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REPORT OF THE PROCEEDINGS

AT THE

EIGHTEENTH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

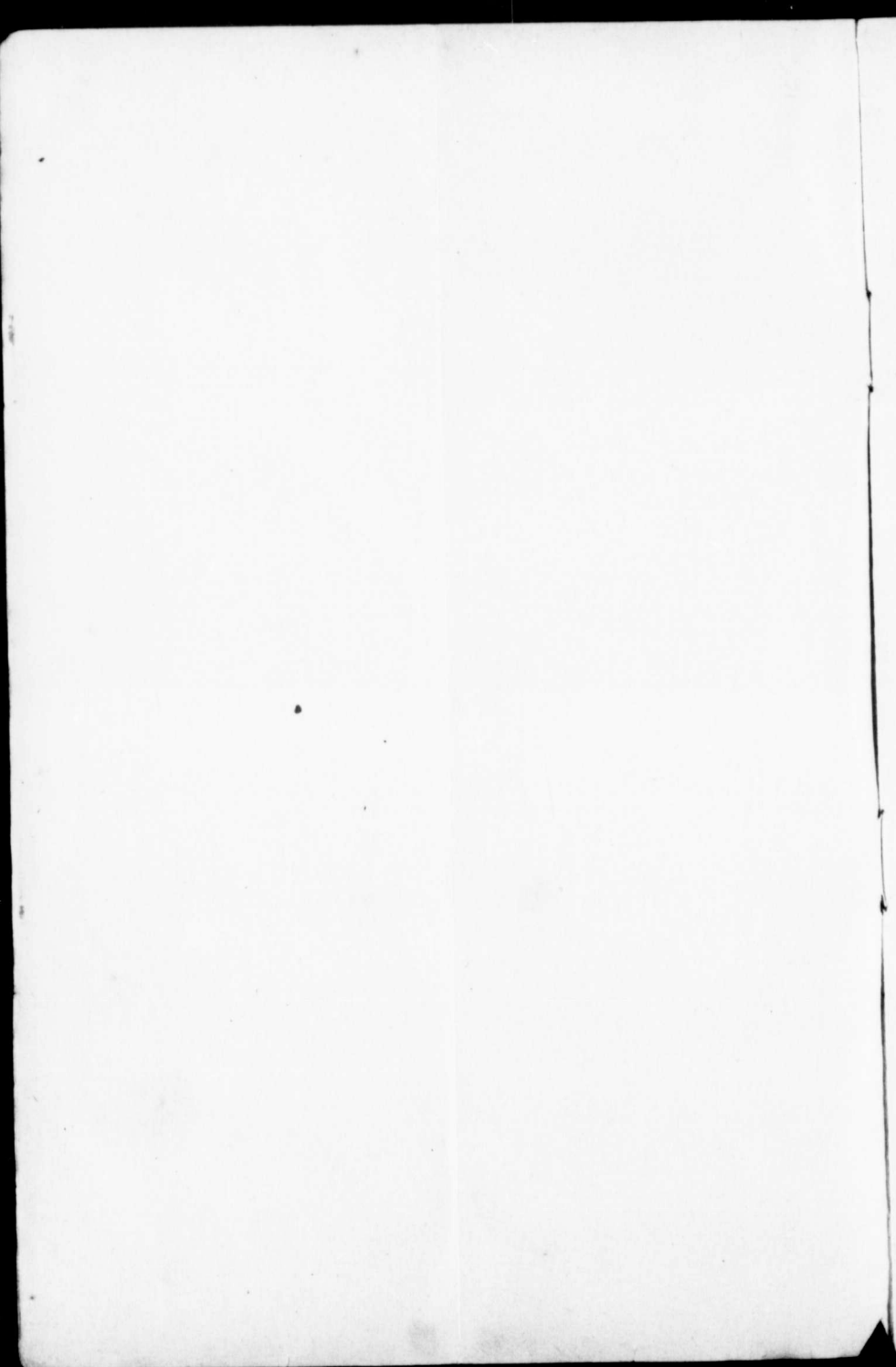
CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, APRIL 5TH, 1899,

AT THE

GENERAL OFFICES OF THE COMPANY, AT MONTREAL.



Canadian Pacific Railway Company

REPORT

OF THE PROCEEDINGS AT THE EIGHTEENTH ANNUAL MEETING OF THE
SHAREHOLDERS, HELD ON WEDNESDAY, 5TH
APRIL, 1899.

The meeting assembled, in conformity with the notice convening the same, at noon, at the General Offices of the Company at Montreal.

The President, Sir Wm. C. Van Horne, took the chair, and the Secretary of the Company acted as secretary of the meeting.

The Secretary having read the notice calling the meeting, the President, in moving the adoption of the Report on the affairs of the Company for the year ended 31st December, 1898, which had been previously mailed to the shareholders, said :

“The Annual Report deals so fully with the year’s operations of the Company that it seems hardly necessary to supplement it with any remarks on this occasion beyond a reference to the measures which will be submitted for your approval relating to the Minneapolis, St. Paul & Sault Ste. Marie Railway, the so-called “Soo Line,” the most important of your subsidiary lines. These measures were not fully stated in the Report, because the details were not definitely settled at the time it was issued. The “Soo” Company can hardly be said to be in default to you in its

interest obligations. The deficits which your Company has been called upon to make good have been entirely due to expenditures for equipment, terminal facilities and general improvements such as are incident to a new and growing property; indeed, the expenditures for equipment and terminal facilities were almost entirely made at the instance of your Company, with the object of improving the joint earnings. The total advances to the "Soo" by your Company amount to \$1,431,663, while the expenditures for equipment, terminal facilities and general improvements during the years in which these advances were made, foot up \$1,748,041; but as our accounts stand, the advances of interest charged against our income account appear to have been \$963,846, and for other purposes, as shown in the balance sheet, \$467,817. The Soo Company has coming due in the immediate future certain interest bearing obligations which were outstanding at the time your Company became interested in that property, and it is necessary to provide for these, and at the same time provision should be made for all of the floating obligations of that Company, and also for additional equipment and facilities required at once as well as for some years to come. It is proposed that the Soo Company shall issue second mortgage bonds to the extent of \$5,000,000, the interest on the bonds to be guaranteed by your Company. It is only intended that \$3,500,000 of these bonds shall be guaranteed and disposed of in the immediate future; and the remainder are to be held subject to the control of your Company for the possible later requirements of the Soo Company. This arrangement will enable the Soo Company to devote its net earnings to the payment of its interest charges, and at the same time to repay in annual instalments the interest which has been advanced by your Company. Its improved earnings justify the belief of your Directors that it will not only be able to do this, but

to make a return on its Capital Stock of which your Company holds more than one-half. The arrangement is fully set out in the resolution which will be submitted for your approval, and in the agreement with the Soo Company which will be laid on the table."

And the Report having been considered, it was moved by Sir Wm. C. Van Horne, President, seconded by Mr. Thomas G. Shaughnessy, Vice-President, and unanimously resolved : That the Report on the affairs of the Company for the year ended 31st December, 1898, now submitted be adopted.

The President submitted and explained an Agreement between the Company and the Hull Electric Company, referred to in the Annual Report, providing for the sale of the Aylmer Branch to the latter Company and for the interchange of traffic between the two lines, and it was moved by James Williamson, Esq., seconded by Jesse Joseph, Esq., and unanimously

Resolved,

That the agreement dated 9th January, 1899, between the Canadian Pacific Railway Company and the Hull Electric Company, now submitted, providing for the sale to the latter Company of the Aylmer Branch of the Canadian Pacific Railway extending from Hull to Aylmer, for the sum of one hundred thousand dollars, and providing also for the permanent interchange of traffic between the two Companies, be and the same is hereby approved, ratified and confirmed.

The following resolution, relating to the construction of extensions of the Pipestone and Stonewall Branches referred to in the Annual Report, and the issue of securities thereon was read, and on motion of Charles Meredith, Esq.,

seconded by the Hon. L. J. Forget, the same was unanimously adopted, viz :

Whereas, the Company has applied to the Parliament of Canada at its present session for an Act authorizing the Company, amongst other things, to construct, acquire, and operate a railway from a point at or near the north terminus of its Stonewall Branch to Foxton, in the Province of Manitoba, referred to in the Annual Report, thence northerly and north-easterly to a point on the west shore of Lake Winnipeg between Gimli and Arnes ; and also a railway from a point on the one last named, thence in a direction generally north-west to a point on the east shore of Lake Manitoba between Marsh Point and the north boundary of township twenty-five ; and also a railway, referred to in the Annual Report, from a point at or near Reston, on the Company's Pipestone Branch, thence in a general westerly direction to a point in the Moose Mountain District, thence in a westerly and north-westerly direction to a point at or near Regina, with power to issue in aid of the construction and equipment of the said railways or any one or more of them or any part thereof, bonds which will be a first lien and charge thereon, with the same effect as if the same were being built by the Company as a branch of its railway within the meaning of Section One of Chapter Fifty-one of the Statutes of 1888, or in lieu of such bonds Consolidated Debenture Stock conferring on its holders equal rights in all respects and a rank *pari passu* with holders of such Consolidated Debenture Stock as the Company has been heretofore authorized to issue ;

Therefore the Shareholders do hereby resolve,

That if the said Parliament do pass an Act empowering the Company to issue Consolidated Debenture Stock for the purpose of aiding the construction or the construction and equipment of the said railways, or any one or more of

them, or any part or parts thereof, then for that purpose the Directors may issue Consolidated Debenture Stock of the Company to such amounts as they deem expedient not exceeding in the aggregate the rate of \$20,000 per mile thereof, and at the same rate for any portion of a mile, bearing interest at the rate of four per cent. per annum, payable at the times and places and in the same manner as on the stock heretofore issued, provided that if the Company issue bonds creating a lien on the said railways or any portion or portions thereof, then the amount of Consolidated Debenture Stock which may be issued as aforesaid in respect thereof shall be diminished to the extent of the amount of such bonds.

A lease in perpetuity of the Columbia and Western Railway to this Company of its property and franchises, referred to in the Annual Report, was submitted and explained, and on motion of John Morrison, Esq., seconded by Sir Sandford Fleming, it was unanimously

Resolved,

That the lease now submitted to this meeting dated 12th July, 1898, whereby the Columbia and Western Railway Company demises in perpetuity to this Company with the option of purchase, the lessor's railway from Rossland to Midway in British Columbia by the route therein described, and the branches therefrom whether constructed or to be constructed, be and the same is hereby approved, ratified and confirmed; the yearly rental being an amount equal to the interest on the capital of such bonds as the lessor may from time to time issue, such capital not at any time to exceed the maximum limit of thirty-five thousand dollars for each mile of the said demised railway and branches which shall then have been completed, or be under contract to be completed, and such interest, not exceeding five per cent. per annum payable half-yearly, to be guaranteed by this Company, by way of rental.

The following resolution relating to an agreement with the Minneapolis, St. Paul and Sault Ste. Marie Railway Co., providing for extended traffic arrangements and for the guarantee by this Company of the interest on an issue by that Company of Second Mortgage Bonds, was submitted by the President, and the agreement having been explained and laid on the table, the resolution was on motion of the Hon. L. J. Forget, seconded by Charles Meredith, Esq., unanimously adopted, viz. :

Whereas, this Company's Board of Directors consider it advantageous to enter into an agreement with the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, hereinafter called "the Soo Company," for a further working arrangement on the terms and conditions set out in a draft thereof now submitted to this meeting and endorsed by the Secretary for identification ;

And whereas the said agreement provides, amongst other things, for interchange of traffic between the two Companies and the division of earnings and other matters relating to such traffic, as therein more particularly set forth, and that the Soo Company shall make an issue of its Corporate Bonds to be denominated "Second Four per cent. Fifty Year Gold Bonds" to an aggregate of Five million dollars, or its equivalent in sterling money, and shall secure the payment of the same by a second mortgage to the Central Trust Company of New York as Trustees of all its railways and other properties therein described, and that this Company shall guarantee the payment of the interest on the said bonds at the rate of Four per cent. per annum, payable half-yearly ; all of the said bonds to be executed by the Soo Company and delivered to the said Trustees, after which a portion thereof, namely, three million five hundred thousand dollars, or its equivalent in sterling money, is to be in the first instance certified by the Trustees and delivered back to the Soo Company for

issue, the proceeds thereof to be applied approximately as follows, that is to say :

For terminal yards and facilities at Minneapolis, increased accommodation at divisional and intermediate points, permanent bridges and general additions and improvements.....	\$950,000 00
For redemption of interest bearing securities coming due, and for payments on account of rolling stock equipment already purchased, and for additional equipment estimated to be required.....	1,675,000 00
For payment of floating debt incurred for additions and improvements to the property including amount advanced by the Canadian Pacific Railway Company for that purpose, but not including amount advanced by that Company on account of interest on bonds which will be distributed over a term of years.....	875,000 00
	<u>\$3,500,000 00</u>

The remainder of the said bonds, namely, One million five hundred thousand dollars, or its equivalent in sterling money, to be afterwards certified by the Trustees from time to time in such amounts as the Soo Company, by resolution of its Board of Directors may direct, the written concurrence and approval of this Company having been first obtained; provided that the said remainder of the said bonds or any part thereof shall not be disposed of, or the proceeds thereof applied, except as this Company shall from time to time first authorize and approve of in writing;

Now therefore it is resolved

That the Shareholders do hereby approve of the transaction embodied in the said agreement, and do authorize the Board of Directors to cause the said agreement to be executed on behalf of this Company under its corporate seal and the signatures of such of its officials as they may appoint for that purpose, and from time to time to do whatever may be necessary in order to carry out and give effect to the terms thereof.

The President submitted and explained estimates approved by the Directors of proposed Capital expenditure to be incurred during the current year on construction and improvement account ; and the same having been laid on the table it was moved by J. Try-Davies, Esq., seconded by Wm. R. Miller, Esq., and unanimously

Resolved,

That the Shareholders do hereby authorize expenditures on Capital Account during the current year, as recommended by the Board of Directors, as follows :

Improvement permanent way.....	\$ 1,150,979	
Additional station yard and terminal facilities.....	788,187	
Completion of air brake and automatic coupler equipment.....	305,010	
Branch lines to mines in connection with Crow's Nest Line (as required).....	300,000	
Rolling stock (as required).....	1,000,000	
		\$ 3,544,176

The following By-law, passed by the Board of Directors, was submitted for approval, viz. :

BY-LAW No. 76.

The Canadian Pacific Railway Company hereby enacts as follows, that is to say :

Any person who does any of the following acts without the written consent of the Company in or upon any passenger car of the Company or in any station or premises occupied by the Company shall be and is hereby subjected to a penalty not exceeding Forty dollars, that is to say :

Advertising, soliciting custom or canvassing for any hotel, lodging house, restaurant, or other like places ; or soliciting the transportation of passengers or baggage or selling or exhibiting for sale any goods, wares or merchandise ;

And if any person while on any passenger car continue to do any of the said acts after being forbidden by the Conductor, then he may be put off the train in the same way as a passenger who refuses to pay his fare may be.

Dated this Ninth day of January, 1899.

Whereupon it was moved by Henry Beatty, Esq., seconded by E. B. Osler, Esq., and unanimously

Resolved

That By-law No. 76 now submitted and read be and the same is hereby approved.

The meeting then proceeded to the election of Directors for the ensuing year, and it was moved by Wm. Hendrie, Esq., seconded by Wilmot D. Matthews, Esq., and unami-
mously

Resolved,

That a ballot be now taken for the election of Directors for the ensuing year, and that Charles Meredith, Esq., and Wm. R. Miller, Esq., be appointed Scrutineers to take such ballot.

The ballot having been taken, the President read the report of the Scrutineers which declared that the under-mentioned gentlemen had been elected by the unanimous vote of the meeting, viz. :

THE RT. HON. LORD STRATHCONA AND MOUNT ROYAL.
SIR WM. C. VAN HORNE, K.C.M.G.
MR. RICHARD B. ANGUS.
MR. THOMAS G. SHAUGHNESSY.
MR. EDMUND B. OSLER, M.P.
SIR SANDFORD FLEMING, K.C.M.G.
SIR GEORGE A. KIRKPATRICK, K.C.M.G.
GEN. SAMUEL THOMAS.
MR. GEORGE B. HARRIS.
MR. WILMOT D. MATTHEWS.
HON. DONALD MACINNES.
MR. THOMAS SKINNER.
MR. JOHN W. MACKAY.

And the proceedings terminated.

WM. C. VAN HORNE, *President.*

C. DRINKWATER, *Secretary.*

NOTE :—At a meeting of the Board subsequently held, Sir Wm. C. Van Horne was re-elected President and Mr. Thomas G. Shaughnessy, Vice-President of the Company, and the following were appointed the

EXECUTIVE COMMITTEE :

Sir Wm. C. Van Horne, K.C.M.G., Mr. Thomas G. Shaughnessy,
The Rt. Hon. Lord Strathcona and Mount Royal,
Mr. Richard B. Angus.