



CANADIAN PACIFIC RAILWAY.

ANNUAL REPORT FOR THE YEAR

-1891-

AND

REPORT OF PROCEEDINGS

AT THE

ELEVENTH ANNUAL MEETING

OF SHAREHOLDERS.

HELD AT THE GENERAL OFFICES OF THE COMPANY,

MONTREAL,

ON

WEDNESDAY, 11th MAY, 1892.

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GAZETTE PRINTING COMPANY, MONTREAL.

BOARD OF DIRECTORS.

THE RT. HON. LORD MOUNT STEPHEN,	-	-	-	MONTREAL.
SIR DONALD A. SMITH, K. C. M. G., M. P.,	-	-	-	do.
MR. WM. C. VAN HORNE,	-	-	-	do.
" RICHARD B. ANGUS,	-	-	-	do.
" T. G. SHAUGHNESSY,	-	-	-	do.
" EDMUND B. OSLER,	-	-	-	TORONTO.
" SANDFORD FLEMING, C. E., C. M. G.,	-	-	-	OTTAWA.
" 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.
" GEO. A. KIRKPATRICK, M. P.,	-	-	-	KINGSTON.
MR. THOMAS SKINNER,	-	-	-	LONDON.
GEN. SAMUEL THOMAS,	-	-	-	NEW YORK.
MR. JOHN W. MACKAY,	-	-	-	do.

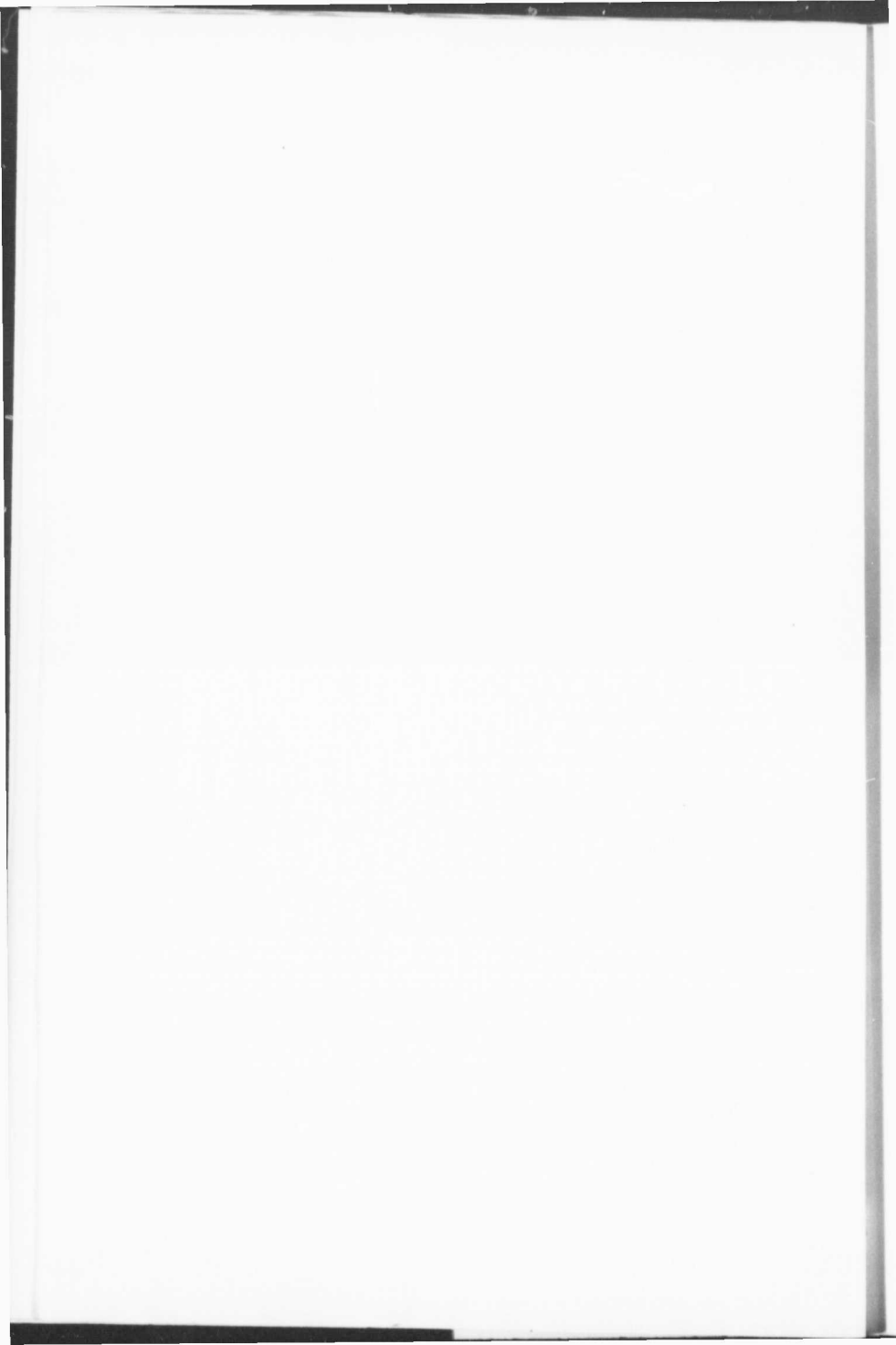
OFFICERS.

MR. WM. C. VAN HORNE, <i>President</i> ,	-	-	-	MONTREAL.
" T. G. SHAUGHNESSY, <i>Vice-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.
" I. G. OGDEN, <i>Comptroller</i> ,	-	-	-	do.
" HY. BEATTY, <i>Manager Lake Steamship Lines</i> ,	-	-	-	TORONTO.
" W. SUTHERLAND TAYLOR, <i>Treasurer</i> ,	-	-	-	MONTREAL.
" D. McNICOLL, <i>General Passenger Agent</i> ,	-	-	-	do.
" W. WHYTE, <i>Gen. Supt. Western Division</i> ,	-	-	-	WINNIPEG.
" C. W. SPENCER, <i>Gen. Supt. Eastern Division</i> ,	-	-	-	MONTREAL.
" H. ABBOTT, <i>Gen. Supt. Pacific Division</i> ,	-	-	-	VANCOUVER.
" THOS. TAIT, <i>Gen. Supt. Ontario & Quebec Division</i> ,	-	-	-	TORONTO.
" H. P. TIMMERMAN, <i>Gen. Supt. Atlantic Division</i> ,	-	-	-	ST. JOHN, N.B.
" C. R. HOSMER, <i>Manager of Telegraphs</i> ,	-	-	-	MONTREAL.
" L. A. HAMILTON, <i>Land Commissioner</i> ,	-	-	-	WINNIPEG.
" HARRY MOODY,	{	<i>Deputy Secretary and Registrar of</i>		
	{	<i>Transfers, 1 Queen Victoria St., LONDON, E.C.</i>		
" ARCHER BAKER,	{	<i>European Traffic Agent, 67 and 68</i>		
	{	<i>King William Street, - - do.</i>		

Agents of the Bank of Montreal, 59 Wall St., *Transfer Agents*, - NEW YORK.

EXECUTIVE COMMITTEE.

MR. WM. C. VAN HORNE,	SIR DONALD A. SMITH, K.C.M.G., M.P.	
MR. T. G. SHAUGHNESSY,	MR. RICHARD B. ANGUS.	
GENERAL OFFICES,	-	MONTREAL.



Canadian Pacific Railway Company.

ELEVENTH ANNUAL MEETING.

REPORT OF PROCEEDINGS AT THE ELEVENTH ANNUAL
MEETING, AND AT A SPECIAL GENERAL MEETING
OF THE SHAREHOLDERS, HELD ON WEDNESDAY,
THE 11TH DAY OF MAY, 1892.

The meeting assembled, in conformity with the notice convening the same, at noon, at the General Offices of the Company at 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 328,821 shares of the stock of the Company.

The notice calling the meeting was read by the Secretary as follows :—

THE CANADIAN PACIFIC RAILWAY COMPANY.

NOTICE TO SHAREHOLDERS.

The Eleventh 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 11th 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 purpose of considering and of taking such steps as may be deemed expedient in order to give effect to any legislation by the Parliament of Canada during its present session, authorizing the issue of additional Consolidated Debenture Stock in exchange for Mortgage Bonds of which the principal or interest is guaranteed by the Company, and of authorizing such issue ; such bonds to be held as security for the holders of Consolidated Debenture Stock.

The Transfer Books of the Company will close in Montreal and New York on Saturday, April 30th, and in London on Tuesday, April 19th, and will be re-opened on Thursday, May 12th.

By order of the Board,

CHARLES DRINKWATER,
Secretary.

Montreal, 6th April, 1892.

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

ELEVENTH ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY, SUBMITTED AT THE ANNUAL MEETING OF THE SHAREHOLDERS, HELD AT MONTREAL, ON WEDNESDAY ELEVENTH MAY, 1892.

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

The gross earnings for the year were.....	\$20,241,095.98
The working expenses were.....	12,231,436.11
	<hr/>
And the net earnings were.....	8,009,659.87
Deducting the fixed charges accrued during the year. (See page 19).....	4,664,493.45
	<hr/>
The surplus was.....	3,345,166.42
From this two supplementary dividends of one per cent. each, were made, and paid August 17th, 1891 and February 17th, 1892.	1,300,000.00
	<hr/>
Leaving a surplus carried forward.....	2,045,166.42
Surplus of previous years.....	2,656,432.83
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Total surplus carried forward.....	\$ 4,701,599.25

The working expenses for the year amounted to 60.43 per cent. of the gross earnings, and the net earnings to

39.57 per cent., as compared with 61.94 and 38.06 per cent. respectively in 1890.

The earnings per passenger per mile were 1.70 cents and per ton of freight per mile 0.91 cents, as against 1.74 and 0.84 cents respectively in 1890.

The earnings and working expenses of the South Eastern Railway, which is worked by the Company for the account of the Trustees, are not included; nor are the earnings and working expenses of the Qu'Appelle Long Lake and Saskatchewan, and the Calgary and Edmonton Railways included.

The following is a comparative statement of the earnings and working expenses of the railway for the five years following the completion of the main line:—

	1887.	1888.	1889.	1890.	1891.
Passengers	\$ 3,453,818 49	\$ 3,800,883 18	\$ 4,023,474 00	\$ 4,774,713 76	\$ 5,450,789 46
Freight	6,924,150 47	8,017,313 66	9,057,719 34	10,106,944 02	12,665,540 26
Mails	241,949 05	263,344 46	354,044 32	356,038 61	516,098 45
Express	235,035 69	244,247 18	247,606 70	290,233 43	288,633 25
Parlor and Sleeping Cars	176,826 30	187,694 13	233,103 14	268,096 76	303,545 09
Telegraph & Miscellaneous	574,653 31	682,552 99	847,190 93	786,707 40	1,007,489 47
Total	\$11,666,412 80	\$13,195,535 00	\$15,360,138 43	\$16,552,528 98	\$20,241,095 98
Expenses	8,102,294 64	9,324,760 68	9,241,302 27	10,252,828 47	12,231,436 11
Net Earnings	\$ 3,564,118 16	\$ 3,870,774 92	\$ 6,127,836 16	\$ 6,299,700 51	\$ 8,009,659 87

The last harvest in Ontario and Manitoba was an abundant one, but in Manitoba it was followed by a long period of wet weather, which impaired the quality of much of the grain and delayed its marketing. A large amount of grain yet remains in the hands of the farmers in Manitoba as well as in Ontario, and the outlook for traffic for the present year is unusually good.

The Company's Steamship line to China and Japan was not fully established until after mid-summer; but although worked at a disadvantage until the last steamship was in service, the results have been as satisfactory as could well be expected, the steamships having cleared their working expenses and the interest on their cost, without taking into account the value of the business contributed to the railway itself. The earnings and expenses of the steamships are not included in the statement of the earnings and working expenses of the railway as shown in this report.

The result of the working of the Minneapolis, St. Paul and Sault Ste. Marie, and the Duluth South Shore and Atlantic Railways for the past year, confirms the belief of your Directors that these two most important feeders will not only be no burden upon your Company, but will, aside from the business contributed to your Railway, be a source of handsome profit for their respective shareholders. The earnings of the first named line for the past year increased 29.3 per cent over 1890. The earnings of the last named line, which have hitherto been largely obtained from the carriage of iron ore, suffered severely from the prostration which prevailed throughout the year in the iron trade, but the loss was made good by the increase in general traffic, and this, together with the revival in the iron trade gives promise of largely increased earnings and profits for the present year.

The Company's telegraph, express, sleeping cars, grain elevators and lake steamers, have continued to swell its profits. These important adjuncts of the Company's service are constantly increasing in importance and efficiency, and they all stand high in the estimation of the public; indeed, it is a matter of great pride to your

Directors that every branch of the Company's service has the hearty approval of the public from one end of the country to the other.

The property of the Company has been maintained in excellent condition.

During the past year large additions were made to the station and terminal facilities, the repair shops and rolling stock; and the permanent way was greatly improved by the substitution, on 218 miles of the principal lines, of steel rails weighing 72 pounds to the yard, in place of the 56 and 60 pound rails originally used, (the lighter rails taken up having been utilized in branch lines and additional sidings), by the further reduction of gradients and the straightening of the line, and in many other ways. 224 timber bridges of various kinds were replaced by masonry and steel structures, or solid embankments, and the replacement in permanent work of 94 other timber bridges was well advanced. At the past rate of progress in this work, practically all of the timber structures in the Company's principal lines will be permanently replaced within two or three years.

As nearly as can be ascertained the improvements made during the past five years in roadway and bridges have resulted in a saving in the cost of working equal to nearly 20 per cent per annum on the outlay, and your Directors feel justified in continuing these improvements until the lines of the company shall have reached the highest state of efficiency, and the greatest possible economy in working has been secured.

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

To meet the requirements of the increasing production of grain in the North West, an additional elevator of a million and a quarter bushels capacity was erected at Fort William, making the total storage capacity at that point and Port Arthur together, about 4,000,000 bushels.

Large additions to the rolling stock must be made during the current year, in order to provide for the rapidly increasing traffic.

In view of the fear so often expressed by those who are unacquainted with the property, that the working expenses must, in the near future, be largely increased by renewals, the Directors feel justified in saying that the timber structures in the permanent way, which were necessarily largely used in original construction, are not renewed as such, but are replaced by permanent work; and aside from these, on nearly all of the principal lines of the Company, the more important renewals have already been made at the expense of the operating account, and, as better materials have been used than could be obtained for the original construction, no appreciable increase in the expenditure for renewals need be looked for beyond that due to additional mileage.

During the past year the Souris Branch was extended 82. $\frac{3}{10}$ miles to Oxbow, and the Glenboro section of the Souris Branch was extended to Nesbitt, 6 miles.

The following extensions and branches are contemplated for the present year; the main line of the Souris Branch to the coal-fields of southern Assiniboia (40 miles), on which the grading is well advanced; a connection between the South Western Branch at Deloraine and the Souris Branch at Napinka, 17. $\frac{8}{10}$ miles; a section

of 18.²/₁₀ miles connecting the Glenboro Branch at Nesbitt with the Souris Branch at Souris, and a branch of 30 miles westward from the Souris Branch at Menteith to the well settled Pipestone district.

Towards the construction of these lines the Province of Manitoba will give assistance to the extent of \$1,750 per mile, and to all, except the Pipestone Branch, a grant from the Dominion Government of 6,400 acres of land per mile attaches; and a similar grant is expected for the Pipestone Branch.

It is also the intention of your Directors to commence the grading of a line from the southern Assiniboia coal fields to a connection with your main line at Regina or Moose Jaw, and of another line from a point near Fort MacLeod towards the Crow's Nest Pass. The first named line will open up for settlement one of the best sections of the Company's land grant, and will, with the extension of the Minneapolis, St. Paul and Sault Ste. Marie Railway now being made, afford a direct and necessary connection, under your Company's control, between the west and Minneapolis and St. Paul. The other line is intended to protect the Company's interests in southern British Columbia, including the Kootenay district which is now assuming great importance owing to its remarkable mineral developments.

The Calgary and Edmonton Railway has been completed and is now in operation from Calgary to Edmonton, a distance of 192 miles; on the portion of the line south of Calgary the rails have been laid to High River, a distance of about 40 miles, and the grading has been completed to a point near Fort McLeod, 110 miles from Calgary. This line is leased to your Company for six years without rental, and your Company has an option to

purchase it at the end of that time. The negotiations referred to at the last annual meeting, looking to its earlier acquisition, were discontinued because of the inability of the Calgary and Edmonton Company to fully comply with the terms named by your Directors.

The purchase of the Temiscamingue Railway which was referred to in the last annual report was approved at an adjourned meeting of the shareholders held on the 24th August last; and this line should be completed either this year or next as may be found expedient and convenient.

The Montreal and Ottawa Railway, extending from Vaudreuil to Point Fortune on the west side of the Ottawa river, an important local line, and one which threatened your Company's interests, has been secured on favourable terms.

Your Directors have agreed to lease the Tobique Valley Railway and to pay as rental therefor 40 per cent. of its earnings. The line starts from Perth Centre on the line of the New Brunswick Railway, and runs along the Tobique River to Plaster Rock where extensive mineral deposits exist. The length of the line will be about 28 miles, of which fourteen miles have been completed. The agreement will be submitted for your approval.

The arbitration between the Dominion Government and the Company respecting the section of the railway built by the Government in British Columbia resulted in an award to the Company of \$579,255—\$202,675 being for defects already cured by the Company and \$376,580 for defects yet to be made good. While this result was unsatisfactory your Directors thought it wise to accept it and end the controversy.

Another long standing dispute with the Government has been settled by the cancellation of \$1,108,626 of the bonds of the North Shore Railway, held by the Government, which constituted a contingent obligation upon the Company's Quebec line and seriously interfered with the freedom of its use.

By the Loan Acts of 1884-5 a needless and unusual restriction was imposed upon the Company preventing the increase of its ordinary share capital for any purpose, and in order that your Company might have the same freedom in this regard as is enjoyed by other Railway Companies, your Directors applied to Parliament at its present session for the passage of an Act removing this restriction. This Act has become law, and the shareholders will hereafter be free to determine for themselves, as occasion may require, whether the future capital requirements of the Company shall be provided for by the issue of ordinary shares, or by increasing its mandatory obligations.

The same Act gives the Company authority to issue four per cent Consolidated Debenture Stock in place of bonds or shares bearing an equal or greater rate of interest, and which have already been guaranteed by the Company; this power having been sought both for the purpose of saving interest and simplifying the finances of the Company by consolidating its obligations.

LANDS.

The sales of Canadian Pacific lands last year were 72,674 acres for \$294,875, an average price of \$4.05 $\frac{3}{4}$ per acre, as against 73,941 acres for \$276,586, an average price of \$3.76 per acre in 1890.

The sales of Manitoba South Western Railway lands

for 1891 were 24,566 acres for \$120,070, an average price of \$4.88 $\frac{2}{3}$ per acre, as against 7,544 acres for \$36,078, an average price of \$4.78 per acre in 1890.

The total sales for 1891 of Canadian Pacific and Manitoba South Western lands were 97,240 acres for \$414,945 an average price of \$4.26 $\frac{2}{3}$ per acre, against 81,485 acres for \$312,664 in 1890, an average price of \$3.83 $\frac{2}{3}$.

Of the lands previously recovered by the Company by cancellation of sales 20,565 acres were resold during the year at a profit of \$38,665.

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>
The Company has earned on account of its Souris Branch Land grants.....	905,600
	<u>19,112,586</u>
Sales to Dec. 31st, 1891.....	3,674,426
Less cancelled in 1891.....	<u>6,040</u>
	3,668,386
Quantity of land unsold.....	<u><u>15,444,200</u></u>

The position of the Manitoba South Western land grant at the end of the year was as follows:—

	Acres.
Total Grant.....	1,396,800
Sales to Dec. 31st, 1891.....	131,012
Less cancelled in 1891.....	<u>1,520</u>
	129,492
Quantity of land unsold.....	<u>1,267,308</u>
Total land owned by the Company.....	<u><u>16,711,508</u></u>

In view of the large sales of land from the Manitoba South Western grant, it is not expected that any further advances will have to be made from the general funds of the Company for the payment of interest on Land Grant Bonds, for in addition to the receipts from town sites, the proceeds of these lands are applicable to this purpose, subject only to the claim of the Manitoba Government against the Manitoba South Western grant, which is being paid at the rate of \$2.00 for each acre sold, and which is expected to be fully provided for by the end of next year; after which the entire proceeds will be available, and the amount already advanced in interest on Land Grant Bonds should be quickly recovered to the treasury of the Company.

CONCLUSION.

Notwithstanding the very large increase in gross earnings and profits for the first quarter of last year, the corresponding quarter of the present year shows a still further increase of \$441,515 in gross, and \$274,131 in net earnings.

The present year has opened with large land sales and a much greater movement of settlers to the North West than at any other time in the history of the Company. The sales of land for the first four months of this year have been 143,693 acres for \$531,151, as against 24,414 acres for \$100,200 for the same four months of last year. The sales for the past four months were nearly 47,000 acres more than the total sales of last year.

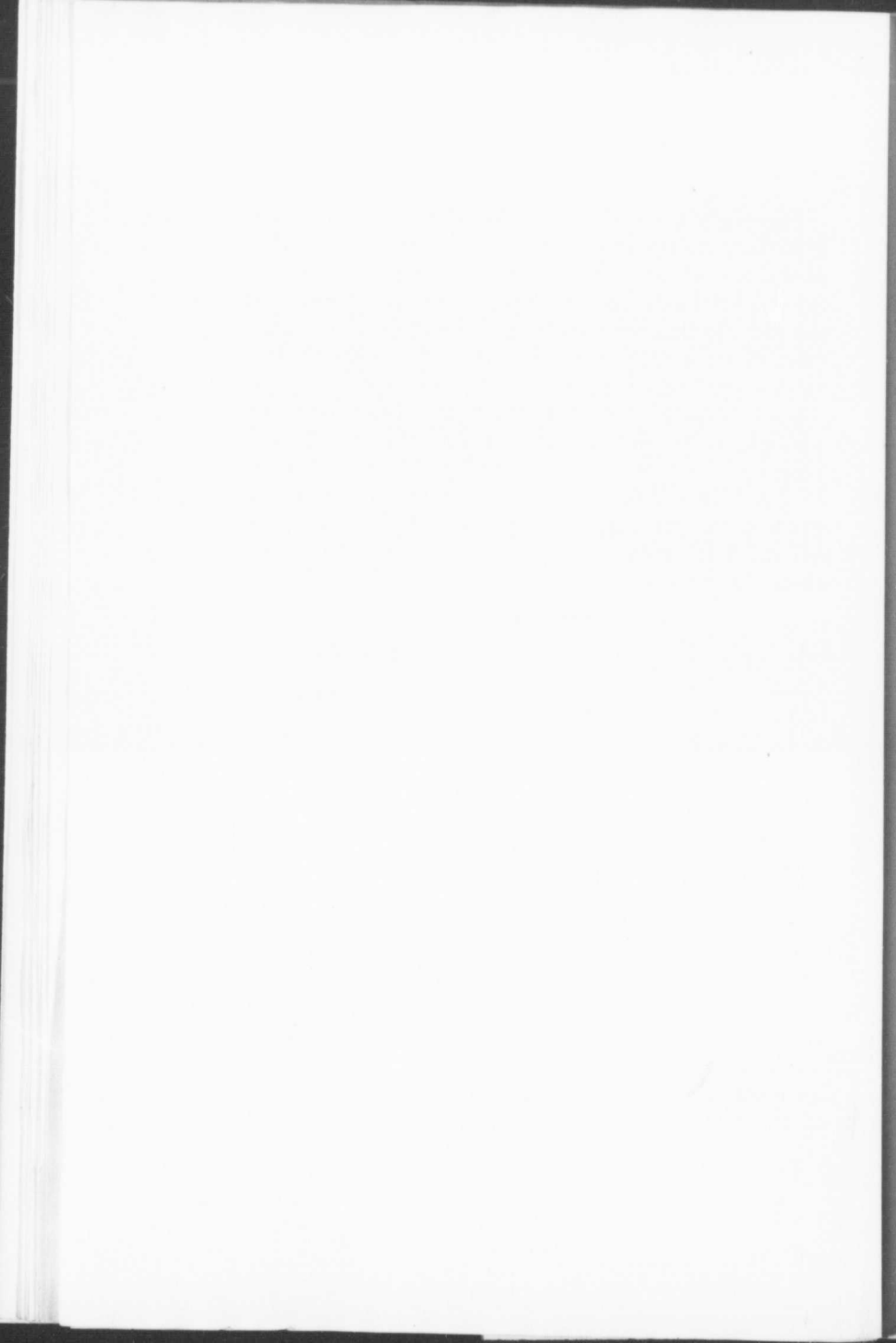
It is worthy of note that the report now submitted covers the year in which the main line of the railway was to have been completed under the contract between the Government and the Company, and the fifth year of its full operation.

The results have fully justified the expectations of your Directors, expectations which have frequently been regarded as over sanguine. They can see no reason why the rate of increase in the Company's business for the past six years should not continue. Anything like general competition is practically impossible; the country tributary to the Company's lines is of enormous extent, its potential wealth is without limit; the knowledge of its advantages is spreading throughout the world, and people are attracted to it in constantly increasing numbers, and your Directors are confident that the second ten years of the Company's history upon which it has just entered will produce results even more gratifying than those already shewn.

For the Directors,

WM. C. VAN HORNE,

President.



TREASURY ASSETS.

Temporary Loans on Security, bearing interest.....	\$2,341,639 39	
Cash in Treasury.....	3,686,239 94	
	<hr/>	6,027,879 33

LAND GRANT.

3,668,386 acres sold, amounting to	11,681,533 93	
6,793,014 acres taken by Dominion Government....	10,189,521 00	
	<hr/>	21,871,054 93
Less—Expenses, cultivation rebate, and 10 per cent. on Land Grant Bonds taken in payment.....	2,312,273 53	
	<hr/>	19,558,781 40

TOWN SITES.

Amount received from sale of Town Sites, not covered by Land Grant Mortgage.....	2,183,910 19	
Less—Expenditure improve- ments, grading, clearing, etc.	454,397 10	
	<hr/>	

CONDENSED BALANCE SHEET—December 31st, 1891.

COST OF ROAD.	
Main Line.....	\$130,499,104 90
Lines acquired or sold under perpetual lease.....	18,818,912 80
Branch Lines.....	10,470,704 91
	<hr/> \$159,788,722 61

NOTE.	
Lines built by Government not included — Estimated cost.....	\$5,000,000
15,444,200 acres of land un- sold, which, at average of last year's sales per acre would realize.....	6,922,648 81

EQUIPMENT.	
Rolling Stock.....	\$ 138,772 24 28
Lake Steamers.....	478,952 39
Shops and Machinery (Mont- real, Hobdogga, Perth and Carleton Place).....	1,228,925 87
	<hr/> 15,785,688 44

REAL ESTATE (at and near Montreal).....	285,490 63
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ADVANCES.	
South Eastern Railway.....	1,694,780 53

STATION BALANCES—ACCOUNTS RECEIV- ABLE MISCELLANEOUS Securities and Advances.....	
	5,702,902 20

ACQUIRED SECURITIES.	
Atlantic & North-West Rail- way, 5 per cent. guaranteed Stock.....	\$3,740,000
Columbia & Kootenay Rail- way First Mortgage 4 per cent. Bonds.....	600,500
	<hr/> 3,940,500 00

ADVANCES ON LAKE AND FERRY STEAMERS.....	
	652,334 34

CHINA AND JAPAN STEAMSHIPS AND APPLIANCE.....	
	3,471,087 69

MATERIAL AND SUPPLIES ON HAND.....	
	2,524,000 82

DOMINION GOVERNMENT GUARANTEE FUND.....	
	3,712,332 91

ADVANCES ON LAND.	
Interest on Land Grant Bonds	\$2,900,469 81
Less—Surplus Re- ceipts from Taxes:	
Rites.....	8,928,974 18
Net proceeds sales Lands of Man. S. W. Can. Railway, 100,200 08	589,570 26
	<hr/> 1,445,895 55

BALANCE DUE ON LAND SOLD (Deferred Payments).....	
	1,970,094 21

BALANCE DUE ON TOWNSITE SALES (Deferred Payments).....	
	179,216 04

TREASURY ASSETS.	
Temporary Loans on Security, bearing interest.....	82,341,620 30
Cash in Treasury.....	3,696,230 94
	<hr/> 6,927,879 33

CAPITAL STOCK.....	\$ 6,000,000 00
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MORTGAGE BONDS.	
1st Mortgage, bonds, 5 per cent.....	47,191,500 \$34,968,633 33
Canada Central 1st Mortgage, amount of issue, £500,000 (\$2,433,233)	
Sinking Fund de- posited with Gov- ernment.....	1,260,000
Balance at maturity.....	850,000 00
Canada Central 2nd Mortgage, 6 per cent.....	973,333 33
Des. Province of 1860s on Q. M. O. & O. Railway, 5 per cent.....	3,500,000 00
Des. Province of 1860s on North Shore Railway, 5 per cent.....	3,500,000 00
Albion Branch, 1st Mortgage, 5 per cent.....	365,000 00
North Shore Railway, 1st Mortgage.....	484,719 67
	<hr/> 47,966,686 33

FOUR PER CENT CONSOLIDATED DEGEN- TURE 8190 3.....	
	16,770,492 65

LAND GRANT BONDS, First Mortgage.	
Amount of issue, \$25,000,000 00	
Less—Amount re- deemed & re- colled.....	20,574,000 00
	<hr/> 4,426,000 00
Amount held in trust by Dominion Government, not bearing interest.....	1,000,000 00
	<hr/> 5,426,000 00
Land Bonds 3 1/2 per cent. in- terest guaranteed by Do- minion Government.....	15,000,000 00
	<hr/> 18,430,000 00

CURRENT LIABILITIES (including Vouchers and Pay Rolls).....	
	2,911,911 64

INTEREST ON FUNDED DEBT AND RENTAL OF LEASED LINES.	
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Coupons not presented, in- cluding amounts due Janu- ary 1st, 1892.....	1,228,880 92
Accrued to date not due.....	314,764 18
	<hr/> 1,543,645 10

SUPPLEMENTARY DIVIDEND, payable Feb- ruary 17th, 1892.....	
	650,000 00

CASH SUBSIDY FROM DOM- INION GOVERNMENT.....	
	25,000,000 00

BONUSES FROM MUNICI- PALITIES.....	
	548,961 29

LAND GRANT.	
3,968,390 acres sold, amounting to.....	11,681,533 91
6,793,014 acres taken by Dominion Government.....	10,180,521 60
	<hr/> 21,871,054 80

Less—Expenses, cultivation relate, and 10 per cent. on Land Grant Bonds taken in payment.....	2,942,273 35
	<hr/> 18,928,781 46

TOWNSITES.	
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Amount received from sale of Town Sites, not covered by Land Grant Mortgage.....	2,183,910 19
Less—Expenditure improve- ments, grading, clearing, etc.	454,297 10
	<hr/> 1,729,613 09

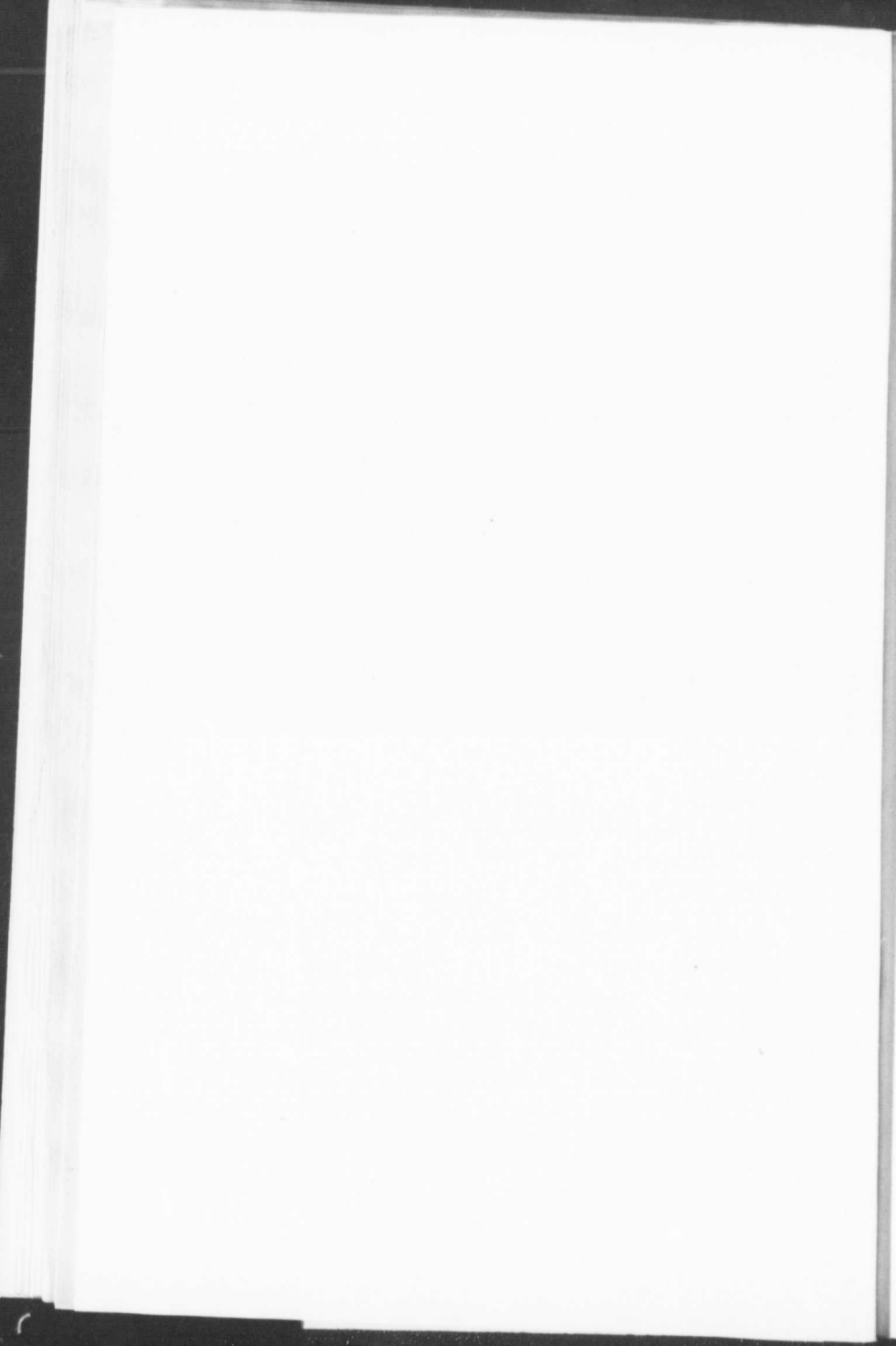
Cost of Hotel and other build- ings at Vancouver, and Banff Springs Hotel.....	613,991 37
	<hr/> 1,115,621 32

Surplus receipts of 1889, 1890 and 1891 applied against Advances on Land Bond Interest.....	428,971 18
	<hr/> 686,550 34

SURPLUS EARNINGS.	
Net earnings for years 1888 to 1891 inclusive, after payment of all fixed charges and supplementary dividend.....	4,701,509 25
	<hr/> 4,701,509 25

\$206,534,127 10

\$206,534,127 10



FIXED CHARGES 1891.

£7,191,500	1st Mortgage Bonds 5 p.c.....	\$ 1,749,931.66
\$7,000,000	Province of Quebec 5 p.c.....	350,000.00
£99,600	North Shore 1st Mortgage 5 p.c.....	24,236.00
£200,000	Canada Central 2nd Mortgage 6 p.c....	58,400.00
	“ “ 1st “ Sinking Fund	51,100.00
£200,000	St. Lawrence and Ottawa 4 p.c.....	38,933.34
\$2,544,000	Man. S. W. Col. Ry. 1st Mortgage 5 p.c..	127,200.00
	Toronto, Grey and Bruce Rental.....	140,000.00
£4,007,381 15s. 5d.	Ontario and Quebec Debentures 5 p.c..	975,129.56
\$2,000,000	Ontario and Quebec (ordinary) 6 p.c..	120,000.00
£1,330,000	Atl. & N. W. Ry. 1st Mortgage, less Government proportion.. ..	136,333.34
£750,000	Algoma Branch 5 p.c.....	182,500.00
	South Eastern Ry. rental, Farnham to Brigham Jet.....	1,400.00
	Rental Mattawankeag to Vanceboro..	23,800.00
£1,695,312 10s. 4d.	4% Debenture stock	330,020.83
£142,500	“ “ on Col. & Kootenay Ry..	
£68,062 10s.	“ “ “ Mission Branch.....	
£220,000	“ “ “ 55 miles Souris Branch 5 months from August 1st.....	34,923.40
	Rental New Brunswick Railway system.	320,585.32
		<u>\$4,664,493.45</u>

RECEIPTS AND EXPENDITURES 1891.

RECEIPTS.

Cash on hand December 31st, 1890.....	\$6,020,112.16
Surplus revenue (as per statement).....	\$3,345,166.42

Land Department.

Proceeds of land sales.....	\$219,369.26	
Less expenditure in connection with sales, premiums on bonds, etc.....	94,990.43	
	<u>\$124,378.83</u>	
Deduct amount remaining in deferred payments.....	110,360.65	
	<u>\$ 14,018.18</u>	
Deduct amount of land grant bonds redeemed and cancelled.....	12,500.00	1,518.18
Dominion Government on account British Columbia Section outside of arbitration.		26,356.00
Consolidated debenture stock, 4 per cent.— Amount issued.....	7,036,386.65	
	<u>10,409,427.25</u>	
		\$16,429,539.41
Decrease in station balances, accounts receivable, etc..		<u>184,149.63</u>
		<u>\$16,613,689.04</u>

EXPENDITURES.

Interest on funded debt and rentals of leased lines due January 1st, 1891, and accrued to that date.....	\$1,840,383.58
Construction branch lines (Schedule "A").	1,296,662.11
Rolling stock and other equipment, Souris Branch.....	576,000.00
Additions and improvements main line and branches (Schedule "B").....	1,559,267.76
Additions and improvements leased lines (Schedule "C").....	984,945.63
Rolling stock, lines generally.....	983,033.42
Telegraphs, extensions and additions....	50,546.22
China and Japan steamships and appurten- ances (expenditure during year in com- pletion of three vessels and appurtenances)	1,095,908.28
Supplementary dividend made Dec., 1890, and paid Feb. 17th, 1891.....	\$650,000.00
Supplementary dividend made June, 1891, and paid August 17th, 1891.....	650,000.00
	<u>1,300,000.00</u>

ADVANCES.

Land Department.

Interest advanced against lands.....	\$607,543.11	
Deduct surplus proceeds from town sites—Total proceeds of sales.....	\$127,618.90	
Amount collected from deferred payments	11,568.97	
	<u>\$139,187.87</u>	
Deduct expenditures for clear- ing, improvements, &c.....	88,900.41	
	<u>\$ 50,287.46</u>	
Deduct amount invested in hotels and other buildings for rent and sale	39,174.66	
	<u>11,112.80</u>	
		<u>596,430.31</u>

Lake Steamship and Car-Ferry Boats.

Amount advanced on construction of	124,515.42	
Increase in stores and material on hand.....	562,968.13	
Reduction in current liabilities.....	1,158,593.05	
		<u>12,129,253.91</u>
Add Treasury assets December 31st, 1891..	\$6,027,879.33	
Less amount for accrued fixed charges....	1,543,444.20	
	<u>4,484,435.13</u>	
		<u>\$16,613,689.04</u>

SCHEDULE "A."

CONSTRUCTION BRANCH LINES

Mission Branch	\$170,750.51
Souris Branch	1,123,761.57
Buffalo Lake Branch.....	1,537.24
Lake Dauphin Branch.....	612.79
	<hr/>
	\$1,296,662.11

SCHEDULE "B."

DETAILS OF EXPENDITURE ON ADDITIONS AND
IMPROVEMENTS DURING 1891.

MAIN LINE.

QUEBEC TO CALLANDER. 503 Miles.

Permanent Bridges	\$48,469.08
Additional sidings	1,042.59
Additional buildings, stations and yards.	32,936.11
Additional fencing	1,102.42
Yard, engine house, etc. at Outremont ..	93,854.22
Substitution of heavy rails and fastenings, less cost of rails, etc. removed.....	233,296.96
Widening cuttings, embankments, filling trestles.....	2,975.87
Improvement of line between Carleton Place and Callander, reducing gradients, straightening line, &c.....	63,702.70
Miscellaneous.....	289.52
	<hr/>
	\$ 477,669.47

CALLANDER TO PORT ARTHUR. 649 Miles.

Additional sidings.....	6,976.61
Substitution of heavy rails and fastenings, less cost of rails, etc. removed	58,326.02
Additional stations and buildings.....	1,391.10
Additional fencing	7,311.89
Right of way and perfection of title.....	1,571.70
Widening cuttings, embankments, filling trestles.....	219,873.59
Expenses and settlements of disputed claims, original construction.....	31,068.14
	<hr/>
	\$ 326,519.05

PORT ARTHUR TO DONALD. 1,454 Miles.

Elevator at Fort William.....	\$	33,275.33
Additional wharves at Fort William.....		13,551.90
Divisional yard, shops, &c., at Fort William		37,932.90
Coal derricks at Fort William.....		5,292.19
Improving water supply.....		2,542.20
Permanent bridges.....		91,288.12
Right of way and perfection of title.....		4,347.04
Additional sidings.....		19,226.90
Additional fencing.....		12,490.87
Substitution of heavy rails and fastenings, less cost of rails, etc., removed		63,194.51
Additional buildings, stations and yards.		35,082.45
Widening embankments, filling trestles.		68,304.17
Diversion and improvement of line at various points		55,122.64
Coal pockets at Winnipeg		7,162.98
Miscellaneous		3,840.28
		<hr/>
	\$	452,654.48

DONALD TO PACIFIC COAST. 461 Miles.

Yard and wharves at Vancouver.....	\$	7,997.88
Additional stations and buildings.....		6,790.76
Widening embankments, ballasting, &c..		26,851.49
Right of way and perfection of title.....		8,367.47
Additional fencing.....		6,980.34
Wharf at Revelstoke.....		1,230.71
Addition to Glacier Hotel.....		7,302.63
Improving water supply.....		1,034.26
Additional sidings.....		19,391.09
Settlement of disputed claims (original construction)		3,032.02
Expenses of arbitration with Dominion Government.....		19,109.40
Expenditure on Government Section under claim against Dominion Govern- ment.....		177,378.87
Miscellaneous		2,033.43
		<hr/>
	\$	287,500.35
Total on Main Line.....		<hr/>
	\$	1,544,343.35

BRANCH LINES.

Southwestern branch.....		1,926.76
Selkirk branch.....		1,388.45
Algoma branch.....		11,609.20
		<hr/>
	\$	14,924.41
		<hr/>
	\$	1,559,267.76

SCHEDULE "C."

DETAILS OF EXPENDITURES ON LEASED LINES

ONTARIO & QUEBEC RAILWAY SYSTEM.

New workshops and improvements at Toronto Junction	\$ 90,118.16	
Substitution of heavy rails and fastenings, less cost of rails, etc., removed	113,972.20	
Permanent bridges	116,598.01	
Widening cuttings, embankments, etc.	51,385.01	
Additional fencing	35,953.43	
Improving water supply	5,068.07	
Subway at Galt	7,337.53	
Additional sidings	37,899.13	
Additional stations and buildings	55,732.80	
Additional semaphores and signals	5,035.59	
Rolling stock	70,425.30	
Improvements at Smith's Falls	3,531.96	
Wharf and improvements at Owen Sound ..	21,020.88	
Docks at Windsor	1,414.05	
Terminals at Toronto	3,164.21	
Union station at Detroit	175,000.00	
Miscellaneous	3,108.72	
		<hr/>
Deduct amount received from sales of lands purchased for right of way on Detroit Extension in excess of requirements	\$33,623.54	
Less, expenditure on Detroit Extension	13,691.74	
		<hr/>
		19,931.80
		<hr/>
		\$776,833.25

ATLANTIC AND NORTH-WEST RAILWAY.

Additional sidings	\$ 8,373.02	
Right of way and perfection of title	27,873.55	
Additional fencing	10,338.68	
Additional stations and buildings	32,783.10	
Widening cuttings, embankments, filling trestles, etc.	83,367.39	
Additional semaphores, signals and safety switches	4,652.29	
Substitution of heavy rails and fastenings, less cost of rails, etc., removed	25,013.86	
Engine sheds	3,310.26	
Improving water supply	1,548.62	
		<hr/>
		197,260.77

MANITOBA S.W. COLONIZATION RAILWAY.

Stations and buildings	\$ 2,268.61	
Widening cuts, embankments, filling bridges	1,979.51	
Additional fencing	3,753.99	
Improving water supply	860.21	
Cattle yards	883.22	
Right of way and perfection of title	645.81	
Miscellaneous	460.26	
		<hr/>
		10,851.61
		<hr/>
		\$984,945.63

STATEMENT OF EARNINGS FOR THE YEAR 1891.

From Passengers	\$ 5,459,789 46
“ Freight	12,665,540 26
“ Mails.....	516,098 45
“ Express.....	288,633 25
“ Parlour and Sleeping Cars	303,545 09
“ Telegraph and Miscellaneous.....	1,007,489 47
	<hr/>
	\$20,241,095 98
	<hr/> <hr/>

STATEMENT OF WORKING EXPENSES FOR THE YEAR 1891.

Conducting Transportation.....	\$3,032,475 80
Maintenance of Way and Structures.....	2,519,825 13
Motive Power.....	4,217,975 09
Maintenance of Cars.....	704,446 52
Parlour and Sleeping Car Expenses.....	68,698 38
Expenses of Lake Steamers.....	165,092 67
General Expenses.....	1,194,214 86
Commercial Telegraph.....	328,707 66
	<hr/>
	\$12,231,436 11
	<hr/> <hr/>

STATEMENT OF EQUIPMENT AT DECEMBER 31ST, 1891.

Locomotives	530
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars.....	517
First class sleeping and dining cars.....	73
Parlour cars, Official and Paymasters' cars.....	28
Freight and cattle cars, (all kinds).....	14,077
Conductors' vans	253
Board, Tool and Auxiliary Cars and steam shovels.....	308
Lake Steamships, " Alberta," " Athabasca," " Manitoba "	

DESCRIPTION OF FREIGHT CARRIED DURING THE YEARS

DESCRIPTION.		1889.	1890.	1891.
Flour	Barrels.	2,024,007	2,216,914	2,318,999
Grain	Bushels.	13,803,224	20,167,888	24,894,141
Live Stock	Head.	276,514	288,853	309,639
Lumber	Feet	473,462,550	564,560,194	630,690,093
Firewood	Cords.	100,288	109,478	121,010
Manufactured Articles.	Tons.	762,138	927,787	985,090
All other Articles.....	Tons.	632,518	726,014	860,789

FREIGHT TRAFFIC.

	1889.	1890.	1891.
Number of Tons carried.....	2,638,690	3,378,564	3,846,710
Number of Tons carried one mile.	967,508,450	1,208,014,731	1,391,705,486
Earnings per Ton per mile....	0.915 cents.	0.84 cents.	0.91 cents.

PASSENGER TRAFFIC.

	1889.	1890.	1891.
Number of Passengers carried...	2,638,690	2,792,805	3,165,507
Number of Passengers carried one mile	253,905,182	274,940,328	320,659,836
Earnings per Pass. per mile...	1.78 cents.	1.74 cents.	1.70 cents.

TRAFFIC TRAIN MILEAGE YEAR 1891.

	Mileage.	Earnings.	Earnings per Traffic Train Mile.
Passenger.....	5,716,541	\$ 6,506,270.15	\$1.14
Freight.....	8,605,829	12,537,765.30	1.45
Total.....	14,322,370	\$19,044,035.45	\$1.33

The above earnings for traffic trains include earnings from Mails, Express and Sleeping Cars, but do not include Lake Steamers, Telegraph, Elevators, Rents, &c., the net profits from which amounted to \$703,260.20.

EXPENSES PER TRAFFIC TRAIN MILE FOR YEAR 1891.

	Expenses.	Expenses per Traffic Train Mile.
Maintenance of way.....	\$2,519,825.13	.18
Motive power.....	4,217,975.09	.29
Maintenance of cars.....	704,446.52	.05
Traffic and general expenses.....	4,295,389.04	.30
	<u>\$11,737,635.78</u>	<u>\$.82</u>

MILEAGE OF ALL THE COMPANY'S LINES.

MAIN LINE.		Miles
Montreal to Vancouver.....		2904.6
OTHER LINES OWNED OR LEASED.		
<i>Eastern Division.</i>		
Quebec Section—Quebec to St. Martin's Junction....	159.8	
Piles Branch—Piles Junction to Grand Piles	26.9	
Joliette " —Joliette Junction to St. Felix.....	16.8	
Berthier " —Berthier Junction to Berthier	2.0	
Aylmer " —Hull to Aylmer	7.5	
St. Jérôme " —St. Thérèse Junction to St. Jérôme .	13.6	
St. Lin " —St. Lin Jn to St. Lin.....	15.0	
St. Eustache " —St. Thérèse Jn. to St. Eustache.....	6.0	
Brockville " —Carleton Junction to Brockville ...	45.0	
Algoma " —Sudbury to Sault Ste. Marie.....	182.5	
Buckingham Branch—Buckingham station to Village.	4.2	
Copper Mines Branches—Sudbury.....	5.0	
Lake Teniscamingue Ry., (under construction).....	51.0	
		535.3
<i>Western Division.</i>		
Emerson Branch—Emerson to Winnipeg Junction... ..	64.5	
Selkirk " —Winnipeg to West Selkirk.....	22.5	
Stonewall " —Air Line Junction to Stonewall... ..	18.0	
Gretna " —Rosenfeld to Gretna	13.7	
Pembina Mountain Branch—Winnipeg Junction to Manitou.....	100.1	
<i>Manitoba South-Western (leased line).</i>		
Manitou to Deloraine.....	101.0	
Winnipeg to Glenboro.....	104.2	
Elm Creek to Carman.....	12.6	
<i>Souris Branch and Extensions</i>		
Kemnay to Oxbow.....	114.5	
Oxbow to Coal Fields (under construction).....	40.0	
Glenboro to Nesbitt.....	27.2	
Nesbitt to Souris (under construction).....	18.2	
Deloraine to Napinka (under construction).....	17.8	
		654.3
<i>Pacific Division.</i>		
New Westminster Branch.....	8.2	
Vancouver to Coal Harbour	1.2	
Mission Branch.....	10.1	
		19.5
<i>Ontario & Quebec Railway (leased line).</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	116.9	
Don Junction to Union Station (completed but not in operation).....	5.2	

Ontario & Quebec Railway (leased line)—Continued.

Woodstock to London.....	26.6
London to Windsor.....	112.5
Orangeville Branch—Streetsville Jct. to Melville Jct..	31.7
Elora " — Cataract to Elora.....	27.3
Teeswater " —Orangeville Jct. to Teeswater...	69.4
Wingham " —Glenannan to Wingham.....	5.0

Guelph Junction Railway (leased line).

Guelph Junction to Guelph.....	15.0
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Atlantic & North-West Railway (leased line).

Lachine Bridge (south end) to Mattawamkeag.....	327.0
(“Short Line” to Maritime Provinces.)	

St. Lawrence & Ottawa Railway (leased line).

Ottawa to Prescott.....	51.8
Chaudière Junction to Sussex street, Ottawa.....	6.6

New Brunswick Railway, (leased line).....

<i>Columbia & Kootenay Railway (leased line).....</i>	<i>27.7</i>
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1728.9

In addition to the foregoing the Company has under lease the joint use of the Maine Central Railway between Mattawamkeag and Vanceboro.....	56.1
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The Company also works for account of the owners the following lines:—

*South Eastern Railway and Branches.....	230.1
*Qu'Appelle Long Lake and Saskatchewan Railway.....	249.3
(Regina to Prince Albert.)	

*Calgary & Edmonton Railway.....	
Calgary to Edmonton.....	191.8
“ Fort Macleod (under construction).....	110.0
	<u>301.8</u>

Total mileage worked and under construction.....	<u>6679.9</u>
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SUMMARY.

	Miles
Mileage included in C.P.R. traffic returns.....	5766.5
Mileage of other lines worked.....	671.2
Mileage under construction, including Calgary & Edmonton.....	242.2
	<u>6679.9</u>

*The receipts and expenses of these lines are not included in the accounts of the Canadian Pacific, nor is the company subject to any rent charge in respect of them.

In moving the adoption of the Report, the President, Mr. Wm. C. Van Horne, said :—

In submitting their Annual Report the Directors wish me to say that their attention has recently been called to a circular issued by Robert Benson & Company, of London, in which your Company is charged with bad faith in the matter of the rate of interest on certain bonds of the Minneapolis & Pacific Railway, now a part of the Minneapolis, St. Paul & Sault Ste. Marie Railway, of which we speak as the "Soo" line.

It is hardly necessary to say that the Canadian Pacific Company has never failed in the letter or spirit of any of its obligations, written or unwritten, and that its financial methods have been far beyond the reproach sometimes justly and sometimes unjustly cast upon railway companies on this side of the Atlantic; but as this is the first case in which anybody has ventured to assert the contrary, I trust that I may, on behalf of the Directors, be pardoned for taking a few minutes of your time in referring to it.

Before the Pacific Company had any pecuniary interest in the Soo Company it was asked by the latter for assistance in the way of a guaranty of its bonds, which was agreed to on condition that the rate of interest should be reduced to four per cent. and that all the bondholders should assent. The arrangement as to interest was promptly accepted by nine-tenths of the bondholders of all classes, and the Soo Company was led to believe by Benson & Co., who represented the holders of the remaining one-tenth, that they also would accept. Indeed, we are informed by the President of the Soo Company that they printed a circular to their clients recommending the arrangement; but when it became too late for the two companies to recede they refused to do any-

thing. We need hardly speculate as to their motives; but while such a course as theirs is not unknown at the culmination of settlements of this kind it is usually not regarded with favor.

It should be remembered that the Soo Company was on the verge of default on all its securities, and but for the intervention of the Pacific Company default would have occurred a few weeks later, and a receivership and the usual experiences in such cases would have followed. The five per cent. securities of the Soo Company were then practically unsaleable, but the four per cent. bonds which, under the arrangement mentioned, were guaranteed by the Pacific Company, have nearly reached par. It was only through this assistance on the part of the Pacific Company that the Soo Company was able to pull through, and is to-day strong and prosperous.

It was in connection with this guaranty that the Canadian Pacific Company became financially interested in the Soo Railway. The responsibilities of this guaranty made it necessary for the Pacific Company to protect itself by something stronger than the traffic contract then existing. Up to the time of this guaranty your Company did not have a dollar in the Soo Railway in any shape or form.

The original Soo line between Minneapolis and St. Paul and Sault Ste. Marie is obviously a far more valuable property than the section extending westward, known as the Minneapolis and Pacific. It does not follow that because the Soo line as a whole is very prosperous the Minneapolis and Pacific is alone able to take care of itself. The value of the latter is chiefly due to its connection with the eastern section, and it has not in itself earned its interest since its first year, when the carriage of construction materials swelled its nominal earnings.

The particular bonds in question are part of the issue in respect of this Minneapolis and Pacific Section.

Benson & Co. speak of the readiness of another company to take over the Minneapolis and Pacific and to guarantee the full rate of interest. It is understood that the company referred to is one which has not been able to pay the interest on its own bonds, which that firm was largely instrumental in floating.

The Pacific Company is ready and willing to extend its guaranty to the bonds represented by Benson & Co., just as it has done with the others, but until it has assumed such an obligation as to these particular bonds it will be neither legally nor morally responsible for them. Until then the question must remain with the Soo Company, and although we are largely interested in that company we have associates in it on the same footing with ourselves whose interests and wishes we are bound to regard, and there is nothing in the circumstances of the case, as your Directors understand them, to warrant any interference on their part.

Your Directors will be happy to do anything they can towards an amicable settlement of this unpleasant question between the Soo Company and the outstanding bondholders of the Minneapolis and Pacific, and they are confident that when all the facts become known to the bondholders they will see that the intervention of the Pacific Company has saved them from heavy loss and that the position of the Soo Company in the matter is not unreasonable or unwarranted.

There is another matter which I may as well mention, although it is not worthy of serious comment. I refer to the reports which have been recently so common in the newspapers to the effect that the Canadian Pacific Company had in view the control of the Grand Trunk

through some kind of a working arrangement or lease. These reports have only been a source of amusement to your Directors, who could not fail to be reminded by them of a very different kind of talk in the recent past; but since they were referred to by the President of the Grand Trunk Company, at the recent half-yearly meeting of his Shareholders, in terms which might be construed as indicating some belief on his part in the truth of them, although he probably did not intend to be so understood, I will say that such a scheme has never entered the minds of your Directors, and that even if the country would tolerate such a thing, which I very much doubt, your Directors would not recommend anything of the kind to the Shareholders.

They believe that your interests will be best served by continuing to cultivate the most friendly relations with the Grand Trunk and to deal with that company as a friendly competitor. I am glad to say that our relations with the Grand Trunk people have greatly improved during the past two or three years, and that there is now a feeling of sincere cordiality between the officers of the two companies, on this side of the Atlantic at least.

It was thereupon moved by Mr. Wm. C. Van Horne, seconded by Mr. Thos. G. Shaughnessy, and unanimously
Resolved.

That the report on the affairs of the company for the year ended December 31st, 1891, now submitted be adopted, and that the same be published and forwarded to the shareholders and others interested in the company.

The President submitted a draft of a proposed lease of the Montreal and Ottawa Railway referred to in the report, and the same having been explained, it was moved by Mr. Hartland S. Macdougall, seconded by Mr. L. J. Forget, and unanimously

Resolved,

That the substance and form of the draft of a proposed lease of the railway of the Montreal and Ottawa Railway Company to this Company in perpetuity, now submitted to this meeting be and the same are hereby approved, and the shareholders do sanction and approve of a lease in the terms of the said draft, the rental being equal to five per centum per annum on mortgage bonds which may be issued by the Montreal and Ottawa Railway Company to an amount not exceeding, in the aggregate, seventeen thousand five hundred dollars, or its equivalent in sterling money, per completed mile of the railway covered by the said lease; and that the Board of Directors do cause an indenture in accordance with such draft to be duly executed on behalf of the company, under its corporate seal and the signatures of the President and Secretary, and that the said draft be filed amongst the archives of the company this date, and the signature of the Secretary being first endorsed thereon.

The President submitted and explained the conditional agreement entered into with the Tobique Valley Railway Company, alluded to in the report, and the same having been considered it was moved by Mr. Wilnot D. Matthews, seconded by Mr. Geo. W. Hamilton, and unanimously

Resolved,

That the shareholders present and represented at this meeting do hereby adopt and confirm the agreement for a lease executed between this Company and the Tobique Valley Railway Company dated the nineteenth day of March, 1892, as set out in the schedule to a bill entitled "An Act to confirm an agreement between the Tobique Valley Railway Company and the Canadian Pacific Rail-

way Company" now before the Canadian Parliament and already passed by the House of Commons; the said agreement to come into force as soon as it shall be approved of by the Parliament of Canada; and the Directors are hereby authorized hereafter to cause any lease or leases which may be made in pursuance of the terms and conditions set out in the said agreement to be executed on the part of this Company by attaching thereto its corporate seal and the signatures of its President and Secretary.

The President reported that a lease of the Guelph Junction Railway on the basis of a rental equal to 40% of the gross earnings, made in conformity with an agreement which has for some time past been acted upon by the Company, had been executed on behalf of the Company. The lease having been laid on the table, it was moved by Mr. Geo. R. Harris, seconded by Mr. J. Alex. Strathy, and unanimously

Resolved,

That the lease of the Guelph Junction Railway for a term of ninety-nine years, dated the first day of January, 1891, and registered in the Registry Office for the City of Guelph, is hereby approved, confirmed and adopted by the Company.

The President reported that the Montreal and Western Railway Company had, in pursuance of the terms of the agreement dated the fifteenth day of October 1889, confirmed by the Dominion Act 53 Victoria, Chapter 67 and approved by the shareholders at the annual meeting held in May 1890, notified this Company that Sections A. B. and C. of the Railway of that Company mentioned in Clause 26 of the said agreement, and extending from St. Jerome to Ste. Adele inclusive, (a distance of about

eighteen miles) had been completed within the meaning of that agreement, and were ready to be leased to this Company. That a draft lease had been prepared according to the terms of that agreement; and that this Company had undertaken to execute it as soon as the Montreal and Western Company had established its title to the lands for right of way, stations, etc., and had shown that the said sections were completed according to the terms of the said agreement; a draft of the proposed lease was laid on the table.

Whereupon it was moved by Mr. Donald MacMaster, seconded by Hon. Donald MacInnes and unanimously
Resolved,

That the substance and form of the draft of a proposed lease of the Sections A. B. and C. of the Montreal and Western Railway to this Company for five years now submitted to this Meeting, the same being in accordance with the agreement confirmed by the Dominion Act 53 Victoria, Chapter 67, be and the same are hereby adopted and the Shareholders do hereby sanction and approve of a lease in the terms of the said draft and authorize the Board of Directors to cause an Indenture in accordance with such draft to be duly executed on behalf of the Company under its corporate seal, and the signatures of such of the officials as the Directors may by resolution determine; the said draft to be filed amongst the archives of the Company, this date and the signature of the Secretary being first endorsed thereon.

The President called attention to the fact that in the settlement with the Dominion Government concerning the land subsidy, this company undertook to construct or cause to be constructed a railway between a point at or

near Saskatoon and a point on the North Saskatchewan River, a distance of about 27 miles, which agreement had already been confirmed and adopted by the shareholders. That this railway was, after completion, to be operated by the Canadian Pacific Railway Company, and he explained that for the purpose of carrying out this undertaking, an arrangement had been made between this Company and the Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company by which the latter company will undertake the construction of this railway under their charter, this company having no authority to build one in that locality; the Qu'Appelle Company to exercise all its powers for the acquisition of land and the construction of the works under the supervision and direction of the Canadian Pacific Railway Company, this company finding the necessary funds, and after construction the railway to be conveyed to this company; such land subsidy, if any, as may be granted to the Qu'Appelle Company to enure to the benefit of the Canadian Pacific Railway Company. A draft agreement embodying this arrangement was laid on the table,

Whereupon it was moved by Mr. Sandford Fleming, seconded by Mr. Geo. R. Harris, and unanimously

Resolved,

That the substance and form of the draft agreement between the Qu'Appelle Long Lake and Saskatchewan Railroad and Steamboat Company and this Company, now submitted to the meeting, be and the same are hereby adopted, and the shareholders do sanction and approve of an agreement in the terms of the said draft, and that the Board of Directors do cause an indenture in accordance with such draft to be duly executed on behalf of the Company under its corporate seal and the signatures of such of the officials as the Directors may by resolution

determine, the said draft to be filed amongst the archives of the Company this date and the signature of the Secretary being first endorsed thereon.

The following By-law passed by the Directors on the thirteenth July, 1891, was submitted for approval :—

BY-LAW NO. 63.

The Canadian Pacific Railway Company hereby enacts as follows :—

By-law No. 20 is hereby repealed and the following enacted in lieu thereof, that is to say :

The Vice-Presidents and each of them, if there be more than one, shall perform such executive duties as may be assigned to him or them by the President, and in the absence of the President, any one of them shall perform the functions and duties of the President.

Dated this Thirteenth day of July, 1891.

And it was moved by Mr. Richard B. Angus, seconded by Hon. Geo. A. Kirkpatrick, and unanimously

Resolved,

That By-law No. 63 now submitted be and the same is hereby approved.

The meeting then proceeded to the election of Directors for the ensuing year, and on motion of Mr. T. G. Shaughnessy, Vice President, seconded by Mr. Richard B. Angus it was unanimously

Resolved,

That a ballot be now taken for the election of Directors for the ensuing year, and that Mr. Hartland S. Macdougall and Mr. J. Alex. Strathy 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 MOUNT STEPHEN, - - - -	MONTREAL.
SIR DONALD A. SMITH, K.C.M.G., M.P. - - - -	do
MR. WM. C. VAN HORNE, - - - - -	do
MR. RICHARD B. ANGUS, - - - - -	do
" EDMUND B. OSLER, - - - - -	TORONTO.
" SANDFORD FLEMING, C.E., C.M.G., - - - -	OTTAWA.
HON. GEO. A. KIRKPATRICK, M.P., - - - - -	KINGSTON.
GEN. SAMUEL THOMAS, - - - - -	NEW YORK.
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.
" JOHN W. MACKAY, - - - - -	NEW YORK.
" THOS. G. SHAUGHNESSY, - - - - -	MONTREAL.

And on motion of Mr. Donald Macmaster, seconded by Mr. Richard B. Angus, it was

Resolved,

That this meeting do stand adjourned until Monday the 13th day of June next at noon.

The meeting was thereupon made special, and the President submitted a copy of an Act passed during the present session of the Dominion Parliament relating to the issue of Consolidated Debenture Stock for the purposes mentioned in the notice, and offered the following resolution:—

Whereas, it is enacted by clause six of an Act of the Parliament of Canada, passed at its present session and assented to on the tenth day of May instant, that the Company, being first authorized so to do by a vote of at

least two-thirds of its shareholders present or represented at a Special General Meeting duly called for the purpose, may issue Consolidated Debenture Stock for the purpose of satisfying or acquiring mortgage bonds of any other railway company the principal or interest of which the Company shall have already guaranteed, provided that the annual charge for interest on such Consolidated Debenture Stock shall at no time exceed in amount that of the interest on such bonds guaranteed by the Company ;

And whereas it is expedient that the Company should avail itself of the authority so given, both for the purpose of saving interest, consolidating its debt, and simplifying its finances ;

It is therefore resolved by the shareholders present, personally or represented by proxy at this meeting, that the Company is hereby authorized from time to time to create and issue Consolidated Debenture Stock payable in sterling money of Great Britain and bearing interest not exceeding four per cent. per annum, for the purpose of satisfying or acquiring mortgage bonds of any other railway company the principal or interest of which the Company shall have already guaranteed, provided that the annual charge for interest on such Consolidated Debenture Stock shall at no time exceed in amount that of the interest on such bonds guaranteed by the Company ; and provided also that such stock shall be issued only in such manner and in such amounts respectively as shall from time to time be determined by the Board of Directors ; and the Directors are hereby empowered to do or cause to be done every act, matter or thing which may become expedient or necessary in order to give effect to this resolution, and to have such stock duly issued according to the provisions of the said clause six of the said Act.

Whereupon it was moved by Mr. Geo. R. Harris, seconded by the Hon. Geo. A. Kirkpatrick, and unani- mously

Resolved,

That the resolution relating to the issue of Consoli- dated Debenture Stock now submitted be adopted.

And the proceedings terminated.

C. DRINKWATER,
Secretary.

WM. C. VAN HORNE,
President.

NOTE.—At a meeting of the Board subsequently held, Mr. 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 :

Hon. Sir Donald A. Smith, K.C.M.G.,
Mr. Richard B. Angus,

Mr. Wm. C. Van Horne,
Mr. Thos. G. Shaughnessy.

THE Annual and Special General Meetings of Shareholders held on the 13th day of May, 1891, were adjourned until the 2nd July, and again further adjourned until the 10th and 24th August, no business being transacted at the two former meetings.

The following is a record of the business done on the last named date:—

MINUTES of the Adjourned Annual Meeting of the Shareholders of the Canadian Pacific Railway Company held on Monday the 24th day of August, 1891, at the principal office of the Company in Montreal at 12 o'clock noon, pursuant to resolution passed at the adjourned Annual General Meeting held on Monday the 10th day of August last.

The President Mr. Wm. C. Van Horne having taken the chair, the resolution of adjournment passed at the Annual General Meeting held on Monday the 10th day of August last, was read by the Secretary.

The proxies in favor of the President and Mr. R. B. Angus, or either of them, which had been given for the Annual and Special General Meetings, held on the 13th day of May last, and for any adjournment thereof, were laid on the table.

The President referred to the fact that the Annual Meeting, called for the 13th May last, had been adjourned to this date amongst other reasons because negotiations which were then pending in respect of the purchase of the Lake Temiscamingue Colonization Railway had not resulted in a definite agreement, and explained that since that time an Act had been passed by the Dominion Parliament authorizing the Temiscamingue Company to enter into an agreement for conveying its Railway, in whole or in part, to this Company ;

That another Act had been passed by the same Parliament authorizing this Company to acquire, by purchase, the whole or any part of the Railway of any other Company which had been empowered, either in general terms or by special enactment, to sell the same to the Canadian Pacific Railway Company.

That under the authority of these two Acts, an agreement had been arrived at between the two Companies by which the Railway of the former, of which seventeen miles are already completed and in operation, should be completed by that Company under the supervision of officials appointed by the Canadian Pacific Railway Company, this Company finding the funds requisite for that purpose, except in so far as the subsidies yet to be received by that Company may be applicable to that purpose; the arrangement being that specified proportions of Government subsidies, to be hereafter received as the works progress, were to be retained by the Temiscamingue Company as part of the price of works now constructed and sold to this Company, the amount thereof not to exceed in the whole one hundred thousand dollars (\$100,000), the remainder of the price to be paid by this Company being eighty thousand dollars (\$80,000), together with some additional amounts advanced towards improvements during the last fourteen months; and he stated that this Company proposes to change the gauge of and make certain improvements on the seventeen miles already constructed, and to build about thirty-three miles in addition, making in all about fifty miles;

A draft agreement, embodying this arrangement, which had been prepared for execution by the two Companies was submitted to the meeting,—

Whereupon it was moved by Lord Mount Stephen, seconded by Mr. Sandford Fleming, and unanimously

Resolved,

That the substance and form of the draft agreement between the Lake Temiscamingue Colonization Railway Company and this Company, now submitted to this meeting, be and the same are hereby adopted, and the Shareholders do hereby sanction and approve of the purchase of the Railway and appurtenances therein described at the price and on the terms therein set forth, and the Board of Directors are hereby authorized and directed to cause an Indenture in accordance with such draft to be duly executed on behalf of the Company under its corpo-

rate seal, and the signatures of such of the officials as the Directors may by resolution determine, the said draft to be filed amongst the archives of the Company this date, and the signature of the Secretary being first endorsed thereon.

The Vice-President then moved, seconded by the Hon. G. A. Kirkpatrick, the following resolution,—

Whereas the negotiations in respect of the purchase of the Calgary and Edmonton Railway referred to in the Annual Report are not yet completed, it is

Resolved,

That the Annual General Meeting do stand adjourned until Monday the 12th day of October next, at 12 o'clock noon.

And the resolution was unanimously adopted.

The Meeting was thereupon made Special and the resolution of adjournment passed at the Meeting held on the 10th of August having been read,

The President submitted the following resolution,—

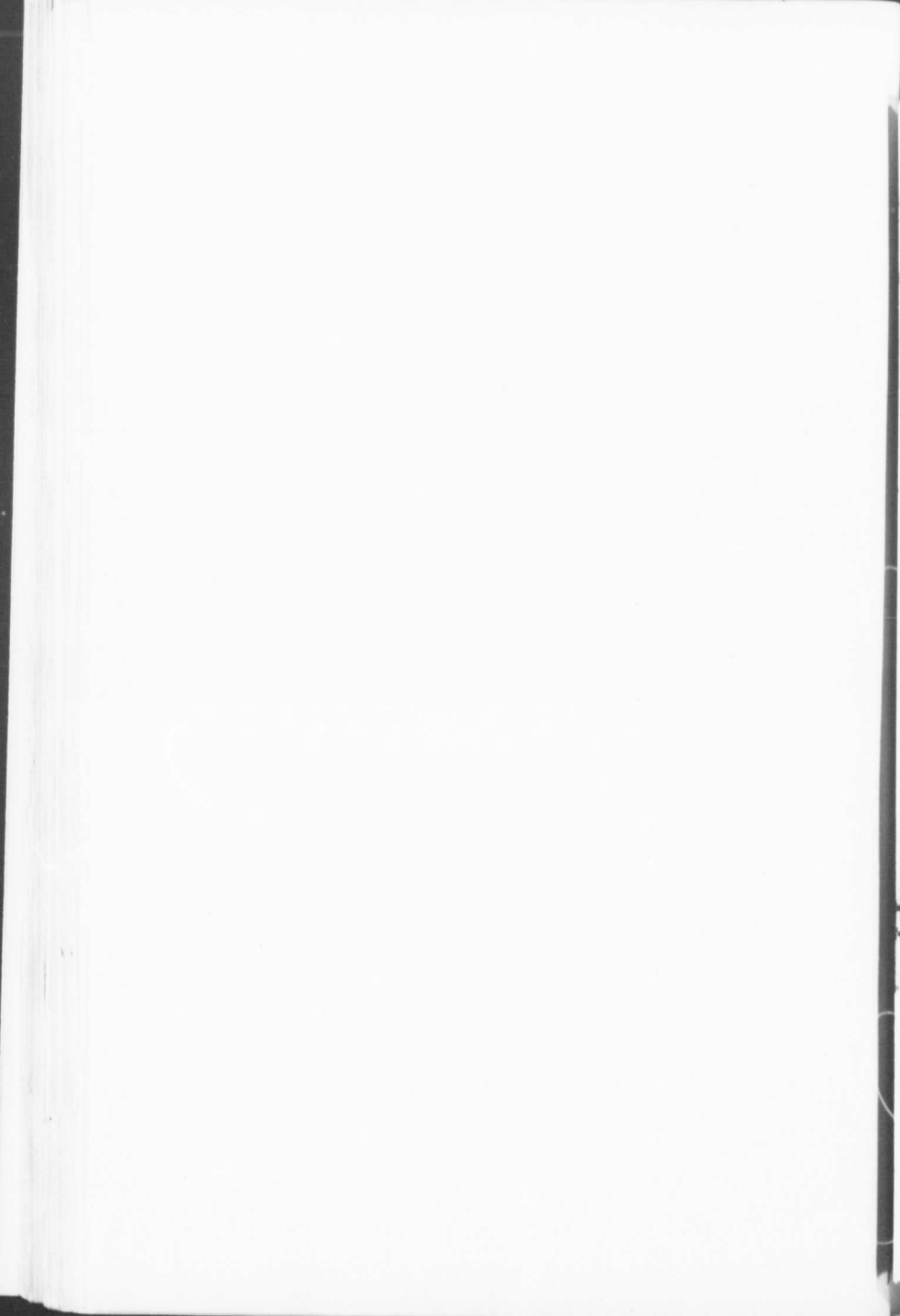
That whereas an Act passed at the present Session of the Parliament of Canada, and assented to on behalf of the Crown on the tenth day of July, 1891, entitled "An Act further to amend the Canadian Pacific Railway Act, 1889," enacted amongst other things that the Company, being first authorized so to do by at least two-thirds of the votes of the Shareholders present or represented at a Special General Meeting duly called for the purpose, might from time to time, to the extent and for the purposes therein specified, issue Consolidated Debenture Stock in addition to that which it might issue under "The Canadian Pacific Railway Act, 1889," either in its original shape, or as amended by the Act passed in the fifty-third year of Her Majesty's reign, Chapter forty-seven; such additional stock to be payable either in Canadian Currency or in sterling money of Great Britain, bearing interest at a rate not exceeding four per centum per annum.

And whereas it is expedient that the Company should avail itself of the power to issue Consolidated Debenture Stock in the manner, to the extent and for the purposes specified in the said Act,

It is therefore resolved by the Shareholders (present personally or represented by proxy) at this meeting, that the Company is hereby authorized to create and issue from time to time Consolidated Debenture Stock, payable in sterling money of Great Britain and bearing interest not exceeding four per centum per annum according to the provisions of the said Act and for the respective purposes and to the respective amounts therein specified, provided that such stock shall be issued only in such manner and in such portions as shall from time to time be determined by the Board of Directors, and the Directors are hereby empowered to do or cause to be done every act matter or thing which may become expedient or necessary in order to give effect to this resolution, and to have such stock duly issued according to the provisions of the said Act,

And on motion of the Right Hon. Lord Elphinstone, seconded by Mr. George R. Harris, the resolution was unanimously adopted.

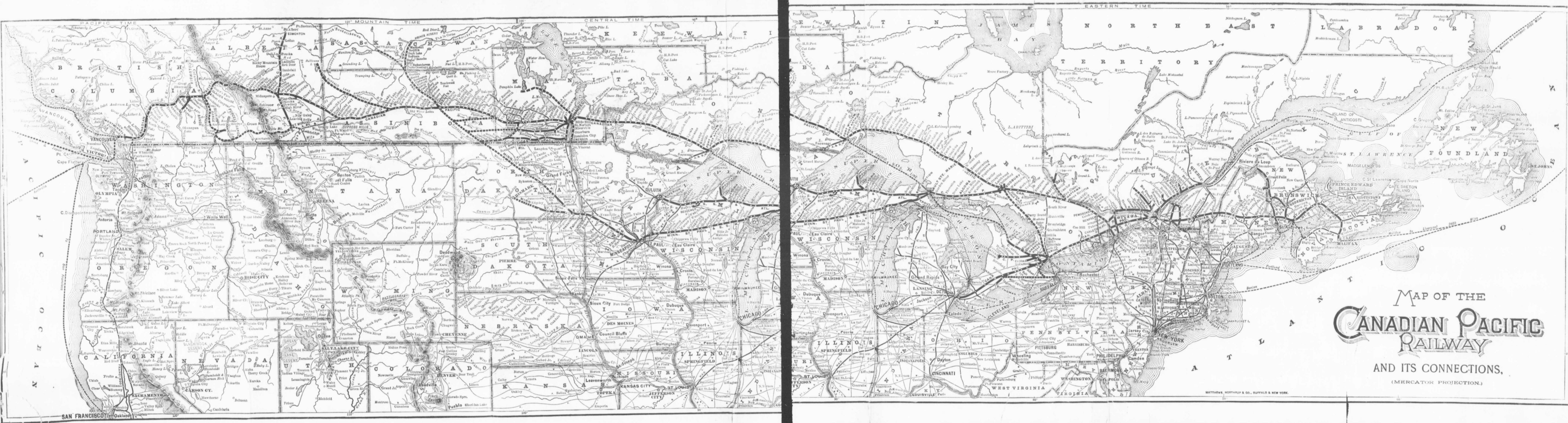
As the negotiations referred to in the annual report in respect of the acquisition of the Calgary and Edmonton Railway were not completed, the annual meeting was adjourned from time to time until the 14th December, 1891, when it having been ascertained that the bonds of the Calgary and Edmonton Company had become so spread about that the unanimous consent of the holders could not be obtained to the proposed arrangement, the matter was allowed to drop.



CANADIAN PACIFIC

MAP OF THE N.S.





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

MATTHEWS, NORTHROP & CO., BUFFALO & NEW YORK.