

CANADIAN PACIFIC RAILWAY.

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ANNUAL REPORT FOR THE YEAR

- 1889 -

AND

REPORT OF PROCEEDINGS

AT THE

NINTH ANNUAL MEETING

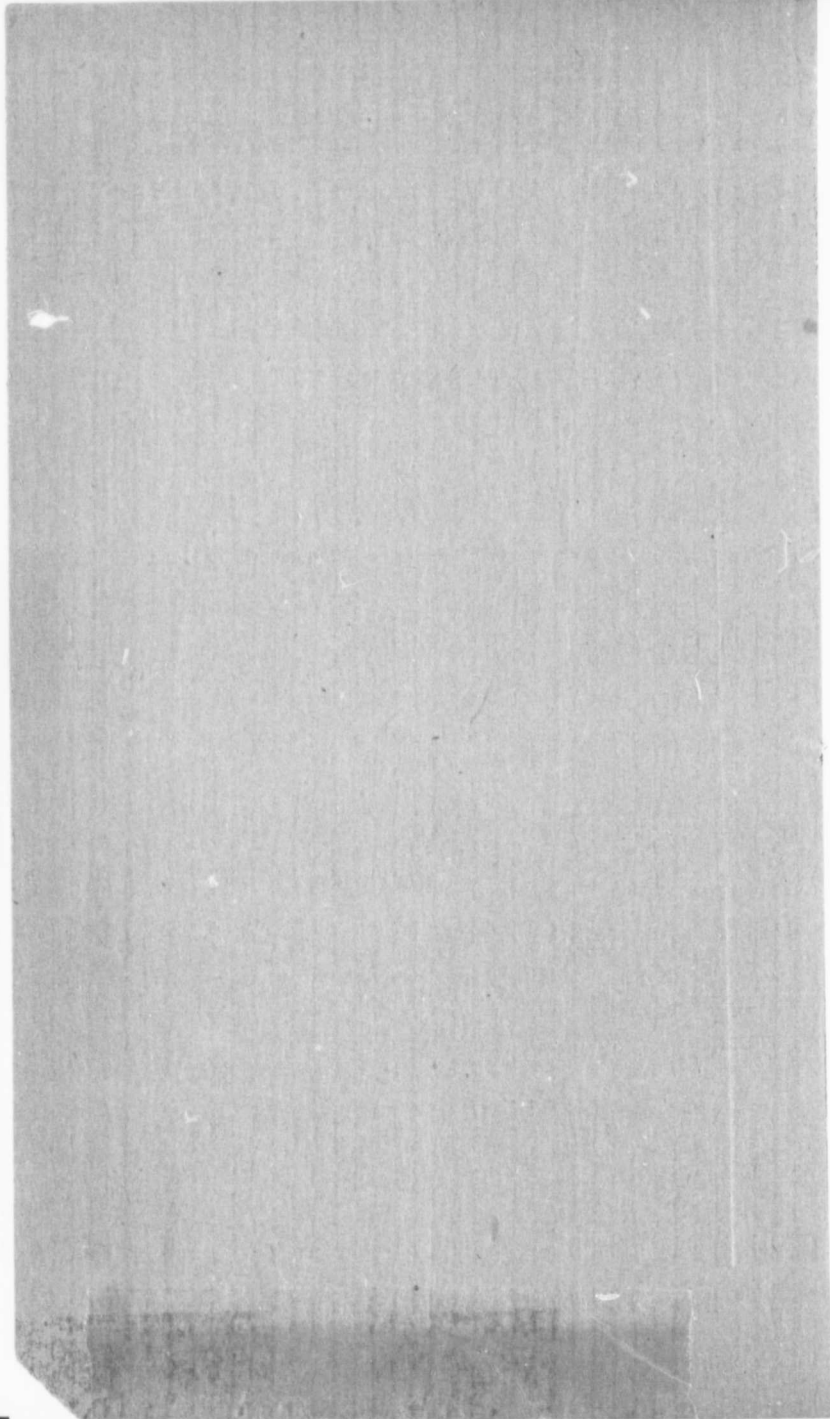
OF SHAREHOLDERS,

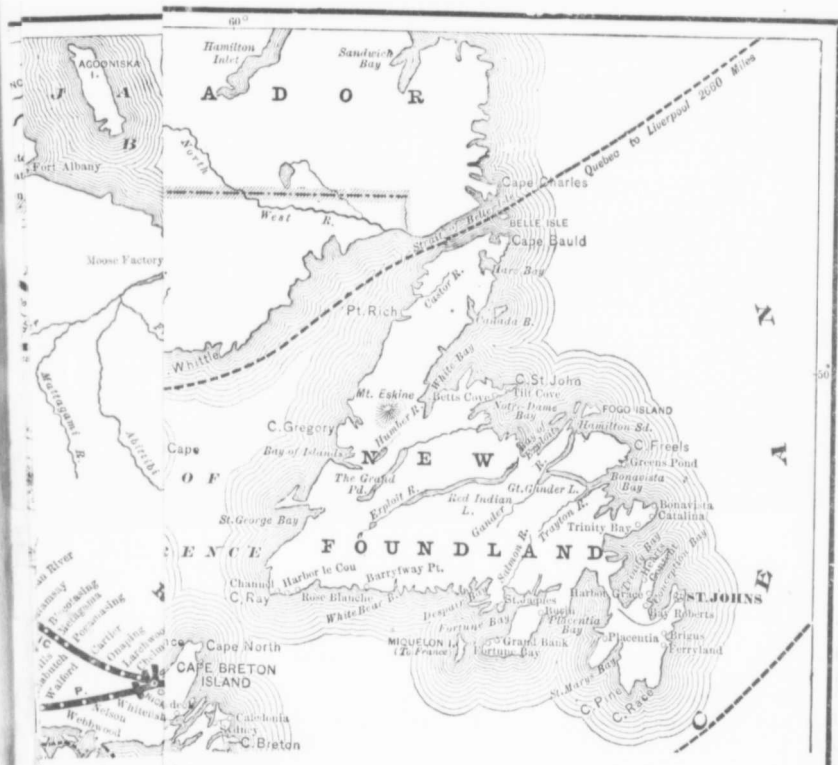
HELD AT THE GENERAL OFFICES OF THE COMPANY,

MONTREAL,

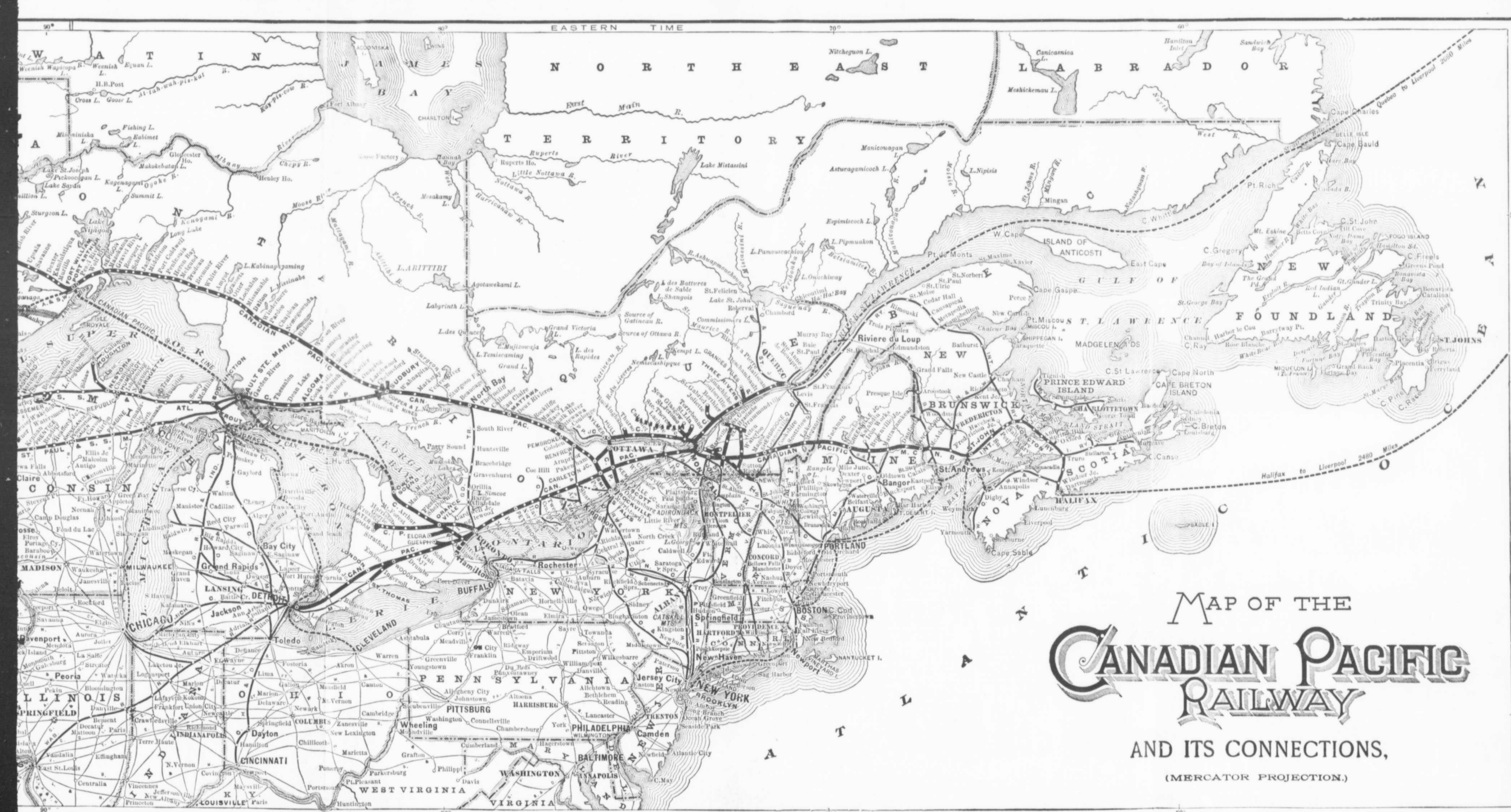
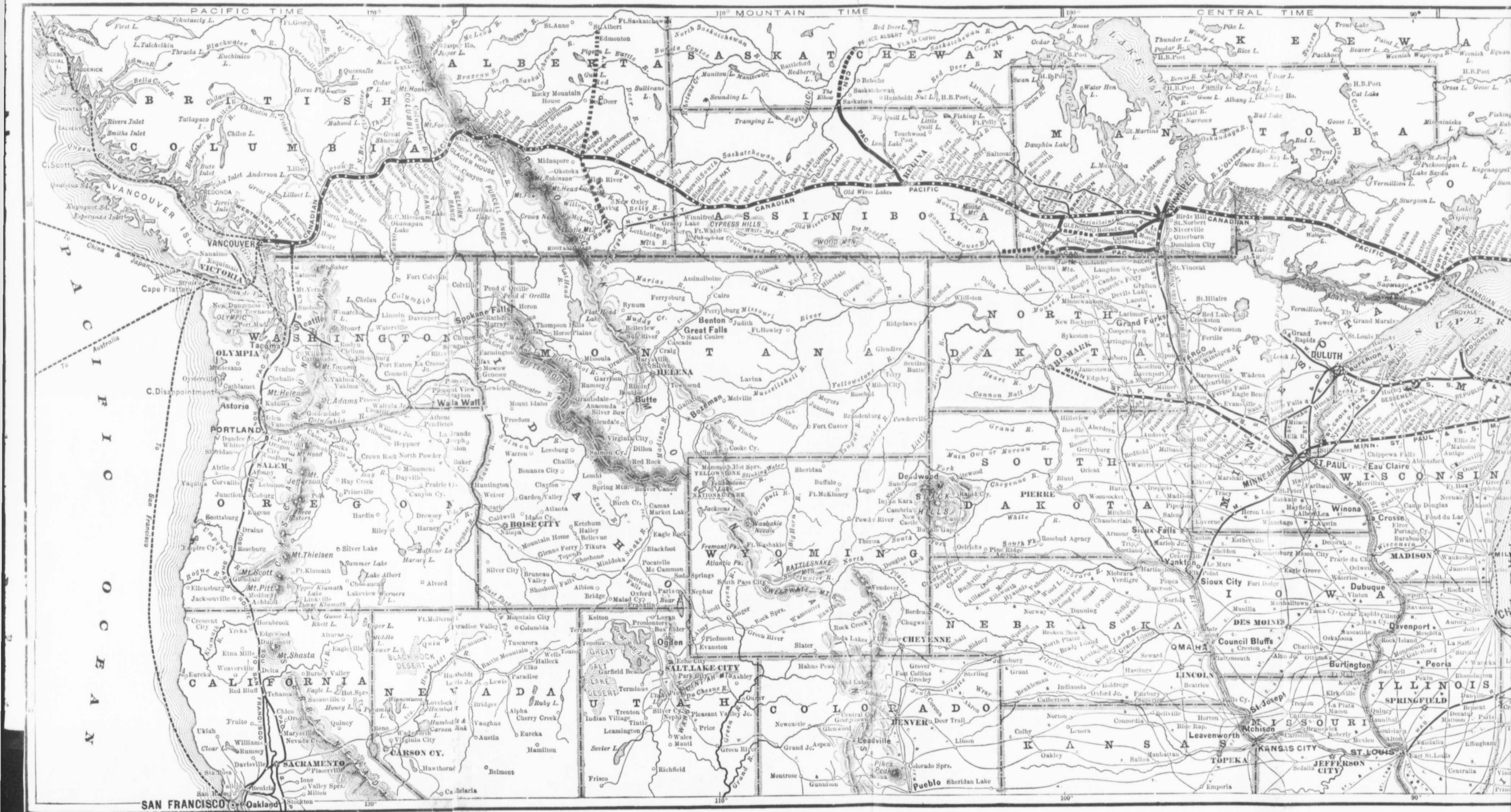
ON

WEDNESDAY, 14th MAY, 1890.

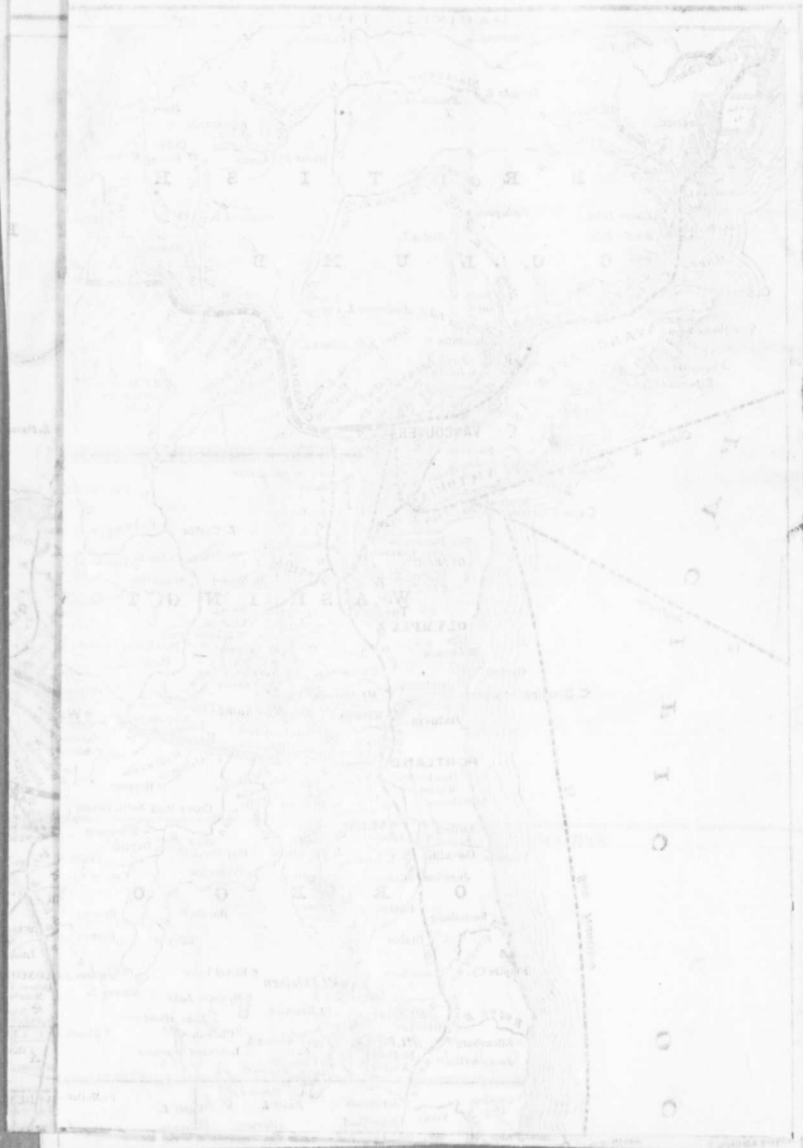




NEWFOUNDLAND CONNECTIONS  
 YAMMA  
 ADVA. H. AGRIED



MAP OF THE  
**CANADIAN PACIFIC**  
RAILWAY  
AND ITS CONNECTIONS,  
(MERCATOR PROJECTION.)



CANADIAN PACIFIC RAILWAY.

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ANNUAL REPORT FOR THE YEAR

**-1889-**

AND

REPORT OF PROCEEDINGS

AT THE

NINTH ANNUAL MEETING

OF SHAREHOLDERS,

HELD AT THE GENERAL OFFICES OF THE COMPANY,

MONTREAL,

ON

WEDNESDAY, 14th MAY, 1890.

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GAZETTE PRINTING CO., MONTREAL.



## BOARD OF DIRECTORS.

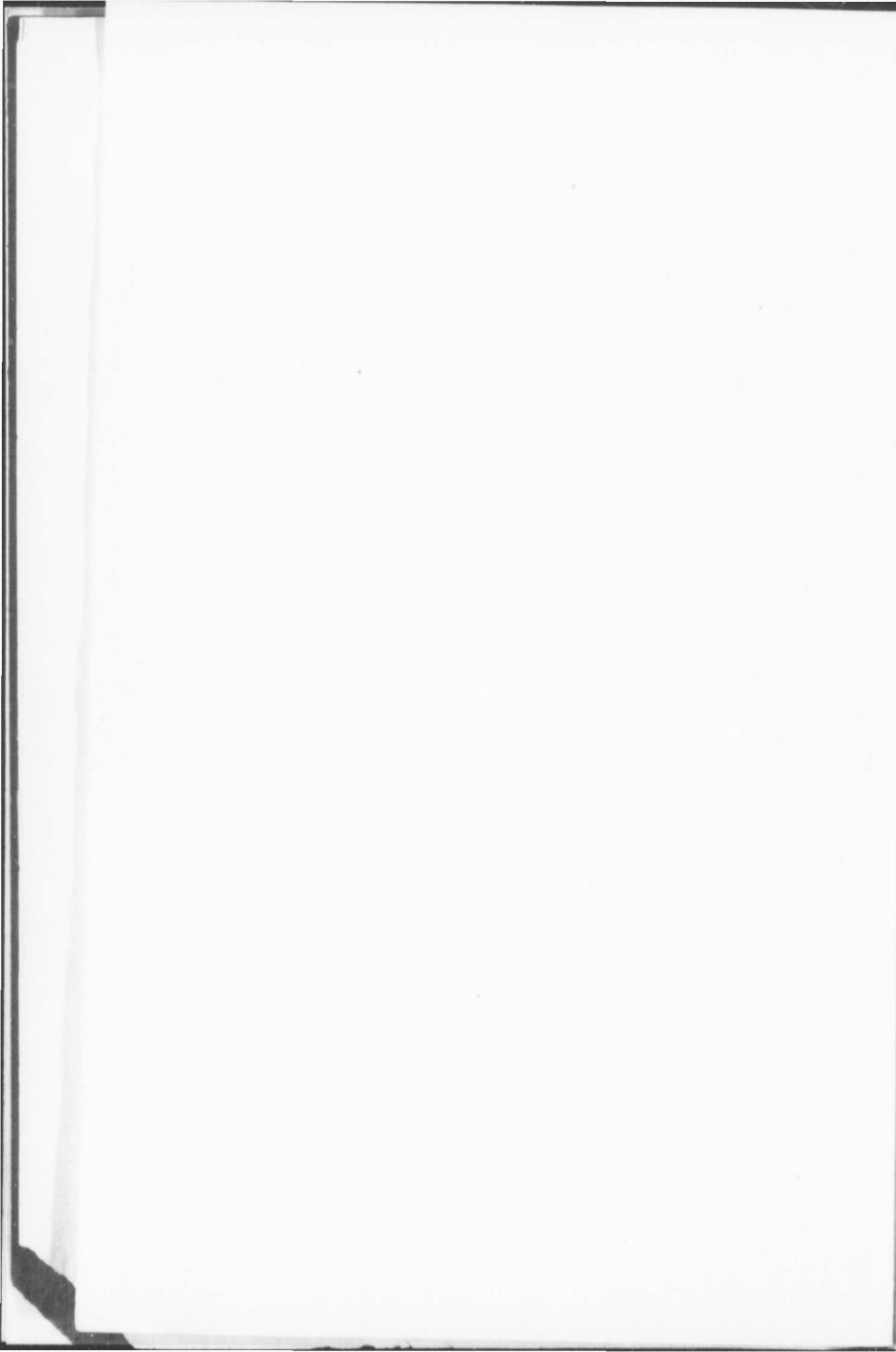
SIR GEORGE STEPHEN, BART.,	MONTREAL.
MR. WM. C. VAN HORNE, - - - - -	do.
SIR DONALD A. SMITH, K.C.M.G., M.P., - - - - -	do.
MR. RICHARD B. ANGUS, - - - - -	do.
“ EDMUND B. OSLER - - - - -	TORONTO.
“ SANDFORD FLEMING, C.E., C.M.G., - - - - -	OTTAWA.
HON. W. L. SCOTT - - - - -	ERIE, PA.
MR. GEORGE R. HARRIS, of Messrs. Blake Bros. & Co., -	BOSTON.
HON. J. J. C. ABBOTT, Q.C., Senator, - - - - -	MONTREAL.
“ GEO. A. KIRKPATRICK, M.P., - - - - -	KINGSTON.
MR. RICHARD J. CROSS, of Messrs. Morton, Bliss & Co.,	NEW YORK.
“ WILMOT D. MATTHEWS, - - - - -	TORONTO.
HON. DONALD MACINNES, Senator, - - - - -	HAMILTON.
MR. THOMAS SKINNER, - - - - -	LONDON.
GEN. SAMUEL THOMAS, - - - - -	NEW YORK.

## OFFICERS.

MR. WM. C. VAN HORNE, <i>President</i> , - - - - -	MONTREAL.
“ T. G. SHAUGHNESSY, <i>Assistant President</i> - - - - -	do.
“ CHAS. DRINKWATER, <i>Secretary</i> , - - - - -	do.
“ GEO. M. CLARK, <i>Chief Solicitor</i> , - - - - -	do.
“ GEORGE OLDS, <i>General Traffic Manager</i> , - - - - -	do.
“ T. A. MACKINNON, <i>Manager of Transportation</i> , - - - - -	do.
“ HY. BEATTY, <i>Manager Steamship Lines and Lake Traffic</i> ,	TORONTO.
“ I. G. OGDEN, <i>Comptroller</i> , - - - - -	MONTREAL.
“ W. SUTHERLAND TAYLOR, <i>Treasurer</i> , - - - - -	do.
“ D. McNICOLL, <i>General Passenger Agent</i> , - - - - -	do.
“ C. W. SPENCER, <i>Gen. Supt. Eastern Division</i> , - - - - -	do.
“ THOS. TAIT, <i>Gen. Supt. Ontario &amp; Atlantic Division</i> , -	do.
“ W. WHYTE, <i>Gen. Supt. Western Division</i> , - - - - -	WINNIPEG.
“ H. ABBOTT, <i>Gen. Supt. Pacific Division</i> , - - - - -	VANCOUVER, B.C.
“ L. A. HAMILTON, <i>Land Commissioner</i> , - - - - -	WINNIPEG.
“ HARRY MOODY, { <i>Manager of London Office, and Registrar of Transfers, 88 Cannon Street, LONDON, E.C.</i>	

## EXECUTIVE COMMITTEE.

MR. WM. C. VAN HORNE,		SIR GEORGE STEPHEN, BART.,
IR DONALD A. SMITH, K.C.M.G., M.P.,		MR. RICHARD B. ANGUS.
GENERAL OFFICES, - - - - - MONTREAL.		



# Canadian Pacific Railway.

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## NINTH ANNUAL MEETING.

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REPORT OF PROCEEDINGS AT THE NINTH ANNUAL MEETING, AND AT A SPECIAL GENERAL MEETING OF THE SHAREHOLDERS, HELD ON WEDNESDAY, THE 14TH DAY OF MAY, 1890.

The meeting assembled, in conformity with the notice convening the same, at noon, at the General Offices of the Company in Montreal. The President, Mr. Wm. C. Van Horne, took the chair, and the Secretary of the Company acted as Secretary of the meeting.

The Shareholders present in person, and by proxy, were ascertained to represent 349,551 shares of the stock of the Company.

The notice calling the meeting was read as follows:—

## CANADIAN PACIFIC RAILWAY COMPANY.

## NOTICE TO SHAREHOLDERS.

The Ninth Annual Meeting of the Shareholders of this Company, for the election of Directors and the transaction of business generally, will be held on WEDNESDAY, the 14th day of May next, at the principal office of the Company at Montreal, at 12 o'clock noon.

The Meeting will be made special for the following purposes :—

1. To provide for the issue, to a limited amount, of bonds in aid of the acquisition of Steam Vessels, under the Dominion Act 52 Victoria, Chapter 73, and for securing such issue according to the provisions of that Act.
2. To authorize and ratify an agreement with the Shuswap and Okanagan Railway Company concerning the leasing and operation of that Company's railway.
3. To authorize such arrangements, by lease or otherwise, with the Columbia & Kootenay Railway and Navigation Company as will provide for the construction and operation by this Company of the railway and other works of that Company.
4. To provide for the construction and equipment of the Souris Branch of the Company's railway (which branch is to include extensions in Southern Manitoba and to the west thereof), and for the issue of bonds in aid thereof, and for securing such issue.
5. To provide for the issue of Consolidated Debenture Stock for the purpose of satisfying or acquiring bonds issued in aid of the purchase of Ocean Steamships, under the Dominion Act, 52 Victoria, Chapter 73.

The transfer books of the Company will close in Montreal and New York on Tuesday, May 6th, and in London on Tuesday, April 22nd, and will be re-opened on Thursday, May 15th next.

By order of the Board,

CHARLES DRINKWATER,

*Secretary.*

Montreal, 12th April, 1890.

The President submitted and read the following Report on the affairs and operations of the Company for the year ended 31st December last :—

## NINTH ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY, SUBMITTED AT THE ANNUAL MEETING OF THE SHAREHOLDERS, HELD AT MONTREAL, 14TH MAY, 1890.

A balance sheet of the affairs of the Company at 31st December last, together with the usual statements relating to the business of the past year, are submitted.

The gross earnings for the year were.....	\$15,030,660 38
The working expenses were.....	<u>9,024,601 04</u>
And the net earnings were.....	\$6,006,059 34
Deducting the fixed charges accruing during the year....	<u>3,779,132 94</u>
The surplus was.....	\$2,226,926 40
From this a supplementary dividend of one per cent. was made, and paid February 17th, 1890.....	<u>650,000 00</u>
Leaving a surplus carried forward.....	\$1,576,926 40
Surplus of previous year .....	<u>326,423 92</u>
Total surplus carried forward.....	<u>\$1,903,350 32</u>

The working expenses for the year amounted to 60.04 per cent. of the gross earnings, and the net earnings to 39.96 per cent. as compared with 70.66 and 29.34 per cent. respectively in 1888.

The South-Eastern Railway was worked by your Company during the year, for account of the Trustees ; but the results are not included in this report.

## The fixed charges for the year were :—

£7,191,500	1st Mortgage Bonds, 5 per cent.....	\$1,749,931 66	
\$7,000,000	Province of Quebec.....	350,000 00	
£99,600	North Shore Ry. 1st Mortgage, 5 per cent.	24,236 00	
£200,000	Canada Central 2nd Mortgage, 6 per cent.	58,400 00	
	Canada Central 1st Mortgage, Sinking Fund .....	51,100 00	
£200,000	St. Lawrence & Ottawa 1st Mortgage, 4 per cent.....	38,933 34	
\$2,544,000	Man. S. W. Col. Ry. 1st Mortgage, 5 per cent .....	127,200 00	
	Toronto Grey & Bruce, Rental.....	140,000 00	
£3,122,191 15s. 5d.	Ont. & Que. Ry. Debentures, 5 per cent..	759,733 33	
£310,000	Ont. & Que. Ry. Debentures, 5 per cent. issued on Montreal entrance and station, interest from Feb. 1st.....	69,147 22	
\$2,000,000	Ont. & Que. ordinary Stock, 6 per cent..	120,000 00	
£679,321 16s.	Atl. & N. W. Ry. 1st Mortgage on 166 miles St. Lawrence Bridge to Megantic 1 year, 5 per cent..	£33,966 1. 10.	
£650,678 4s.	Atl. & N. W. Ry. 1st Mortgage on 159 miles Megantic to Mattawamkeag, in- terest from June 1st, seven months, at 5 per cent.....	18,978 2. 3.	
		£52,944 4. 1.	
		38,486 6. 0.	
Less amount from Dominion Govern'm't		£14,457 18. 1.	70,361 80
£835,312 10s	4 per cent. Debentures issued in exchange for \$3,240,000 A. & N. W. 5 per cent. Guaranteed Stock, interest 3 months..	£8,353 2. 6.	
	Less interest on de- ferred payments on subscriptions .....	4,039 6. 9.	
		£4,313 15. 9.	20,993 76
	Rental of Line Mattawamkeag to Vance- boro' 7 months, from June 1st.....		13,883 33
	Rental of Line Vanceboro' to McAdam Jct., 7 months, from June 1st.....		1,312 50
	Rental of part S. E. Ry., Farnham to Brigham Junction.....		1,400 00
£750,000	Algoma Branch 1st Mortgage, 5 per cent.		182,500 00
			<u>\$3,779,132 94</u>

The receipts and expenditures for the year were as follows :—

## RECEIPTS.

Cash on hand January 1st, 1889.....		\$ 2,616,059 43	
Surplus Revenue (as per statement)....	\$ 2,226,926 40		
<i>Bonus.</i>			
From City of Farnham			
Que., \$20,000 bonds realizing.....	\$ 16,927 95		
From S. Ste. Marie, Ont.,			
\$20,000 bonds, realizing.....	20,500 00		
			37,427 95
<i>Land Department.</i>			
Proceeds of Land Sales...	489,473 18		
Less expenditures in connection with sales, premiums on bonds, etc.	153,551 39		
		\$335,921 79	
Deduct amount remaining in deferred payments..	301,238 27		
		34,683 52	
Deduct amount of Land-Grant Bonds redeemed and cancelled.....	3,500 00		
			31,183 52
<i>North Shore Ry., 1st Mortgage.</i>			
Proceeds of sale, £10,000 Bonds (part of the amount held in reserve for completion of that line).....			43,800 00
<i>Consolidated Debenture Stock, Four p. c.</i>			
Amount issued.....	£903,375	\$4,380,000 00	
<i>Atlantic &amp; North-West Railway.</i>			
Net proceeds sale of 5 p.c. Guaranteed Stock, amount issued \$3,240,000 realizing .....	\$2,728,734 96		
Less expenditure on construction of line and settlement for work of previous year.....	1,896,807 93	\$31,927 03	
			<u>\$2,616,059 43</u>
Carried forward....		\$7,551,264 90	

<i>Brought forward</i> .....	\$7,551,264.90	\$2,616,059.43
<i>Deferred Payments on Townsites.</i>		
Amount received from balance due on sales previous to 1889.....	88,374 06	7,639,638 96
		<u>\$10,255,698 39</u>
Deduct Station balances, Accounts receivable, etc.....	\$5,162,740 10	
Less amount at December 31st, 1888....	4,899,042 72	263,697 38
		<u>\$9,992,001 01</u>
Add current liabilities at Dec. 31st., 1889 .....	\$1,894,012 45	
Less amount at Dec. 31st, 1888.....	1,599,325 98	294,686 47
		<u>\$10,286,687 48</u>

## EXPENDITURES.

Construction and improvements as per Schedule "A.".....	\$1,170,271 13
Equipment .....	311,718 55
Additions to construction plant and outfit, (steam shovels and ballast unloaders).....	17,085 74
Interest on funded debt and rentals of leased lines due January 1st, 1889, and accrued to that date.....	1,791,792 07
Atlantic & North West 5 p. c. guaranteed Stock, acquired by issue of 4 p. c. Debenture Stock.....	3,240,000 00

## ADVANCES.

*Ontario & Quebec Railway.*

Amount expended during year in improvements, equipment, construction of lines, including entrance to and terminals and stations at Toronto and Montreal, and extension to Detroit...	3,333,551 31	
Less proceeds sale of Debentures.....	3,027,017 45	306,533 86
<i>Carried forward</i> . . . . .		<u>\$6,837,401.35</u>



<i>Brought forward</i> .....			\$6,837,401 35
Interest advanced against lands.....	699,016 50		
Less net proceeds from Townsites			
Total proceeds of sales....	\$303,370 57		
Deduct expenditures for clearing, improvements, &c.....	60,163 97		
	<u>243,206 60</u>		
Deduct amount expended on Hotel and other buildings at Vancouver and Banff Springs Hotel....	13,384 65	229,821 95	469,194 55
<i>Lake and Ferry Steamers.</i>			
Amount advanced on construction of additional steamer for lakes, and steamers for car ferry at Windsor and Detroit.....			293,015 33
			<u>\$7,599,611 23</u>
Deduct material and stores in hand, decrease			209,164, 72
			<u>\$7,390,446 51</u>
Add Treasury Assets, Dec. 31st, 1889.....	\$4,571,335 49		
Less amount for accrued fixed charges.....	1,675,094 52		
			<u>2,896,240 97</u>
			<u>\$10,286,687 48</u>

The following is a comparative statement of earnings and expenses for the past four years ;—

	1886.	1887.	1888.	1889.
Passengers...	\$3,170,713 69	\$3,453,818 49	\$3,800,883 18	\$4,520,241 51
Freight.....	6,112,379 89	6,924,130 47	8,017,313 66	8,852,702 39
Mails.....	205,024 18	241,949 05	263,344 46	344,834 59
Express.....	206,872 41	235,035 09	244,247 18	242,806 70
Parlor & Sleeping Cars.....	118,658 99	176,826 39	187,694 13	239,103 14
Telegraph & Miscellaneous	268,154 43	574,653 31	682,052 99	830,972 05
Total.....	\$10,081,803 59	\$11,606,412 80	\$13,195,535 60	\$15,030,660 38
Expenses.....	6,378,317 05	8,102,294 64	9,324,760 68	9,024,601 04
Net Earnings..	\$ 3,703,486 54	\$ 3,504,118 16	\$ 3,870,774 92	\$ 6,006,059 34

The earnings per passenger per mile for the past year were 1.78 cents, and per ton of freight per mile .915 cents, as compared with 1.79 and 1.02 respectively for 1888.

Your Directors are happy in being able to report a prosperous season, and to submit results fully confirming their anticipations of a year ago. The results are especially gratifying since they were secured under somewhat adverse circumstances.

For the first half of the year the traffic was fairly good, but unfavourable weather about midsummer caused great damage to the crops of Manitoba and the other North-western Provinces, and resulted in the lightest yield within the experience of the Company ; and in Ontario the yield was, at the same time, below an average. The earnings for the last half of the year were seriously affected in consequence, and the earnings for the first half of the present year will likewise suffer to some extent from the same cause.

The effect of a bad harvest on grain freights, which afford comparatively little profit, is not nearly so serious as its effect on the vastly more profitable general local traffic, both freight and passenger, to offset a loss in which no material saving can be made in working expenses.

In order to make good the loss in local traffic resulting from the bad crops, a large amount of freight of a leaner description than is usually sought by the Company had to be moved, and this considerably reduced the average earnings per ton per mile as compared with the year before, and made the proportion of working expenses to gross earnings more than it otherwise would have been.

While the results of the harvests will always be a matter of great importance as affecting the earnings of the railway, the past year has shewn that it is already comparatively independent of the crops of any one Province or

any one season. This is in part due to the vast extent and great diversity in the character of the territory covered by the lines of the Company, a general crop failure over the whole of which is highly improbable; in part to the development of mining and other industries not affected by local causes, and in part to the establishment of far-reaching connections whereby traffic may be gathered in case of need.

All the property of the Company has been well maintained, and the remarkable freedom from accident during the year is evidence of its excellent condition.

The various works for the protection of the mountain section of the line against snow-slides have answered their purpose admirably, and your railway was the only one of the trans-continental lines that enjoyed immunity from blockades during the past winter.

A statement in detail of the expenditures during the year for improvements and equipment is appended to this report.

The results of the past year's working, in reduced expenses and increased earnings, clearly show the wisdom of the expenditures that were made during the preceding years for improvements and increased facilities. The rapid growth of the business of the Company will require a continued expenditure for additional facilities, and much remains to be done in the way of improvements to secure the cheapest possible working.

It is the intention of your Directors to carry out these

improvements in the order of their importance and as rapidly as economy will permit. They confidently believe that this policy will result, in a few years, in bringing the proportion of working expenses down to a point that will bear comparison with the most favourably situated railways in America; and they do not hesitate to record the opinion that the proportion of working expenses to gross earnings will be brought down to 55 per cent., and even less.

The Canada Central Railway, which now forms a part of your main line, was originally built with little expectation that it would become a section in a trunk line with a heavy through traffic. That part of it between Carleton Place and Callander, 195 miles, has now to carry the traffic of the main line and of the Sault Ste-Marie branch as well, and has become difficult as well as expensive to work owing to its numerous grades and curves. It is the intention of the Directors to reduce the gradients and straighten the line to such extent as will secure the greatest economy and efficiency, and it is believed that the entire expenditure necessary can be saved in the cost of two or three years working.

Among the other improvements contemplated for the present year are additional workshops and a terminal yard at Montreal; workshops at Toronto Junction and Fort William; additional wharves and terminal facilities at Owen Sound; the completion of the terminal facilities in Toronto; filling timber trestles on the Lake Superior section; replacing the timber bridges and trestles on the

Government section between Winnipeg and Port Arthur with masonry and iron, and earth embankments; and the substitution of 72 pounds per yard for 56 pounds per yard rails in the main line, and the Credit Valley section, to the extent that the lighter rails can be utilized in branch lines or otherwise.

The Atlantic and Northwest Railway (the Company's leased line between Montreal and the Maritime Provinces) was opened for traffic on the 3rd of June. The local traffic along that line has increased rapidly, but the through traffic has suffered from the want of due co-operation on the part of the Intercolonial Railway—the Government line—over which connection is made with Halifax and other points in Nova Scotia and Eastern New Brunswick. Your Directors, however, have the assurance that a satisfactory settlement of this difficulty will be reached immediately.

On the same date, a through train service was established by the way of Sault Ste. Marie to St. Paul and Minneapolis, in connection with the Minneapolis, St. Paul and Sault Ste. Marie Railway; and the Duluth, South Shore and Atlantic Railway, the other American line connecting at Sault Ste. Marie, was fully opened for through business a few weeks later.

The traffic interchanged with these lines has already assumed large proportions, and your Directors are now satisfied that their expectations in this regard, as stated in former reports, will be more than realized.

The value of the connection with these two American lines is so great, that your Directors will, at the present

meeting, propose such measures as will, if carried out, make your interests in that direction permanently secure.

The extension of the Ontario and Quebec system from London, Ontario, to Windsor and Detroit, is now practically completed, and will be fully opened for traffic about the end of the present month. This line has been made with the greatest care, and is in every physical sense one of the best in America. One large steel ferry steamer for the ferriage of trains across the Detroit river is completed, and a second is under construction.

Your Company has joined the Wabash, the Flint and Père Marquette, and the Detroit Lansing and Northern Railways in the building of a fine terminal station in the most commanding position in the city of Detroit. The great system of the Wabash Railway Company will afford the long needed independent connection with Chicago, St. Louis, and other western and south-western points, and the connection with the two important Michigan railways above named, which together embrace 950 miles, will be of very great value.

During the year the construction of a branch line extending from a point near Brandon, Manitoba, in a south-westerly direction along the Souris river, was commenced. About 65 miles of grading was done, and the rails were laid for 17 miles to the village of Souris. This branch passes through a fine and well settled district, which has long suffered from the lack of railway facilities. It is the intention of your Directors to com-

plete this line, at least as far as the grading has been done, during the present season. A land grant of 6,400 acres per mile appertains to 185 miles of this branch.

The Barnsley branch of the Manitoba Southwestern Railway (leased to your Company in perpetuity) was completed to Carman, six miles.

No securities have as yet been issued in respect of either of these new branch lines. Their cost has been covered by temporary advances from the general funds of the Company.

The Qu'Appelle Long Lake and Saskatchewan Railroad and Steamboat Company extended its line during the year to a point 150 miles northwesterly from Regina, and will continue it to Prince Albert on the North Saskatchewan River during the present year, a total distance of 250 miles. This line passes through a fertile country, connects with the navigable waters of both the South and North Saskatchewan rivers, and reaches the important settlements near the confluence of those rivers. It is expected to develop a valuable traffic, and must soon become an important feeder of your railway. Your Directors have agreed to a lease of this line for a term of six years, without rental, and they have at the same time secured an option to purchase it at the end of that period; all of which you will be asked to confirm.

You will also be asked to authorize the lease of the Calgary and Edmonton Railway for a similar period and on similar terms. It is expected that about 100 miles of this line will be completed during the present year, and that it will not only reach Edmonton next year, but

will be extended a considerable distance south of Calgary through the ranch country.

Both of these railways are of especial importance to your Company, from the fact that they will make easily accessible large areas of your lands now too far away from railways to be available.

To prevent the invasion, by foreign lines, of the Kootenay District, in British Columbia—a district rich in precious metals and other natural resources—your Directors have secured the control of the charter of the Columbia and Kootenay Railway Company, and agreed with the Provincial Government that the railway shall be built, about thirty miles in length, during the present season, to connect the navigable waters of Kootenay Lake with those of the Columbia River, thus opening a line of steamboat and railway communication of more than 250 miles. A grant of 200,000 acres of land has been secured from the Provincial Government in aid of the construction of this line.

Your Directors have agreed to a lease of the Shuswap and Okanagon Railway, a line about to be made from Sicamous Narrows, on your main line, to the head of Okanagon Lake in British Columbia, a distance of 51 miles, and to pay as rental therefor 40 per cent of the gross earnings of the leased line. This line, in connection with steamboats on the Okanagon Lake, will afford communication for more than 100 miles through a valuable mineral and agricultural district.

The two last named railways will make all parts of British Columbia south of the main line of the Canadian



Pacific reasonably accessible, and their construction will doubtless result in great activity in the development of that part of the country, and in a large addition to the traffic of your railway.

Your approval of a lease of the Montreal and Western Railway will be asked. This line is being made from St. Jerome, in the Province of Quebec, in a westerly direction through a district rich in minerals and timber, and containing much good agricultural land. This new line promises to bring a valuable traffic to your railway, and, as it can be worked very conveniently by your Company, your Directors have agreed to a lease of it and to pay as rental 40 per cent of its gross earnings. They have also secured an option, for a term of years, to purchase it on most favorable terms.

It is important to your Company that the construction of the Southwestern railway, extending from your St. Lawrence bridge near Montreal to a junction with the Rome Watertown and Ogdensburg Railway, at or near Dundee, as described in the last annual report, be proceeded with; and you will be asked to authorize the Directors to take the necessary steps to secure this object through a lease of the proposed line, or otherwise.

You have already by resolution passed at the Annual Meeting held on the 11th May, 1887, sanctioned the sale of the Aylmer Branch, extending from Hull to Aylmer—9 miles—and an Act was passed permitting such sale to be made, free from the encumbrance created by the Company's mortgage deed dated 25th July, 1885. That resolution provided that the proceeds of the sale should

be applied to the improvement of the property covered by that mortgage. Since the passing of that resolution it has been considered more expedient to apply the proceeds towards the satisfaction of an encumbrance prior to the said mortgage, and an Act has been passed permitting them to be so applied; you will therefore be asked for authority to carry out the said sale, and to have the proceeds applied as last above mentioned.

A contract with the Imperial Government was concluded in July, providing for a mail subsidy of £60,000 sterling per annum for the Company's proposed line of steamships between Vancouver and China and Japan. Three twin-screw steamships of the highest class are being built for this line at the yards of the Naval Construction and Armaments Company, Limited, of Barrow in Furness; and it is expected that they will be in service early next year. Your authority will be asked for the creation and issue of the necessary securities to provide for their cost.

#### LANDS.

The sales of Canadian Pacific lands last year were 142,661 acres for \$494,402, at an average price of \$3.46½ per acre, as against 138,001 acres for \$443,526 in 1888, at an average price of \$3.21½ per acre.

The sales of Manitoba South-Western Railway lands for 1889 were 52,499 acres for \$236,792, at an average price of \$4.51 per acre; as against 24,309 acres for \$110,384 in 1888, at an average price of \$4.54 per acre.

Taking the Canadian Pacific and Manitoba South-

Western lands together, the sales for 1889 were 195,160 acres for \$731,194, at an average price of \$3.74½ per acre; as against 162,310 acres for \$553,910 in 1888, at an average price of \$3.41 per acre.

Of the lands previously recovered by the Company, by cancellation of sales, 43,860 acres were resold during the year at a profit of \$47,996.

The sales for the last half of the past year were much reduced in consequence of the crop failure.

The position of the Canadian Pacific Land Grant at December 31st was as follows:—

		Acres
Original Grant.....		25,000,000
Surrendered to Government under agreement of March 30th, 1886.....		6,793,014
		<u>18,206,986</u>
Sales to December 31st, 1889.....	3,542,323	
Less cancelled in 1889.....	<u>10,253</u>	
		<u>3,532,070</u>
Quantity of land unsold.....	Acres	<u><u>14,674,916</u></u>

The position of the Manitoba South-western Land Grant at the end of the year was as follows:—

		Acres.
Original grant.....		1,309,424
Sales to Dec. 31st, 1889.....		<u>99,874</u>
Quantity of land unsold.....		<u><u>1,209,550</u></u>

A map of the railway and its connections, and a map shewing the extent and the connections of the Company's telegraph system are appended to this report.

Many sensational reports having been published about impending legislation at Washington, inimical to Cana-

dian Railway interests, your Directors beg leave to say that in their opinion there is no good cause for uneasiness.

It is not to be believed that a body like the Congress of the United States will be moved to such a course by the false or exaggerated statements, concerning the actions and policy of the Canadian Pacific Railway Company, emanating from parties whose sole object is to check legitimate competition.

The matters in arbitration between the Dominion Government and the Company respecting the section of the railway made by the Government in British Columbia, have not yet been decided; but a decision as to the liability of the Government is expected very soon.

A first issue of £903,375 of the 4 per cent. Consolidated Debenture stock of the Company was made in June last for the purpose of acquiring the 5 per cent. guaranteed preferred stock of the Atlantic and Northwest Railway, and for the construction of the Mission (British Columbia) branch.

The high standing of these, and all other securities of the Company, is gratifying evidence of the fact that the property and policy of the Company, and the strength of its position, are known and understood, abroad as well as at home.

At the close of the year your Directors felt warranted in increasing the dividends on the shares of the Company to five per cent per annum, 3 per cent being payable from the Guaranty fund deposited with the Dominion Government, and 2 per cent from surplus earnings.

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.

Reviewing the history of the enterprise, and keeping in mind what has been accomplished, often under the most adverse and discouraging circumstances, shareholders can hardly fail to join with the Directors in taking an encouraging view of the future that awaits the Company during the second ten years of its existence.

For the Directors,

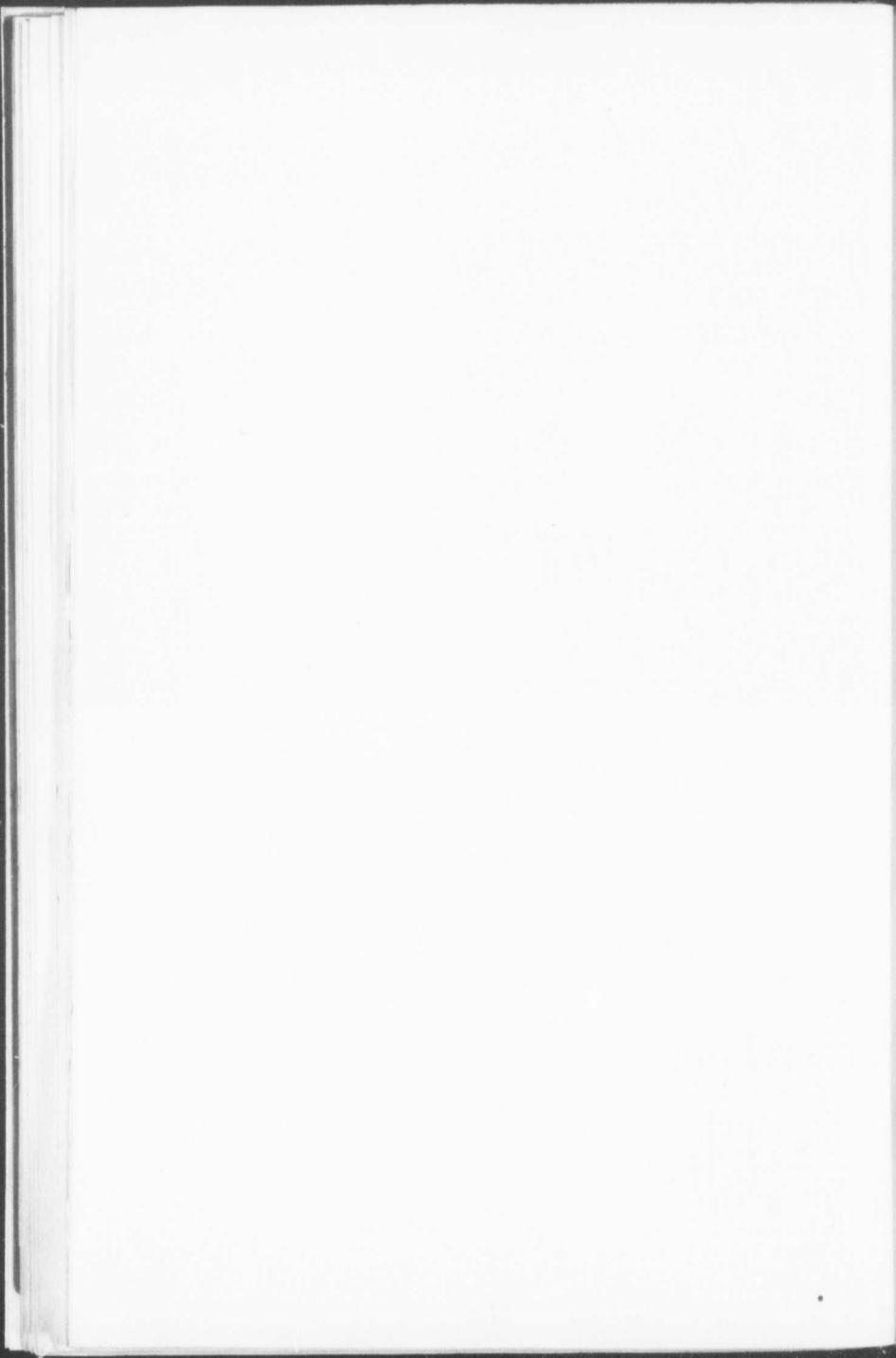
WM. C. VAN HORNE,

President.

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APPENDIX.  
BALANCE SHEET,  
STATISTICS,  
ETC.

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BALANCE DUE ON TOWN SITE SALES—  
 (Deferred Payments)..... 176,042 23

TREASURY ASSETS.

Temporary Loans on security,  
 bearing interest..... \$ 931,791 70  
 Cash in Treasury ..... 3,639,543 79  
 \_\_\_\_\_ 4,571,335 49

Govt. in reduction of Land  
 Grant ..... 10,189,521 00  
 \_\_\_\_\_  
 21,351,531 44

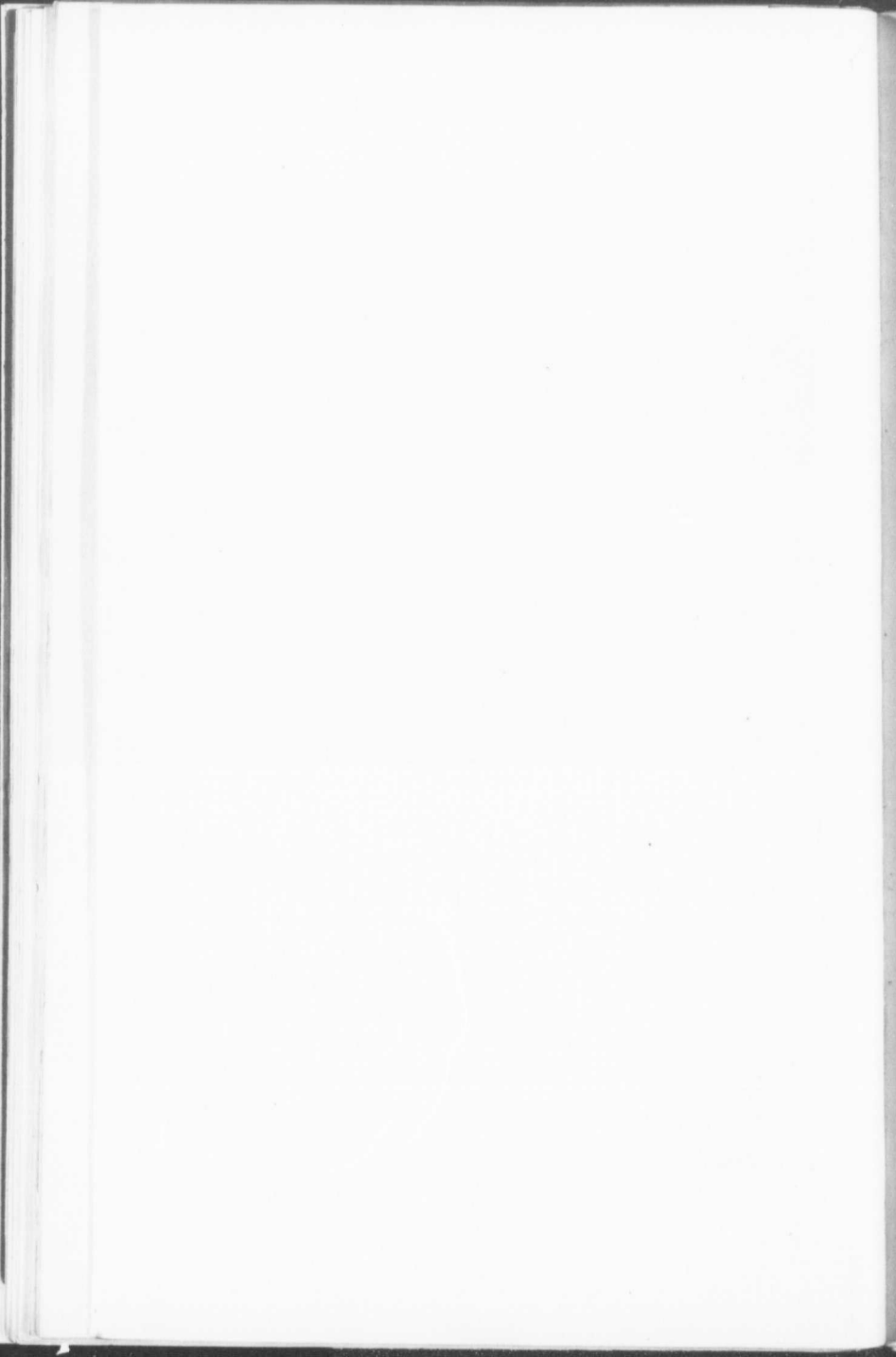
*Less:* Expenses, cultivation  
 rebate, and 10 p. c. on Land  
 Grant Bonds taken in pay-  
 ment..... 2,076,129 59  
 \_\_\_\_\_ 19,275,401 85

TOWN SITES.

Amount received from sale of  
 Town Sites not covered by  
 Land Grant Mortgage..... \$ 1,738,540 68

**CONDENSED BALANCE SHEET - December 31st. 1889.**

<b>COST OF ROAD</b>		<b>CAPITAL STOCK</b> ..... \$ 65,000,000 00	
Main Line, including dividends paid.....	\$124,094,342 50	<b>MORTGAGE BONDS</b>	
Acquired Lines.....	12,787,997 82	1st mortgage bonds,	
Branch Lines.....	2,980,104 46	5 per cent.....	£7,101,500 \$34,998,633 33
Algoma Branch.....	4,823,756 93	Canada Central 1st mortgage, amount of issue, £500,000 \$2,433,333	
	<u>\$144,686,101 71</u>	Sinking Fund deposited with Govt. 1,500,000	
<b>NOTE</b>			
Lines built by Government not included - Estimated cost.....	\$35,000,000	Balance at maturity.....	850,000 00
14,674,914 acres of land unsold, which, at average of last year's sales (\$3.46 per acre), would realize.....	\$50,848,584	Canada Central 2nd Mortgage, 6 per cent.....	973,333 33
		Due Province of Quebec on Q.M.O. & O. Ry., 5 per cent.....	3,500,000 00
		Due Province of Quebec on North Shore Ry., 5 per cent.....	3,500,000 00
		Algoma Branch, 1st mortgage, 5 per cent.....	3,650,000 00
		North Shore Railway, 1st Mortgage.....	484,719 67
			<u>47,956,686 33</u>
<b>EQUIPMENT</b>		<b>FOUR PER CENT. CONSOLIDATED DEBENTURE STOCK</b> ..... 4,380,000 00	
Rolling Stock.....	\$ 10,881,626 03	<b>LAND GRANT BONDS, First</b>	
Lake Steamers.....	478,952 99	Mortgages.	
Shops and Machinery (Montreal, Hochelaga, Perth and Carleton Place).....	1,094,767 84	Am't of issue, \$25,000,000 00	
	<u>12,455,346 86</u>	Less - Amount redeemed & cancelled.....	29,561,500 00
<b>CONSTRUCTION PLANT AND TOOLS</b> ..... 144,716 87			\$ 4,438,500 00
<b>REAL ESTATE (at and near Montreal)</b> ..... 285,480 03		Amount held in trust by Dominion Government, not bearing interest.....	1,000,000 00
<b>ADVANCES AND EXPENDITURES,</b>			\$ 3,438,500 00
South Eastern Railway.....	1,694,780 53	Land Bonds, 3 1/2 per cent, interest guaranteed by Dominion Government.....	15,000,000 00
<b>ON LEASED LINES</b>			<u>18,438,500 00</u>
St. Lawrence & Ottawa Ry. ....	\$ 296,414 34	<b>CURRENT LIABILITIES (including Vouchers and Pay Bills)</b> ..... 1,894,012 45	
Ontario & Quebec Ry.....	3,351,168 19	<b>INTEREST ON FUNDED DEBT AND RENTAL OF LEASED LINES</b>	
Atlantic & North-West Ry....	32,600 59	Coupons not presented, including amounts due January 1st, 1890.....	\$ 1,633,127 24
	<u>3,790,183 12</u>	Accrued to date not due.....	241,967 28
<b>STATION BALANCES, ACCOUNTS RECEIVABLE, Miscellaneous Securities and Advances</b> ..... 5,162,740 10			1,675,094 52
<b>ATLANTIC &amp; NORTH-WEST RAILWAY 5 PER CENT. GUARANTEED STOCK (acquired by issue of four per cent. Consolidated Debenture Stock)</b> ..... 3,240,000 00		<b>CASH SUBSIDY FROM DOMINION GOVERNMENT</b> ... 25,000,000 00	
<b>ADVANCES ON LAKE AND FERRY STEAMERS</b> ..... 293,015 33		<b>BONUSES FROM MUNICIPALITIES</b> ..... 348,661 29	
<b>MATERIAL AND SUPPLIES ON HAND</b> ..... 1,703,292 86			<u>25,348,661 29</u>
<b>DOMINION GOVT. GUARANTEE FUNDS</b>		<b>LAND GRANT</b>	
Amount on deposit to guarantee 3 per cent. per annum on Capital Stock until August 17th, 1893.....	7,142,341 21	3,532,070 acres sold, amounting to.....	\$11,162,010 44
<b>ADVANCES ON LAND</b>		6,795,014 acres taken by Dom. Govt. in reduction of Land Grant.....	10,189,521 00
Interest on Land Grant Bonds	\$ 699,916 50		24,351,531 44
Less - Net receipts from Town Sites for year.....	229,821 95	Less: Expenses, cultivation rebate, and 10 p. c. on Land Grant Bonds taken in payment.....	2,076,129 30
	<u>469,194 55</u>		<u>19,275,401 83</u>
<b>BALANCE DUE ON LAND SOLD (Deferred Payments)</b> ..... 1,573,675 61		<b>TOWN SITES</b>	
<b>BALANCE DUE ON TOWN SITE SALES (Deferred Payments)</b> ..... 176,942 23		Amount received from sale of Town Sites not covered by Land Grant Mortgage....	\$ 1,238,540 68
<b>TREASURY ASSETS</b>		Less: Expenditure improvements, grading, clearing, &c.....	311,849 01
Temporary Loans on security bearing interest.....	\$ 951,791 70		1,426,691 67
Cash in Treasury.....	3,639,543 79	Cost of Hotel and other buildings at Vancouver, and Banff Springs Hotel.....	540,319 28
	<u>4,571,335 49</u>		916,372 29
		Net receipts of 1889 applied against advances on Land Bond Interest.....	229,821 95
			<u>686,569 34</u>
		<b>SUPPLEMENTARY DIVIDEND, payable February 17th, 1890</b> ..... 650,000 00	
		<b>SURPLUS EARNINGS</b>	
		Net earnings for years 1888 and 1889, after payment of all fixed charges and supplementary dividend.....	1,903,350 32
			<u>\$187,208,257 10</u>



## STATEMENT OF EARNINGS FOR THE YEAR 1889.

From Passengers .....	\$4,520,241 51
“ Freight.....	8,852,702 39
“ Mails.....	344,834 59
“ Express .....	242,806 70
“ Parlor and Sleeping Cars.....	239,103 14
“ Telegraph and Miscellaneous.....	830,972 05
	<hr/>
Total Earnings.....	\$15,030,660 38
	<hr/> <hr/>

## STATEMENT OF WORKING EXPENSES FOR THE YEAR 1889.

Conducting Transportation.....	\$2,192,165 37
Maintenance of Way and Structures.....	1,977,309 08
Motive Power.....	3,065,441 11
Maintenance of Cars.....	471,349 57
Parlor and Sleeping Car Expenses.....	50,794 18
Expenses of Lake Steamers.....	130,863 38
General Expenses.....	894,920 59
Commercial Telegraph.....	241,757 76
	<hr/>
Total Expenses.....	\$9,024,601 04
	<hr/> <hr/>

## STATEMENT OF EQUIPMENT AT DECEMBER 31ST, 1889.

Locomotives.....	413
First and Second-Class Passenger Cars, Baggage Cars, and Colonist Sleeping Cars.....	362
First-Class Sleeping and Dining Cars .....	56
Parlor Cars, Official and Paymasters' Cars.....	22
Freight and Cattle Cars (all kinds).....	11,318
Conductors' Vans.....	202
Boarding, Tool, and Auxiliary Cars.....	136
Lake Steamers—"Alberta" and "Athabasca."	

## DESCRIPTION OF FREIGHT CARRIED DURING THE YEARS

Description.		1887.	1888.	1889.
Flour.....	Barrels.	1,010,157	1,667,584	2,024,007
Grain .....	Bushels.	15,013,957	15,965,682	13,803,224
Live stock.....	Head.	205,572	251,297	276,514
Lumber .....	Feet.	310,180,542	351,466,992	473,462,550
Firewood.....	Cords.	97,541	107,654	100,288
Manufactured Articles.	Tons.	470,699	600,521	762,238
All other Articles.....	Tons.	534,976	556,396	632,518

## FREIGHT TRAFFIC.

	1887.	1888.	1889.
Number of Tons carried.....	2,144,327	2,496,557	2,638,690
Number of Tons carried one mile.	687,786,049	784,972,511	967,508,450
Earnings per Ton per mile....	1.006 cents.	1.02 cents.	.915 cents.

## PASSENGER TRAFFIC.

	1887.	1888.	1889.
Number of Passengers carried... ..	2,057,089	2,280,049	2,638,690
Number of Passengers carried one mile .....	174,687,802	212,766,865	253,905,182
Earnings per Pass. per mile....	1.98 cents.	1.79 cents.	1.78 cents.

## STATEMENT OF TRAFFIC TRAIN MILEAGE, YEAR 1889.

	Traffic Train Mileage.	Earnings.	Earnings per Traffic Train Mile.
Passenger Trains. ....	4,991,731	\$5,290,417.14	1.06
Freight Trains.. ....	5,964,585	8,746,560.03	1.46
Total .....	10,956,316	\$14,036,977.17	1.28

The above earnings for traffic trains include earnings from Mails, Express and Sleeping Cars, but do not include Lake Steamers, Telegraph, Elevators, Rents, etc., the net profits from which amounted to \$621,062.07.

## EXPENSES PER TRAFFIC TRAIN MILE.

	Expenses.	Expenses per Traffic Train Mile.
Maintenance of way.....	\$1,977,309.08	.18
Motive power.....	3,065,441.11	.28
Maintenance Cars.....	471,349.57	.04
Traffic and General Expenses.....	3,137,880.14	.29
	<u>\$8,651,979.90</u>	<u>.79</u>

## SCHEDULE "A."

DETAILS OF EXPENDITURE ON CONSTRUCTION AND  
IMPROVEMENTS DURING 1889.

## MAIN LINE.

## QUEBEC TO CALLANDER. 503 Miles.

Additional Furniture and Fittings at Montreal .....	\$ 9,890.33	
Additional stables and improvements in Stock yards, Montreal.....	1,252.38	
Dock and Ferry Slip at Prescott.....	3,157.46	
Addition to Round House at Ottawa....	531.51	
Improving water supply.....	699.88	
Additional fencing.....	3,406.70	
Iron bridges between Quebec and Callander .....	32,549.54	
Additional sidings.....	4,672.99	
Filling and widening roadway.....	1,257.68	
Additional Stations and Station grounds..	2,449.04	
Payments on purchase of Canada Central Railway.....	3,606.81	
Real estate at Quebec.....	5,078.49	
Equipment of Restaurants at Toronto and Montreal .....	2,932.76	
		\$ 69,485 57

## CALLANDER TO PORT ARTHUR. 649 Miles.

Additional stations and buildings.....	\$ 9,695.38	
Additional Round House at Sudbury....	2,904.45	
Additional sidings and semaphores....	5,695.13	
Iron bridges between Callander and Port Arthur .....	1,215.05	
Additional fences.....	7,356.70	
Widening cuttings, embankments, sur- facing and ballasting, filling trestles..	67,748.38	
New Stock yards and stables at North Bay .....	1,688.33	
Improving water supply.....	347.37	
Expenses and settlements of disputed claims, original construction.....	65,888.30	
		162,539.09

## PORT ARTHUR TO DONALD. 1,454 Miles.

Additional fencing.....	16,056.85	
Improvement of water supply.....	10,270.29	
Additional buildings, stations and yards.	30,198.98	
Widening embankments, filling trestles.	73,290.20	
Permanent bridges.....	57,089.57	
Additional sidings.....	8,716.50	
Elevators at Fort William.....	79,278.27	
Prospecting for coal.....	359.11	
Right of way and perfection of title.....	9,779.17	
Increasing weight of rails to 70 lbs., less cost of 60 lb. rails removed.....	40,670.33	
Additional cattle yards.....	1,497.33	
Addition to Glacier Hotel.....	3,073.42	
		330,280.02
Carried forward . . . . .		\$562,304.68

Brought forward .....		\$ 562,304.68
DONALD TO PACIFIC COAST. 461 Miles.		
Right of way and perfection of title .....	11,526.78	
Additional snow sheds.....	3,975.95	
Additional stations and buildings.....	2,434.62	
Yard and wharves at Vancouver.....	7,321.68	
Round houses and shops.....	503.31	
Additional sidings.....	380.82	
Widening embankments, sloping cuts, additional ties.....	35,969.28	
Permanent bridges.....	3,222.83	
Additional fencing.....	645.62	
Prospecting for coal.....	5,337.74	
Surveys of timber limits.....	217.89	
Expenses of arbitration with Dominion Government.....	50,605.07	
Expenditures on Government section under claim against Dominion Govern- ment.....	152,309.92	
	<u>          </u>	\$ 274,451.51
Total on Main Line .....		\$ 836,756.19
BRANCH LINES.....		
Sudbury Copper Mines Branches (exten- sions and improvements).....	20,320.68	
Southwestern Branch.....	7,704.12	
Selkirk Branch.....	993.44	
Stonewall Branch (completing line).....	245.65	
Algoma Branch (completing line).....	94,232.69	
Mission Branch (new construction).....	86,716.56	
	<u>          </u>	210,213.14
		<u>1,046,969.33</u>
Telegraph, additions and extensions, all sections .....		123,301.80
		<u>\$1,170,271.13</u>



## SCHEDULE "B."

DETAILS OF EXPENDITURES IN IMPROVEMENTS ON  
LEASED LINES.

## ONTARIO AND QUEBEC RAILWAY (732.7 Miles.)

Iron bridges.....	\$ 68,959.04
New sidings.....	16,510.83
Round houses.....	536.79
Widening cuttings, embankments, additional culverts and ballasting.....	35,721.27
New fencing.....	2,511.56
Improving water supply.....	3,346.43
Additional stations and buildings.....	23,691.24
Coal chutes and tracks at Toronto Junction.	2,002.16
Increasing weight of rails to 72 lbs.....	5,205.78
Right of way and perfection of title.....	28,382.95
Subways at Toronto, Parkdale and Galt....	22,076.25
Rolling stock.....	90,786.60
Terminals at Toronto.....	216,275.21

\$516,006.11

## ATLANTIC AND NORTH-WEST RAILWAY.

MONTREAL TO MACADAM JUNCTION (341 Miles.)  
(In completion of Construction.)

Right of way.....	\$125,929.91
Grading, filling trestles and ballasting.....	310,631.49
Bridges and culverts.....	132,933.92
Round houses and shops.....	24,018.62
Rails, ties and fastenings.....	32,814.02
Stations and miscellaneous buildings.....	89,353.20
Water stations.....	6,289.65
Sidings.....	2,382.99
Fencing.....	12,123.77
Station and yard at Montreal.....	176,818.54

\$913,296.11

## MANITOBA S. W. COL. RY. (217.8 Miles.)

Right of way.....	\$ 1,934.25
Widening cuts, etc.....	1,110.94
New sidings.....	780.26
Stations and miscellaneous buildings and yards.....	5,500.13
Water stations.....	3,428.33
Fencing.....	1,156.71
Extension to Carman.....	10,887.35

\$24,797.97

\$1,454,100.19

## MILEAGE OF ALL THE COMPANY'S LINES.

MAIN LINE.		Miles-
Montreal to Vancouver .....		2,906.5
OTHER LINES OWNED.		
<i>Eastern Division.</i>		
Quebec Section—Quebec to St. Martin's Junction.....	159.8	
Piles Branch—Piles Junction to Grand Piles.....	27.5	
Joliette " —Joliette Junction to St. Felix.....	16.8	
Berthier " —Berthier Junction to Berthier.....	2.0	
Aylmer " —Hull to Aylmer.....	7.5	
St. Jérôme " —St. Lin Junction to St. Jérôme.....	11.0	
St. Lin " —St. Thérèse to St. Lin.....	15.0	
St. Eustache " —St. Thérèse to St. Eustache.....	8.0	
Brockville " —Carleton Junction to Brockville.....	45.5	
Algoma " —Sudbury to Sault Ste. Marie.....	182.5	
Buckingham Branch—Buckingham station to Village.	4.2	
Copper Mines Branches—Sudbury.....	5.0	
		484.8
<i>Western Division.</i>		
Emerson Branch—Emerson to Winnipeg Junction....	64.8	
Selkirk " —Winnipeg to West Selkirk.....	22.5	
Stonewall " —Air Line Junction to Stonewall....	18.1	
Gretna " —Rosenfeld to Gretna.....	13.7	
Pembina Mountain Branch—Winnipeg Junction to Manitou .....	100.6	
Manitoba South-Western—Manitou to Deloraine....	101.0	
" " " —Winnipeg to Glenboro.....	104.2	
" " " —Elm Creek to Carman (under construction)	12.6	
Souris Branch—Kemnay to Souris.	16.6	
		454.1
<i>Pacific Division.</i>		
New Westminster Branch.....	9.2	
Vancouver to Coal Harbour.....	1.2	
Mission Branch (under construction).....	11.0	
		21.4
LEASED LINES.		
<i>Ontario &amp; Quebec Section.</i>		
Mile End Junction to south end Lachine Bridge.....	9.1	
Montreal (Windsor St.) to Toronto Junction.....	339.0	
Toronto Junction to Strachan Avenue.....	3.2	
Toronto Junction to St. Thomas.....	116.1	
Toronto Junction to Owen Sound.....	116.6	
Don Junction to Union Station (Don Branch, under construction).....	5.0	
Woodstock to London.....	26.6	
London to Windsor (under construction).....	112.0	
Orangeville Branch—Streetsville Jct. to Melville Jct..	31.6	
Elora " —Cataract to Elora.....	27.5	
Teeswater " —Orangeville Jct. to Teeswater..	67.1	
Wingham " —Glenannan to Wingham.....	5.0	
		858.8
Carried forward.....		3866.8

	Miles
<i>Brought forward</i> . . . . .	858.8 3866.8
<i>Guelph Junction Railway.</i>	
Guelph Junction to Guelph . . . . .	15.0
<i>Atlantic &amp; North-West Section.</i>	
Lachine Bridge (south end) to Mattawamkeag . . . . .	327.0
("Short Line" to Maritime Provinces.)	
<i>St. Lawrence and Ottawa Section.</i>	
Ottawa to Prescott . . . . .	51.8
Chaudière Junction to Sussex street, Ottawa . . . . .	4.7
Total Leased Lines . . . . .	1,257.3
In addition to the foregoing the Company has under lease the joint use of sections of other lines as follows:—	
<i>Maine Central Ry.</i>	
Mattawamkeag to Vanceboro' . . . . .	56.0
<i>New Brunswick Ry.</i>	
Vanceboro' to McAdam . . . . .	6.3
	62.3
Making a total mileage operated and under construction of . . . . .	5,186.4

And the Report having been considered, it was moved by the President, Mr. Wm. C. Van Horne, seconded by Sir George Stephen, Bart., and unanimously

*Resolved,*

That the report on the affairs of the Company for the year ended December 31st, 1889, now submitted, be adopted, and that the same be published and forwarded to the Shareholders and others interested in the Company.

The agreement with the Qu'Appelle Long Lake and Saskatchewan Railroad and Steamboat Company, mentioned in the Report, was laid on the table ;

Whereupon it was moved by Mr. L. J. Forget, seconded by Mr. G. Campbell Macdougall, and unanimously

*Resolved,*

That the shareholders do hereby adopt and confirm the agreement now submitted, and dated the seventh day of August, 1889, between the Company and the Qu'Appelle Long Lake and Saskatchewan Railroad and Steamboat Company, and set out in the schedule to a statute of the Dominion Parliament assented to on the 26th day of March, 1890, entitled "An Act to confirm " an agreement between the Qu'Appelle Long Lake and " Saskatchewan Railroad and Steamboat Company and " the Canadian Pacific Railway Company," which Act is also submitted to this meeting. And the enactments of the said Statute are hereby approved, accepted and adopted as binding on this Company.

The agreement with the Montreal and Western Rail-

way Company, mentioned in the Report, was laid on the table ;

Whereupon it was moved by Mr. Duncan McIntyre, seconded by Mr. Wm. Mackenzie, and unanimously

*Resolved,*

That the shareholders do hereby adopt and confirm the agreement now submitted, and dated the 15th October, 1889, between the Company and the Montreal and Western Railway Company, and set out in the schedule to a statute of the Dominion Parliament assented to on the 24th day of April, 1890, entitled " An Act to confirm " an agreement between the Montreal and Western Rail-  
" way Company and the Canadian Pacific Railway  
" Company," and the enactments of the said statute are hereby approved, accepted and adopted as binding on the Company.

With reference to the arrangement with the Calgary and Edmonton Railway Company, referred to in the report, the President offered the following resolution, which, on motion of Mr. Richard J. Cross, seconded by Mr. George W. Hamilton, was unanimously adopted.

*Resolved,*

That it is expedient for this Company to enter into an agreement with the Calgary and Edmonton Railway Company, which will give this Company the right to hold and operate that Company's road from a point at or near Edmonton, through Calgary, to a point on the north bank of Old Man's River, at or near Fort McLeod, or between such other termini as the Board of Directors of

this Company may hereafter agree upon; and also the option within six years, or thereabouts, to purchase the properties and capital stock of that Company, all the said rights to be secured on such terms as they may deem expedient; and the Shareholders do hereby approve of such agreement, and the Board of Directors is hereby authorized to cause such an agreement to be signed, sealed and executed on behalf of this Company.

In reference to the sale of the short branch Railway between Hull and Aylmer, mentioned in the report, it was moved by Mr. Duncan McIntyre, seconded by Hon. Donald McInnes, and unanimously

*Resolved,*

That the Board of Directors is hereby authorized to cause to be executed a valid and sufficient conveyance of the branch line between Hull and Aylmer (about nine miles in length) to the Pontiac Pacific Junction Railway Company, and the proceeds of the sale applied towards the satisfaction of the prior encumbrance now existing in favor of the Province of Quebec on the said branch, the whole as authorized by the statute passed at the present Session of Parliament, entitled "An Act to facilitate the purchase by the Pontiac Pacific Junction Railway Company, from the Canadian Pacific Railway Company, of the branch line of Railway between Hull and Aylmer."

With respect to the arrangement with the South-Western Railway Company, referred to in the report, it was moved by Mr. Sandford Fleming, seconded by Mr. Wilmot D. Matthews, and unanimously

*Resolved,*

That the Board of Directors is hereby authorized to enter into an agreement for the purchase or lease of the Railway of the South-Western Railway Company, as described in its Act of Incorporation (about 54 miles in length), or any portion or portions thereof, on such terms as they may by resolution determine, and to execute on behalf of this Company, in such form as they decide to adopt, any instrument or instruments embodying such agreement.

It was further moved by Mr. L. J. Forget, seconded by Mr. Wm. MacKenzie, and unanimously

*Resolved*

That the several acts and proceedings of the Board of Directors and of its Executive Committee since the last Annual Meeting, as recorded in their respective minute books, which books are now laid on the table, be and the same are hereby approved, ratified and confirmed.

The President having named Mr. G. Campbell Mac-Dougall and Mr. J. Alex. L. Strathy as scrutineers, a ballot was taken for the election of Directors for the ensuing year, and on their report, the following gentlemen were declared elected by the unanimous vote of the meeting, viz ;—

MR. WM. C. VAN HORNE,	- - - - -	MONTREAL.
SIR GEORGE STEPHEN, Bart.,	- - - - -	do
SIR DONALD A. SMITH, K.C.M.G., M.P.,	- - - - -	do
MR. RICHARD B. ANGUS,	- - - - -	do
" EDMUND B. OSLER,	- - - - -	TORONTO.
" S' NDFORD FLEMING, C.E., C.M.G.,	- - - - -	OTAWA.
HON. J. J. C. ABBOTT, Senator,	- - - - -	MONTREAL.

HON. GEO. A. KIRKPATRICK, M.P.,	- - - -	KINGSTON.
HON. W. L. SCOTT,	- - - -	ERIE, PA.
MR. GEORGE R. HARRIS (of Messrs. Blake Bros. & Co.),	- - - -	BOSTON.
" RICHARD J. CROSS (of Messrs. Morton, Bliss & Co.),	- - - -	NEW YORK.
" WILMOT D. MATTHEWS,	- - - -	TORONTO.
HON. DONALD MACINNES, Senator,	- - - -	HAMILTON.
MR. THOMAS SKINNER,	- - - -	LONDON.
GEN. SAMUEL THOMAS,	- - - -	NEW YORK.

It was then on motion of the President, seconded by Mr. Richard B. Angus, nnanimously

*Resolved,*

That as the negotiations referred to in the report between this Company and the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, and the Duluth South Shore and Atlantic Railway Company, are still pending, this meeting do stand adjourned till noon on Monday the second day of June next, these matters to be then submitted for consideration, as well as negotiations now pending with the New Brunswick Railway Company looking to the permanent protection of this Company's interests in the Maritime Provinces.

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The Meeting was thereupon made special for the consideration of the special business mentioned in the notice convening the same.

The following Resolution was moved by Mr. Richard J. Cross, seconded by Mr. G. Campbell Macdougall, and carried unanimously:—

Whereas, under the Dominion Act 52 Victoria, Chapter 73, the Company being first authorized by a resolution passed at a Special General Meeting of its Shareholders,



duly called for the purpose, is empowered to issue, from time to time, bonds in aid of the acquisition of any such steam vessels as, by its Charter, it is authorized to acquire, and to mortgage the vessels to secure the payment of such bonds.

And Whereas, in order to provide funds in aid of the acquisition of three ocean steamships, including all their rigging, appurtenances and auxiliaries, which steamships are intended to be used on the Pacific Ocean, and are more particularly described in Articles of Agreement, made and entered into the twelfth day of October, 1889, between the Naval Construction and Armaments Company, Limited, of Barrow-in-Furness, in the County of Lancaster, England, of the one part, and this Company of the other part, the length of each vessel being 440 feet, the breadth moulded 51 feet, and the depth 36 feet, and its cargo capacity not less than 3250 tons (of forty cubic feet per ton) measurement, no one of which vessels is yet acquired by this Company, it is advisable to issue bonds under the provisions of the said Act, to the amount hereinafter mentioned, which does not exceed the cost of the said vessels.

And Whereas, the Honorable Sir Donald A. Smith and Richard Bladworth Angus, Esquire, have consented to act as Trustees, under any mortgage or mortgages to secure such bonds :—

Therefore be it

*Resolved,*

That the Company do issue, in aid of the acquisition of the said vessels, bonds to the extent of seven hundred

and twenty thousand pounds sterling (£720,000), payable at the end of twenty years, with interest thereon half-yearly, at the rate of 5 per cent per annum. Such bonds and the interest coupons to be made payable at such place or places, and to be otherwise in such form as the Directors may hereafter, by resolution, determine; and the Board of Directors is hereby authorized to issue and dispose of the said bonds, and, for the purpose of securing the payment of the principal and interest thereof, to cause to be executed and delivered to the said the Hon. Sir Donald A. Smith and Richard Bladworth Angus, as Trustees, a valid and sufficient mortgage on each or all of the said vessels, in such form as the Board may think fit to adopt, in order to meet the requirements of the law in that behalf, together with such other instrument or instruments as the Directors may deem expedient and proper for the purpose of securing efficiently the payment of the principal and interest of the said bonds and the rights of the holders thereof.

The following resolution was moved by the Honorable Sir Donald A. Smith, seconded by Mr. Wilmot D. Matthews, and carried unanimously:—

Whereas it is desirable to provide for the construction and equipment of the Souris Branch of the Company's railway, and for the issue of bonds in aid thereof, and for securing such issue:—

Be it therefore

*Resolved,*

That the Company do construct and complete, ready for operation, a branch of its railway to be known as "The Souris Branch," consisting of the following lines, that is

to say :—One from Kemnay in Manitoba, a point on its main line of railway to Melita, a point in or near Township 3, Range 27, west of the first principal meridian, and thence westerly to a point distant from Kemnay (by the said line) 100 miles ; one from Melita easterly to Deloraine ; one from some point on the first described line between Kemnay and Melita (inclusive) to Glenboro, the said lines covering a mileage of about 185 miles ; as well as such additional line or lines as the Board of Directors may, from time to time, hereafter by resolution declare to be a portion or portions of the Souris Branch of the Canadian Pacific Railway, provided that such additional line or lines shall be embraced within two extensions westerly from the line (100 miles in length) first above described, to such respective points further west as may be from time to time adopted as the western limit thereof by resolution of the Board of Directors, together with such spurs and connections to any of the said lines or extensions as the said Board may from time to time by resolution determine.

Moved by the Hon. Donald MacInnes, seconded by Mr. Richard B. Angus, and unanimously

*Resolved,*

That the Company do issue in aid of the construction and equipment of the Souris branch mentioned in the last resolution, bonds to an amount not exceeding £4,000 sterling per mile thereof, payable on the first day of July in the year one thousand nine hundred and ninety, and bearing interest at a rate not exceeding four per cent per annum, payable half-yearly, the principal and interest to

be secured by a mortgage according to the provisions of the Company's charter and of the several statutes now in force in that behalf, such bonds to be for such respective amounts and payable at such place in the city of London, England, as the Board of Directors may from time to time by resolution determine. And the Directors are hereby authorized to make the said issue according to the authority vested in this Company by its charter and the several statutes in that behalf and from time to time to dispose of the bonds which may be so issued.

Moved by Mr. Duncan MacIntyre, seconded by Mr. Richard J. Cross, and unanimously

*Resolved,*

That in order to meet the requirements of the statutes in that behalf, the following By-laws respecting the bonds to be issued under the foregoing resolution be, and the same are hereby enacted and passed, that is to say :—

SOURIS BRANCH BY-LAW NO. 1.

Immediately after the passing of this By-law a separate account under the heading of "Souris Branch Bonds" shall be opened in the books of the Company and shall show the proceeds of all mortgage bonds issued in aid of the construction and equipment of the Souris branch, and secured or to be secured by mortgage thereon, as authorized at the special general meeting of the shareholders, held at Montreal this fourteenth day of May, 1890, and no portion of such proceeds shall be paid out by any officer of the Company, or charged against the said account, until after the Comptroller of the Company shall have signed a voucher stating that it is required for and is

intended to be applied in payment of some proper charge in respect of the construction or equipment of the said Souris branch, and the said proceeds of the said bonds shall be held by the Company solely for the purpose of being used and applied in aid of such construction and equipment.

SOURIS BRANCH BY-LAW NO. 2.

The Company's books shall contain a separate account showing the tolls and revenues derived from the operation of the Souris branch; in which shall be credited all the tolls and revenues received for traffic carried exclusively over the said branch or any part thereof, and with a proportion of the tolls and revenues of all traffic carried partly over such branch, or any part thereof, and partly over the main line of Railway of the Company, which proportion shall be equivalent to the proportion of mileage of such branch over which such traffic is carried, as compared with the entire mileage of the Company's Railway over which the same is carried. And such account shall be charged with the cost of operation of the said branch, such cost including all the expenses incurred directly on the branch, and also a proportion of general expenses computed at an amount forming a proportion of the cost of operation of the entire Canadian Pacific Railway, including the general expenses of the management of the Company, corresponding to the proportion which the length of the said branch bears to the entire length of the Company's line. And the balance shewn by such account shall constitute the net revenue derived from the said branch; and shall constitute the fund, to which the holders of the bonds to be issued in aid of the construction and equipment of

the Souris branch shall be entitled to have recourse by special privilege, in the event of default in the payment of the interest upon the said bonds.

SOURIS BRANCH BY-LAW NO. 3.

All holders of the bonds to be issued in aid of the construction and equipment of the Souris branch shall have equal rights and remedies in respect of the collection of any principal and interest that may become due thereon, and shall amongst themselves rank *pari passu*, no one of them having any privilege or preference over another; and in addition to all other rights and remedies which the law may give them, they shall have those specifically given by the terms of the mortgage to be this day approved of by the shareholders of the Company in special general meeting assembled, and by them directed to be executed on behalf of the Company as security for all such bonds, and in the event of default occurring in the payment of the interest on any such bonds, the net revenue mentioned in the next preceding By-law shall be applied exclusively to the payment of such interest, accrued and to accrue in whole or in part, according to its sufficiency.

SOURIS BRANCH BY-LAW NO. 4.

In the event of such default as is mentioned in the next preceding By-law occurring, and continuing for such time as shall entitle the holders of the bonds therein referred to, under the provisions of the deed of mortgage securing the same, to take proceedings for the sale of the Souris branch, such sale shall be made upon the condi-

tion, as one of the conditions of such sale, that the said branch shall be operated continuously with the main line of the Company, as one line, without change of cars, trans-shipment, re-billing, or other detention or impediment. And in the event of such sale, and of the said branch being acquired by third parties, the said branch shall be operated according to the said condition. And the said branch Railway shall have the exclusive right to all traffic over the main line of the Canadian Pacific Railway destined for points not accessible to that Railway or its other connections, and reached by the said branch Railway or its connections; and in like manner the Company shall have the exclusive right to all traffic over the said branch Railway destined for points reached by the Canadian Pacific Railway or its connections. And the tolls and revenue accruing upon traffic passing over the whole or any part of the said branch, and over the whole or any part of the said main line, shall be divided in the proportions provided for in by-law No. 2, as applicable to the said branch while under the control of this Company.

#### SOURIS BRANCH BY-LAW NO. 5

If any portion of the proceeds of the mortgage bonds secured on the Souris branch shall remain after the construction and completion of the said branch, the same shall be used in the purchase of equipment, rolling stock or plant, for the said branch, and all engines, cars, and other rolling stock, so purchased, shall be numbered in some conspicuous manner with numbers forming a series separate and distinct from those placed upon the other rolling stock of the Company, so that the various items

of such equipment may be readily identified, and shall be chargeable and charged with the lien created by the deed of mortgage securing the said bonds; and schedules of such equipment shall be from time to time delivered to the Trustees mentioned in the said deed of mortgage.

Moved by Honorable Geo. A. Kirkpatrick, seconded by Mr. Geo. W. Hamilton, and unanimously

*Resolved,*

That the Secretary forward for the approval of the Governor-in-Council the five by-laws above set out in order to meet the requirements of the statutes in that behalf, and on their being so approved to deposit a copy of such By-laws with the Secretary of State, and

That the Honorable Sir Donald A. Smith and Richard Bladworth Angus, Esquire, having consented to act as Trustees, under the mortgage to be given as security for the bonds to be issued in aid of the construction and equipment of the Souris branch, they are hereby appointed Trustees for that purpose, and the mortgage mentioned in the foregoing resolution is to be made to them.

The President submitted for the consideration of the meeting a draft of a Mortgage Deed, proposed to be executed in pursuance of the foregoing resolutions by way of security for the payment of the principal and interest of the bonds above mentioned, to be issued in aid of the construction and equipment of the Souris branch.

Whereupon it was moved by Mr. Richard J. Cross, seconded by Mr. J. Alex. L. Strathy, and unanimously



*Resolved,*

That the substance of all the recitals, grants, terms, conditions and other matters, embodied in the draft, now submitted to this meeting, of the mortgage intended to be executed as security for the bonds which may be issued in aid of the construction and equipment of the "Souris Branch," as well as the form in which it is therein expressed, including the form of the bond itself, is hereby confirmed, approved and adopted, and the Board of Directors of the Company is hereby authorized to cause an Indenture of Mortgage in accordance with such draft to be duly executed on behalf of the said Company, attaching thereto the corporate seal of the Company and the signatures of such of the proper officials as the Directors may determine, and that the said draft be filed amongst the archives of the Company ; the date and the signature of the Secretary being first endorsed thereon.

In reference to the undertaking of the Columbia and Kootenay Railway Company mentioned in the report, it was

Moved by Sir George Stephen, Bart., seconded by the Hon. George A. Kirkpatrick, and unanimously

*Resolved,*

That it is expedient for the Company to lease the works of the Columbia and Kootenay Railway and Navigation Company, as described in the Act respecting that Company, passed at the present session of the Dominion Parliament, and assented to on the 24th day of April, 1890 (which works include a railway about 30 miles in length), or such portion or portions thereof as the Directors may hereafter

from time to time determine; and the Directors of this Company are hereby authorized to enter into an agreement for that purpose on such terms as they may think proper, which terms may include the purchase of the said works, or the lease of them in perpetuity, or for any specified period, or for such tenure as may be deemed expedient, as well as the time or times and manner of paying the price or the rent, as the case may be, either in cash or in this Company's bonds, or by guarantee of interest on the bonds of that Company, or otherwise, as the Directors may, by resolution, determine; and the Board of Directors is hereby authorized to cause to be signed, sealed and executed from time to time on behalf of this Company, and in such form as they may decide to adopt, every such lease, mortgage, contract or other instrument as may be deemed expedient in the interest of this Company in order to give effect to this resolution.

The agreement with the Shuswap and Okanagon Railway Company, alluded to in the Report, having been submitted to the meeting, it was moved by Mr. Sandford Fleming, seconded by Mr. William Mackenzie, and unanimously

*Resolved,*

That the arrangement arrived at between the Directors of this Company and of the Shuswap and Okanagon Railway Company is hereby ratified, and the Board of Directors of this Company is hereby authorized to cause to be signed, sealed and executed on behalf of the Company, the agreement now submitted to this meeting; the same being as set out in the schedule to the Act of Par-

liament of British Columbia, passed at its last session, and authorizing a subsidy to be granted to that Company.

The President having called attention to the Act of the present session amending the Act of last session, so as to include the acquisition and satisfaction of bonds issued in respect of Ocean Steam Vessels amongst the purposes for which Consolidated Debenture Stock might be issued to a limited amount, and having submitted this Act to the meeting,

It was moved by Mr. Duncan McIntyre, seconded by Mr. Richard B. Angus, and unanimously

*Resolved,*

That it is expedient for the Company to avail itself of the amendments to "The Canadian Pacific Railway Act, 1889," made by an Act of the present session, assented to on the 26th day of March, 1890; and the shareholders do hereby authorize the issue by the Company, from time to time hereafter, of Consolidated Debenture Stock for the purpose of satisfying or acquiring bonds to the extent in the aggregate of £1,200,000 sterling, issued in aid of the purchase of Ocean Steamships under the Act 52 Victoria, Chapter 73, on which stock the interest shall not exceed £60,000 sterling, per annum, such issue to be made in the same manner, under the same conditions, and with the same effect as if the satisfaction or acquisition of such bonds had been originally mentioned in "The Canadian Pacific Railway Act, 1889," as purposes for which it authorized the issue of Consolidated Debenture Stock.

And the proceedings ended.

C. DRINKWATER,  
Secretary.

WM. C. VAN HORNE,  
President.

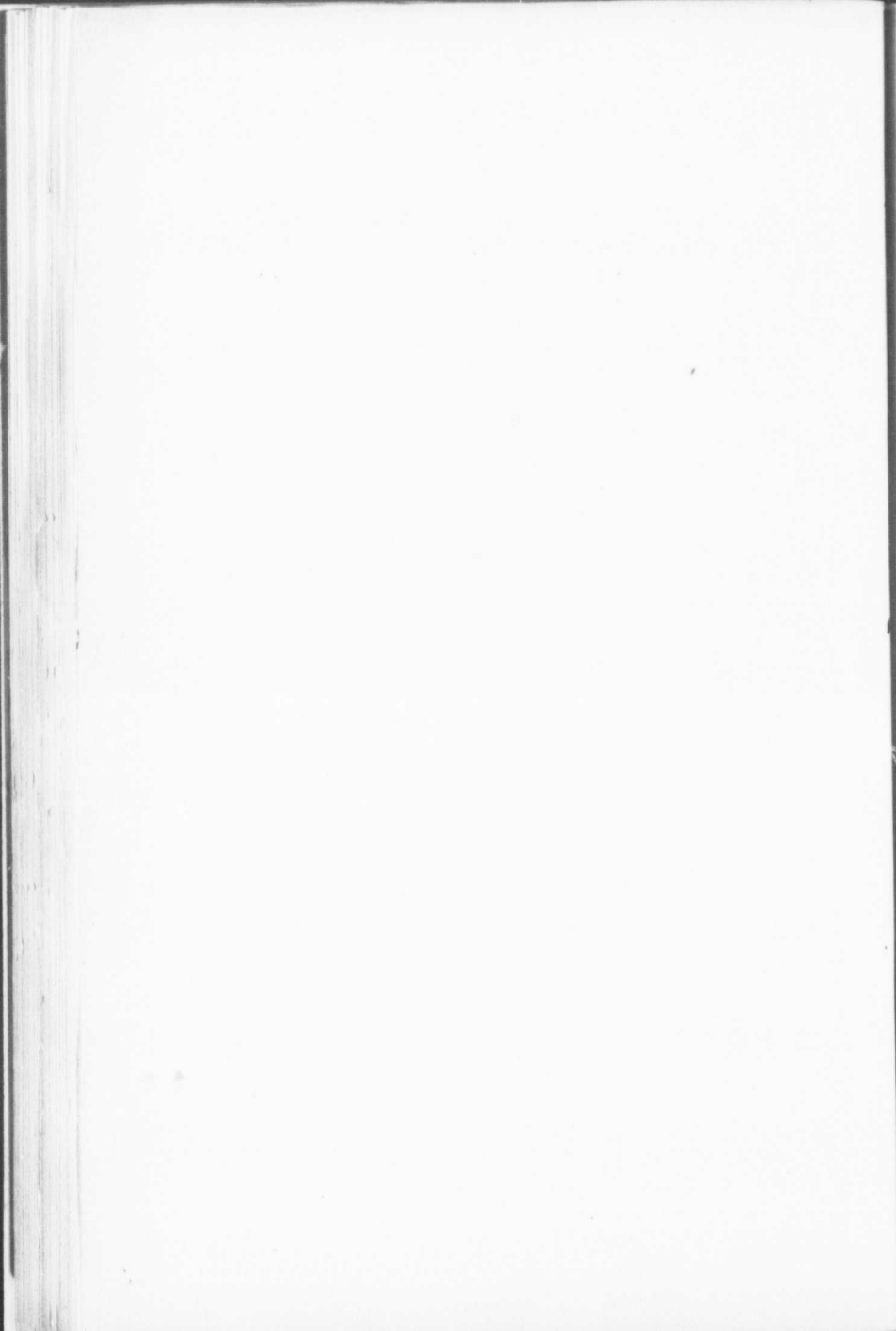
*Note.*—At a meeting of the new Board, subsequently held, Mr. Wm. C. Van Horne was re-elected President of the Company, and the following were appointed the Executive Committee :—

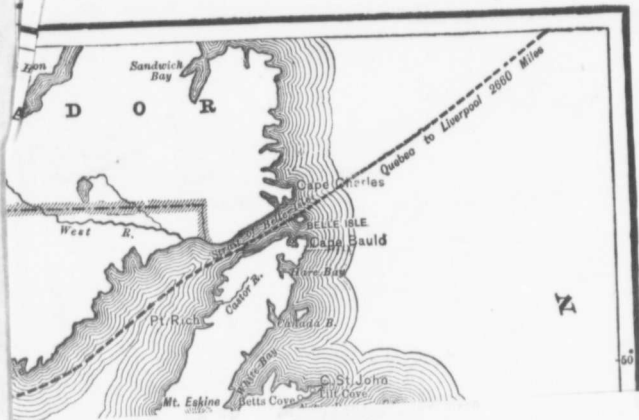
Mr. Wm. C. Van Horne (*ex-officio*),

Sir Donald A. Smith, K.C.M.G., M.P.,

Sir George Stephen, Bart.,

Mr. Richard B. Angus.





MADE IN NEW YORK

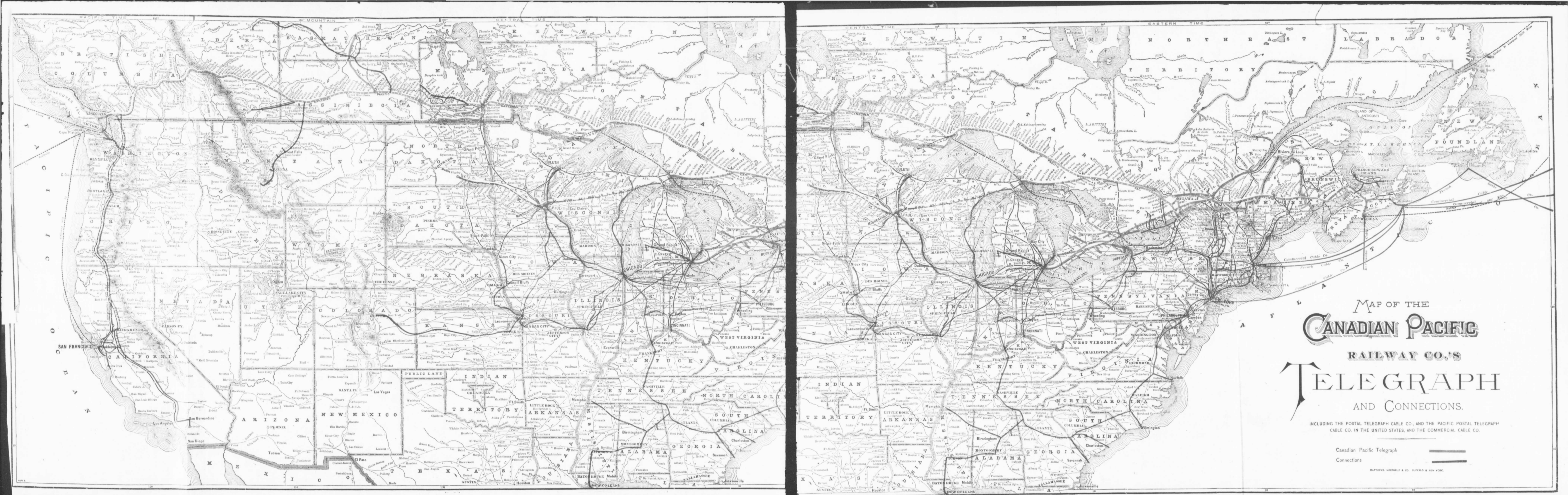
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