belief that the rails will be laid from Callander to Port Arthur, within a year from this time, thus opening a through line from Montreal to the western end of the track, which will then be extended to or beyond the Columbia River ; or a continuous line of about 2,500 miles.

The work of construction of the Mountain section is

making satisfactory progress, and the Directors have good reason to expect that this portion of the line will be nearly, if not quite, completed by the end of next year.

The rails have been laid on the Government section from Port Moody, on the Pacific coast, eastward to Lytton, a distance of 144 miles; and the remainder of this section is nearly ready for the track. The Company have arranged to avail themselves of this, to commence construction from Kamloops Lake eastward, which can now be done with advantage both as regards time and expense.

A Map of the line is attached to this Report. This will explain, to some extent, the present position of the work, the solid black lines indicating the completed track, and the dotted lines those portions where construction is in progress.

It is gratifying to be able to state, that on a careful revision of the surveys north of Lake Superior, where the heaviest and most expensive work east of the Rocky Mountains is encountered, an improved location has been found, which will greatly reduce the cost of construction as compared with the original estimates, without in any way degrading the standard and character of the work.

A General Balance sheet to 31st December, certified by the Auditor of the Company, is appended.

This statement does not call for special remark in this Report, the expenditures under the different heads having been fully explained in the Report submitted to the Shareholders at the Special General Meeting held on the 6th March last, for the purpose of accepting the Act of the Dominion Parliament, passed during the recent Session, by which a loan to the Company of \$22,500,000 was granted, and the payment of \$2,853,912, due by the Company in February last, under the agreement with the

Government, guaranteeing a dividend of three per cent. per annum on the stock of the Company for ten years, was postponed until November, 1888.

It may be stated that so far the cost of the work has not exceeded the original estimates, whilst the character of the line, road-bed, bridges, and all permanent structures is of the highest.

From the information laid before the Board by the Company's Engineers concerning the work remaining to be done, the Directors are enabled to state with confidence, that the completion of the line can be effected out of the cash subsidy yet remaining to be paid by the Government, and the loan granted by the Government to the Company, without incurring further liability.

TRAFFIC AND EARNINGS.

The following statement shows the earnings of different sections of the line for the years 1882 and 1883.

It must be borne in mind that these earnings are from isolated and incomplete portions of the railway, which cannot, of course, develop their full earning power until the system is complete.

Notwithstanding this, the result cannot be considered unsatisfactory.

EARNINGS.	1882.	1883.
Eastern Division.....	\$ 999,289 44	\$1,497,047 90
Western Division.....	2,327,630 97	3,976,849 74
Total.....	<u>\$3,326,920 41</u>	<u>\$5,473,897 64</u>
Average miles operated.....	748	1,552
Earnings per mile.....	<u>\$ 4,447 75</u>	<u>\$ 3,527 00</u>

NOTE.—These figures include a charge for transportation of construction material, based on the actual cost of haulage.

The earnings per mile on those portions of the line under operation when the contract was entered into by the Company in 1881, and on the acquired lines, have steadily increased; the percentage of earnings, however, to total mileage has necessarily been gradually reduced owing to the rapid construction of the railway in advance of settlement, and through districts where business could only be created by opening up the country by the construction of the railway.

The prairie section being now completed, and in operation to the Rocky Mountains, it is believed that the increase in local business will be rapid and permanent.

Within the past week connection between the Eastern and Western sections of the line has been established by means of three Clyde built steel Steamships, belonging to the Company. The Ontario and Quebec Railway, which has been leased by this Company, will be open for freight traffic within two weeks from this date, and for passenger traffic before the first of July. The opening of this important line, commanding, as it will, a large amount of traffic for the main system, together with the steamship connection before mentioned, will undoubtedly result in a large and immediate increase in the revenue of the Company

LAND DEPARTMENT.

A statement of land sales from the commencement of the Company's operations is also submitted.

It will be observed that a considerable reduction is shown in the acreage sold, as compared with the statement published in the official memorandum dated December 12th, 1882.

This has been caused, mainly, by a reduction of the acreage originally sold to the Canada North-West Land Company, from 5,000,000 acres to 2,200,000 acres.

The Canada North-West Land Company having found themselves unable to deal with so large a quantity of land, it was considered desirable, both in the interest of the Railway Company, as well as of North-West settlement, that relief should be afforded them; and a new agreement reducing the quantity of land, but maintaining the same terms and conditions as to price, &c., was entered into.

It may be added that full payment has been made for the reduced acreage, and that the Land Company are actively engaged, both in this country and abroad, in securing purchasers and settlers for their lands.

Land Sales to December 31st, 1883:—

To settlers.....	794,240 acres		
To companies.....	2,837,400 "		
		3,631,640 =	\$10,378,899 63
Town sites.....		178,864 25	
			<u>\$10,557,763 88</u>
Less payments deferred, and due by Land Companies...			3,126,849 64
			<u>\$ 7,430,914 24</u>
Less expenses:			
Premium of 10 p. c. on bonds taken in payment for lands.....	\$ 666,700 00		
General charges, including interest....	146,794 84		
			<u>813,494 84</u>
			<u>\$ 6,617,419 40</u>
Sundry outstanding accounts.....			49,580 60
			<u>\$6,667,000 00</u>
Average price per acre:			
Gross.....	\$2 85.		
Nett	2 64.		

LAND GRANT MORTGAGE.

The following is the position of the 5 per cent. Land Grant Mortgage Bonds :—

Total Issue.....		\$25,000,000
Deposited with the Government as security for completion of the contract, no in- terest being payable thereon.....	\$ 5,000,000	
Deposited with the Government in trust until earned by the Company.....	10,000,000	
Redeemed by Land Sales and cancelled....	6,667,000	
		21,667,000
Balance Outstanding.....		\$3,333,000

Against this amount there are deferred payments on land sales contracts, on which interest is payable to the Company, amounting to \$3,126,849.64, the greater portion of which will doubtless be paid in bonds.

EQUIPMENT.

The following was the equipment of the Company at the close of the year :—

236 locomotive engines.
73 first class passenger cars.
33 second class passenger cars.
48 baggage and mail cars.
20 dining, sleeping, palace, &c., cars.
4,386 platform cars.
1,735 box cars.
126 cabooses, pay cars, &c.
6 derrick, and coal cars.
17 snow ploughs.

The extensive workshops of the Company at Montreal are now in full operation, and locomotives are being built at a price considerably less than hitherto paid by the Company.

Fifteen heavy freight engines have just been turned out at a cost of a little over \$7,000 each. This is owing, to a great extent, to the excellent arrangement of the shops for economical working, and the fact that they are fitted up with the best and most modern labour-saving machinery.

TELEGRAPH.

The construction of the telegraph has kept pace with that of the railway; in fact, in view of the great advantage to the Company of having their own wires across the continent at as early a date as possible, construction of the telegraph has been to some extent pushed ahead of the railway, and during the present season it is expected that a continuous line will be in existence from Montreal to the end of the track, beyond the summit of the Rocky Mountains. The importance and value of this franchise of the Company, will be well understood and cannot be over-estimated. Its assistance has been of the greatest value in connection with the rapid construction of the line.

BRANCH LINES.

The Algoma Branch, 96 miles, and the Selkirk Branch, 22 miles, were completed during the year.

MANITOBA SOUTH-WESTERN COLONIZATION RAILWAY.

In view of the great importance to the interests of the Canadian Pacific Railway Company that railway facilities should be extended to the fertile districts of Southern Manitoba, at the earliest moment, the Directors recommend to the Shareholders the leasing of the Manitoba South-western Colonization Railway, at a rental which will cover the interest on bonds of that railway, to be issued at the rate of \$12,000 per mile. Fifty-two miles of the line are in operation, and it is proposed to extend it 100 miles further

when the necessary financial arrangements can be made. The railway has a concession of 6400 acres of land per mile, for which it has to pay the Government \$1.00 per acre within ten years. The lands are considered among the best in the North-west, and owing to their proximity to the railway are expected to be immediately saleable at good prices. All the advantages of the Land Grant will accrue to the Canadian Pacific Railway Company, under the proposed lease, a resolution respecting which will be submitted for the approval of this meeting.

Mr. John S. Kennedy retired from the Board in January last, and was replaced by the appointment of Mr. John Turnbull.

Mr. Duncan McIntyre declines re-election.

GEORGE STEPHEN,
President.

CANADIAN PACIFIC RAILWAY COMPANY.—BALANCE SHEET—31ST DECEMBER, 1883.

COST OF ROAD.

Main Line (including Shops).....	\$57,227,213 97	
Acquired Lines.....	8,526,384 16	
Branch Lines.....	3,827,092 91	
		\$69,580,691 04

EQUIPMENT.

Rolling Stock.....	7,030,792 36	
Lake Steamers.....	552,250 78	
		7,583,043 14

CONSTRUCTION Plant Tools and

Outfit.....		187,002 33
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REAL ESTATE.....		390,789 75
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INTEREST on Land Grant Bonds.....		323,300 07
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ADVANCES towards acquiring ex- tensions.....		1,808,873 36
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ACCOUNTS receivable.....		2,381,714 98
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MATERIAL on Hand.....		4,364,838 90
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DOMINION Government Guarantee Fund Amount on Deposit with Dominion Government.....		8,710,240 00
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LAND Grant Bonds in Trust, held by Dominion Government under Contract.....	\$ 5,000,000 00	
“ “ “ in Trust...	10,000,000 00	
		15,000,000 00

CAPITAL Stock unsold, but hypo- thecated for Loan.....		10,000,000 00
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I. G. OGDEN,
Auditor.

Montréal, May 10th, 1884.

\$120,330,493 57

CAPITAL STOCK.

Amount Issued.....		\$65,000,000 00
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LAND Grant Bonds (1st Mortgage).

Amount Issued.....	\$25,000,000 00	
LESS Amount Redeemed by Land Sales, and cancelled.....	6,667,000 00	
		18,333,000 00

CANADA Central (1st Mortgage 5%)

Amount of Issue £500,000, equals Sinking Fund deposited with Government.....	2,433,333 00	
Amount necessary to Redeem bal- ance at maturity.....		850,000 00

CANADA Central (2nd Mortgage 6%).....		973,333 33
PROVINCE of Quebec.		

Balance of Purchase Q. M. O. & O.

Railway.....		3,500,000 00
CASH Subsidy paid by Government.....		12,628,446 20

LAND Sales.

Total Amount of Sales.....	10,557,763 88	
LESS Deferred Payments.....	3,126,849 64	
		7,430,914 24

LESS Expenses of Administering & Premiums on Redeemed Bonds..	813,494 84	
		6,617,419 40

TOWN Sites (not covered by Mort- gage).....		477,775 21
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LOANS payable.....		9,481,609 25
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UNPAID Vouchers and Accounts.....		1,353,335 83
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NETT Revenue from Road to date All Interest on Mortgages (other than Land Grant Mortgages) having been first deducted.....		1,115,574 35
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\$120,330,493 57

