

McGillivray Papers 1894

CANADIAN PACIFIC RAILWAY.

ANNUAL REPORT FOR THE YEAR

-1894-

AND

REPORT OF PROCEEDINGS

AT THE

FOURTEENTH ANNUAL MEETING

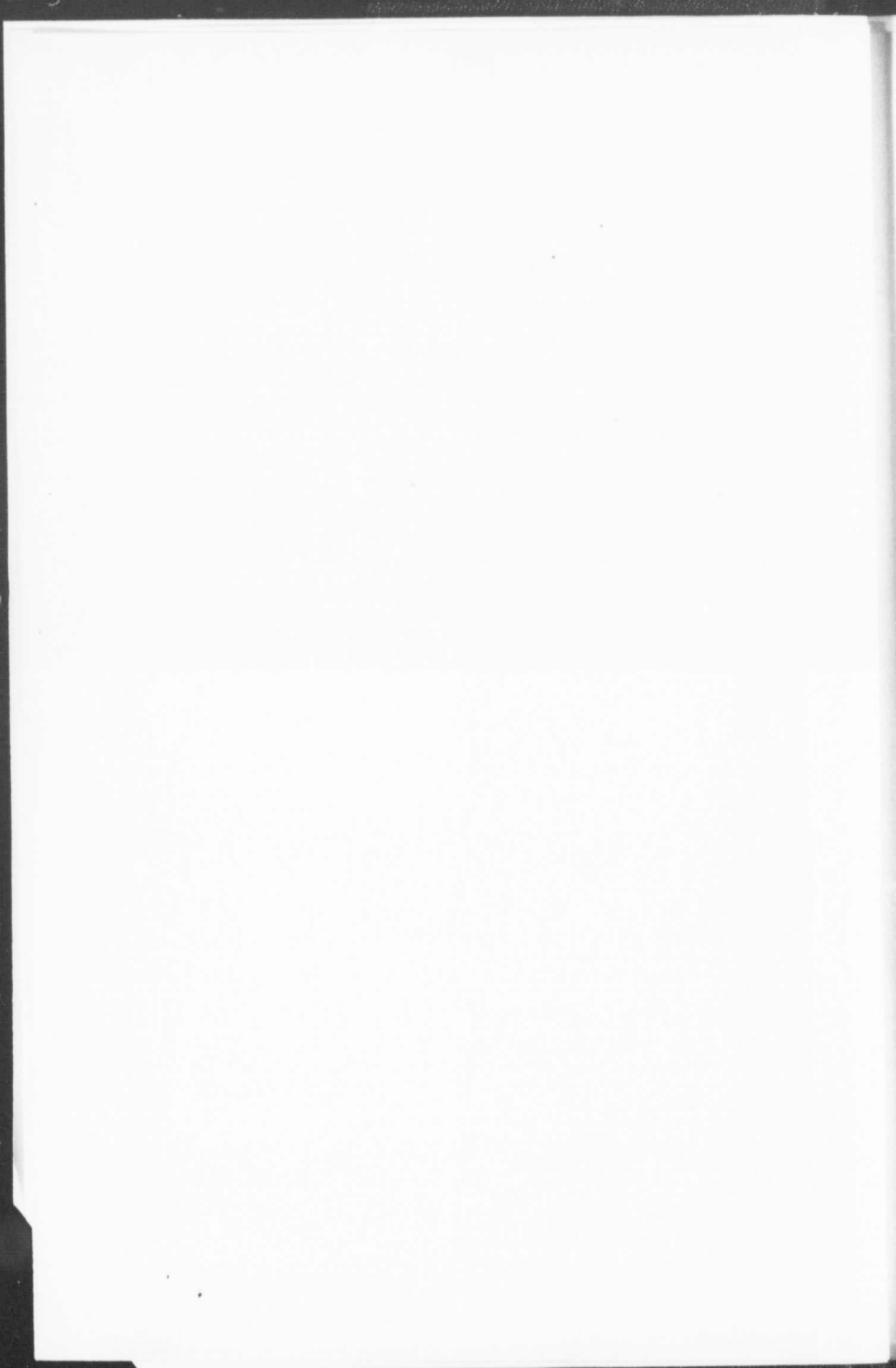
OF SHAREHOLDERS,

HELD AT THE GENERAL OFFICES OF THE COMPANY

MONTREAL,

ON

WEDNESDAY, 3RD APRIL, 1895.



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GAZETTE PRINTING COMPANY, MONTREAL.

BOARD OF DIRECTORS.

SIR DONALD A. SMITH, K. C. M. G., M. P.,	MONTREAL.
SIR WM. C. VAN HORNE, K. C. M. G.,	do.
MR. 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.
“ WILMOT D. MATTHEWS,	TORONTO.
HON. DONALD MACINNES, Senator,	HAMILTON.
HIS HONOR LIEUT.-GOVERNOR GEO. A. KIRKPATRICK,	TORONTO.
MR. THOMAS SKINNER,	LONDON.
GEN. SAMUEL THOMAS,	NEW YORK.
MR. JOHN W. MACKAY,	do.

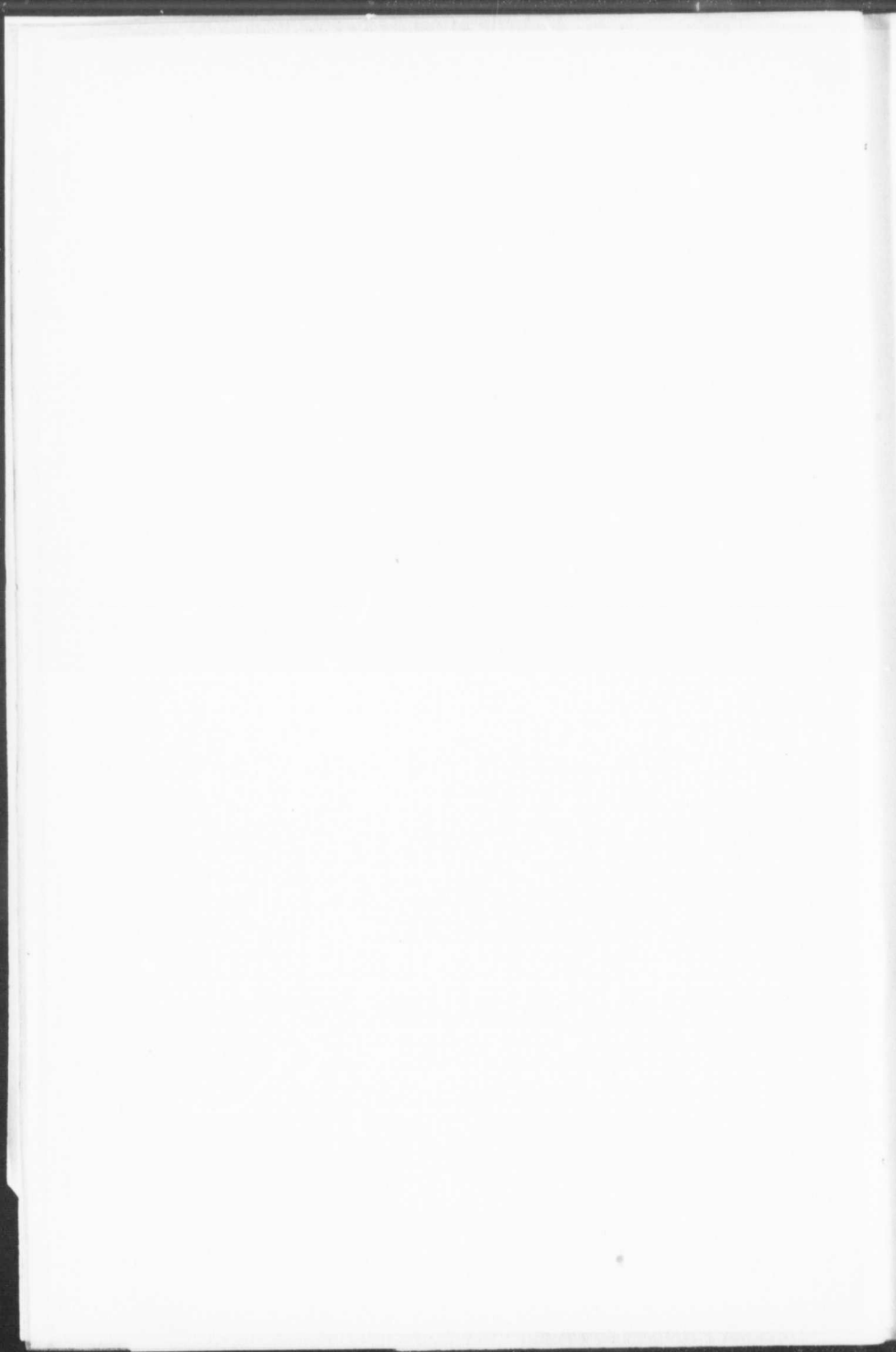
OFFICERS.

SIR WM. C. VAN HORNE, K. C. M. G., <i>President</i> ,	MONTREAL.
MR. 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.
“ THOS. FAIT, <i>Assistant General Manager</i> ,	do.
“ W. SUTHERLAND TAYLOR, <i>Treasurer</i> ,	do.
“ 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.
“ J. W. LEONARD, <i>Gen. Supt. Ontario & Quebec Division</i> ,	TORONTO.
“ H. P. TIMMERMAN, <i>Gen. Supt. Atlantic Division</i> ,	ST. JOHN, N.B.
“ P. A. PETERSON, <i>Chief Engineer</i> ,	MONTREAL.
“ C. R. HOSMER, <i>Manager of Telegraphs</i> ,	do.
“ L. A. HAMILTON, <i>Land Commissioner</i> ,	WINNIPEG.
“ HARRY MOODY,	{ <i>Deputy Secretary and Registrar of</i> <i>Transfers</i> , 1 Queen Victoria St., LONDON, E.C.
“ ARCHER BAKER,	{ <i>European Traffic Agent</i> , 67 and 68 <i>King William Street</i> , - - do.

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

EXECUTIVE COMMITTEE.

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



Canadian Pacific Railway Company.

FOURTEENTH ANNUAL MEETING

REPORT OF PROCEEDINGS AT THE FOURTEENTH ANNUAL
MEETING OF THE SHAREHOLDERS, HELD ON
WEDNESDAY THE 3RD DAY OF APRIL.
1895.

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

The Shareholders present in person, and by proxy were ascertained to represent 196,093 shares of the Common and £174,454 of the Preference 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 Fourteenth 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 3rd day of April next, at the principal office of the Company, at Montreal, at 12 o'clock noon.

The Common Stock Transfer Books of the Company will close in Montreal and New York, on 23rd March and in London on 12th March. The Preference Stock Books will close on March 7th. All the books will be re-opened on Thursday, April 4th.

By order of the Board,

CHARLES DRINKWATER,

Secretary.

Montreal, February 23rd, 1895.

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 Vice-President :—

CANADIAN PACIFIC RAILWAY COMPANY.

FOURTEENTH ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY FOR THE YEAR ENDED DECEMBER 31ST, 1894.

To the Shareholders.

A balance sheet of the affairs of the Company at 31st December, 1894, the usual statements relating to the business of the year and schedules in full detail are herewith submitted.

The gross earnings for the year were.....	\$18,752,167.71
The working expenses were.....	12,328,868.63
	<hr/>
And the net earnings were.....	6,423,309.08

Add interest earned on deposits and loans... \$206,012.50

Add interest due from Duluth,
South Shore & Atlantic
Ry. Co. on Consolidated
bonds held by your Com-
pany against Debenture
Stock issued \$584,000.00

Less advanced by your Com-
pany 456,186.59

\$127,813.41

\$333,825.91

Carried forward.....\$6,757,134.99

Brought forward.....	\$6,757,134.99
<i>Deduct</i> Direct fixed charges accrued during the year, including interest on Land Bonds, and on Consolidated Debenture Stock issued against Duluth, South Shore & Atlantic Consolidated Bonds held by your Company. (See paragraphs 14 and 17 and page 21)	6,589,378.82
	<hr/>
	167,756.17
<i>Deduct</i> Contingent liabilities, interest paid in 1894 account Guaranty Minneapolis, St. Paul & Sault Ste. Marie Bonds (See paragraph 18).....	694,487.49
	<hr/>
Deficiency	\$526,731.32
	<hr/>
The surplus earnings account at 31st December, 1893, was	7,261,213.14
From this there has been charged off:—	
Deficiency as above.....	526,731.32
Dividends on Preference Stock for 1894:	
2 per cent. paid 1st Oct., 1894.....	128,480.00
2 per cent. paid 1st April, 1895.....	128,480.00
Dividend 2½ per cent. on Ordinary Stock August, 1894.....	1,625,000.00
Interest on Land Bonds, advanced previous to 1894 (less Land and Town Site sales applicable thereto) and not charged against earnings. (See paragraph 14.).....	2,112,729.29
	<hr/>
	4,521,420.61
	<hr/>
Surplus earnings account as per balance sheet.....	\$2,739,792.53

2. The working expenses for the year amounted to 65.75 per cent. of the gross earnings, and the net earnings to 34.25 per cent., as compared with 63.07 and 36.93 per cent. respectively in 1893.

3. The earnings per passenger per mile were 1.85 cents, and per ton of freight per mile 0.87 cents, as against 1.69 and 0.87 cents respectively in 1893.

4. The earnings and working expenses of the South Eastern Railway, (now the Montreal and Atlantic Railway) which was 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, these lines being worked temporarily under a guaranty by the owners against loss by your Company.

5. The following is a comparative statement of the earnings and working expenses of the Railway for the past eight years —

	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.
Passengers.....	\$ 3,438,818 09	\$3,869,883 18	\$ 4,023,474 00	\$ 4,774,713 76	\$ 5,450,789 46	\$ 5,670,316 49	\$ 5,696,204 30	\$ 4,846,412 35
Freight.....	9,024,129 47	8,917,213 06	9,107,719 24	10,119,644 02	12,665,540 25	13,230,549 19	12,678,075 28	11,445,217 78
Mails.....	241,549 05	283,844 45	311,044 32	356,038 61	516,098 45	483,022 78	466,131 40	498,129 16
Express.....	295,035 05	244,147 18	247,469 70	290,293 43	288,633 25	302,259 34	333,075 29	343,472 29
Parlor and Sheep- ing Cars.....	176,827 39	187,604 13	233,103 14	269,096 75	303,545 09	331,292 72	386,470 10	331,719 65
Telegraph, Grain Elevators & Mis- cellaneous.....	574,631 31	682,652 59	847,196 02	786,757 40	1,067,489 47	1,403,116 53	1,422,457 18	1,284,608 46
Operating Profits on Pacific Steam- ships.....	\$11,666,412 89	\$14,193,575 60	\$15,999,138 43	\$16,552,528 98	\$20,241,065 98	\$21,419,351 77	\$20,982,317 44	\$18,752,137 71
Total.....	8,162,294 64	9,324,709 68	9,331,292 27	10,252,828 47	12,071,430 11	12,689,043 21	13,020,991 39	12,258,854 63
Net Earnings.....	\$3,994,118 16	\$5,876,74 92	\$ 6,127,826 15	\$ 6,299,700 51	\$ 8,019,659 87	\$ 8,429,247 56	\$ 7,741,416 65	\$ 6,423,298 68

6. The price of wheat, which was unprecedentedly low

at the date of the last annual report, continued to decline as the year advanced, and the prices of nearly all other agricultural products of the country likewise declined. The resulting scarcity of money among the farmers had a marked effect upon trade and manufactures, and caused a contraction in business throughout nearly all Canada; and this bad state of affairs in Canada was made worse by the extraordinary commercial depression in the United States, which, already severe at the date of the last annual report, grew more so as the year advanced.

7. These causes combined produced an adverse state of affairs which your Directors a year ago hardly thought possible, and resulted in a falling off in the Company's earnings too great to be met by reductions in working expenses.

8. The Company sustained an additional heavy loss in one of the most important periods of the year, in point of traffic, and just at the beginning of the summer passenger business, from the unprecedented floods in British Columbia, which damaged the line in many places and interrupted through traffic to and from the Pacific coast for forty-one days, from the 26th May to the 6th July, and although the damage is not all made good even yet, the year's results suffered from this cause to the extent of about \$550,000 in cost of reconstruction, extra expenses and loss of earnings.

9. Until late in the year your Directors hoped for and expected a turn in business for the better, and therefore held to the course they had been pursuing in fully maintaining the property and in making permanent improvements, believing that when the turn should come the Railway ought to be in such condition as to take the fullest advantage of it. Unfortunately no improvement came, and at the close of the year the outlook was as bad

as at any time; it was therefore decided, while keeping the Railway in safe working condition, to limit expenditures to matters of absolute necessity.

10. Of the various adjuncts of the Company's service, the Pacific steamships show an increase in profits for the year of \$80,467; but the profits of the telegraph, express, sleeping cars, grain elevators, lake steamers, hotels, etc., have all been more or less reduced.

11. The land and townsite sales suffered more than anything else from the prevailing conditions; indeed, the sales almost ceased, and, as was the case in 1893, nearly all the interest on the Land Bonds had to be paid from the general funds of the Company, the deficit in this item in 1894 being \$656,618.32.

12. The interest on the Land Bonds has not heretofore been scheduled as a fixed charge, partly because of the nature of the arrangement with the Dominion Government concerning the proceeds of land sales, but mainly because there are large assets applicable to its payment which would in ordinary times be sufficient for the purpose, and also, eventually, to recoup to the treasury the amounts advanced from current funds to make up deficiencies.

13. These assets, which are exclusive of the lands covered by the Company's Land Bonds, consist of:—

- (a) All unsold townsites.
- (b) 1,611,520 acres of Souris Branch lands, which are free from all charges.
- (c) 945,199 acres, unencumbered, of the 1,099,813 acres of Manitoba Southwestern lands unsold.

- (d) The proceeds of the remaining 153,801 acres of Manitoba Southwestern lands over and above \$2.00 per acre due to the Provincial Government thereon.
- (e) \$245,984 of the deferred payments on lands sold from the original Canadian Pacific grant.
- (f) \$375,258 of the deferred payments on the Manitoba Southwestern lands sold.
- (g) \$178,500 of the deferred payments on town-site sales.

14. While these assets are all available for the general purposes of the Company, it has been the practice of the Board, as stated in previous reports, with the view of keeping separate the railway and land accounts, to apply the amounts realized from them to the interest on the Land Bonds; but, as these assets are not for the present realizable to the extent anticipated, it has been decided to charge interest on Land Bonds this year, and hereafter, less receipts applicable thereto, against Revenue, and further to charge off against Surplus Earnings Account the accumulated advances charged against lands prior to 1894 amounting to \$2,112,729.29. (See page 7, Annual Report for 1888.)

In addition to the lands covered by its bonds, and to the lands mentioned above, the Company also holds, free from any encumbrances, 190,000 acres of land in Southern British Columbia—a grant to the Columbia and Kootenay Railway Company.

15. In addition to its own immediate burdens, your Company has been obliged to give material assistance to its two subsidiary lines west of Sault Ste. Marie, the Duluth South Shore and Atlantic and the Minneapolis St. Paul and Sault Ste. Marie Railways, for both of which your Company stands responsible as guarantor, and both

of which have felt the full force of the commercial and financial depression which has been so disastrous in the United States.

16. Advances were made to the Duluth South Shore & Atlantic Railway Company early in 1893, to enable it to secure control of the Duluth & Winnipeg Railway. These advances amount to \$1,316,924.18, and against them there are held by your Company the securities representing the control of the Duluth and Winnipeg Railway. At the time these advances were made the financial disturbances which marked the year 1893 were not anticipated, and it was expected that arrangements would very soon be made whereby the amount advanced for this purpose would be returned to your treasury; but conditions immediately ensuing made this impossible for the time.

17. Advances had also to be made to the Duluth, South Shore & Atlantic Railway Company on the 1st January and 1st July, 1894, towards its fixed charges—\$121,737.19 and \$334,449.40 respectively, or a total of \$456,186.59 on this account, which has been charged against the year's revenue, and a further advance of \$236,213.19 to meet certain Car-trust and other necessary payments. The Company has also undertaken an obligation in connection with the Duluth, South Shore and Atlantic Railway Company to the extent of \$565,000 (in connection with the acquisition of certain properties), against securities deposited by the latter Company, which are amply sufficient to ensure the liquidation of the loan.

18. Advances were made to the Minneapolis, St. Paul & Sault Ste. Marie Railway Company, early in 1894, for various purposes in the common interest, to the extent of \$467,817.89, and on the 1st January and 1st July, 1894, advances of \$247,076.35 and \$447,411.14 respectively, had

to be made to the same Company towards the payment of fixed charges, making a total of \$694,487.49 advanced on interest account, which has been charged against revenue.

19. Against the advances to the Duluth South Shore and Atlantic and Minneapolis, St. Paul and Sault Ste. Marie Railways, other than for interest, the Company acquires an interest in rolling stock as security, representing the greater part of the amounts.

20. For the last half-year the Minneapolis, St. Paul & Sault Ste. Marie Railway Company was able to meet its own fixed charges, and the Duluth, South Shore & Atlantic Railway Company very nearly did so. Since the opening of the present year the latter has shown a uniform increase in earnings, but it is evident that the former will need some help at the hands of your Company for the first half of 1895.

21. Notwithstanding the temporary paralysis of the lumber, iron and merchandise traffic, which has so severely affected the two lines in question, and the necessity of making large advances to them at a time when the money can be so ill-spared, your Directors are still of the opinion they have expressed concerning the wisdom of having secured both of these lines in the interest of your Company, and with a revival of business it is hoped that the monies advanced may be recovered.

22. In view of the expectations expressed in former reports, your Directors are greatly disappointed at the outcome of the past year, and especially at the results of the Duluth South Shore & Atlantic and the Minneapolis St. Paul & Sault Ste. Marie Railways. Still they believe that the causes are of too exceptional a character to be taken as affecting the value of the Canadian Pacific Railway, or of these two subsidiary lines.

23. The wisdom of the payment of a full half-yearly dividend last August may now be questioned; but in June, when it was declared, there was no reason to doubt that with the new crops a revival of trade would come both in Canada and in the United States, and that the securities held in the Company's treasury would, at least to the extent of the advances from the special fund for other than dividend purposes, become available, and that dividends might therefore be continued without interruption or risk. Unhappily the situation grew worse instead of better as time went on, and the opening of the present year brought no improvement. Your Directors therefore decided that the payment of a dividend for the second half-year would be unwise.

24. The following recently published figures may be pointed to as indicating the extraordinary conditions to which your own line, and more especially your subsidiary lines, have been exposed.

DECREASE IN GROSS EARNINGS.

RAILWAYS.	IN 1893	IN 1894
	FROM 1892.	FROM 1893.
1. Pennsylvania.....	\$3,033,808	\$12,794,490
2. New York, Lake Erie & Western.....	1,524,880	4,888,272
3. Chicago, Burlington & Quincy.....	2,055,919	6,841,695
4. Chicago, Milwaukee & St. Paul.....	1,200,187	5,386,656
5. Missouri Pacific.....	2,217,033	5,326,450
6. Union Pacific.....	7,579,700	4,007,006
7. Atchison, Topeka & Santa Fe.....	1,304,212	7,005,956
8. Southern Pacific.....	922,647	3,571,791
9. Northern Pacific.....	741,348	3,046,726
10. Baltimore & Ohio.....	.....	3,485,692
11. Chicago, Rock Island & Pacific.....	.....	3,207,671
12. Chicago & North Western.....	.....	3,035,688
13. Illinois Central.....	.....	3,737,534
14. Lake Shore & Michigan Southern.....	.....	4,160,988
15. Mich. Cent. & Canada Southern.....	.....	3,478,031
16. New York Central.....	.....	4,013,080
17. Wabash.....	.....	2,125,838
18. Canadian Pacific.....	447,035	2,210,148

NOTE: The Union Pacific decreases relate to nine roads in 1893 and eight roads in 1894. The Atchison, Topeka & Santa Fe decreases relate to two roads in 1893 and four roads in 1894.

25. At the expense of Capital, additions and improvements were made during the year (Schedules E and F) a. a cost of \$946,907.87; a steamboat for local Pacific Coast service, authorized at the last annual meeting, was completed at a cost of \$221,579.92; an interest in the "Soo" Line Sleeping Cars, proportionate to mileage, was purchased, as authorized at the same time, at a cost of \$131,118.20; Car-trust obligations, maturing during the year, to the amount of \$156,250.00 were paid off, and items of rolling stock aggregating \$114,539.00 were added to the equipment, making the total charge to capital account for the year, \$1,570,394.99. To provide for these Capital expenditures, £188,750 of Four per cent. Debenture Stock was created under Section 4, Sub-section B. 52 Vic., Chap. 69, and £111,250 under Section 4, Sub-section C. of the same Act, which, to within £116,550, exhausts the Company's power to create this stock except for the redemption or conversion of pre-existing obligations, and to represent the interest saved thereon.

26. During the year, 366 timber bridges, aggregating 6.½th miles in length, were replaced with permanent masonry or iron structures or earth embankments.

27. You will be asked to approve expenditures for the present year on Capital Account aggregating \$461,091 chiefly for permanent bridges, of which about \$50,000 may be regarded as contingent.

28. The Company has had to re-assume £300,000 of the Preference Stock, which amount is now held in the Treasury.

29. An arrangement has been concluded with the Quebec Government whereby the \$7,000,000 coming due by the Company to the Province on account of the two

sections of the line between Ottawa and Montreal, and Montreal and Quebec, which the Company was at liberty to pay upon giving six months' notice, shall be paid in two equal instalments, March 1st, 1904 and 1906, the rate of interest in the meantime being reduced from 5 per cent. to an average rate of four and one-twentieth ($4\frac{1}{20}$) per cent., effecting a saving to the Company of \$66,500 per annum.

30. The South Eastern Railway, connecting your system with the New England States and Atlantic seaboard, and of which your Company acquired the control in 1883, has been re-organized as the Montreal and Atlantic Railway Company. The original bonds have been converted into ordinary stock, of which your Company holds \$2,160,000, or 67.5 per cent. of the entire issue. New first mortgage bonds have been created to the extent of \$1,065,000. Of these, \$500,000 are held by the Treasurer of your Company for various claims and advances, with interest thereon, and \$108,000 are similarly held by the Boston and Maine Railroad Company, which, with the Concord and Montreal Railroad Company, is also interested in the property. The remainder of the bonds are held in the treasury of the new Company against future needs. The earnings of the Montreal and Atlantic Railway Company are more than sufficient to meet the interest on its bonds.

31. It is gratifying to note that the gold, silver and other mining industries of British Columbia are attracting a large amount of capital, and that extensive workings are being carried on. The activity in mining operations there is greater than at any time in the past, and

promises a considerable increase in the traffic of the Railway in that Province for the present year.

32. The low price of grain has stimulated mixed farming in the Canadian Northwest, and the shipments of cattle, sheep and hogs from there eastwards last year were nearly twice as large as in any previous year, and formed an important item of traffic.

LANDS.

33. The sales of the Canadian Pacific lands last year were 43,155 acres for \$131,628, an average price of \$3.05 per acre, as against 93,184 acres for \$295,288, an average price of \$3.17 per acre in 1893.

34. The sales of Manitoba South-Western Railway lands for 1894 were 6,312 acres for \$28,003, an average price of \$4.44 per acre, as against 14,164 acres for \$57,559, an average price of \$3.06 per acre in 1893.

35. The total sales for 1894 of Canadian Pacific and Manitoba South-Western lands were 49,467 acres for \$159,631, an average price of \$3.23 per acre, against 107,348 acres for \$352,847 in 1893, an average price of \$3.29 per acre.

36. Of the lands previously recovered by the Company from cancellation of sales 5,046 acres were resold during the year at a loss of \$1,600, on the price at which they were surrendered.

37. The position of the Canadian Pacific land grant at December 31st, was as follows:—

	Acres.	Acres.
Original Grant.....	25,000,000	
Surrendered to Government under agreement of March 30th, 1886.....	6,793,014	
	<hr/>	
	18,206,986	
Souris Branch Land grants.....	1,611,520	
	<hr/>	
	19,818,506	
Sales to Dec. 31st, 1894.....	3,868,963	
Less cancelled in 1894.....	33,683	
	<hr/>	
	3,835,280	
Quantity of land unsold.....		15,983,226

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

Total Grant.....	1,396,860	
Sales to Dec. 31st, 1894.....	305,026	
Less cancelled in 1894.....	8,039	206,987
	<hr/>	<hr/>
		1,099,813
Columbia and Kootenay Land Grant unsold		190,000
		<hr/>
Total land owned by the Company.....		17,273,039
		<hr/>

39. In their report for 1892 your Directors, recognizing the desirability of keeping a large portion of the surplus earnings in cash, announced their intention to place \$4,000,000 on special deposit with the Company's Bankers, to meet any possible deficiency in the net earnings applicable to dividends, and this intention was carried out; but the untoward conditions of last year, already referred to in this Report, made it necessary not only to pay the interest on the Land Bonds from earnings,

but to heavily trench upon the special fund for the payment of the August dividend, and for the necessary assistance to the Minneapolis, St. Paul & Sault Ste. Marie, and Duluth South Shore & Atlantic Railways. Had this course not been followed, securities must have been sold at a great sacrifice or a floating debt must have been incurred. Neither of these courses was adopted and the Company is absolutely free from floating debt.

For the Directors,

WM. C. VAN HORNE,

President.

CONDENSED BALANCE SHEET—December 31st, 1894.

COST OF ROAD.

Main Line.....	\$137,600,922 08
Lines acquired and held under perpetual leases.....	21,416,979 84
Branch Lines.....	14,524,278 24
	\$173,542,180 16

EQUIPMENT.

Rolling Stock.....	\$ 15,792,891 23
Lake and Ferry Steamers....	1,135,874 23
Shops and Machinery (Mont- real, Hochelaga, Perth and Carleton Place).....	1,289,288 20
	18,217,553 66

JAPAN AND CHINA STEAMSHIPS AND APPURTENANCES.....	3,504,403 01
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ACQUIRED SECURITIES HELD AGAINST DEBENTURE STOCK ISSUED.

Schedule "A"	19,592,710 34
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CAPITAL STOCK.....	\$ 65,000,000 00
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FOUR PER CENT. PREFERENCE STOCK..	6,424,000 00
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FOUR PER CENT. CONSOLIDATED DEBEN- TURE STOCK.....	41,279,675 00
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MORTGAGE BONDS.

1st Mortgage, bonds, 5 per cent	£7,191,500 \$34,998,633 33
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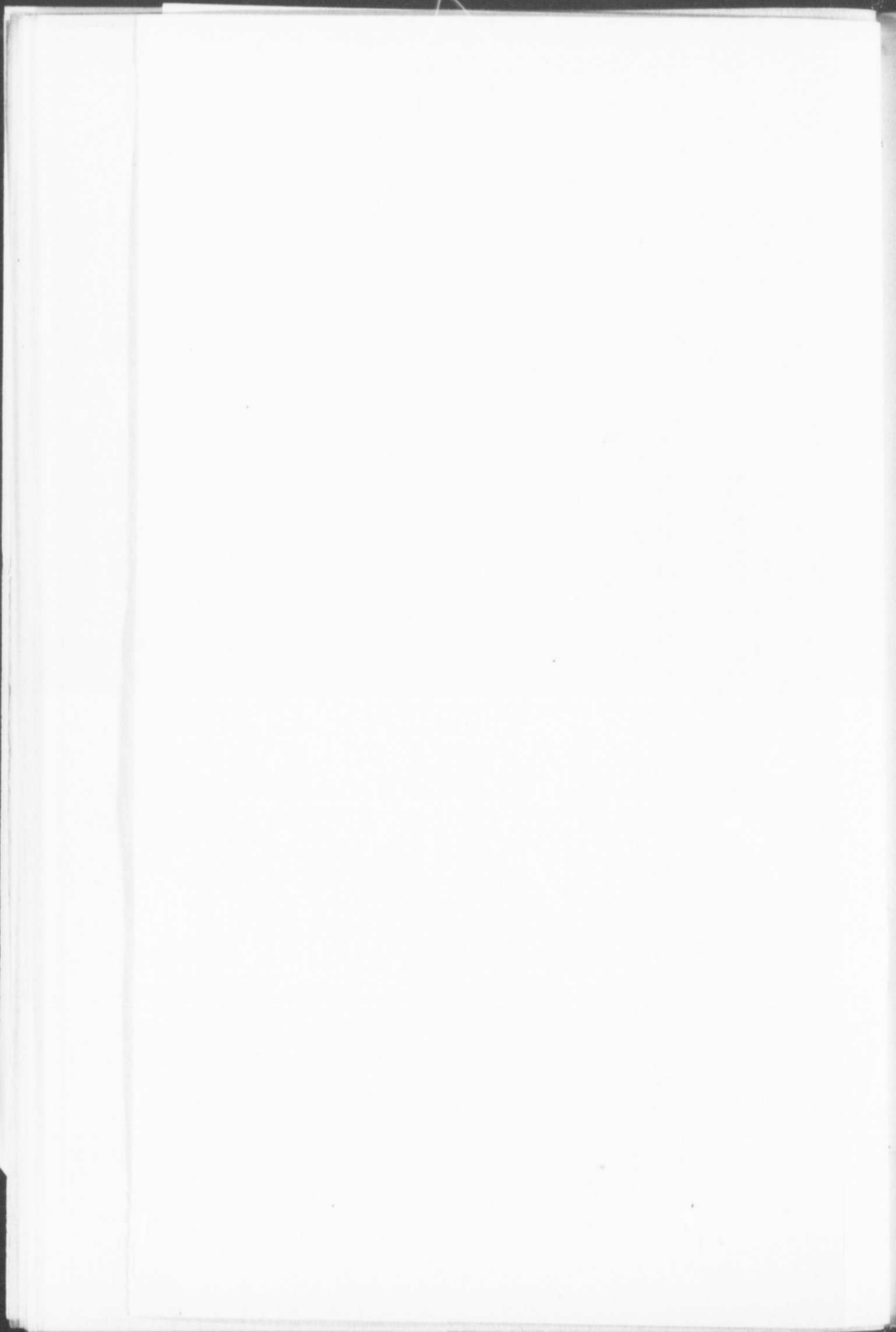
Canada Central 1st Mortgage, amount of issue, £500,000.	\$2,433,333
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Sinking Fund de- posited with Gov- ernment	1,500,000
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Balance at maturity.....	850,000 00
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Canada Central 2nd Mortgage, 6 per cent	973,333 33
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Due Province of Quebec on O. M. O. & O. Railway at	
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FIXED CHARGES 1894.

£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	Atlantic & North West 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 Jct.	1,400.00
	Rental Mattawamkeag to Vanceboro. ...	23,800.00
	Rental New Brunswick Railway system.	361,009.60

4% DEBENTURE STOCK.

Issues for general purposes	£ 3,458,125	
Issue for China & Japan Steamers.	720,000	
Issue for Souris Branch	1,004,000	
	<u>£ 5,182,125</u>	\$1,008,787.00
Issue for acquiring Mortgage Bonds of Roads of which principal or interest is guaranteed by C. P. R. :	£ 3,000,000	\$ 584,000.00
	<u>£ 3,000,000</u>	<u>\$1,592,787.00</u>
Interest on Land Grant Bonds		656,618.32

\$6,589,378.82

Note.—In addition the Company is liable, under guarantee, for the interest on the Bonds of the Minneapolis, St. Paul & Sault Ste. Marie Railway Co., under which was paid in 1894, \$694,487.49.

SCHEDULE "A"
 DETAILS OF BALANCE SHEET ITEM
 "ACQUIRED SECURITIES HELD AGAINST DEBENTURE
 STOCK ISSUED."

Atlantic & North-West Railway, 5 per cent. Guaranteed Stock	\$ 3,240,000 00
Columbia & Kootenay Railway 4 per cent. First Mort- gage Bonds	693,500 00
Manitoba South Western Colonization Railway, 5 per cent. First Mortgage Bonds	72,000 00
North Shore Railway 5 per cent. First Mortgage Bonds.	131,400 00
Duluth South Shore & Atlantic Railway 4 per cent. Consolidated Mortgage, guaranteed.	14,600,000 00
" Income certificates	3,000,000 00
" Preferred Stock. (constituting a majority.) ..	5,100,000 00
" Ordinary Stock. (constituting a majority.)...	6,100,000 00
Minneapolis, St. Paul & Sault Ste. Marie Railway. Preferred Stock (constituting a majority.)	3,533,400 00
" Ordinary Stock (constituting a majority.)	7,066,600 00
Souris Branch, First Mortgage Bonds, £400,000.	1,946,666 67
Pacific Steamship First Mortgage Bonds, £720,000.	3,504,000 00

SCHEDULE "B."

DETAILS OF BALANCE SHEET ITEM

"OTHER ACQUIRED SECURITIES."

MONTREAL & OTTAWA RAILWAY BONDS.	
(Acquired from proceeds of Preference Stock issued in 1893.)	\$400,000.00
ATLANTIC & NORTHWEST RAILWAY,— Eganville Branch.	
(Acquired from proceeds of Preference Stock.)	\$302,400.00
	\$702,400.00
MONTREAL & ATLANTIC RAILWAY STOCK,	
21,600 shares, \$2,160,000.00 (cost)	\$1,489,761.94
(Formerly South Eastern Railway, acquired in 1883, see page 17.	
	<u>\$2,192,161.94</u>

SCHEDULE "C."

DETAILS OF BALANCE SHEET ITEM

"MISCELLANEOUS SECURITIES AND ADVANCES."

PACIFIC POSTAL TELEGRAPH' CABLE COMPANY'S	
STOCK, (cost)	\$ 300,000.00
(Pacific Coast system, Washington, Oregon, California. Stock represents half interest. Other half owned in interest of the Postal Telegraph' Cable Co., of the United States and the Commercial Cable Co.)	
PACIFIC POSTAL TELEGRAPH CABLE COMPANY...	50,000.00
(Loan on note, a similar amount having been advanced by holders of other half interest.)	
MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILWAY COMPANY.—Income certificates, (cost) ...	270,000.00
(Acquired in connection with the controlling interest in the stock of that Company.)	
CHATEAU FRONTENAC, (QUEBEC HOTEL), Stock	200,000.00
Undertaken in the general interest of the Company in connection with the acquisition of the North Shore Railway (the Company's line between Montreal and Quebec) and in connection with the cancellation of a contingent liability of \$1,108,626 thereon.	
Carried forward	<u>\$820,000.00</u>

Brought forward.....	\$820,000.00
CANADA NORTHWEST LAND CO., STOCK, (cost).	518,087.27
(Taken by this Company in 1882, as one of the terms of the sale of 2,200,000 acres of land to the C. N. W.Ld. Co.)	
NIAGARA BRIDGE & REAL ESTATE.....	95,757.51
(Acquired in 1890, with view to extension of line from Woodstock and Hamilton to Niagara Falls.)	
DOMINION EXPRESS COMPANY'S STOCK.....	113,750.00
(This Company's Express, the stock of which is all held in the Treasury. Amount paid up represents cost of original equipment and organization.)	
INSURANCE PREMIUMS PREPAID FOR 1895-96.	67,818.42
(On 3 years contract to secure advantageous terms).	
SOUTH ONTARIO & PACIFIC RAILWAY STOCK.	20,000.00
(This Company's organization for line, Woodstock, Hamilton and Niagara Falls.)	
MISCELLANEOUS SECURITIES AND ADVANCES.....	553,114.94
(Of this amount \$425,805.19 has been realized since January 1st.)	
VICTORIA ROLLING STOCK BONDS (since realized in full).....	\$ 454,000.00
MARQUETTE, HOUGHTON & ONTONAGON RAILWAY BONDS (cost).....	346,143.09
(Part of issue, \$1,400,000 5% Bonds, due 1925, on the Marquette, Houghton & Ontonagon Railway, the central section of the Duluth, South Shore & Atlantic Railway, and practically underlying all the securities of the latter Company. These bonds were purchased to save interest, and are carried for account of the Duluth, South Shore & Atlantic Railway Company, and are readily convertible into cash if necessary.)	
	<u>\$2,988,671.23</u>

NOTE--Advances on Duluth & Winnipeg securities, \$1,316,924, and Montreal & Atlantic bonds, representing advances and interest, \$499,782 appear as separate items in the Balance Sheet.

SCHEDULE "D."

CONSTRUCTION—ACQUIRED AND BRANCH LINES.

Souris Branch (old account).....	\$ 11,963.35
Revelstoke Branch	148,338.79
Lake Temiscamingue Col. Ry.....	484,578.67
Crow's Nest Pass Branch (old account).....	1,936.21
Preliminary surveys of projected lines (old a/c)	126.60
	\$ 646,937.62

NOTE:—

Against the above expenditures were received or are due in respect of work done in 1894, and previous years:	
For the Revelstoke Branch.....	\$ 28,000.00
For the Lake Temiscamingue Railway.....	479,639.51
For the Souris Branch	2,275.00
	\$509,914.51

SCHEDULE "E."

DETAILS OF EXPENDITURE ON ADDITIONS AND IMPROVEMENTS DURING 1894.

MAIN LINE.

QUEBEC TO CALLANDER (503.7 MILES.)	
Additional sidings.....	\$ 3,335.67
Additional buildings, stations and yards.	11,746.92
Heavy rails and fastenings, less credit for lighter rails removed.....	57,573.42
Widening cuttings, embankments, filling trestles	5,268.57
Elevator at Quebec	1,869.62
Coal chutes (Ottawa, Carleton, and Chalk River)	4,551.08
Improvements at Three Rivers	3,296.54
Right of way and perfection of title.....	190.00
Miscellaneous	391.76
Payment on purchase of Canada Central Railway	601.79
East End Station, Montreal	22,097.17
	\$ 111,222.54
CALLANDER TO FORT WILLIAM (653.4 MILES.)	
Additional sidings.....	\$ 1,748.44
Heavy rails and fastenings, less credit for lighter rails removed.....	5,725.62
Additional fencing	73.97
Right of way and perfection of title.....	90.00
Widening cuttings, embankments, filling trestles, etc.....	95,293.70
Permanent bridges.....	51,798.89
Coal chutes (Chapleau and North Bay).....	2,829.70
	\$ 156,560.32
<i>Carried forward</i>	\$ 267,782.86

<i>Brought forward</i>		\$ 267,782.86
FORT WILLIAM TO DONALD (1449.5 miles.)		
Improving water supply.....	\$	6,622.33
Permanent bridges.....		11,297.31
Right of way and perfection of title.....		1,409.21
Additional sidings.....		9,835.62
Additional fencing.....		12,421.01
Heavy rails and fastenings, less credit for lighter rails removed.....		9,495.57
Additional buildings, stations and yards.		13,571.98
Widening embankments, filling trestles.		120,171.91
Coal pockets, Canmore.....		5,221.82
Miscellaneous.....		350.96
		<hr/>
		\$ 190,397.72
DONALD TO PACIFIC COAST (458 miles.)		
Car shops, yard and wharf, Vancouver..	\$	1,897.53
Additional stations, buildings and yards.		1,910.91
Widening embankments.....		12,472.06
Right of way and perfection of title.....		2,108.77
Additional fencing.....		783.15
Additional sidings.....		844.94
Permanent bridges.....		11,956.00
Expenditure on Government section.....		244,483.31
Less—Amount received from Dominion Government under award of arbitration...		42,693.00
		<hr/>
		201,790.31
		<hr/>
		\$233,763.67
Total on Main Line.....		\$ 691,944.25
BRANCH LINES.		
South Western Branch (100.1 miles)....	\$	2,717.49
Emerson Branch (64.8 miles).....		842.39
Solkirk Branch (22.5 miles).....		393.37
Stonewall Branch (18.2 miles).....		413.53
Stobie Branch (5.6 miles).....		426.53
Mission Branch (10.1 miles).....		616.10
Algoma Branch:—		
Right of way and perfection of title.....	\$	550.00
Additional fencing.....		381.06
Widening cuttings, embank- ments, filling trestles.....		18,899.11
Additional sidings.....		321.38
Permanent bridges.....		5,736.45
Heavy rails and fastenings... ..		33.54
Additional water supply.....		3,898.09
Coal chutes, Algoma.....		1,992.55
		<hr/>
		\$ 31,812.18
Telegraph Extensions and Additions.....		\$ 37,221.59
		936.38
		<hr/>
Total.....		\$ 730,102.22

SCHEDULE "F."

DETAILS OF EXPENDITURES ON LEASED LINES.

ONTARIO & QUEBEC RAILWAY SYSTEM.

Substitution of heavy rails and fastenings, less credit for lighter rails removed.....	4,658.25	
Permanent bridges	619.23	
Widening cuttings, embankments, ballast- ing, etc.	22,389.73	
Improving water supply	848.57	
Additional sidings.....	1,143.98	
Additional stations and buildings	3,814.34	
Station and yard and improvements at London, Ont.....	10,501.51	
Docks at Windsor.....	127.72	
Real Estate, Montreal	6,427.02	
Miscellaneous (Owen Sound Elevator).....	350.00	
Terminals at Toronto:		
Toronto real estate	\$ 3,885.41	
Account alternative site.....	83,730.53	
	<u>\$87,615.94</u>	
	\$138,496.29	
Less by sale of surplus lands purchased for right of way and not required	1,557.61	\$136,938.68

ATLANTIC AND NORTH-WEST RAILWAY.

Widening cuttings, embankments, filling trestles, etc.....	\$ 19,672.11	
Additional stations, buildings and yards..	7,258.00	
Additional sidings.....	1,330.12	
Additional fencing.....	1,980.83	
Right of way and perfection of title.....	25,592.47	
Permanent bridges.....	861.26	
Heavy rails and fastenings, less credit for lighter rails, removed	6,477.87	
Eganville Branch (construction).....	2,351.88	
	<u>\$ 65,524.54</u>	

MANITOBA S.W. COLONIZATION RAILWAY.

Additional stations and buildings.....	\$ 97.76	
Right of way and perfection of title.....	871.70	
Additional fencing	3,167.85	
Additional water supply	470.27	
Widening cuts, embankments, filling trestles	3,000.79	
	<u>\$ 7,608.37</u>	

COLUMBIA AND KOOTENAY RAILWAY

500.00

MONTREAL & OTTAWA RAILWAY..

6,234.06

\$ 216,805.65

RECEIPTS AND EXPENDITURES 1894.

RECEIPTS.

Cash and Treasury assets on hand December 31st, 1893.....	\$10,294,598.81
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Land Department.

Proceeds of land sales.....	\$131,465.36
Less cancellations.....	94,093.27

37,372.09

Less: increase in deferred payments.....	10,211.06
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27,161.03

Collection of deferred payments.....	114,572.40
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141,733.43

Less: expenditures.....	72,873.03
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68,860.40

Real Estate.

Proceeds of sales.....	10,188.17
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Bonuses.

Dominion and Provincial Government subsidy on Lake Temiscamingue Col. Ry.....	479,639.51
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Dominion Government subsidy on Revelstoke Branch Line....	28,000.00
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Provincial Government subsidy on Souris Branch.....	2,275.00
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509,914.51

Amount refunded by Dominion Government on account of amount retained in connection with construction of main line.....	12,686.32
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Consolidated Debenture Stock, 4 per cent.

Amount issued, £300,000.....	1,460,000.00
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Balance on Town Site Sales.

Amounts collected from deferred payments.....	6,764.99
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2,068,414.39

Deduct.

\$12,363,013.20

Station and traffic balances and accounts receivable.....	2,040,254.37
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Miscellaneous Securities and Advances....	2,988,671.23
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Advances to Montreal & Atlantic Railway formerly included in balance against South Eastern Railway.....	309,126.21
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5,338,051.81

Less: Amount at December 31st, 1893....	4,646,921.10
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691,130.71

\$11,671,882.49

EXPENDITURES.

Interest on funded debt and rentals of leased lines due January 1st, 1894, and accrued to that date, and dividend on Preference Stock accrued to January 1st, 1894.....		\$1,849,226.27
Deficiency in revenue Statement page 8...		526,731.32
<i>Dividends on Preference Stock.</i>		
2% paid Oct. 1st, 1894.....	128,480	
2% payable April 1st, 1895.....	128,480	
	<hr/>	256,960.00
Preference Stock re-assumed.....		1,270,000.00
<i>Dividends on Ordinary Stock.</i>		
2½ % made Dec. 1893 and paid Feb. 1894...	\$1,625,000	
2½ % made June 1894 and paid Aug. 1894...	1,625,000	
	<hr/>	3,250,000.00
Construction branch lines (Schedule "D")..		646,937.62
Additions and improvements main line and branches (Schedule "E").....		730,102.22
Additions and improvements leased lines (Schedule "F").....		216,805.65
Rolling stock, shops and machinery.....		401,907.20
Hotels and other buildings at Vancouver and other points, held in trust		5,901.77
China and Japan steamships and appurtenances, expenditures.....		75.85
<i>Town Sites.</i>		
Towns sites, expenditure for clearing, improvements, etc.	88,040.37	
Less: proceeds of sales.....	62,693.86	
	<hr/>	25,346.51
<i>ADVANCES.</i>		
Steamship "Prince Rupert,"		
Amount advanced on construction of....		221,579.92
<i>Minneapolis, St. Paul & S.S. Marie Ry.</i>		
Amount advanced on Capital Account.....		467,817.89
<i>Duluth, South Shore & Atlantic Ry.</i>		
Amount advanced on Capital Account....		236,213.19
Duluth, South Shore & Atlantic Ry. on account Duluth & Winnipeg Ry.....		1,316,924.18
		<hr/>
Carried forward.....		11,422,529.59

Brought forward.....\$11,422,529.59

Acquired Securities.

Balance for Atlantic & North West Ry. 1st mortgage bonds, (Eganville branch)..	5,927.97	
Less: reduction in cost Minn. St. Paul and S. S. M. Ry. stock.....	4,234.62	
		<u>1,693.35</u>
Reduction in current liabilities		454,583.69
		<u>11,878,806.63</u>
Deduct: material on hand, decrease		327,234.10
		<u>11,551,572.53</u>
Add Treasury assets December 31st, 1894. \$	1,691,239.75	
Amount due from Dominion and Provin- cial Governments.....	333,121.00	
		<u>\$2,024,360.75</u>
Less: amount of accrued fixed charges	1,775,570.79	
And Dividend on Preference Stock payment Apr. 1st, 1895.	128,450.00	
		<u>1,904,050.79</u>
		120,309.96
		<u>\$11,671,882.49</u>

STATEMENT OF EARNINGS FOR THE YEAR 1894.

From Passengers	\$ 4,840,412 33
“ Freight	11,445,377 78
“ Mails.....	498,129 16
“ Express.....	342,472 29
“ Parlour and Sleeping Cars	331,719 69
“ Telegraph Grain Elevators and Miscellaneous including profit on Pacific Steamships.....	1,294,056 46
	<u>\$18,752,167 71</u>

STATEMENT OF WORKING EXPENSES FOR THE YEAR 1894.

Conducting Transportation.....	\$3,016,505 22
Maintenance of Way and Structures.....	2,972,024 83
Motive Power.....	3,682,487 33
Maintenance of Cars.....	868,402 98
Parlour and Sleeping Car Expenses.....	80,854 57
Expenses of Lake Steamers.....	114,111 66
General Expenses.....	1,252,060 52
Commercial Telegraph.....	342,411 52
	<u>\$12,328,858 63</u>

STATEMENT OF EQUIPMENT AT DECEMBER 31st, 1894.

Locomotives	584
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars.....	575
First class sleeping and dining cars.....	49
Parlour cars, Official and Paymasters' cars.....	30
Freight and cattle cars, (all kinds).....	14,555
Conductors' vans	297
Board, Tool and Auxiliary Cars and steam shovels.....	543
Lake Steamers, " Alberta," " Athabasca," " Manitoba," " Aberdeen." Ferry Steamers, " Ontario," " Michigan," Pacific Steamships, " Empress of China," " Empress of Japan," " Empress of India."	

DESCRIPTION OF FREIGHT CARRIED DURING THE YEARS

DESCRIPTION.		1892.	1893.	1894.
Flour	Barrels.	2,480,563	2,514,163	2,439,418
Grain	Bushels.	29,309,887	23,636,715	25,314,827
Live Stock	Head.	375,292	332,589	468,218
Lumber	Feet	700,209,056	668,176,926	545,488,960
Firewood	Cords.	145,280	170,294	174,020
Manufactured Articles.	Tons.	1,055,533	1,114,195	968,352
All other Articles.....	Tons.	898,501	978,193	864,615

FREIGHT TRAFFIC.

	1892.	1893.	1894.
Number of Tons carried.....	4,230,676	4,226,959	3,891,804
Number of Tons carried one mile.	1,582,554,352	1,453,367,263	1,313,949,410
Earnings per Ton per mile....	0.84 cents.	0.87 cents.	0.87 cents.

PASSENGER TRAFFIC.

	1892.	1893.	1894.
Number of Passengers carried...	3,258,789	3,311,247	3,009,015
Number of Passengers carried one mile	328,838,647	334,307,590	260,804,129
Earnings per Pass. per mile...	1.69 cents.	1.69 cents.	1.85 cents.

TRAFFIC TRAIN MILEAGE YEAR 1894.

	Mileage.	Earnings.	Earnings per Traffic Train Mile.
Passenger.....	5,861,058	\$ 5,926,065.06	\$1.01
Freight.....	7,082,645	11,337,517.69	1.60
Total.....	12,943,703	\$17,263,582.75	\$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 \$1,032,061.78.

EXPENSES PER TRAFFIC TRAIN MILE FOR YEAR 1894.

	Expenses.	Expenses per Traffic Train Mile.
Maintenance of way.....	\$2,972,024.83	0.229
Motive power.....	3,682,487.33	0.284
Maintenance of cars.....	868,402.98	0.067
Traffic and general expenses.....	4,349,420.31	0.336
	<u>\$11,872,335.45</u>	<u>\$0.917</u>

In moving the adoption of the Report, the President said:

In submitting the annual report, I beg leave to say that at the time of our annual meeting two years ago there were indications of serious business disturbances in the United States, but, so far as we could then see, the causes of the growing troubles there did not prevail in Canada. Beyond the temporary shrinkage of the lumber trade and of our market for certain other productions of the country, resulting from the depressed conditions in the United States, and beyond the shrinkage of summer travel from the United States due to the same cause, our depression here in Canada seems to have been due mainly to the excessively low prices which have prevailed during the past two years for our farm products. These low prices have enforced economy throughout the country and especially in the West. Local travel has consequently been much reduced, and since it costs as much to run a full passenger train as one half full, the loss has affected our profits almost as much as it has our gross passenger earnings; and so with our Telegraph, Express, Sleeping Cars and other adjuncts of the service, the expenses of which have little direct relation to their earnings. Westbound freight traffic, which consists largely of general merchandise, and affords higher rates than any other, has also been largely reduced, and an unusual proportion of our returning grain and cattle cars have had to go west empty; and this again has told heavily upon our profits.

A comparison of the returns from the stations on all parts of the system shows that every district has suffered, the old as well as the new, and nearly all in a like proportion. With 1,338 reporting stations, small decreases at each of them make up a heavy aggregate; but a small increase at each will as quickly bring a decided turn the other way.

The bad times found the railway and its equipment in excellent physical condition, and, although the working expenses have always been closely held down, it has been possible, in this emergency, to make large savings without impairing efficiency; and I must not fail to speak of the loyalty and heartiness with which every officer and employee of the Company has responded to the demands of economy, showing an interest in the welfare of the Company such as has been rarely displayed anywhere.

Referring particularly to the report now before you I desire to say, that it has been the aim of the Directors to make it so full and explicit as to leave no room for any misapprehension. The balance sheet has been re-arranged with a view to clearness, and explanatory schedules will be found following it.

It will be seen that important items, the advances to the Minneapolis, St. Paul and Sault Ste. Marie, and the Duluth South Shore and Atlantic Railways, on interest account, together with the interest on the Company's Land Bonds, have been charged directly against revenue, and that the accumulated advances of interest on Land Bonds prior to 1894 have been charged against the surplus earnings. This has been done because the return of these several amounts to your treasury cannot be expected until after a revival in business shall enable the railways named to discharge their other obligations to your Company, and, as regards the Land Bond interest, until a return of agricultural prosperity enables the Company to realize from its land assets. We hope that we will not have long to wait, but meantime, it is no doubt best to keep before us the worst aspect of our position by writing out of the surplus all items which at the moment appear to be of a remote or doubtful character.

It is evident that in the minds of some, our surplus as

reported has been mistaken for a cash reserve, and therefore it may be proper to explain that the surplus earnings as shown in the balance sheet have represented the accumulated balances of net earnings after paying fixed charges and dividends. Part of this surplus has gone, as shown from year to year, towards making up deficits in interest on Land Bonds, which has not, hitherto, been treated as a fixed charge for the reasons stated in the present report and in that for 1888. The remainder of the surplus, except the special reserve in 1893 of \$4,000,000 concerning which the report contains a full explanation, has practically constituted the Company's current working capital. It has sometimes been represented almost wholly by cash in Bank, at other times it has been more or less in use in the various transactions of the Company—sometimes in part used for new works or properties in advance of the sale of new securities applicable to them, at other times in part loaned on security or otherwise invested. The remainder of the surplus, after writing off the important items mentioned in the report, is largely exceeded by the floating assets of the Company as shown in the balance sheet.

I may say for the information of Shareholders that after the payment of all interest, rental and other mandatory charges due up to this time, and the payment of the dividend on Preference Stock 1st April, we have cash in bank \$2,193,000; and as stated in the report the Company is entirely free from floating debt of any kind, aside from its current monthly pay-rolls and accounts, which are practically set off by station balances and current accounts receivable.

In reference to the Minneapolis, St. Paul and Sault Ste. Marie and Duluth South Shore and Atlantic Railways, I would like to point out that your Company has been interested in these properties for about seven years, and

has been responsible as guarantor for their interest for the past five years, and although we have had occasion several times to make them temporary advances for various purposes, in the common interest, it can be stated that aside from the advances to the Duluth South Shore and Atlantic Railway in respect of the Duluth and Winnipeg Railway, which were made early in 1893, and before the troubles of that year appeared, all of the present indebtedness of both the railways to your Company for advances for interest and other accounts, accumulated during 1894, and practically all during the first seven months of the year, and were due almost wholly to the exceptional conditions prevailing in the United States which were most severely felt by these lines during the last half of 1893, and the first half of 1894.

With reference to the fears that have been expressed concerning a recurrence of the floods in British Columbia, which cost us so much money last year, I wish to say that the line was constructed above the reach of any high water that has occurred during the fifty years the country has been known to white men, and above any known to the Indians, by tradition or otherwise; and the probability of a similar combination of circumstances to that which produced it is extremely remote.

Reference has recently been made in some of the financial journals abroad to what is called "inside selling" of the Company's shares, presumably selling by Directors or others prominently connected with the Company, and in a position to be familiar with its affairs. The list of shareholders now on the table will show that the trifling changes in the holdings do not warrant any such statement.

I may take occasion to say in this connection that while in the history of the Company some of the Directors have incurred heavy risks, and made perhaps unwarranted

sacrifices in its interest, it can safely be affirmed that no one of them has been individually benefitted to the extent of one penny through any of its works or operations.

In conclusion I beg leave to say that we have been, perhaps, over sanguine in the past, and although the outcome has nearly always justified the expectations of your Directors, it is only since we have been reached by the extraordinary commercial storm of the past eighteen months that we have fallen materially short of our anticipations. The conditions which prevailed during that period were quite beyond the limit of human foresight, and while we have suffered in common with our neighbors and competitors, we may be pardoned if we take comfort from the fact that our loss of earnings has been small as compared with most other lines with similar mileage. The Directors and Officers have undiminished confidence in the successful future of your railway, and believe that the difficulties through which we are passing will not only have taught us some useful lessons, but will prove the strength rather than the weakness of the Company.

And the Report having been discussed at some length by several of the shareholders, it was moved by Sir Wm. C. Van Horne, President, seconded by Mr. Thomas G. Shaughnessy, Vice-President, and unanimously

Resolved,

That the Report on the affairs of the Company for the year ended 31st December, 1894, now submitted, be adopted.

The President submitted and explained estimates approved by the Directors of proposed Capital expenditures

to be incurred during the current year on Construction and Improvement Account; and the same having been laid on the table and considered,

It was moved by Mr. L. J. Forget, seconded by Mr. Henry Beatty, and unanimously

Resolved,

That in accordance with the recommendation of the Directors the Shareholders do hereby authorize the expenditure of Capital on Construction and Improvement Account not exceeding in the aggregate the sum of \$461,091.00 that is to say :—

Pacific Division.....	\$145,801 00
Western Division.....	23,740 00
Eastern Division.....	79,127 00
Ontario & Quebec Division.....	83,594 00
Atlantic Division.....	3,944 00
	\$336,212 00
Substitution heavy rails—all divisions.....	45,000 00
New Brunswick Improvement Account.....	32,332 00
Contingent.....	47,587 00
	\$461,091 00

The meeting then proceeded to the election of Directors for the ensuing year and it was moved by Mr. Geo. R. Harris,

Seconded by Mr. Sandford Fleming, and unanimously

Resolved,

That a ballot be now taken for the election of Directors for the ensuing year, and that Mr. Charles Meredith and Mr. A. F. Riddell 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 :—

SIR DONALD A. SMITH, K.C.M.G., M.P.
 SIR WILLIAM C. VANHORNE, K.C.M.G.
 MR. THOMAS G. SHAUGHNESSY.
 MR. RICHARD B. ANGUS.
 MR. EDMUND B. OSLER.
 MR. SANDFORD FLEMMING, C.E., C.M.G.
 HIS HON. LT.-GOV. GEO. A. KIRKPATRICK.
 GEN. SAMUEL THOMAS.
 MR. GEO. R. HARRIS.
 MR. WILMOT D. MATTHEWS.
 HON. DONALD MACINNES.
 MR. THOMAS SKINNER.
 MR. JOHN W. MACKAY.

And the proceedings terminated.

WM. C. VAN HORNE,

President.

C. DRINKWATER,

Secretary.

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

EXECUTIVE COMMITTEE:

Sir Wm. C. Van Horne, K.C.M.G.,	Mr. Thomas G. Shaughnessy,
Sir Donald A. Smith, K.C.M.G., M.P.,	Mr. Richard B. Angus,

STATION AND SPAN OF BRIDGE

NAME OF ROAD OR RAILROAD

Dunmore to Lethbridge

100.0

CANADIAN PACIFIC RAILWAY COMPANY

MILEAGE OF ALL THE COMPANY'S LINES.

Length of Main Line Montreal to Vancouver—2904 ⁸/₁₀ miles.

EASTERN DIVISION:

Main Line—Montreal to Fort William.....	988.7
Quebec Section—Quebec to St. Martin's Jet.....	138.8
Piles Branch—Piles Jet. to Grand Piles.....	26.9
Juliette Branch—Juliette Junction to St. Felix.....	16.8
Berthier do—Berthier Jet. to Berthier.....	2.0
Aylmer do—Hull to Aylmer.....	7.5
St. Jerome do—St. Therese Jet. to St. Jerome.....	134
St. Lin do—St. Lin Jet. to St. Lin.....	15.9
St. Eustache do—St. Therese Jet. to St. Eustache.....	6.0
Brockville do—Carleton Jet. to Brockville.....	45.9
Algona do—Sudbury to Sault St. Marie.....	182.5
Buckingham do—Buckingham Station to Village.....	4.2
Copper Mines Branches—Sudbury.....	5.6
Lake Temiscauingue Ry., under construction.....	17.2
	1325.8
<i>St. Lawrence & Ottawa Ry. (leased line):</i>	
Ottawa to Prescott.....	51.8
Chaudiere Jet. to Sussex Street, Ottawa.....	6.6
	58.4
<i>Lake Maskinonge Ry. (under agreement for lease):</i>	
St. Felix to St. Gabriel.....	11.0
<i>Montreal & Western Ry. (under agreement for lease):</i>	
St. Jerome to Labelle.....	66.9
<i>Atlantic & North-West Ry. (leased line):</i>	
Renfrew to Eganville.....	22.5
Total mileage of Eastern Division.....	1687.0

ONTARIO AND QUEBEC DIVISION:

<i>Ontario & Quebec Ry. (leased line):</i>	
Mill End Jet. to South End Lachine Bridge.....	9.1
Montreal (Windsor Street) to Toronto Jet.....	339.0
Toronto Jet. to Strachan Avenue.....	3.2
Toronto Jet. to St. Thomas.....	116.1
Toronto Jet. to Owen Sound.....	116.9
Leaside Jet. to Union Station.....	5.2
Woodstock to London.....	26.6
London to Windsor.....	112.5
Orangeville Branch—Streetsville Jet. to Melville Jet.....	31.7
Elora do—Cataraugus to Elora.....	27.3
Teeswater do—Orangeville Jet. to Teeswater.....	69.4
Wingham do—Glenannan to Wingham.....	5.0
	802.0
<i>Montreal & Ottawa Ry. (leased line):</i>	
Veatrevil to Point Fortune.....	23.6
<i>Guelph Jet. Ry. (leased line):</i>	
Guelph Jet. to Guelph.....	15.0
<i>Atlantic & North-West Ry. (leased line):</i>	
Lachine Bridge (south end) to Megantic.....	167.1
<i>Montreal & Atlantic Ry. (worked for account of owners)</i>	
	230.1
Total mileage of Ontario and Quebec Division.....	1297.8
Carried forward.....	2885.4

Brought forward..... 2885.4

ATLANTIC DIVISION:

<i>Atlantic & North-West Ry. (leased line):</i>	
Megantic to Mattawamkung.....	150.9
<i>Maine Central Ry. (working powers only):</i>	
Mattawamkung to Vanceboro.....	56.1
<i>New Brunswick Ry. (leased line):</i>	
Vanceboro Section—Vanceboro to McAdam Jet.....	6.3
St. John do—McAdam Jet. to St. John.....	83.8
Carleton do—Fairville to Carleton.....	4.0
Fredericton do—Fredericton Jet. to Fredericton.....	22.1
Southern do—McAdam to St. Stephen.....	33.9
do do—Watt Jet. to St. Andrews.....	27.5
Northern do—McAdam Jet. to Woodstock.....	51.8
Houlton do—Debec Jet. to Houlton.....	8.0
Aroostook do—Woodstock to Presque Isle.....	88.6
Gilson do—Newburg Jet. to Fredericton.....	58.4
Edmundston do—Aroostook Jet. to Edmundston.....	57.2
	441.6
Total mileage of Atlantic Division.....	657.6

WESTERN DIVISION:

Main Line—Fort William to Donald.....	1450.1
Emerson Branch—Emerson to Winnipeg Jet.....	64.8
Selkirk do—Winnipeg to West Selkirk.....	22.5
Stonewall do—Air Line Jet. to Stonewall.....	18.2
Gretna do—Rosenfeld to Gretna.....	14.0
Pentlind Mountain Branch—Winnipeg Jet. to Manitou.....	101.1
Crow's Nest Pass Branch—Langevin via Macleod to Crow's Nest Pass (under construction mileage undetermined.).....	1670.7
<i>Manitoba South-Western Ry. (leased line):</i>	
Manitou to Deloraine, (west side Range 8 to beginning of Souris Branch one half mile west of Deloraine).....	100.4
Winnipeg to Glenboro.....	102.4
Elm Creek to Carman.....	12.4
	215.2
<i>Alberta Railway & Coal Co. (Railway under agreement for lease and purchase):</i>	
Dunmore to Lethbridge.....	109.0
<i>Souris Branch and Extensions:</i>	
Kenney to Estevan.....	156.2
Glenboro to end of M.S.W. Branch Souris.....	45.2
Deloraine to Napinka.....	18.1
Mentith Jet. to Reston (Pipestone Extension).....	31.5
North Portal to Pasqua.....	160.5
	411.5
<i>Qu'Appelle, Long Lake & Saskatchewan Ry. (worked for account of owners)</i>	
	250.1
<i>Calgary & Edmonton Ry. (worked for account of owners)</i>	
	265.1
Total mileage of Western Division.....	2651.6

PACIFIC DIVISION:

Main Line—Donald to Vancouver.....	458.0
New Westminster Branch.....	8.2
Vancouver to Coal Harbour.....	1.2
Mission Branch.....	10.1
Revelstoke Branch,	
Completed.....	15.2
Under construction.....	12.0
	27.2
<i>Columbia & Kootenay Ry. (leased line):</i>	
Nelson to Robson.....	27.7
<i>Shuswap & Okanagan Ry. (leased line):</i>	
Sicamous Jet. to Okanagan Landing.....	51.0
Total mileage of Pacific Division.....	583.4
Total mileage worked and under construction.....	7178.0

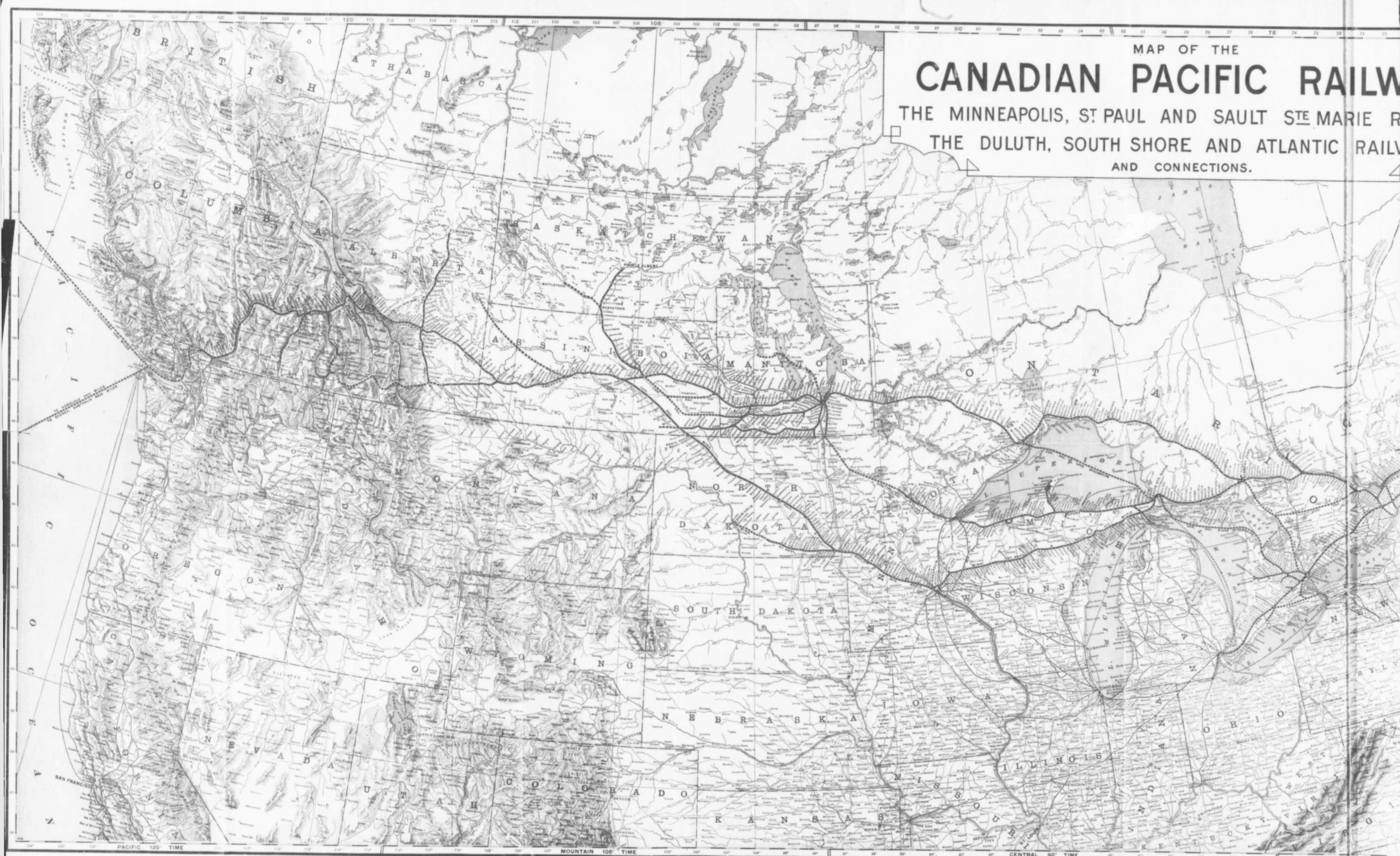
SUMMARY.

Mileage of the Duluth, South Shore & Atlantic Railway.....	MILES.	MILES.
Mileage of the Minneapolis, St. Paul & Sault St. Marie Railway.....	584.0	6343.5
	1167.7	773.3
	1751.7	59.2
		7178.0

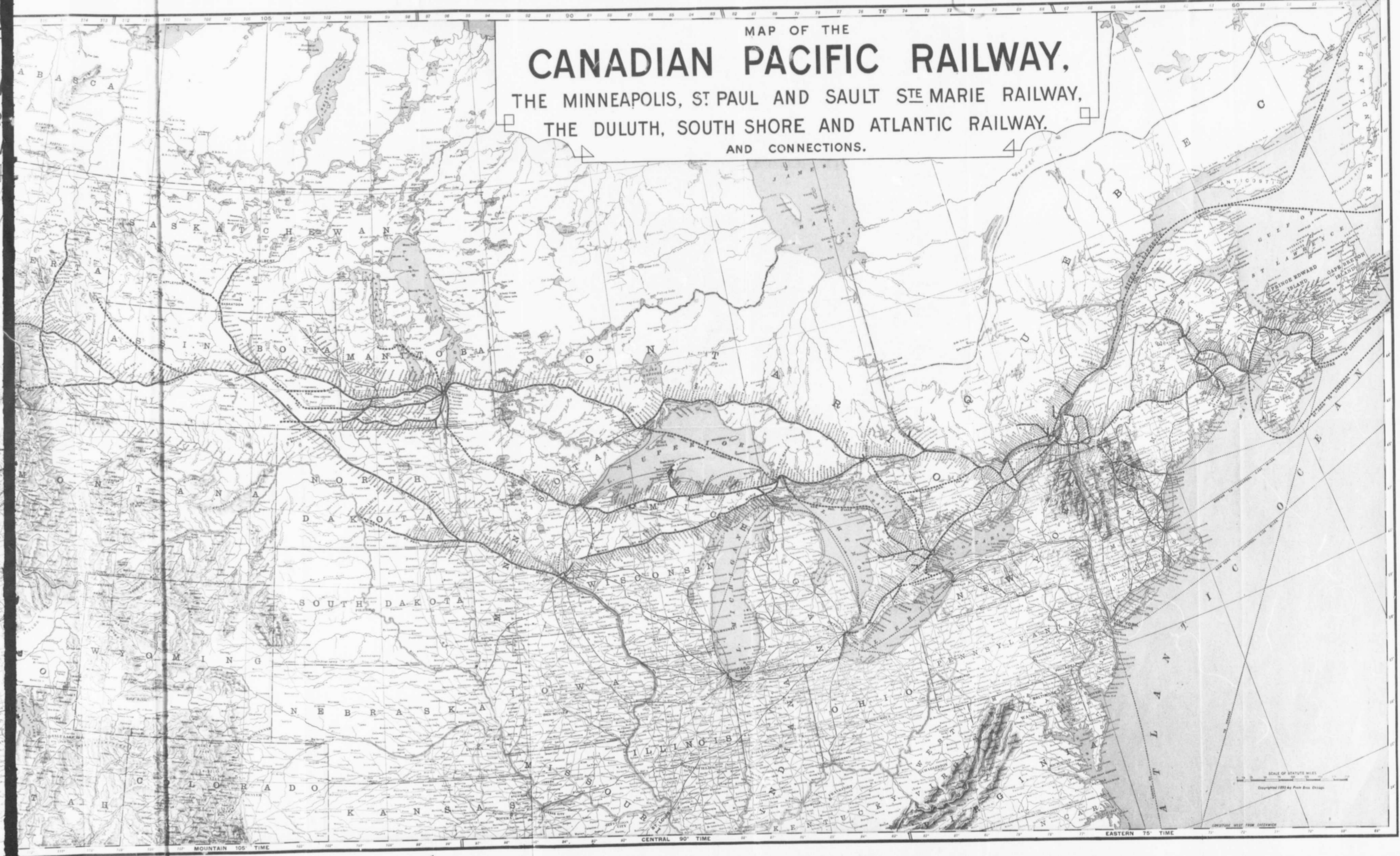
* NOTE.—The receipts and expenses of the Montreal & Atlantic, Qu'Appelle Long Lake & Saskatchewan and Calgary & Edmonton Railways, are not included in the accounts of the Canadian Pacific, nor is the Company subject to any rent charge in respect of them.







MAP OF THE
CANADIAN PACIFIC RAILWAY
THE MINNEAPOLIS, ST. PAUL AND SAULT STE MARIE R.
THE DULUTH, SOUTH SHORE AND ATLANTIC RAILWAY
AND CONNECTIONS.



MAP OF THE
CANADIAN PACIFIC RAILWAY
THE MINNEAPOLIS, ST. PAUL AND SAULT STE MARIE RAILWAY,
THE DULUTH, SOUTH SHORE AND ATLANTIC RAILWAY,
AND CONNECTIONS.