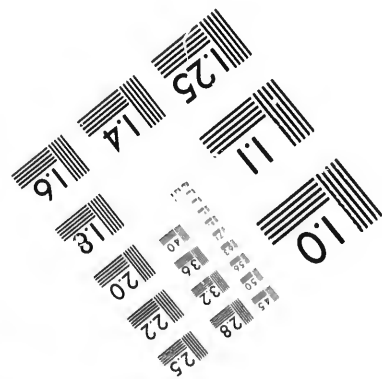
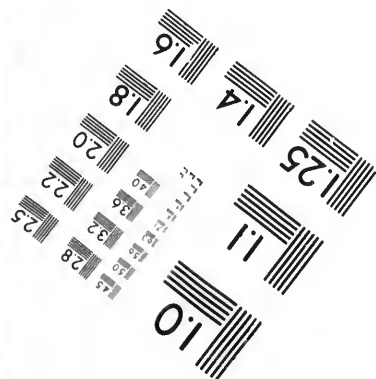
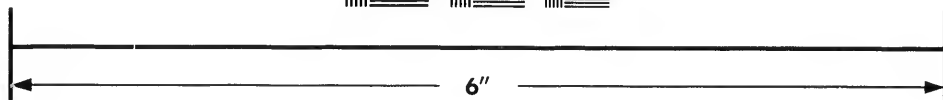
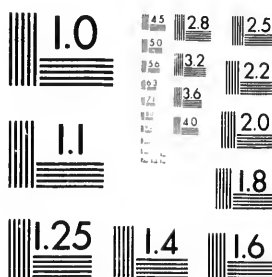


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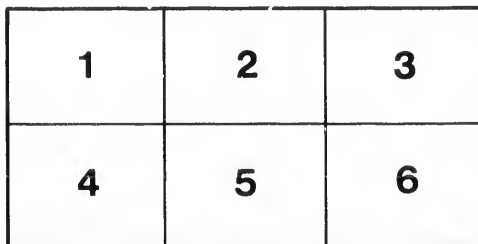
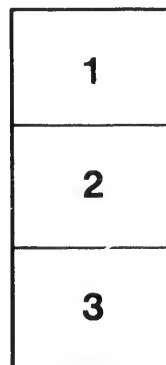
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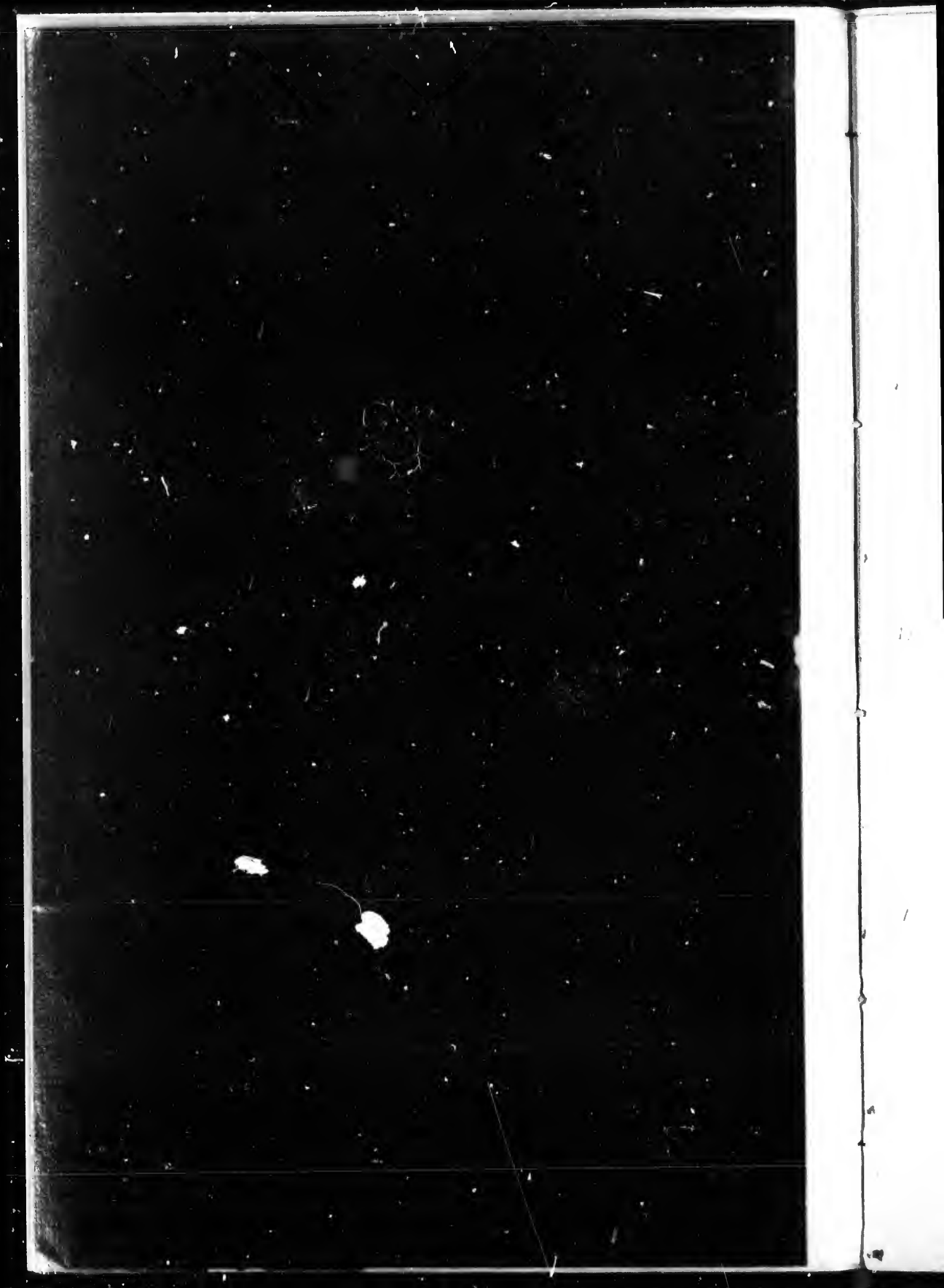
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44 VICTORIA.

CHAP. I.

An Act respecting the Canadian Pacific Railway.

[Assented to 15th February 1881.]

**W**HEREAS by the terms and conditions of the admission of British Columbia into Union with the Dominion of Canada, the Government of the Dominion has assumed the obligation of causing a Railway to be constructed, connecting the seaboard of British Columbia with the Railway system of Canada ;

And whereas the Parliament of Canada has repeatedly declared a preference for the construction and operation of such Railway by means of an incorporated Company aided by grants of money and land, rather than by the Government, and certain Statutes have been passed to enable that course to be followed, but the enactments therein contained have not been effectual for that purpose ;

And whereas certain sections of the said Railway have been constructed by the Government, and others are in course of construction, but the greater portion of the main line thereof has not yet been commenced or placed under contract, and it is necessary for the development of the North-West Territory and for the preservation of the good faith of the Government in the performance of its obligations, that immediate steps should be taken to complete and operate the whole of the said Railway ;

And whereas, in conformity with the expressed desire of Parliament, a contract has been entered into for the construction of the said portion of the main line of the said Railway, and for the permanent working of the whole line thereof,

which contract with the schedule annexed has been laid before Parliament for its approval and a copy thereof is appended hereto, and it is expedient to approve and ratify the said contract, and to make provision for the carrying out of the same ;

Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

1. The said contract, a copy of which with schedule annexed, is appended hereto, is hereby approved and ratified, and the Government is hereby authorized to perform and carry out the conditions thereof, according to their purport.

2. For the purpose of incorporating the persons mentioned in the said contract, and those who shall be associated with them in the undertaking, and of granting to them the powers necessary to enable them to carry out the said contract according to the terms thereof, the Governor may grant to them in conformity with the said contract, under the corporate name of the Canadian Pacific Railway Company, a charter conferring upon them the franchises, privileges and powers embodied in the schedule to the said contract and to this Act appended, and such charter, being published in the *Canada Gazette*, with any Order or Orders in Council relating to it, shall have force and effect as if it were an Act of the Parliament of Canada, and shall be held to be an Act of incorporation within the meaning of the said contract.

3. Upon the organization of the said Company, and the deposit by them, with the Government, of one million dollars in cash or securities approved by the Government, for the purpose in the said contract provided, and in consideration of the completion and perpetual and efficient operation of the Railway by the said Company, as stipulated in the said contract, the Government may grant to the Company a subsidy of twenty-five million dollars in money, and twenty-five million acres of land, to be paid and conveyed to the Company in the manner and proportions, and upon the terms and conditions agreed upon in the said contract, and may also grant to the Company the land for right of way, stations, and other purposes, and such other privileges

as are provided for in the said contract. And in lieu of the payment of the said money subsidy direct to the Company, the Government may convert the same, and any interest accruing thereon, into a fund for the payment to the extent of such fund, of interest on the bonds of the Company, and may pay such interest accordingly; the whole in manner and form as provided for in the said contract.

4. The Government may also permit the admission free of duty, of all steel rails, fish plates, and other fastenings, spikes, bolts and nuts, wire, timber, and all material for bridges to be used in the original construction of the said Canadian Pacific Railway, as defined by the Act thirty-seventh Victoria, chapter fourteen, and of a telegraph line in connection therewith, and all telegraphic apparatus required for the first equipment of such telegraph line, the whole as provided by the tenth section of the said contract.

5. Pending the completion of the eastern and central sections of the said railway as described in the said contract, the Government may also transfer to the said Company the possession and right to work and run the several portions of the Canadian Pacific Railway as described in the said Act thirty-seventh Victoria, chapter fourteen, which are already constructed, and as the same shall be hereafter completed; and upon the completion of the said eastern and central sections the Government may convey to the Company, with a suitable number of station buildings, and with water service (but without equipment), those portions of the Canadian Pacific Railway constructed, or agreed by the said contract to be constructed by the Government, which shall then be completed; and upon completion of the remainder of the portion of the said railway to be constructed by the Government, that portion also may be conveyed by the Government to the Company, and the Canadian Pacific Railway defined as aforesaid shall become and be thereafter the absolute property of the Company; the whole, however, upon the terms and conditions, and subject to the restrictions and limitations contained in the said contract.

6. The Government shall also take security for the continuous operation of the said railway during the ten years next subsequent to the completion thereof in the manner provided by the said contract.



## SCHEDULE.

THIS CONTRACT AND AGREEMENT MADE BETWEEN HER MAJESTY THE QUEEN, acting in respect of the Dominion of Canada, and herein represented and acting by the Honorable SIR CHARLES TUPPER, K.C.M.G., Minister of Railways and Canals, and George Stephen and Duncan McIntyre, of Montreal, in Canada, John S. Kennedy of New York, in the State of New York, Richard B. Angus and James J. Hill, of St. Paul, in the State of Minnesota, Morton, Rose & Co., of London, England, and Kohn, Reinach & Co., of Paris, France,

Witnesses: That the parties hereto have contracted and agreed with each other as follows, namely:—

1. For the better interpretation of this contract, it is hereby declared that the portion of Railway hereinafter called the Eastern section, shall comprise that part of the Canadian Pacific Railway to be constructed, extending from the Western terminus of the Canada Central Railway, near the East end of Lake Nipissing, known as Callander Station, to a point of junction with that portion of the said Canadian Pacific Railway now in course of construction extending from Lake Superior to Selkirk on the East side of Red River; which latter portion is hereinafter called the Lake Superior section. That the portion of said Railway, now partially in course of construction, extending from Selkirk to Kamloops, is hereinafter called the Central section; and the portion of said Railway now in course of construction, extending from Kamloops to Port Moody, is hereinafter called the Western section. And that the words "the Canadian Pacific Railway," are intended to mean the entire Railway, as described in the Act 37th Victoria, cap. 14. The individual parties hereto, are hereinafter described as the Company; and the Government of Canada is hereinafter called the Government.

2. The contractors immediately after the organization of the said Company, shall deposit with the Government \$1,000,000 in cash or approved securities, as a security for the construction of the Railway hereby contracted for. The Government shall pay to the Company interest on the cash deposited at the rate of four per cent. per annum, half-

yearly, and shall pay over to the Company the interest received upon securities deposited, the whole until default in the performance of the conditions hereof, or until the repayment of the deposit, and shall return the deposit to the Company on the completion of the railway, according to the terms hereof, with any interest accrued thereon.

**3.** The Company shall lay out, construct and equip the said Eastern section, and the said Central section, of a uniform gauge of 4 feet 8½ inches; and in order to establish an approximate standard whereby the quality and the character of the Railway and of the materials used in the construction thereof, and of the equipment thereof may be regulated, the Union Pacific Railway of the United States as the same was when first constructed, is hereby selected and fixed as such standard. And if the Government and the Company should be unable to agree as to whether or not any work done or materials furnished under this contract are in fair conformity with such standard, or as to any other question of fact, excluding questions of law, the subject of disagreement shall be from time to time referred to the determination of three referees, one of whom shall be chosen by the Government, one by the Company, and one by the two referees so chosen, and such referees shall decide as to the party by whom the expense of such reference shall be defrayed. And if such two referees should be unable to agree upon a third referee, he shall be appointed at the instance of either party hereto, after notice to the other, by the Chief Justice of the Supreme Court of Canada. And the decision of such referees, or of the majority of them, shall be final.

**4.** The work of construction shall be commenced at the eastern extremity of the Eastern section not later than the first day of July next, and the work upon the Central section shall be commenced by the Company at such point towards the eastern end thereof on the portion of the line now under construction as shall be found convenient and as shall be approved by the Government, at a date not later than the 1st May next. And the work upon the Eastern and Central sections, shall be vigorously and continuously carried on at such rate of annual progress on each section as shall enable the Company to complete and equip the same and

each of them, in running order, on or before the first day of May, 1891, by which date the Company hereby agree to complete and equip the said sections in conformity with this contract, unless prevented by the act of God, the Queen's enemies, intestine disturbances, epidemics, floods, or other causes beyond the control of the Company. And in case of the interruption or obstruction of the work of construction from any of the said causes, the time fixed for the completion of the railway shall be extended for a corresponding period.

5. The Company shall pay to the Government the cost, according to the contract, of the portion of railway, 100 miles in length, extending from the city of Winnipeg westward, up to the time at which the work was taken out of the hands of the contractor and the expenses since incurred by the Government in the work of construction, but shall have the right to assume the said work at any time and complete the same, paying the cost of construction as aforesaid so far as the same shall then have been incurred by the Government.

6. Unless prevented by the act of God, the Queen's enemies, intestine disturbances, epidemics, floods or other causes beyond the control of the Government, the Government shall cause to be completed the said Lake Superior section, by the dates fixed by the existing contracts for the construction thereof; and shall also cause to be completed the portion of the said Western section now under contract, namely, from Kamloops to Yale, within the period fixed by the contracts therefor, namely, by the thirtieth day of June, 1885; and shall also cause to be completed, on or before the first day of May, 1891, the remaining portion of the said Western section, lying between Yale and Port Moody, which shall be constructed of equally good quality in every respect with the standard hereby created for the portion hereby contracted for. And the said Lake Superior section, and the portions of the said Western section now under contract, shall be completed as nearly as practicable according to the specifications and conditions of the contracts therefor, except in so far as the same have been modified by the Government prior to this contract.

7. The Railway constructed under the terms hereof shall be the property of the Company: and pending the comple-

tion of the Eastern and Central sections, the Government shall transfer to the Company the possession and right to work and run the several portions of the Canadian Pacific Railway already constructed or as the same shall be completed. And upon the completion of the Eastern and Central sections, the Government shall convey to the Company, with a suitable number of station buildings and with water service (but without equipment), those portions of the Canadian Pacific Railway constructed or to be constructed by the Government which shall then be completed; and upon completion of the remainder of the portion of railway to be constructed by the Government, that portion shall also be conveyed to the Company, and the Canadian Pacific Railway shall become and be thereafter the absolute property of the Company. And the Company shall thereafter and forever efficiently maintain, work and run the Canadian Pacific Railway.

8. Upon the reception from the Government of the possession of each of the respective portions of the Canadian Pacific Railway, the Company shall equip the same in conformity with the standard herein established for the equipment of the sections hereby contracted for, and shall thereafter maintain and efficiently operate the same.

9. In consideration of the premises, the Government agree to grant to the Company a subsidy in money of \$25,000,000, and in land of 25,000,000 acres, for which subsidies the construction of the Canadian Pacific Railway shall be completed and the same shall be equipped, maintained and operated, the said subsidies respectively to be paid and granted as the work of construction shall proceed, in manner and upon the conditions following, that is to say:

a. The said subsidy in money is hereby divided and appropriated as follows, namely:—

CENTRAL SECTION.

Assumed at 1,350 miles—	
1st.—900 miles, at \$10,000 per mile.....	\$ 9,000,000
2nd.—450 " " 13,333 " " .....	6,000,000
	<hr/> \$15,000,000

EASTERN SECTION.

Assumed at 650 miles, subsidy equal to \$15,384.61 per mile.. ....	10,000,000
	<hr/> \$25,000,000

And the said subsidy in land is hereby divided and appropriated as follows, subject to the reserve hereinafter provided for:—

## CENTRAL SECT.ON.

1st.—900 miles, at 12,500 acres per mile.....	11,250,000	
2nd.—450 " " 16,666.66 " " " .....	7,500,000	
	<u>18,750,000</u>	

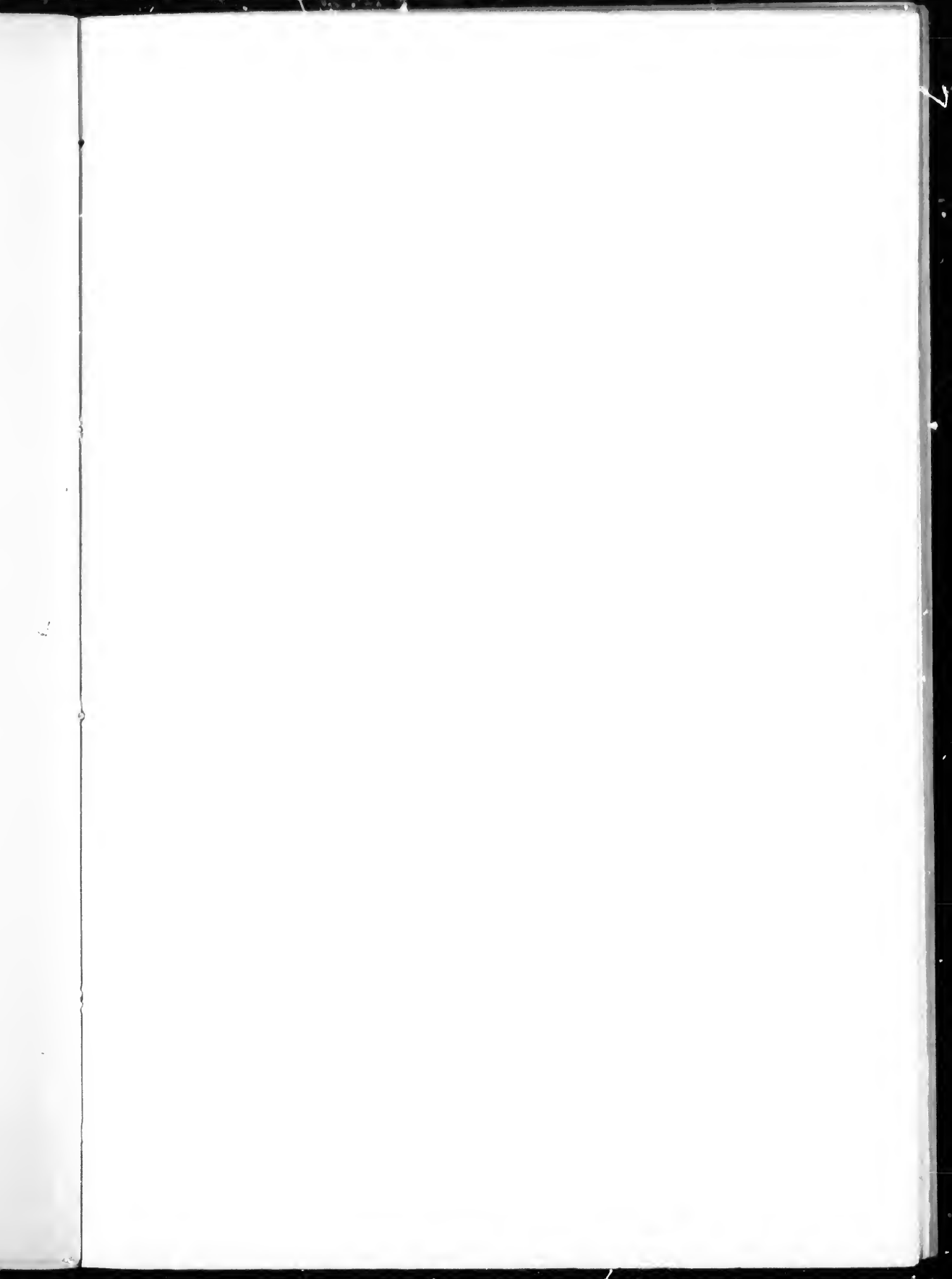
## EASTERN SECTION.

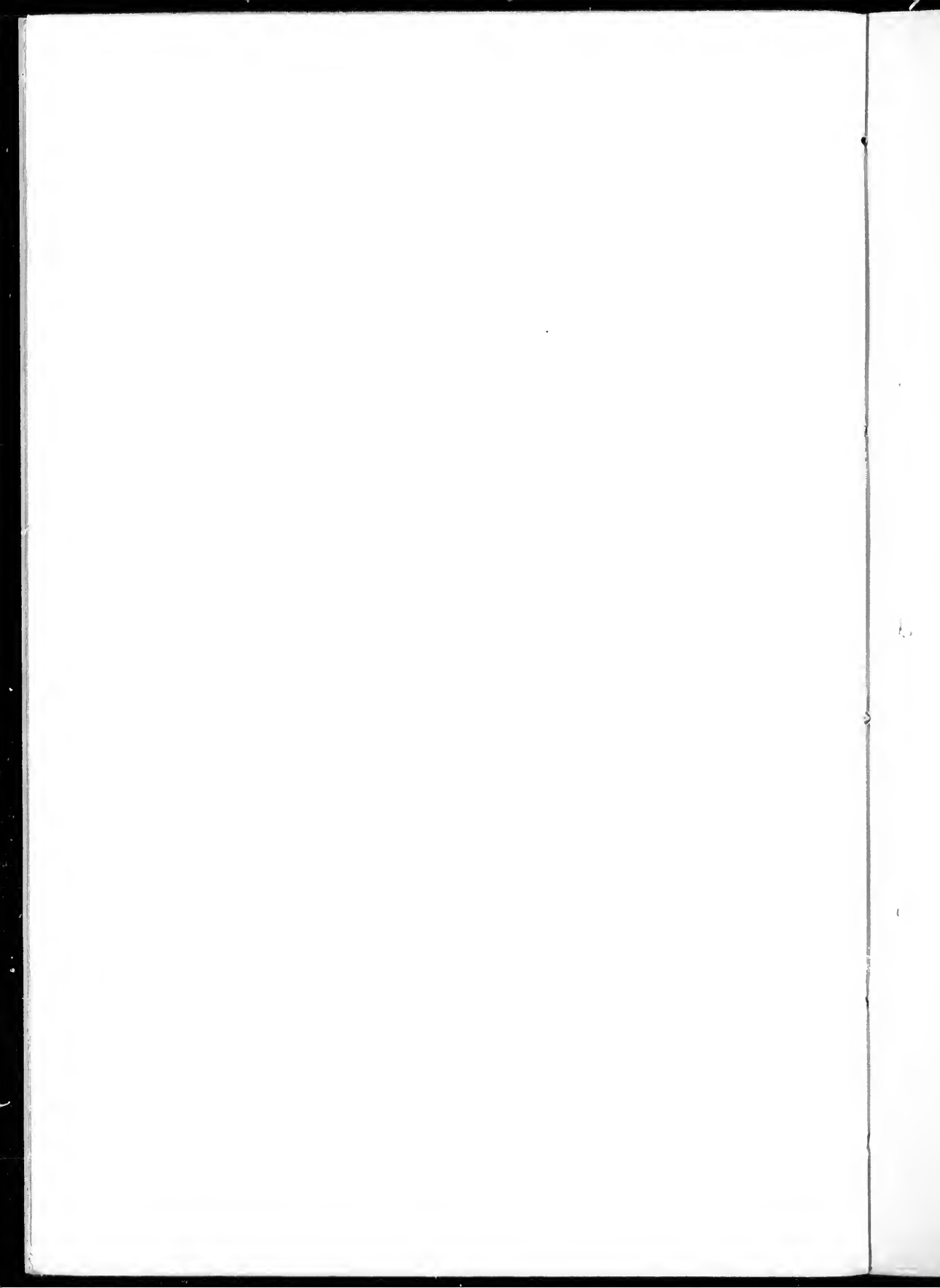
Assumed at 650 miles, subsidy equal to 9,615 35 acres per mile.....	6,250,000	
	<u>25,000,000</u>	

*b.* Upon the construction of any portion of the railway hereby contracted for, not less than 20 miles in length, and the completion thereof so as to admit of the running of regular trains thereon, together with such equipment thereof as shall be required for the traffic thereon, the Government shall pay and grant to the Company the money and land subsidies applicable thereto, according to the division and appropriation thereof made as hereinbefore provided; the Company having the option of receiving in lieu of cash, terminable bonds of the Government, bearing such rate of interest, for such period and nominal amount as may be arranged, and which may be equivalent according to actuarial calculation to the corresponding cash payment, the Government allowing four per cent. interest on moneys deposited with them.

*c.* If at any time the Company shall cause to be delivered on or near the line of the said railway, at a place satisfactory to the Government, steel rails and fastenings to be used in the construction of the railway, but in advance of the requirements for such construction, the Government, on the requisition of the Company, shall, upon such terms and conditions as shall be determined by the Government, advance thereon three-fourths of the value thereof at the place of delivery. And a proportion of the amount so advanced shall be deducted according to such terms and conditions from the subsidy to be thereafter paid, upon the settlement for each section of 20 miles of railway, which proportion shall correspond with the proportion of such rails and fastenings which have been used in the construction of such sections.

*d.* Until the first day of January, 1882, the Company shall have the option, instead of issuing land grant bonds as here-





inafter provided, of substituting the payment by the Government of the interest (or part of the interest) on bonds of the Company mortgaging the railway and the lands to be granted by the Government, running over such term of years as may be approved by the Governor in Council, in lieu of the cash subsidy hereby agreed to be granted to the Company or any part thereof; such payments of interest to be equivalent according to actuarial calculation to the corresponding cash payment, the Government allowing four per cent. interest on moneys deposited with them; and the coupons representing the interest on such bonds shall be guaranteed by the Government to the extent of such equivalent. And the proceeds of the sale of such bonds to the extent of not more than \$25,000,000, shall be deposited with the Government, and the balance of such proceeds shall be placed elsewhere by the Company, to the satisfaction and under the exclusive control of the Government; failing which last condition the bonds in excess of those sold shall remain in the hands of the Government. And from time to time as the work proceeds, the Government shall pay over to the Company: firstly, out of the amount so to be placed by the Company,—and, after the expenditure of that amount, out of the amount deposited with the Government,—sums of money bearing the same proportion to the mileage-cash subsidy hereby agreed upon, which the net proceeds of such sale (if the whole of such bonds are sold upon the issue thereof) or, if such bonds be not all then sold, the net proceeds of the issue, calculated at the rate at which the sale of part of them shall have been made, shall bear to the sum of \$25,000,000. But if only a portion of the bond issue be sold, the amount earned by the Company according to the proportion aforesaid, shall be paid to the Company, partly out of the bonds in the hands of the Government, and partly out of the cash deposited with the Government, in similar proportions to the amount of such bonds sold and remaining unsold respectively; and the Company shall receive the bonds so paid as cash at the rate at which the said partial sale thereof shall have been made. And the Government will receive and hold such sum of money towards the creation of a sinking fund for the redemption of such bonds, and upon such terms and conditions, as shall be agreed upon between the Government and the Company.

e. If the Company avail themselves of the option granted by clause *d*, the sum of \$2,000 per milé for the first eight



hundred miles of the Central section shall be deducted *pro rata* from the amount payable to the Company in respect of the said eight hundred miles, and shall be appropriated to increase the mileage cash subsidy appropriated to the remainder of the said Central section.

**10.** In further consideration of the premises, the Government shall also grant to the Company the lands required for the road bed of the railway, and for its stations, station grounds, workshops, dock ground and water frontage at the termini on navigable waters, buildings, yards, and other appurtenances required for the convenient and effectual construction and working of the railway, in so far as such land shall be vested in the Government. And the Government shall also permit the admission free of duty, of all steel rails, fish plates and other fastenings, spikes, bolts and nuts, wire, timber and all material for bridges, to be used in the original construction of the railway, and of a telegraph line in connection therewith, and all telegraphic apparatus required for the first equipment of such telegraph line; and will convey to the Company, at cost price, with interest, all rails and fastenings bought in or since the year 1879, and other materials for construction in the possession of or purchased by the Government, at a valuation; such rails, fastenings and materials not being required by it for the construction of the said Lake Superior and Western sections.

**11.** The grant of land hereby agreed to be made to the Company, shall be so made in alternate sections of 640 acres each, extending back 24 miles deep, on each side of the railway, from Winnipeg to Jasper House, in so far as such lands shall be vested in the Government, the Company receiving the sections bearing uneven numbers. But should any of such sections consist in a material degree of land not fairly fit for settlement, the Company shall not be obliged to receive them as part of such grant, and the deficiency thereby caused and any further deficiency which may arise from the insufficient quantity of land along the said portion of railway, to complete the said 25,000,000 acres, or from the prevalence of lakes and water stretches in the sections granted (which lakes and water stretches shall not be computed in the acreage of such sections), shall be made up from other portions in the tract known as the fertile belt, that is to say, the land lying between parallels 49 and 57 degrees of north

latitude, or elsewhere at the option of the Company, by the grant therein of similar alternate sections extending back 24 miles deep on each side of any branch line or lines of railway to be located by the Company, and to be shown on a map or plan thereof deposited with the Minister of Railways; or of any common front line or lines agreed upon between the Government and the Company, the conditions hereinbefore stated as to lands not fairly fit for settlement to be applicable to such additional grants. And the Company may with the consent of the Government, select in the North-West Territories any tract or tracts of land not taken up as a means of supplying or partially supplying such deficiency. But such grants shall be made only from lands remaining vested in the Government.

**12.** The Government shall extinguish the Indian title affecting the lands herein appropriated, and to be hereafter granted in aid of the railway.

**13.** The Company shall have the right, subject to the approval of the Governor in Council, to lay out and locate the line of the railway hereby contracted for, as they may see fit, preserving the following terminal points, namely: from Callander station to the point of junction with the Lake Superior section; and from Selkirk to the junction with the western section at Kamloops by way of the Yellow Head Pass.

**14.** The Company shall have the right, from time to time, to lay out, construct, equip, maintain and work branch lines of railway from any point or points along their main line of railway, to any point or points within the territory of the Dominion. Provided always, that before commencing any branch they shall first deposit a map and plan of such branch in the Department of Railways. And the Government shall grant to the Company the lands required for the road bed of such branches, and for the stations, station grounds, buildings, workshops, yards and other appurtenances requisite for the efficient construction and working of such branches, in so far as such lands are vested in the Government.

**15.** For 20 years from the date hereof, no line of railway shall be authorised by the Dominion Parliament to be constructed South of the Canadian Pacific Railway, from any point at or near the Canadian Pacific Railway except such line as shall run South West, or to the Westward of South West : nor to within fifteen miles of Latitude 49. And in the establishment of any new Province in the North West Territories, provision shall be made for continuing such prohibition after such establishment until the expiration of the said period.

**16.** The Canadian Pacific Railway, and all stations and station grounds, work shops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof, and the capital stock of the Company, shall be forever free from taxation by the Dominion, or by any Province hereafter to be established, or by any Municipal Corporation therein ; and the lands of the Company, in the North-West Territories, until they are either sold or occupied, shall also be free from such taxation for 20 years after the grant thereof from the Crown.

**17.** The Company shall be authorized by their Act of incorporation to issue bonds, secured upon the land granted and to be granted to the Company, containing provisions for the use of such bonds in the acquisition of lands, and such other conditions as the Company shall see fit, such issue to be for \$25,000,000. And should the Company make such issue of land grant bonds, then they shall deposit them in the hands of the Government ; and the Government shall retain and hold one-fifth of such bonds as security for the due performance of the present contract in respect of the maintenance and continuous working of the railway by the Company, as herein agreed, for ten years after the completion thereof, and the remaining \$20,000,000 of such bonds shall be dealt with as hereinafter provided. And as to the said one-fifth of the said bonds, so long as no default shall occur in the maintenance and working of the said Canadian Pacific Railway, the Government shall not present or demand payment of the coupons of such bonds, nor require payment of any interest thereon.

And if any of such bonds so to be retained by the Government shall be paid off in the manner to be provided for the extinction of the whole issue thereof, the Government shall hold the amount received in payment thereof as security for the same purposes as the bonds so paid off, paying interest thereon at four per cent. per annum so long as default is not made by the Company in the performance of the conditions hereof. And at the end of the said period of ten years from the completion of the said railway, if no default shall then have occurred in such maintenance and working thereof, the said bonds, or if any of them shall then have been paid off, the remainder of said bonds and the money received for those paid off, with accrued interest, shall be delivered back by the Government to the Company with all the coupons attached to such bonds. But if such default should occur, the Government may thereafter require payment of interest on the bonds so held, and shall not be obliged to continue to pay interest on the money representing bonds paid off; and while the Government shall retain the right to hold the said portion of the said land grant bonds, other securities satisfactory to the Government may be substituted for them by the Company by agreement with the Government.

**18.** If the Company shall find it necessary or expedient to sell the remaining \$20,000,000 of the land grant bonds or a larger portion thereof than in the proportion of one dollar for each acre of land then earned by the Company, they shall be allowed to do so, but the proceeds thereof, over and above the amount to which the Company shall be entitled as herein provided, shall be deposited with the Government. And the Government shall pay interest upon such deposit half-yearly, at the rate of four per cent. per annum, and shall pay over the amount of such deposit to the Company from time to time as the work proceeds, in the same proportions, and at the same times and upon the same conditions as the land grant—that is to say: the Company shall be entitled to receive from the Government out of the proceeds of the said land grant bonds, the same number of dollars as the number of acres of the land subsidy which shall then have been earned by them, less one fifth thereof, that is to say, if the bonds are

sold at par, but if they are sold at less than par, then a deduction shall be made therefrom corresponding to the discount at which such bonds are sold. And such land grant shall be conveyed to them by the Government, subject to the charge created as security for the said land grant bonds, and shall remain subject to such charge till relieved thereof in such manner as shall be provided for at the time of the issue of such bonds.

**19.** The company shall pay any expenses which shall be incurred by the Government in carrying out the provisions of the two last preceding clauses of this contract.

**20.** If the Company should not issue such land grant bonds, then the Government shall retain from out of each grant to be made from time to time, every fifth section of the lands hereby agreed to be granted, such lands to be so retained as security for the purposes, and for the length of time, mentioned in section eighteen hereof. And such lands may be sold in such manner and at such prices as shall be agreed upon between the Government and the Company, and in that case the price thereof shall be paid to, and held by the Government for the same period, and for the same purposes as the land itself, the Government paying four per cent. per annum interest thereon. And other securities satisfactory to the Government may be substituted for such lands or money by agreement with the Government.

**21.** The company to be incorporated, with sufficient powers to enable them to carry out the foregoing contract, and this contract shall only be binding in the event of an Act of incorporation being granted to the Company in the form hereto appended as Schedule A.

**22.** The Railway Act of 1879, in so far as the provisions of the same are applicable to the undertaking referred to in this contract, and in so far as they are not inconsistent herewith or inconsistent with or contrary to the provisions of

the Act of incorporation to be granted to the Company, shall apply to the Canadian Pacific Railway.

In witness whereof the parties hereto have executed these presents at the City of Ottawa, this twenty-first day of October, 1880.

(Signed)	CHARLES TUPPER,
	Minister of Railways and Canals.
"	GEO. STEPHEN,
"	DUNCAN McINTYRE,
"	J. S. KENNEDY,
"	R. B. ANGUS,
"	J. J. HILL,
	Per pro. Geo. Stephen.
"	MORTON, ROSE & Co.
"	KOHN, REINACH & Co.,
	By P. Du P. Grenfell.

Signed in presence of F. BRAUN,  
and Seal of the Department  
hereto affixed by Sir CHARLES  
TUPPER, in presence of  
(Signed) F. BRAUN.

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SCHEDULE A, REFERRED TO IN THE  
FOREGOING CONTRACT

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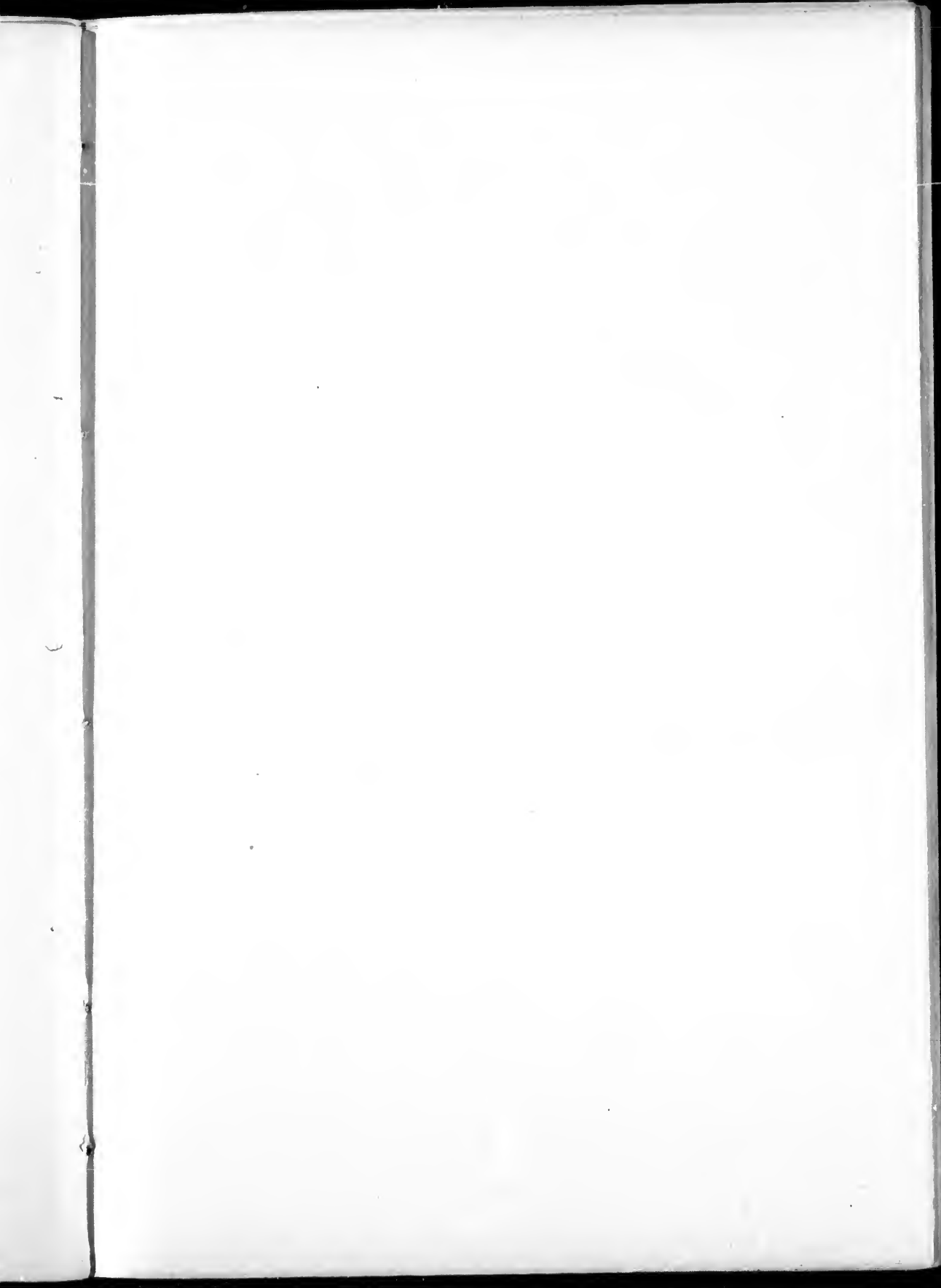
INCORPORATION.

1. George Stephen, of Montreal, in Canada, Esquire; Duncan McIntyre, of Montreal, aforesaid, Merchant; John S. Kennedy, of New York, in the State of New York, Banker; the firm of Morton, Rose and Company, of London, in England, Merchants; the firm of Kohn, Reinach and Company, of Paris, in France, Bankers; Richard B. Angus, and James J. Hill, both of St. Paul, in the State of Minnesota, Esquires; with all such other persons and corporations as shall become

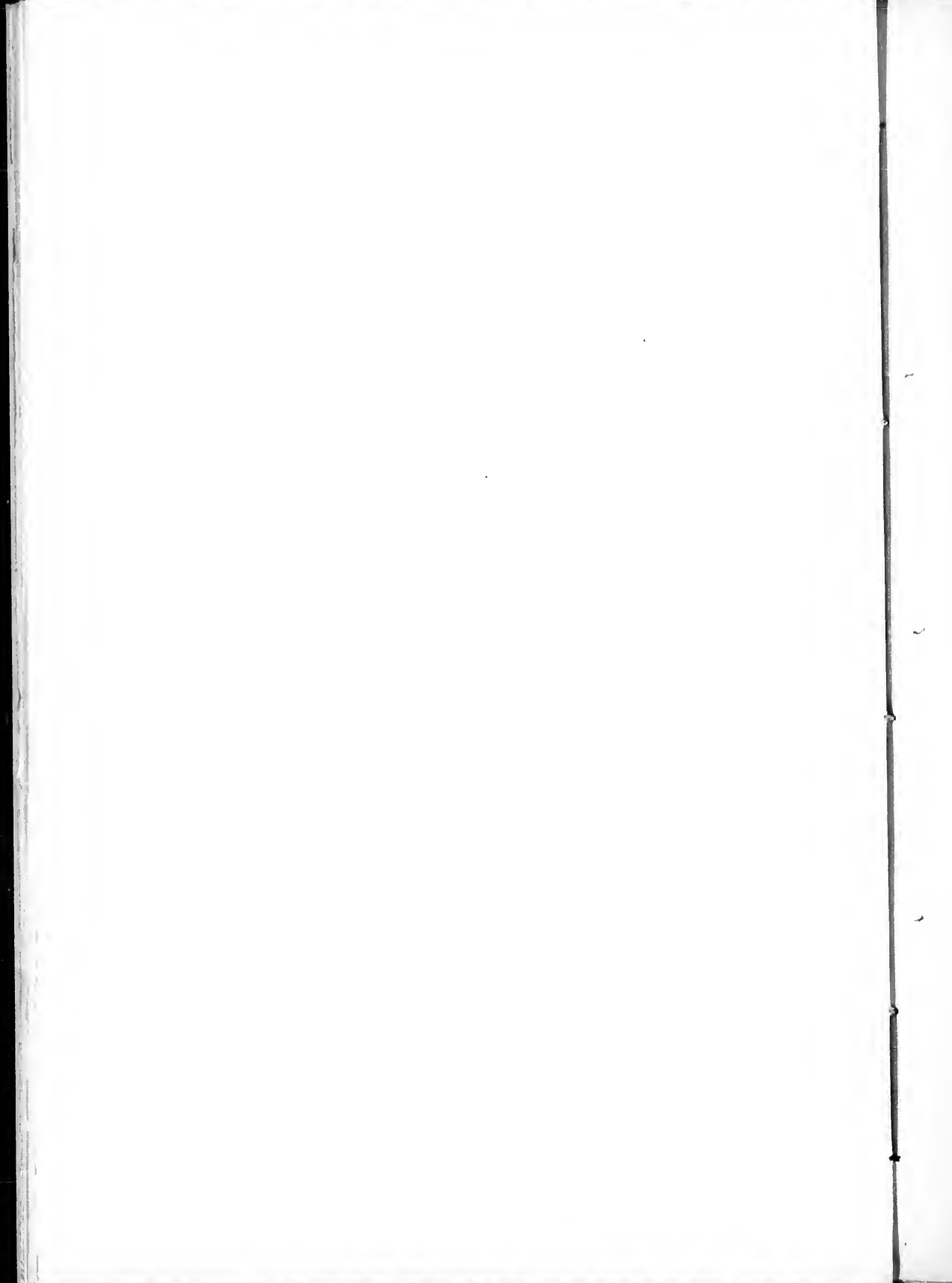
shareholders in the Company hereby incorporated, shall be and they are hereby constituted a body corporate and politic, by the name of the "Canadian Pacific Railway Company."

2. The capital stock of the Company shall be twenty-five million dollars, divided into shares of one hundred dollars each, which shares shall be transferable in such manner and upon such conditions as shall be provided by the by-laws of the Company; and such shares, or any part thereof, may be granted and issued as paid-up shares for value *bond fide* received by the Company, either in money at par or at such price and upon such conditions as the board of directors may fix, or as part of the consideration of any contract made by the Company.

3. As soon as five million dollars of the stock of the Company have been subscribed, and thirty per centum thereof paid up, and upon the deposit with the Minister of Finance of the Dominion of one million dollars in money or in securities approved by the Governor in Council, for the purpose and upon the conditions in the foregoing contract provided, the said contract shall become and be transferred to the Company, without the execution of any deed or instrument in that behalf; and the Company shall, thereupon, become and be vested with all the rights of the contractors named in the said contract, and shall be subject to, and liable for, all their duties and obligations, to the same extent and in the same manner as if the said contract had been executed by the said Company instead of by the said contractors; and thereupon the said contractors, as individuals, shall cease to have any right or interest in the said contract, and shall not be subject to any liability or responsibility under the terms thereof otherwise than as members of the corporation hereby created. And upon the performance of the said conditions respecting the subscription of stock, the partial payment thereof, and the deposit of one million dollars to the satisfaction of the Governor in Council, the publication by the Secretary of State in the *Canada Gazette*, of a notice that the transfer of the contract to the Company has been effected and completed shall be conclusive proof of the fact. And the Company shall cause to be paid up, on or before the first day of May next, a further instalment of twenty per centum







upon the said first subscription of five million dollars, of which call thirty days notice by circular mailed to each shareholder shall be sufficient. And the Company shall call in, and cause to be paid up, on or before the 31st day of December, 1882, the remainder of the said first subscription of five million dollars.

4. All the franchises and powers necessary or useful to the Company to enable them to carry out, perform, enforce, use, and avail themselves of, every condition, stipulation, obligation, duty, right, remedy, privilege, and advantage agreed upon, contained or described in the said contract, are hereby conferred upon the Company. And the enactment of the special provisions hereinafter contained shall not be held to impair or derogate from the generality of the franchises and powers so hereby conferred upon them.

#### DIRECTORS.

5. The said George Stephen, Duncan McIntyre, John S. Kennedy, Richard B. Angus, James J. Hill, Henry Stafford Northcote, of London, aforesaid, Esquires, Pascoe du P. Grenfell, of London, aforesaid, Merchant, Charles Day Rose, of London, aforesaid, Merchant, and Baron J. de Reinach, of Paris, aforesaid, Banker, are hereby constituted the first directors of the Company, with power to add to their number, but so that the directors shall not in all exceed fifteen in number; and the majority of the directors, of whom the President shall be one, shall be British subjects. And the Board of Directors so constituted shall have all the powers hereby conferred upon the directors of the Company, and they shall hold office until the first annual meeting of the shareholders of the Company.

6. Each of the directors of the Company, hereby appointed, or hereafter appointed or elected, shall hold at least two hundred and fifty shares of the stock of the Company. But the number of directors to be hereafter elected by the shareholders shall be such, not exceeding fifteen, as shall be fixed by by-law, and subject to the same conditions as the directors appointed by, or under the authority of, the last preceding section; the number thereof may be hereafter altered from time to time in like manner. The votes for their election shall be by ballot

7. A majority of the directors shall form a quorum of the board; and until otherwise provided by by-law, directors may vote and act by proxy, such proxy to be held by a director only; but no director shall hold more than two proxies, and no meeting of directors shall be competent to transact business unless at least three directors are present thereat in person, the remaining number of directors required to form a quorum being represented by proxies

8. The board of directors may appoint from out of their number an Executive Committee, composed of at least three directors, for the transaction of the ordinary business of the Company, with such powers and duties as shall be fixed by the by-laws; and the President shall be *ex officio* a member of such committee.

9. The chief place of business of the Company shall be at the City of Montreal, but the Company may from time to time, by by-law, appoint and fix other places within or beyond the limits of Canada at which the business of the Company may be transacted, and at which the directors or shareholders may meet, when called as shall be determined by the by-laws. And the Company shall appoint and fix by by-law, at least one place in each Province or Territory through which the Railway shall pass, where service of process may be made upon the Company, in respect of any cause of action arising within such Province or Territory, and may afterwards, from time to time, change such place by by-law. And a copy of any by-law fixing or changing any such place, duly authenticated as herein provided, shall be deposited by the Company in the office, at the seat of Government of the Province or Territory to which such by-law shall apply, of the Clerk or Prothonotary of the highest, or one of the highest, courts of civil jurisdiction of such Province or Territory. And if any cause of action shall arise against the Company within any Province or Territory, and any writ or process be issued against the Company thereon out of any court in such Province or Territory, service of such process may be validly made upon the Company at the place within such Province or Territory so appointed and fixed; but if the Company fail to appoint and fix such place, or to deposit, as hereinbefore provided, the by-law made in that behalf, any such process may be validly served upon the

Company, at any of the stations of the said Railway within such Province or Territory

#### SHAREHOLDERS.

**10.** The first annual meeting of the shareholders of the Company, for the appointment of directors, shall be held on the second Wednesday in May, 1882, at the principal office of the Company, in Montreal; and the annual general meeting of shareholders, for the election of directors and the transaction of business generally, shall be held on the same day in each year thereafter at the same place unless otherwise provided by the by-laws. And notice of each of such meetings shall be given by the publication thereof in the *Canada Gazette* for four weeks, and by such further means as shall from time to time be directed by the by-laws.

**11.** Special general meetings of the shareholders may be convened in such manner as shall be provided by the by-laws. And except as hereinafter provided, notice of such meetings shall be given in the same manner as notices of annual general meetings, the purpose for which such meeting is called being mentioned in the notices thereof; and, except as hereinafter provided, all such meetings shall be held at the chief place of business of the Company.

**12.** If at any time before the first annual meeting of the shareholders of the Company, it should become expedient that a meeting of the directors of the Company, or a special general meeting of the shareholders of the Company, should be held, before such meeting can conveniently be called, and notice thereof given in the manner provided by this Act, or by the by-laws, or before by-laws in that behalf have been passed, and at a place other than at the chief place of business of the Company in Montreal before the enactment of a by-law authorising the holding of such meeting elsewhere; it shall be lawful for the President or for any three of the directors of the Company to call special meetings either of directors or of shareholders, or of both, to be held at the city of London in England, at times and places respectively, to be stated in the notices to be given of such meetings respectively. And notices of such meetings may be validly given by a circular mailed to the ordinary address

of each director or shareholder as the case may be, in time to enable him to attend such meeting, stating in general terms the purpose of the intended meeting. And in the case of a meeting of shareholders, the proceedings of such meeting shall be held to be valid and sufficient, and to be binding on the Company in all respects, if every shareholder of the Company be present thereat in person or by proxy, notwithstanding that notice of such meeting shall not have been given in the manner required by this Act.

**13.** No shareholder holding shares upon which any call is overdue and unpaid shall vote at any meeting of shareholders. And unless otherwise provided by the by-laws, the person holding the proxy of a shareholder shall be himself a shareholder.

**14.** No call upon unpaid shares shall be made for more than twenty per centum upon the amount thereof.

#### RAILWAY AND TELEGRAPH LINE.

**15.** The Company may lay out, construct, acquire, equip, maintain and work a continuous line of railway, of the gauge of four feet eight and one-half inches; which railway shall extend from the terminus of the Canada Central Railway near Lake Nipissing, known as Callander Station, to Port Moody in the Province of British Columbia; and also, a branch line of railway from some point on the main line of railway to Fort William on Thunder Bay; and also the existing branch line of railway from Selkirk in the Province of Manitoba to Pembina in the said Province; and also other branches to be located by the Company from time to time as provided by the said contract; the said branches to be of the gauge aforesaid; and the said main line of railway, and the said branch lines of railway, shall be commenced and completed as provided by the said contract; and together with such other branch lines as shall be hereafter constructed by the said Company, and any extension of the said main line of railway that shall hereafter be constructed or acquired by the Company, shall constitute the line of railway hereinafter called THE CANADIAN PACIFIC RAILWAY.

**16.** The Company may construct, maintain and work a continuous telegraph line and telephone lines throughout and along the whole line of the Canadian Pacific Railway, or any part thereof, and may also construct or acquire by purchase, lease or otherwise, any other line or lines of telegraph connecting with the line so to be constructed along the line of the said railway, and may undertake the transmission of messages for the public by any such line or lines of telegraph or telephone, and collect tolls for so doing; or may lease such line or lines of telegraph or telephone, or any portion thereof; and, if they think proper to undertake the transmission of messages for hire, they shall be subject to the provisions of the fourteenth, fifteenth and sixteenth sections of chapter sixty-seven of the Consolidated Statutes of Canada. And they may use any improvement that may hereafter be invented (subject to the rights of patentees) for telegraphing or telephoning, and any other means of communication that may be deemed expedient by the Company at any time hereafter.

#### POWERS.

**17.** “*The Consolidated Railway Act, 1879*,” in so far as the provisions of the same are applicable to the undertaking authorized by this charter, and in so far as they are not inconsistent with or contrary to the provisions hereof, and save and except as hereinafter provided, is hereby incorporated herewith.

**18.** As respects the said railway, the seventh section of “*The Consolidated Railway Act, 1879*,” relating to POWERS, and the eighth section thereof relating to PLANS AND SURVEYS, shall be subject to the following provisions:—

*a* The Company shall have the right to take, use and hold the beach and land below high water mark, in any stream, lake, navigable water, gulf or sea, in so far as the same shall be vested in the Crown and shall not be required by the Crown, to such extent as shall be required by the Company for its railway and other works, and as shall be exhibited by a map or plan thereof deposited in the office of the Minister of Railways. But the provisions of this sub-section shall not apply to any beach or land lying East of Lake Nipissing except with the approval of the Governor in Council.

b. It shall be sufficient that the map or plan and book of reference for any portion of the line of the railway not being within any district or county for which there is a Clerk of the Peace, be deposited in the office of the Minister of Railways of Canada; and any omission, mis-statement or erroneous description of any lands therein may be corrected by the Company, with the consent of the Minister and certified by him; and the Company may then make the railway in accordance with such certified correction.

c. The eleventh sub-section of the said eighth section of the Railway Act shall not apply to any portion of the railway passing over ungranted lands of the Crown, or lands not within any surveyed township in any Province; and in such places, deviations not exceeding five miles from the line shown on the map or plan as aforesaid, deposited by the Company, shall be allowed, without any formal correction or certificate; and any further deviation that may be found expedient may be authorized by order of the Governor in Council, and the Company may then make their railway in accordance with such authorized deviation.

d. The map or plan and book of reference of any part of the main line of the Canadian Pacific Railway made and deposited in accordance with this section, after approval by the Governor in Council, and of any branch of such railway hereafter to be located by the said Company in respect of which the approval of the Governor in Council shall not be necessary, shall avail as if made and deposited as required by the said "*Consolidated Railway Act, 1879*," for all the purposes of the said Act, and of this Act; and any copy of, or extract therefrom, certified by the said Minister or his deputy, shall be received as evidence in any court of law in Canada.

e. It shall be sufficient that a map or profile of any part of the completed railway, which shall not lie within any county or district having a registry office, be filed in the office of the Minister of Railways.

19. It shall be lawful for the Company to take from any public lands adjacent to or near the line of the said railway, all stone, timber, gravel and other materials which may be

necessary or useful for the construction of the railway ; and also to lay out and appropriate to the use of the Company, a greater extent of lands, whether public or private, for stations, depots, workshops, buildings, side-tracks, wharves, harbors and roadway, and for establishing screens against snow, than the breadth and quantity mentioned in "*The Consolidated Railway Act, 1879*," such greater extent taken, in any case being allowed by the Government, and shown on the maps or plans deposited with the Minister of Railways.

**20.** The limit to the reduction of tolls by the Parliament of Canada provided for by the eleventh sub-section of the 17th section of "*The Consolidated Railway Act, 1879*," respecting TOLLS, is hereby extended, so that such reduction may be to such an extent that such tolls when reduced shall not produce less than ten per cent. per annum profit on the capital actually expended in the construction of the Railway, instead of not less than fifteen per cent per annum profit, as provided by the said sub-section ; and so also that such reduction shall not be made unless the net income of the Company, ascertained as described in said sub-section, shall have exceeded ten per cent. per annum instead of fifteen per cent. per annum as provided by the said sub-section. And the exercise by the Governor in Council of the power of reducing the tolls of the Company as provided by the tenth sub-section of said section seventeen is hereby limited to the same extent with relation to the profit of the Company, and to its net revenue, as that to which the power of Parliament to reduce tolls is limited by said sub-section eleven as hereby amended.

**21.** The first and second sub-sections of section 22, of "*The Consolidated Railway Act, 1879*," shall not apply to the Canadian Pacific Railway Company ; and it is hereby enacted that the transfer of shares in the undertaking shall be made only upon the books of the Company in person or by attorney, and shall not be valid unless so made ; and the form and mode of transfer shall be such as shall be from time to time regulated by the by-laws of the Company. And the funds of the Company shall not be used in any advance upon the security of any of the shares or stock of the Company.

**22.** The third and fourth sub-sections of said section 22 of "*The Consolidated Railway Act, 1879*," shall be subject



to the following provisions, namely, that if before the completion of the Railway and works under the said contract, any transfer should purport to be made of any stock or share in the Company, or any transmission of any share should be effected under the provisions of said sub-section four, to a person not already a shareholder in the Company, and if in the opinion of the Board it should not be expedient that the person (not being already a shareholder) to whom such transfer or transmission shall be made or effected should be accepted as a shareholder, the Directors may by resolution veto such transfer or transmission; and thereafter, and until after the completion of the said Railway and works under the said contract, such person shall not be, or be recognized as a shareholder in the Company; and the original shareholder, or his estate, as the case may be, shall remain subject to all the obligations of a shareholder in the Company, with all the rights conferred upon a shareholder under this Act. But any firm holding paid-up shares in the Company may transfer the whole or any of such shares to any partner in such firm having already an interest as such partner in such shares, without being subject to such veto. And in the event of such veto being exercised, a note shall be taken of the transfer or transmission so vetoed in order that it may be recorded in the books of the Company after the completion of the Railway and works as aforesaid; but until such completion, the transfer or transmission so vetoed shall not confer any rights, nor have any effect of any nature or kind whatever as respects the Company.

**23.** Sub-section sixteen of section nineteen, relating to PRESIDENT AND DIRECTORS, THEIR ELECTION AND DUTIES; sub-section two of section twenty-four, relating to BY-LAWS, NOTICES, &c., sub-sections five and six of section twenty-eight, relating to GENERAL PROVISIONS, and section ninety-seven, relating to RAILWAY FUND, of "*The Consolidated Railway Act, 1879*," shall not, nor shall any of them apply to the Canadian Pacific Railway or to the Company hereby incorporated.

**24.** The said Company shall afford all reasonable facilities to the Ontario Pacific Junction Railway Company, when their railway shall be completed to a point of junction with the Canadian Pacific Railway; and to the Canada Central Railway Company, for the receiving, forwarding and deliver-

ing of traffic upon and from the railways of the said Companies, respectively, and for the return of carriages, trucks and other vehicles; and no one of the said Companies shall give or continue any preference or advantage to, or in favor of either of the others, or of any particular description of traffic, in any respect whatsoever; nor shall any one of the said Companies subject any other thereof, or any particular description of traffic, to any prejudice or disadvantage in any respect whatsoever; and any one of the said Companies which shall have any terminus or station near any terminus or station of either of the others, shall afford all reasonable facilities for receiving and forwarding all the traffic arriving by either of the others, without any unreasonable delay, and without any preference or advantage, or prejudice or disadvantage, and so that no obstruction may be offered in the using of such railway as a continuous line of communication, and so that all reasonable accommodation may at all times, by the means aforesaid, be mutually afforded by and to the said several railway companies; and the said Canadian Pacific Railway Company shall receive and carry all freight and passenger traffic shipped to or from any point on the railway of either of the said above named railway companies passing over the Canadian Pacific Railway or any part thereof, at the same mileage rate and subject to the same charges for similar services, without granting or allowing any preference or advantage to the traffic coming from or going upon one of such railways over such traffic coming from or going upon the other of them, reserving, however, to the said Canadian Pacific Railway Company the right of making special rates for purchasers of land, or for emigrants or intending emigrants, which special rates shall not govern or affect the rates of passenger traffic as between the said Company and the said two above named Companies or either of them. And any agreement made between any two of the said companies contrary to the foregoing provisions, shall be unlawful, null and void.

**25.** The Company, under the authority of a special general meeting of the shareholders thereof, and as an extension of the railway hereby authorized to be constructed, may purchase or acquire by lease or otherwise, and hold and operate, the Canada Central Railway, or may amalgamate therewith, and may purchase or acquire by lease or otherwise and hold and operate a line or lines of railway

from the city of Ottawa to any point at navigable water on the Atlantic seaboard or to any intermediate point, or may acquire running powers over any railway now constructed between Ottawa and any such point or intermediate point. And the Company may purchase or acquire any such railway subject to such existing mortgages, charges or liens thereon as shall be agreed upon, and shall possess with regard to any lines of railway so purchased, or acquired, and becoming the property of the Company, the same powers as to the issue of bonds thereon, or on any of them, to an amount not exceeding twenty thousand dollars per mile, and as to the security for such bonds, as are conferred upon the Company by the twenty-eighth section hereof, in respect of bonds to be issued upon the Canadian Pacific Railway. But such issue of bonds shall not affect the right of any holder of mortgages or other charges already existing upon any line of railway so purchased or acquired; and the amount of bonds hereby authorized to be issued upon such line of railway shall be diminished by the amount of such existing mortgages or charges thereon.

**26.** The Company shall have power and authority to erect and maintain docks, dockyards, wharves, slips and piers at any point on or in connection with the said Canadian Pacific Railway, and at all the termini thereof on navigable water, for the convenience and accommodation of vessels and elevators; and also to acquire, and work elevators, and to acquire, own, hold, charter, work, and run, steam and other vessels for cargo and passengers upon any navigable water, which the Canadian Pacific Railway may reach or connect with.

#### BY-LAWS.

**27.** The by-laws of the Company may provide for the remuneration of the president and directors of the Company, and of any executive committee of such directors; and for the transfer of stock and shares; the registration and inscription of stock, shares, and bonds, and the transfer of registered bonds; and the payment of dividends and interest at any place or places within or beyond the limits of Canada; and for all other matters required by the said contract or by this Act to be regulated by by-laws: but the by-laws of the Company made as provided by law shall in no case have

any force or effect after the next general meeting of shareholders, which shall be held after the passage of such by-laws, unless they are approved by such meeting.

#### BONDS.

**28.** The Company, under the authority of a special general meeting of the shareholders called for the purpose, may issue mortgage bonds to the extent of ten thousand dollars per mile of the Canadian Pacific Railway for the purposes of the undertaking authorized by the present Act; which issue shall constitute a first mortgage and privilege upon the said railway, constructed or acquired, and to be thereafter constructed, or acquired, and upon its property, real and personal, acquired and to be thereafter acquired including rolling stock, and plant, and upon its tolls and revenues (after deduction from such tolls and revenues of working expenses), and upon the franchises of the Company; the whole as shall be declared and described as so mortgaged in any deed of mortgage as hereinafter provided. Provided always, however, that if the Company shall have issued, or shall intend to issue land grant bonds under the provisions of the thirtieth section hereof, the lands granted and to be granted by the Government to the Company may be excluded from the operation of such mortgage and privilege: and provided also that such mortgage and privilege shall not attach upon any property which the Company are hereby, or by the said contract, authorized to acquire or receive from the Government of Canada until the same shall have been conveyed by the Government to the Company, but shall attach upon such property, if so declared in such deed, but shall as soon as the same shall be conveyed to the Company. And such mortgage and privilege may be evidenced by a deed or deeds of mortgage executed by the Company, with the authority of its shareholders expressed by a resolution passed at such special general meeting; and any such deed may contain such description of the property mortgaged by such deed, and such conditions respecting the payment of the bonds secured thereby and of the interest thereon, and the remedies which shall be enjoyed by the holders of such bonds or by any trustee or trustees for them in default of such payment, and the enforcement of such remedies, and may provide for such forfeitures and penalties, in default of such payment, as may

be approved by such meeting; and may also contain, with the approval aforesaid, authority to the trustee or trustees, upon such default, as one of such remedies, to take possession of the railway and property mortgaged, and to hold and run the same for the benefit of the bondholders thereof for a time to be limited by such deed, or to sell the said railway and property, after such delay, and upon such terms and conditions as may be stated in such deed; and with like approval any such deed may contain provisions to the effect that upon such default and upon such other conditions as shall be described in such deed, the right of voting possessed by the shareholders of the Company, and by the holders of preferred stock therein, or by either of them, shall cease and determine, and shall thereafter appertain to the bondholders, or to them and to the holders of the whole or of any part of the preferred stock of the Company, as shall be declared by such deed; and such deed may also provide for the conditional or absolute cancellation after such sale of any or all of the shares so deprived of voting power, or of any or all of the preferred stock of the company, or both; and may also, either directly by its terms, or indirectly by reference to the by-laws of the Company, provide for the mode of enforcing and exercising the powers and authority to be conferred and defined by such deed, under the provisions hereof. And such deed, and the provisions thereof made under the authority hereof, and such other provisions thereof as shall purport (with like approval) to grant such further and other powers and privileges to such trustee or trustees and to such bondholders, as are not contrary to law or to the provisions of this Act, shall be valid and binding. But if any change in the ownership or possession of the said Railway and property shall at any time take place under the provisions hereof, or of any such deed, or in any other manner, the said Railway and property shall continue to be held and operated under the provisions hereof, and of "*The Consolidated Railway Act, 1879*," as hereby modified. And if the Company does not avail itself of the power of issuing bonds secured upon the land grant alone as hereinafter provided, the issue of bonds hereby authorized may be increased to any amount not exceeding twenty thousand dollars per mile of the said Canadian Pacific Railway.

**29.** If any bond issue be made by the Company under the last preceding section before the said railway is completed

according to the said Contract, a proportion of the proceeds of such bonds, or a proportion of such bonds if they be not sold, corresponding to the proportion of the work contracted for then remaining incomplete, shall be received by the Government, and shall be held, dealt with and, from time to time, paid over by the Government to the Company upon the same conditions, in the same manner and according to the same proportions as the proceeds of the bonds, the issue of which is contemplated by sub section *d.* of Clause 9 of the said Contract, and by the thirty-first section hereof.

**30.** The Company may also issue mortgage bonds to the extent of twenty-five million dollars upon the lands granted in aid of the said railway and of the undertaking authorized by this Act; such issue to be made only upon similar authority to that required by this Act for the issue of bonds upon the railway; and when so made such bonds shall constitute a first mortgage upon such lands, and shall attach upon them when they shall be granted, if they are not actually granted at the time of the issue of such bonds. And such mortgage may be evidenced by a deed or deeds of mortgage to be executed under like authority to the deed securing the issue of bonds on the railway; and such deed or deeds under like authority may contain similar conditions and may confer upon the trustee or trustees named thereunder and upon the holders of the bonds secured thereby, remedies, authority, power and privileges and may provide for forfeitures and penalties, similar to those which may be inserted and provided for under the provisions of this Act in any deed securing the issue of bonds on the railway, together with such other provisions and conditions not inconsistent with law or with this Act as shall be so authorized. And such bonds may be styled Land Grant Bonds, and they and the proceeds thereof shall be dealt with in the manner provided in the said Contract.

**31.** The Company may in the place and stead of the said land grant bonds, issue bonds under the twenty-eighth section hereof, to such amount as they shall agree with the Government to issue, with the interest guaranteed by the Government as provided for in the said contract; such bonds to constitute a mortgage upon the property of the Company and its franchises acquired and to be there-



after acquired—including the main line of the Canadian Pacific Railway, and the branches thereof hereinbefore described, with the plant and rolling stock thereof acquired and to be thereafter acquired, but exclusive of such other branches thereof and of such personal property as shall be excluded by the deed of mortgage to be executed as security for such issue. And the provisions of the said twenty-eighth section shall apply to such issue of bonds, and to the security which may be given for the payment thereof, and they and the proceeds thereof shall be dealt with as hereby and by the said contract provided.

**32.** It shall not be necessary to affix the seal of the Company to any mortgage bond issued under the authority of this Act; and every such bond issued without such seal shall have the same force and effect, and be held, treated and dealt with by all courts of law and of equity as if it were sealed with the seal of the company. And if it is provided by the mortgage deed executed to secure the issue of any bonds, that any of the signatures to such bonds or to the coupons thereto appended may be engraved, stamped or lithographed thereon, such engraved, stamped or lithographed signatures shall be valid and binding on the Company.

**33.** The phrase "working expenses" shall mean and include all expenses of maintenance of the railway, and of the stations, buildings, works and conveniences belonging thereto, and of the rolling and other stock and moveable plant used in the working thereof, and also all such tolls, rents or annual sums as may be paid in respect of the hire of engines, carriages or waggons let to the Company; also, all rent, charges, or interest on the purchase money of lands belonging to the Company, purchased but not paid for, or not fully paid for; and also all expenses of and incidental to working the railway and the traffic thereon, including stores and consumable articles; also rates, taxes, insurance and compensation for accidents or losses; also all salaries and wages of persons employed in and about the working of the railway and traffic, and all office and management expenses, including directors' fees, agency, legal and other like expenses.

**34.** The bonds authorized by this Act to be issued upon the railway or upon the lands to be granted to the Company,

or both, may be so issued in whole or in part in the denomination of dollars, pounds sterling, or francs, or in any or all of them, and the coupons may be for payment in denominations similar to those of the bond to which they are attached. And the whole or any of such bonds, may be pledged, negotiated or sold upon such conditions and at such price as the Board of Directors shall from time to time determine. And provision may be made by the by-laws of the Company, that after the issue of any bond, the same may be surrendered to the Company by the holder thereof, and the Company may, in exchange therefor, issue to such holder inscribed stock of the Company, which inscribed stock may be registered or inscribed at the chief place of business of the Company or elsewhere, in such manner, with such rights, liens, privileges and preferences, at such place, and upon such conditions, as shall be provided by the by-laws of the Company.

**35.** It shall not be necessary, in order to preserve the priority, lien, charge, mortgage or privilege, purporting to appertain to or be created by any bond issued or mortgage deed executed under the provisions of this Act, that such bond or deed should be enregistered in any manner, or in any place whatever. But every such mortgage deed shall be deposited in the office of the Secretary of State, of which deposit notice shall be given in the *Canada Gazette*. And in like manner any agreement entered into by the Company, under section thirty-six of this Act, shall also be deposited in the said office. And a copy of any such mortgage deed, or agreement, certified to be a true copy by the Secretary of State or his Deputy, shall be received as *prima facie* evidence of the original in all courts of justice, without proof of the signatures or seal upon such original.

**36.** If, at any time, any agreement be made by the Company with any persons intending to become bondholders of the Company, or be contained in any mortgage deed executed under the authority of this Act, restricting the issue of bonds by the Company, under the powers conferred by this Act, or defining or limiting the mode of exercising such powers, the Company, after the deposit thereof with the Secretary of State as hereinbefore provided, shall not act upon such powers otherwise than as defined, restricted and limited by such agreement. And no bond thereafter issued by the Com-



pany, and no order, resolution or proceeding thereafter made, passed or had by the Company, or by the Board of Directors, contrary to the terms of such agreement, shall be valid or effectual.

**37.** The Company may, from time to time, issue guaranteed or preferred stock, at such price, to such amount, not exceeding ten thousand dollars per mile, and upon such conditions as to the preferences and privileges appertaining thereto, or to different issues or classes thereof, and otherwise, as shall be authorized by the majority in value of the shareholders present in person or represented by proxy at any annual meeting or at any special general meeting thereof called for the purpose, -notice of the intention to propose such issue at such meeting being given in the notice calling such meeting. But the guarantee or preference accorded to such stock shall not interfere with the lien, mortgage and privilege attaching to bonds issued under the authority of this Act. And the holders of such preferred stock shall have such power of voting at meetings of shareholders, as shall be conferred upon them by the by-laws of the Company.

#### EXECUTION OF AGREEMENTS.

**38.** Every contract, agreement, engagement, scrip certificate or bargain made, and every bill of exchange drawn, accepted or endorsed, and every promissory note and cheque made, drawn or endorsed on behalf of the Company, by any agent, officer or servant of the Company, in general accordance with his powers as such under the by-laws of the Company, shall be binding upon the Company; and in no case shall it be necessary to have the seal of the Company affixed to any such bill, note, cheque, contract, agreement, engagement, bargain, or scrip certificate, or to prove that the same was made, drawn, accepted or endorsed, as the case may be, in pursuance of any by-law or special vote or order; nor shall the party so acting as agent, officer or servant of the Company be subjected individually to any liability, whatsoever, to any third party therefor; Provided always, that nothing in this Act shall be construed to authorize the Company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money, or as the note of a bank, or to engage in the business of banking or insurance.

## GENERAL PROVISIONS.

39. The Company shall, from time to time, furnish such reports of the progress of the work, with such details and plans of the work, as the Government may require.

40. As respects places not within any Province, any notice required by "*The Consolidated Railway Act, 1879*," to be given in the "Official Gazette" of a Province, may be given in the *Canada Gazette*.

41. Deeds and conveyances of lands to the Company for the purposes of this Act, (not being letters patent from the Crown) may, in so far as circumstances will admit, be in the form following, that is to say :--

"Know all men by these presents, that I, A. B., in consideration of                    paid to me by the Canadian Pacific Railway Company, the receipt whereof is hereby acknowledged, grant, bargain, sell and convey unto the said The Canadian Pacific Railway Company, their successors and assigns, all that tract or parcel of land (*describe the land*) to have and to hold the said land and premises unto the said Company, their successors and assigns for ever.

"Witness my hand and seal, this                    day of  
one thousand eight hundred and

"Signed, sealed and delivered }                    A. B.    [L.S.]  
in presence of                    }

"C. D.  
"E. F."

or in any other form to the like effect. And every deed made in accordance herewith shall be held and construed to impose upon the vendor executing the same the obligation of guaranteeing the Company and its assigns against all dower and claim for dower and against all hypothecs and mortgages and against all liens and charges whatsoever and also that he has a good, valid and transferable title thereto.



# CANADA.

*VICTORIA, by the Grace of God of the United Kingdom of Great Britain and Ireland, Queen Defender of the Faith, etc., etc.*

To all to whom these presents shall come, or whom the same may in anywise concern,

GREETING :

**W**HEREAS, George Stephen, of the City of Montreal, in the Province of Quebec and Dominion of Canada, Esquire; Duncan McIntyre, of the same place, Merchant; John S. Kennedy, of the City of New York, in the State of New York, one of the United States of America; Richard B. Angus, of the City of St. Paul, in the State of Minnesota, one of the United States of America; and James J. Hill, of the same place; the firm of Morton, Rose and Company, of the City of London, in England, Merchants, and the firm of Kohn Reinach and Company, of the City of Paris, in France, Bankers, on or about the twenty-first day of October, in the year of Our Lord one thousand eight hundred and eighty, duly entered into a contract and agreement with Us represented and acting by the Honorable Sir Charles Tupper, K.C.M.G., our Minister of Railways and Canals of Canada, which contract and agreement is in the words and figures following, viz.:

**THIS CONTRACT AND AGREEMENT MADE BETWEEN HER MAJESTY THE QUEEN, acting in respect of the Dominion of Canada, and herein represented and acting by the Honorable SIR CHARLES TUPPER, K.C.M.G., Minister of Railways and Canals, and George Stephen and Duncan McIntyre, of Montreal, in Canada, John S. Kennedy of New York, in the State of New York, Richard B. Angus and James J. Hill, of St. Paul, in the State of Minnesota, Morton, Rose & Co., of London, England, and Kohn, Reinach & Co., of Paris, France,**

Witnesses: That the parties hereto have contracted and agreed with each other as follows, namely:—

**1.** For the better interpretation of this contract, it is hereby declared that the portion of Railway hereinafter called

the Eastern section, shall comprise that part of the Canadian Pacific Railway to be constructed, extending from the Western terminus of the Canada Central Railway, near the East end of Lake Nipissing, known as Callander Station, to a point of junction with that portion of the said Canadian Pacific Railway now in course of construction extending from Lake Superior to Selkirk on the East side of Red River; which latter portion is hereinafter called the Lake Superior section. That the portion of said Railway, now partially in course of construction, extending from Selkirk to Kamloops, is hereinafter called the Central section; and the portion of said Railway now in course of construction, extending from Kamloops to Port Moody, is hereinafter called the Western section. And that the words "the Canadian Pacific Railway," are intended to mean the entire Railway, as described in the Act 37th Victoria, cap. 14. The individual parties hereto, are hereinafter described as the Company; and the Government of Canada is hereinafter called the Government.

2. The contractors immediately after the organization of the said Company, shall deposit with the Government \$1,000,000 in cash or approved securities, as a security for the construction of the Railway hereby contracted for. The Government shall pay to the Company interest on the cash deposited at the rate of four per cent. per annum, half-yearly, and shall pay over to the Company the interest received upon securities deposited, the whole until default in the performance of the conditions hereof, or until the repayment of the deposit, and shall return the deposit to the Company on the completion of the railway, according to the terms hereof, with any interest accrued thereon.

3. The Company shall lay out, construct and equip the said Eastern section, and the said Central section, of a uniform gauge of 4 feet 8½ inches; and in order to establish an approximate standard whereby the quality and the character of the Railway and of the materials used in the construction thereof, and of the equipment thereof may be regulated, the Union Pacific Railway of the United States as the same was when first constructed, is hereby selected and fixed as such standard. And if the Government and the Company should be unable to agree as to whether or not

any work done or materials furnished under this contract are in fair conformity with such standard, or as to any other question of fact, excluding questions of law, the subject of disagreement shall be from time to time referred to the determination of three referees, one of whom shall be chosen by the Government, one by the Company, and one by the two referees so chosen, and such referees shall decide as to the party by whom the expense of such reference shall be defrayed. And if such two referees should be unable to agree upon a third referee, he shall be appointed at the instance of either party hereto, after notice to the other, by the Chief Justice of the Supreme Court of Canada. And the decision of such referees, or of the majority of them, shall be final.

4. The work of construction shall be commenced at the eastern extremity of the Eastern section not later than the first day of July next, and the work upon the Central section shall be commenced by the Company at such point towards the eastern end thereof on the portion of the line now under construction as shall be found convenient and as shall be approved by the Government, at a date not later than the 1st May next. And the work upon the Eastern and Central sections, shall be vigorously and continuously carried on at such rate of annual progress on each section as shall enable the Company to complete and equip the same and each of them, in running order, on or before the first day of May, 1891, by which date the Company hereby agree to complete and equip the said sections in conformity with this contract, unless prevented by the act of God, the Queen's enemies, intestine disturbances, epidemics, floods, or other causes beyond the control of the Company. And in case of the interruption or obstruction of the work of construction from any of the said causes, the time fixed for the completion of the railway shall be extended for a corresponding period.

5. The Company shall pay to the Government the cost, according to the contract, of the portion of railway, 100 miles in length, extending from the city of Winnipeg westward, up to the time at which the work was taken out of the hands of the contractor and the expenses since incurred by the Government in the work of construction, but shall have the right to assume the said work at any time and complete the same,

paying the cost of construction as aforesaid so far as the same shall then have been incurred by the Government.

6. Unless prevented by the act of God, the Queen's enemies, intestine disturbances, epidemics, floods or other causes beyond the control of the Government, the Government shall cause to be completed the said Lake Superior section, by the dates fixed by the existing contracts for the construction thereof; and shall also cause to be completed the portion of the said Western section now under contract, namely, from Kamloops to Yale, within the period fixed by the contracts therefor, namely, by the thirtieth day of June, 1885; and shall also cause to be completed, on or before the first day of May, 1891, the remaining portion of the said Western section, lying between Yale and Port Moody, which shall be constructed of equally good quality in every respect with the standard hereby created for the portion hereby contracted for. And the said Lake Superior section, and the portions of the said Western section now under contract, shall be completed as nearly as practicable according to the specifications and conditions of the contracts therefor, except in so far as the same have been modified by the Government prior to this contract.

7. The Railway constructed under the terms hereof shall be the property of the Company: and pending the completion of the Eastern and Central sections, the Government shall transfer to the Company the possession and right to work and run the several portions of the Canadian Pacific Railway already constructed or as the same shall be completed. And upon the completion of the Eastern and Central sections, the Government shall convey to the Company, with a suitable number of station buildings and with water service (but without equipment), those portions of the Canadian Pacific Railway constructed or to be constructed by the Government which shall then be completed; and upon completion of the remainder of the portion of railway to be constructed by the Government, that portion shall also be conveyed to the Company, and the Canadian Pacific Railway shall become and be thereafter the absolute property of the Company. And the Company shall thereafter and forever efficiently maintain, work and run the Canadian Pacific Railway.

8. Upon the reception from the Government of the possession of each of the respective portions of the Canadian

Pacific Railway, the Company shall equip the same in conformity with the standard herein established for the equipment of the sections hereby contracted for, and shall thereafter maintain and efficiently operate the same.

9. In consideration of the premises, the Government agree to grant to the Company a subsidy in money of \$25,000,000, and in land of 25,000,000 acres, for which subsidies the construction of the Canadian Pacific Railway shall be completed and the same shall be equipped, maintained and operated, the said subsidies respectively to be paid and granted as the work of construction shall proceed, in manner and upon the conditions following, that is to say:

a. The said subsidy in money is hereby divided and appropriated as follows, namely:—

CENTRAL SECTION.

Assumed at 1,350 miles—		
1st.—900 miles, at \$10,000 per mile.....	\$ 9,000,000	
2nd.—450 “ “ 13,333 “ “ .....	6,000,000	
	<hr/>	\$15,000,000

EASTERN SECTION.

Assumed at 650 miles, subsidy equal to \$15,384.61 per mile.. ....	10,000,000	
	<hr/>	\$25,000,000

And the said subsidy in land is hereby divided and appropriated as follows, subject to the reserve hereinafter provided for:—

CENTRAL SECTION.

1st.—900 miles, at 12,500 acres per mile.....	11,250,000	
2nd.—450 “ “ 16,666 66 “ “ .....	7,500,000	
	<hr/>	18,750,000

EASTERN SECTION.

Assumed at 650 miles, subsidy equal to 9,615.35 acres per mile.....	6,250,000	
	<hr/>	25,000,000

b. Upon the construction of any portion of the railway hereby contracted for, not less than 20 miles in length, and the completion thereof so as to admit of the running of regular trains thereon, together with such equipment thereof as shall be required for the traffic thereon, the Government shall pay and grant to the Company the money and land subsidies applicable thereto, according to the division and appropriation thereof made as hereinbefore provided; the Company having the option of receiving in lieu of cash,



terminable bonds of the Government, bearing such rate of interest, for such period and nominal amount as may be arranged, and which may be equivalent according to actuarial calculation to the corresponding cash payment, the Government allowing four per cent. interest on moneys deposited with them.

*c.* If at any time the Company shall cause to be delivered on or near the line of the said railway, at a place satisfactory to the Government, steel rails and fastenings to be used in the construction of the railway, but in advance of the requirements for such construction, the Government, on the requisition of the Company, shall, upon such terms and conditions as shall be determined by the Government, advance thereon three-fourths of the value thereof at the place of delivery. And a proportion of the amount so advanced shall be deducted according to such terms and conditions from the subsidy to be thereafter paid, upon the settlement for each section of 20 miles of railway, which proportion shall correspond with the proportion of such rails and fastenings which have been used in the construction of such sections.

*d.* Until the first day of January, 1882, the Company shall have the option, instead of issuing land grant bonds as hereinafter provided, of substituting the payment by the Government of the interest (or part of the interest) on bonds of the Company mortgaging the railway and the lands to be granted by the Government, running over such term of years as may be approved by the Governor in Council, in lieu of the cash subsidy hereby agreed to be granted to the Company or any part thereof; such payments of interest to be equivalent according to actuarial calculation to the corresponding cash payment, the Government allowing four per cent. interest on moneys deposited with them; and the coupons representing the interest on such bonds shall be guaranteed by the Government to the extent of such equivalent. And the proceeds of the sale of such bonds to the extent of not more than \$25,000,000, shall be deposited with the Government, and the balance of such proceeds shall be placed elsewhere by the Company, to the satisfaction and under the exclusive control of the Government; failing which last condition the bonds in excess of those sold shall remain in the hands of the Government. And from time to time as the work proceeds, the Government shall

pay over to the Company: firstly, out of the amount so to be placed by the Company,—and, after the expenditure of that amount, out of the amount deposited with the Government,—sums of money bearing the same proportion to the mileage cash subsidy hereby agreed upon, which the net proceeds of such sale (if the whole of such bonds are sold upon the issue thereof) or, if such bonds be not all then sold, the net proceeds of the issue, calculated at the rate at which the sale of part of them shall have been made, shall bear to the sum of \$25,000,000. But if only a portion of the bond issue be sold, the amount earned by the Company according to the proportion aforesaid, shall be paid to the Company, partly out of the bonds in the hands of the Government, and partly out of the cash deposited with the Government, in similar proportions to the amount of such bonds sold and remaining unsold respectively; and the Company shall receive the bonds so paid as cash at the rate at which the said partial sale thereof shall have been made. And the Government will receive and hold such sum of money towards the creation of a sinking fund for the redemption of such bonds, and upon such terms and conditions, as shall be agreed upon between the Government and the Company.

e. If the Company avail themselves of the option granted by clause *d*, the sum of \$2,000 per mile for the first eight hundred miles of the Central section shall be deducted *pro rata* from the amount payable to the Company in respect of the said eight hundred miles, and shall be appropriated to increase the mileage cash subsidy appropriated to the remainder of the said Central section.

10. In further consideration of the premises, the Government shall also grant to the Company the lands required for the road bed of the railway, and for its stations, station grounds, workshops, dock ground and water frontage at the termini on navigable waters, buildings, yards, and other appurtenances required for the convenient and effectual construction and working of the railway, in so far as such land shall be vested in the Government. And the Government shall also permit the admission free of duty, of all steel rails, fish plates and other fastenings, spikes, bolts and nuts, wire, timber and all material for bridges, to be used in the original construction of the railway, and of a telegraph line in connection therewith, and all telegraphic apparatus

required for the first equipment of such telegraph line ; and will convey to the Company, at cost price, with interest, all rails and fastenings bought in or since the year 1879, and other materials for construction in the possession of or purchased by the Government, at a valuation ; such rails, fastenings and materials not being required by it for the construction of the said Lake Superior and Western sections.

**11.** The grant of land hereby agreed to be made to the Company, shall be so made in alternate sections of 640 acres each, extending back 24 miles deep, on each side of the railway, from Winnipeg to Jasper House, in so far as such lands shall be vested in the Government, the Company receiving the sections bearing uneven numbers. But should any of such sections consist in a material degree of land not fairly fit for settlement, the Company shall not be obliged to receive them as part of such grant, and the deficiency thereby caused and any further deficiency which may arise from the insufficient quantity of land along the said portion of railway, to complete the said 25,000,000 acres, or from the prevalence of lakes and water stretches in the sections granted (which lakes and water stretches shall not be computed in the acreage of such sections), shall be made up from other portions in the tract known as the fertile belt, that is to say, the land lying between parallels 49 and 57 degrees of north latitude, or elsewhere at the option of the Company, by the grant therein of similar alternate sections extending back 24 miles deep on each side of any branch line or lines of railway to be located by the Company, and to be shown on a map or plan thereof deposited with the Minister of Railways ; or on any common front line or lines agreed upon between the Government and the Company, the conditions hereinbefore stated as to lands not fairly fit for settlement to be applicable to such additional grants. And the Company may with the consent of the Government, select in the North-West Territories any tract or tracts of land not taken up as a means of supplying or partially supplying such deficiency. But such grants shall be made only from lands remaining vested in the Government.

**12** The Government shall extinguish the Indian title affecting the lands herein appropriated, and to be hereafter granted in aid of the railway.

**13** The Company shall have the right, subject to the approval of the Governor in Council, to lay out and locate the line of the railway hereby contracted for, as they may see fit, preserving the following terminal points, namely: from Callander station to the point of junction with the Lake Superior section; and from Selkirk to the junction with the western section at Kamloops by way of the Yellow Head Pass.

**14.** The Company shall have the right, from time to time, to lay out, construct, equip, maintain and work branch lines of railway from any point or points along their main line of railway, to any point or points within the territory of the Dominion. Provided always, that before commencing any branch they shall first deposit a map and plan of such branch in the Department of Railways. And the Government shall grant to the Company the lands required for the road bed of such branches, and for the stations, station grounds, buildings, workshops, yards and other appurtenances requisite for the efficient construction and working of such branches, in so far as such lands are vested in the Government.

**15.** For 20 years from the date hereof, no line of railway shall be authorised by the Dominion Parliament to be constructed South of the Canadian Pacific Railway, from any point at or near the Canadian Pacific Railway except such line as shall run South West, or to the Westward of South West: nor to within fifteen miles of Latitude 49. And in the establishment of any new Province in the North West Territories, provision shall be made for continuing such prohibition after such establishment until the expiration of the said period.

**16.** The Canadian Pacific Railway, and all stations and station grounds, work shops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof, and the capital stock of the Company, shall be forever free from taxation by the Dominion, or by any Province hereafter to be established, or by any Municipal Corporation therein; and the lands of the Company, in the North-West Territories, until they are either sold or occupied, shall also be free from such taxation for 20 years after the grant thereof from the Crown.

**17.** The Company shall be authorized by their Act of incorporation to issue bonds, secured upon the land granted and to be granted to the Company, containing provisions for the use of such bonds in the acquisition of lands, and such other conditions as the Company shall see fit, such issue to be for \$25,000,000. And should the Company make such issue of land grant bonds, then they shall deposit them in the hands of the Government; and the Government shall retain and hold one-fifth of such bonds as security for the due performance of the present contract in respect of the maintenance and continuous working of the railway by the Company, as herein agreed, for ten years after the completion thereof, and the remaining \$20,000,000 of such bonds shall be dealt with as hereinafter provided. And as to the said one-fifth of the said bonds, so long as no default shall occur in the maintenance and working of the said Canadian Pacific Railway, the Government shall not present or demand payment of the coupons of such bonds, nor require payment of any interest thereon. And if any of such bonds so to be retained by the Government shall be paid off in the manner to be provided for the extinction of the whole issue thereof, the Government shall hold the amount received in payment thereof as security for the same purposes as the bonds so paid off, paying interest thereon at four per cent. per annum so long as default is not made by the Company in the performance of the conditions hereof. And at the end of the said period of ten years from the completion of the said railway, if no default shall then have occurred in such maintenance and working thereof, the said bonds, or if any of them shall then have been paid off, the remainder of said bonds and the money received for those paid off, with accrued interest, shall be delivered back by the Government to the Company with all the coupons attached to such bonds. But if such default should occur, the Government may thereafter require payment of interest on the bonds so held, and shall not be obliged to continue to pay interest on the money representing bonds paid off; and while the Government shall retain the right to hold the said portion of the said land grant bonds, other securities satisfactory to the Government may be substituted for them by the Company by agreement with the Government.

**18.** If the Company shall find it necessary or expedient to sell the remaining \$20,000,000 of the land grant bonds

or a larger portion thereof than in the proportion of one dollar for each acre of land then earned by the Company, they shall be allowed to do so, but the proceeds thereof, over and above the amount to which the Company shall be entitled as herein provided, shall be deposited with the Government. And the Government shall pay interest upon such deposit half-yearly, at the rate of four per cent. per annum, and shall pay over the amount of such deposit to the Company from time to time as the work proceeds, in the same proportions, and at the same times and upon the same conditions as the land grant—that is to say: the Company shall be entitled to receive from the Government out of the proceeds of the said land grant bonds, the same number of dollars as the number of acres of the land subsidy which shall then have been earned by them, less one fifth thereof, that is to say, if the bonds are sold at par, but if they are sold at less than par, then a deduction shall be made therefrom corresponding to the discount at which such bonds are sold. And such land grant shall be conveyed to them by the Government, subject to the charge created as security for the said land grant bonds, and shall remain subject to such charge till relieved thereof in such manner as shall be provided for at the time of the issue of such bonds.

**19.** The company shall pay any expenses which shall be incurred by the Government in carrying out the provisions of the two last preceding clauses of this contract.

**20.** If the Company should not issue such land grant bonds, then the Government shall retain from out of each grant to be made from time to time, every fifth section of the lands hereby agreed to be granted, such lands to be so retained as security for the purposes, and for the length of time, mentioned in section eighteen hereof. And such lands may be sold in such manner and at such prices as shall be agreed upon between the Government and the Company, and in that case the price thereof shall be paid to, and held by the Government for the same period, and for the same purposes as the land itself, the Government paying four per cent. per annum interest thereon. And other securities satisfactory to the Government may be substituted for such lands or money by agreement with the Government.



21. The company to be incorporated, with sufficient powers to enable them to carry out the foregoing contract, and this contract shall only be binding in the event of an Act of incorporation being granted to the Company in the form hereto appended as Schedule A.

22. The Railway Act of 1879, in so far as the provisions of the same are applicable to the undertaking referred to in this contract, and in so far as they are not inconsistent herewith or inconsistent with or contrary to the provisions of the Act of incorporation to be granted to the Company, shall apply to the Canadian Pacific Railway.

In witness whereof the parties hereto have executed these presents at the City of Ottawa, this twenty-first day of October, 1880.

(Signed)	CHARLES TUPPER,
	Minister of Railways and Canals
"	GEO. STEPHEN,
"	DUNCAN McINTYRE,
"	J. S. KENNEDY,
"	R. B. ANGUS,
"	J. J. HILL,
	Per pro. Geo. Stephen.
"	MORTON, ROSE & Co.
"	KOHN, REINACH & Co.,
	By P. Du P. Grenfell.

Signed in presence of F. BRAUN,  
and Seal of the Department  
hereto affixed by Sir CHARLES  
TUPPER, in presence of

(Signed) F. BRAUN

And as the Schedule A to the said contract, is set out in an Act of our Parliament of Canada, passed on the FIFTEENTH day of FEBRUARY, in the year of Our Lord one thousand eight hundred and eighty-one, and in the forty-fourth year of our reign, intituled: "An Act respecting the Canadian Pacific Railway;" and whereas by the said Act after reciting as follows, viz.:

"Whereas by the terms and conditions of the admission of British Columbia into Union with the Dominion of Canada, the Government of the Dominion has assumed the obligation of causing a Railway to be constructed, connecting the sea-

“board of British Columbia with the Railway system of  
“Canada ;

“And whereas the Parliament of Canada has repeatedly  
“declared a preference for the construction and operation of  
“such Railway by means of an incorporated Company aided  
“by grants of money and land, rather than by the Govern-  
“ment, and certain Statutes have been passed to enable that  
“course to be followed, but the enactments therein contained  
“have not been effectual for that purpose ;

“And whereas certain sections of the said Railway have  
“be constructed by the Government and others are in course  
“of construction, but the greater portion of the main line  
“thereof has not yet been commenced or placed under con-  
“tract, and it is necessary for the development of the North-  
“West Territory, and for the preservation of the good faith of  
“the Government in the performance of its obligations, that  
“immediate steps should be taken to complete and operate  
“the whole of the said Railway ;

“And whereas, in conformity with the expressed desire of  
“Parliament, a contract has been entered into for the construc-  
“tion of the said portion of the main line of the said Railway,  
“and for the permanent working of the whole line thereof,  
“which contract with the schedule annexed has been laid  
“before Parliament for its approval and a copy thereof is  
“appended hereto, and it is expedient to approve and ratify  
“the said contract, and to make provision for the carrying out  
“of the same ;” the said contract and agreement with  
the said Schedule A thereto was approved and ratified,  
and WE were authorized to perform and carry out  
the conditions thereof according to their purport ; and  
for the purpose of incorporating the persons mentioned  
in the said contract, and those who shall be associated  
with them in the undertaking and of granting to  
them the powers necessary to enable them to carry out  
the said contract according to the terms thereof, it was  
enacted that our Governor-General of Canada might grant  
to them, in conformity with the said contract under the  
corporate name of the Canadian Pacific Railway Company,  
a charter conferring upon them the franchises, privileges  
and powers embodied in the said schedule to the said con-  
tract ; and that such charter being published in the *Canada  
Gazette* with any Order or Orders in Council relating to it  
should have force and effect as if it were an Act of our  
Parliament of Canada, and should be and be held to be



an Act of incorporation within the meaning of the said contract;

And whereas the said persons have prayed for a charter for the purpose aforesaid;

**1.** Now KNOW YE, that, by and with the advice of our Privy Council for Canada, and under the authority of the hereinbefore in part recited Act, and of any other power and authority whatsoever in Us vested in this behalf, WE DO, by these our Letters Patent, grant, order, declare and provide that the said George Stephen, Duncan McIntyre, John S. Kennedy, Richard B. Angus, James J. Hill, the firm of Morton, Rose and Company, and the firm of Kohn, Reinach and Company; with all such other persons and corporations as shall become shareholders in the Company hereby incorporated, shall be and they are hereby constituted a body corporate and politic, by the name of the "Canadian Pacific Railway Company."

**2.** The capital stock of the Company shall be twenty-five million dollars, divided into shares of one hundred dollars each, which shares shall be transferable in such manner and upon such conditions as shall be provided by the by-laws of the Company; and such shares, or any part thereof, may be granted and issued as paid-up shares for value *bond fide* received by the Company, either in money at par or at such price and upon such conditions as the board of directors may fix, or as part of the consideration of any contract made by the Company.

**3.** As soon as five million dollars of the stock of the Company have been subscribed, and thirty per centum thereof paid up, and upon the deposit with our Minister of Finance of Canada of one million dollars in money or in securities approved by our Governor-General in Council, for the purpose and upon the conditions in the said contract provided, the said contract shall become and be transferred to the Company, without the execution of any deed or instrument in that behalf; and the Company shall, thereupon, become and be vested with all the rights of the contractors named in the said contract, and shall be subject to, and liable for, all their duties and obligations, to the same extent and in the same manner as if the said contract had been executed by the said Company instead of by the said

contractors; and thereupon the said contractors, as individuals, shall cease to have any right or interest in the said contract, and shall not be subject to any liability or responsibility under the terms thereof otherwise than as members of the corporation hereby created. And upon the performance of the said conditions respecting the subscription of stock, the partial payment thereof; and the deposit of one million dollars to the satisfaction of our Governor-General in Council, the publication by our Secretary of State of Canada in the *Canada Gazette*, of a notice that the transfer of the contract to the Company has been effected and completed shall be conclusive proof of the fact. And the Company shall cause to be paid up, on or before the first day of May next, a further instalment of twenty per centum upon the said first subscription of five million dollars, of which call thirty days notice by circular mailed to each shareholder shall be sufficient. And the Company shall call in, and cause to be paid up, on or before the 31st day of December, 1882, the remainder of the said first subscription of five million dollars.

4. All the franchises and powers necessary or useful to the Company to enable them to carry out, perform, enforce, use, and avail themselves of, every condition, stipulation, obligation, duty, right, remedy, privilege, and advantage agreed upon, contained or described in the said contract, are hereby conferred upon the Company. And the enactment of the special provisions hereinafter contained shall not be held to impair or derogate from the generality of the franchises and powers so hereby conferred upon them.

#### DIRECTORS.

5. The said George Stephen, Duncan McIntyre, John S. Kennedy, Richard B. Angus, James J. Hill, Henry Stafford Northcote, of London, aforesaid, Esquires, Pascoe du P. Grenfell, of London, aforesaid, Merchant, Charles Day Rose, of London, aforesaid, Merchant, and Baron J. de Reinach, of Paris, aforesaid, Banker, are hereby constituted the first directors of the Company, with power to add to their number, but so that the directors shall not in all exceed fifteen in number; and the majority of the directors, of whom the President shall be one, shall be British subjects. And the Board of Directors so constituted shall have all the

powers hereby conferred upon the directors of the Company, and they shall hold office until the first annual meeting of the shareholders of the Company.

6. Each of the directors of the Company, hereby appointed, or hereafter appointed or elected, shall hold at least two hundred and fifty shares of the stock of the Company. But the number of directors to be hereafter elected by the shareholders shall be such, not exceeding fifteen, as shall be fixed by by-law, and subject to the same conditions as the directors appointed by, or under the authority of, the last preceding section; the number thereof may be hereafter altered from time to time in like manner. The votes for their election shall be by ballot.

7. A majority of the directors shall form a quorum of the board; and until otherwise provided by by-law, directors may vote and act by proxy, such proxy to be held by a director only; but no director shall hold more than two proxies, and no meeting of directors shall be competent to transact business unless at least three directors are present thereat in person, the remaining number of directors required to form a quorum being represented by proxies

8. The board of directors may appoint from out of their number an Executive Committee, composed of at least three directors, for the transaction of the ordinary business of the Company, with such powers and duties as shall be fixed by the by-laws; and the President shall be *ex officio* a member of such committee.

9. The chief place of business of the Company shall be at the City of Montreal, but the Company may from time to time, by by-law, appoint and fix other places within or beyond the limits of Canada at which the business of the Company may be transacted, and at which the directors or shareholders may meet, when called as shall be determined by the by-laws. And the Company shall appoint and fix by by-law, at least one place in each Province or Territory through which the Railway shall pass, where service of process may be made upon the Company, in respect of any cause of action arising within such Province or Territory, and may afterwards, from time to time, change such place

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by by-law. And a copy of any by-law fixing or changing any such place, duly authenticated as herein provided, shall be deposited by the Company in the office, at the seat of Government of the Province or Territory to which such by-law shall apply, of the Clerk or Prothonotary of the highest, or one of the highest, courts of civil jurisdiction of such Province or Territory. And if any cause of action shall arise against the Company within any Province or Territory, and any writ or process be issued against the Company thereon out of any court in such Province or Territory, service of such process may be validly made upon the Company at the place within such Province or Territory so appointed and fixed; but if the Company fail to appoint and fix such place, or to deposit, as hereinbefore provided, the by-law made in that behalf, any such process may be validly served upon the Company at any of the stations of the said Railway within such Province or Territory.

#### SHAREHOLDERS

**10.** The first annual meeting of the shareholders of the Company, for the appointment of directors, shall be held on the second Wednesday in May, 1882, at the principal office of the Company, in Montreal; and the annual general meeting of shareholders, for the election of directors and the transaction of business generally, shall be held on the same day in each year thereafter at the same place unless otherwise provided by the by-laws. And notice of each of such meetings shall be given by the publication thereof in the *Canada Gazette* for four weeks, and by such further means as shall from time to time be directed by the by-laws.

**11.** Special general meetings of the shareholders may be convened in such manner as shall be provided by the by-laws. And except as hereinafter provided, notice of such meetings shall be given in the same manner as notices of annual general meetings, the purpose for which such meeting is called being mentioned in the notices thereof; and, except as hereinafter provided, all such meetings shall be held at the chief place of business of the Company.

**12.** If at any time before the first annual meeting of the shareholders of the Company, it should become expedient that

a meeting of the directors of the Company, or a special general meeting of the shareholders of the Company, should be held, before such meeting can conveniently be called, and notice thereof given in the manner provided by this Act, or by the by-laws, or before by-laws in that behalf have been passed, and at a place other than at the chief place of business of the Company in Montreal before the enactment of a by-law authorising the holding of such meeting elsewhere; it shall be lawful for the President or for any three of the directors of the Company to call special meetings either of directors or of shareholders, or of both, to be held at the city of London in England, at times and places respectively, to be stated in the notices to be given of such meetings respectively. And notices of such meetings may be validly given by a circular mailed to the ordinary address of each director or shareholder as the case may be, in time to enable him to attend such meeting, stating in general terms the purpose of the intended meeting. And in the case of a meeting of shareholders, the proceedings of such meeting shall be held to be valid and sufficient, and to be binding on the Company in all respects, if every shareholder of the Company be present thereat in person or by proxy, notwithstanding that notice of such meeting shall not have been given in the manner required by this Act.

**13.** No shareholder holding shares upon which any call is overdue and unpaid shall vote at any meeting of shareholders. And unless otherwise provided by the by-laws, the person holding the proxy of a shareholder shall be himself a shareholder.

**14.** No call upon unpaid shares shall be made for more than twenty per centum upon the amount thereof.

#### RAILWAY AND TELEGRAPH LINE.

**15.** The Company may lay out, construct, acquire, equip, maintain and work a continuous line of railway, of the gauge of four feet eight and one-half inches; which railway shall extend from the terminus of the Canada Central Railway near Lake Nipissing, known as Callander Station, to Port Moody in the Province of British Columbia; and also, a branch line of railway from some point on the main line of

railway to Fort William on Thunder Bay; and also the existing branch line of railway from Selkirk in the Province of Manitoba to Pembina in the said Province; and also other branches to be located by the Company from time to time as provided by the said contract; the said branches to be of the gauge aforesaid; and the said main line of railway, and the said branch lines of railway, shall be commenced and completed as provided by the said contract; and together with such other branch lines as shall be hereafter constructed by the said Company, and any extension of the said main line of railway that shall hereafter be constructed or acquired by the Company, shall constitute the line of railway hereinafter called THE CANADIAN PACIFIC RAILWAY.

**16.** The Company may construct, maintain and work a continuous telegraph line and telephone lines throughout and along the whole line of the Canadian Pacific Railway, or any part thereof, and may also construct or acquire by purchase, lease or otherwise, any other line or lines of telegraph connecting with the line so to be constructed along the line of the said railway, and may undertake the transmission of messages for the public by any such line or lines of telegraph or telephone, and collect tolls for so doing; or may lease such line or lines of telegraph or telephone, or any portion thereof; and, if they think proper to undertake the transmission of messages for hire, they shall be subject to the provisions of the fourteenth, fifteenth and sixteenth sections of chapter sixty-seven of the Consolidated Statutes of Canada. And they may use any improvement that may hereafter be invented (subject to the rights of patentees) for telegraphing or telephoning, and any other means of communication that may be deemed expedient by the Company at any time hereafter.

#### POWERS.

**17.** "*The Consolidated Railway Act, 1879,*" in so far as the provisions of the same are applicable to the undertaking authorized by this charter, and in so far as they are not inconsistent with or contrary to the provisions hereof, and save and except as hereinafter provided, is hereby incorporated herewith.



18. As respects the said railway, the seventh section of "*The Consolidated Railway Act, 1879*," relating to POWERS, and the eighth section thereof relating to PLANS AND SURVEYS, shall be subject to the following provisions:—

a. The Company shall have the right to take, use and hold the beach and land below high water mark, in any stream, lake, navigable water, gulf or sea, in so far as the same shall be vested in Us and shall not be required by Us, to such extent as shall be required by the Company for its railway and other works, and as shall be exhibited by a map or plan thereof deposited in the office of the Minister of Railways. But the provisions of this sub-section shall not apply to any beach or land lying East of Lake Nipissing except with the approval of our Governor-General in Council.

b. It shall be sufficient that the map or plan and book of reference for any portion of the line of the railway not being within any district or county for which there is a Clerk of the Peace, be deposited in the office of our Minister of Railways and Canals of Canada; and any omission, mis-statement or erroneous description of any lands therein may be corrected by the Company, with the consent of the Minister and certified by him; and the Company may then make the railway in accordance with such certified correction.

c. The eleventh sub-section of the said eighth section of the Railway Act shall not apply to any portion of the railway passing over ungranted lands of Us, or lands not within any surveyed township in any Province; and in such places, deviations not exceeding five miles from the line shown on the map or plan as aforesaid, deposited by the Company, shall be allowed, without any formal correction or certificate; and any further deviation that may be found expedient may be authorized by order of our Governor-General in Council, and the Company may then make their railway in accordance with such authorized deviation.

d. The map or plan and book of reference of any part of the main line of the Canadian Pacific Railway made and deposited in accordance with this section, after approval by our Governor-General in Council, and of any branch of such railway hereafter to be located by the said Company in respect

of which the approval of our Governor-General in Council shall not be necessary, shall avail as if made and deposited as required by the said "*Consolidated Railway Act, 1879*," for all the purposes of the said Act, and of this Act; and any copy of, or extract therefrom, certified by our said Minister or his deputy, shall be received as evidence in any court of law in Canada.

e. It shall be sufficient that a map or profile of any part of the completed railway, which shall not lie within any county or district having a registry office, be filed in the office of our Minister of Railways and Canals of Canada

**19.** It shall be lawful for the Company to take from any public lands adjacent to or near the line of the said railway, all stone, timber, gravel and other materials which may be necessary or useful for the construction of the railway; and also to lay out and appropriate to the use of the Company, a greater extent of lands, whether public or private, for stations, depots, workshops, buildings, side-tracks, wharves, harbors and roadway, and for establishing screens against snow, than the breadth and quantity mentioned in "*The Consolidated Railway Act, 1879*," such greater extent taken, in any case being allowed by our Governor-General in Council, and shown on the maps or plans deposited with our Minister of Railways and Canals of Canada.

**20.** The limit to the reduction of tolls by our Parliament of Canada provided for by the eleventh sub-section of the 17th section of "*The Consolidated Railway Act, 1879*," respecting TOLLS, is hereby extended, so that such reduction may be to such an extent that such tolls when reduced shall not produce less than ten per cent. per annum profit on the capital actually expended in the construction of the Railway, as such capital may be defined by an Act of our Parliament of Canada to be passed during the present session thereof, instead of not less than fifteen per cent per annum profit, as provided by the said sub-section; and so also that such reduction shall not be made unless the net income of the Company, ascertained as described in said sub-section, shall have exceeded ten per cent. per annum instead of fifteen per cent. per annum as provided by the said sub-section. And the exercise by our Governor-General in Council of the power of reducing the tolls of the Company as provided by the tenth

sub-section of said section seventeen is hereby limited to the same extent with relation to the profit of the Company, and to its net revenue, as that to which the power of Parliament to reduce tolls is limited by said sub-section eleven as hereby amended.

**21.** The first and second sub-sections of section 22, of "*The Consolidated Railway Act, 1879*," shall not apply to the Canadian Pacific Railway Company; the transfer of shares in the undertaking shall be made only upon the books of the Company in person or by attorney, and shall not be valid unless so made; and the form and mode of transfer shall be such as shall be from time to time regulated by the by-laws of the Company. And the funds of the Company shall not be used in any advance upon the security of any of the shares or stock of the Company.

**22.** The third and fourth sub-sections of said section 22 of "*The Consolidated Railway Act, 1879*," shall be subject to the following provisions, namely, that if before the completion of the Railway and works under the said contract, any transfer should purport to be made of any stock or share in the Company, or any transmission of any share should be effected under the provisions of said sub-section four, to a person not already a shareholder in the Company, and if in the opinion of the Board it should not be expedient that the person (not being already a shareholder) to whom such transfer or transmission shall be made or effected should be accepted as a shareholder, the Directors may by resolution veto such transfer or transmission; and thereafter, and until after the completion of the said Railway and works under the said contract, such person shall not be, or be recognized as a shareholder in the Company; and the original shareholder, or his estate, as the case may be, shall remain subject to all the obligations of a shareholder in the Company, with all the rights conferred upon a shareholder under this Charter. But any firm holding paid-up shares in the Company may transfer the whole or any of such shares to any partner in such firm having already an interest as such partner in such shares, without being subject to such veto. And in the event of such veto being exercised, a note shall be taken of the transfer or transmission so vetoed in order that it may be recorded in the books of the Company after the completion of the Railway and works as aforesaid; but

until such completion, the transfer or transmission so vetoed shall not confer any rights, nor have any effect of any nature or kind whatever as respects the Company.

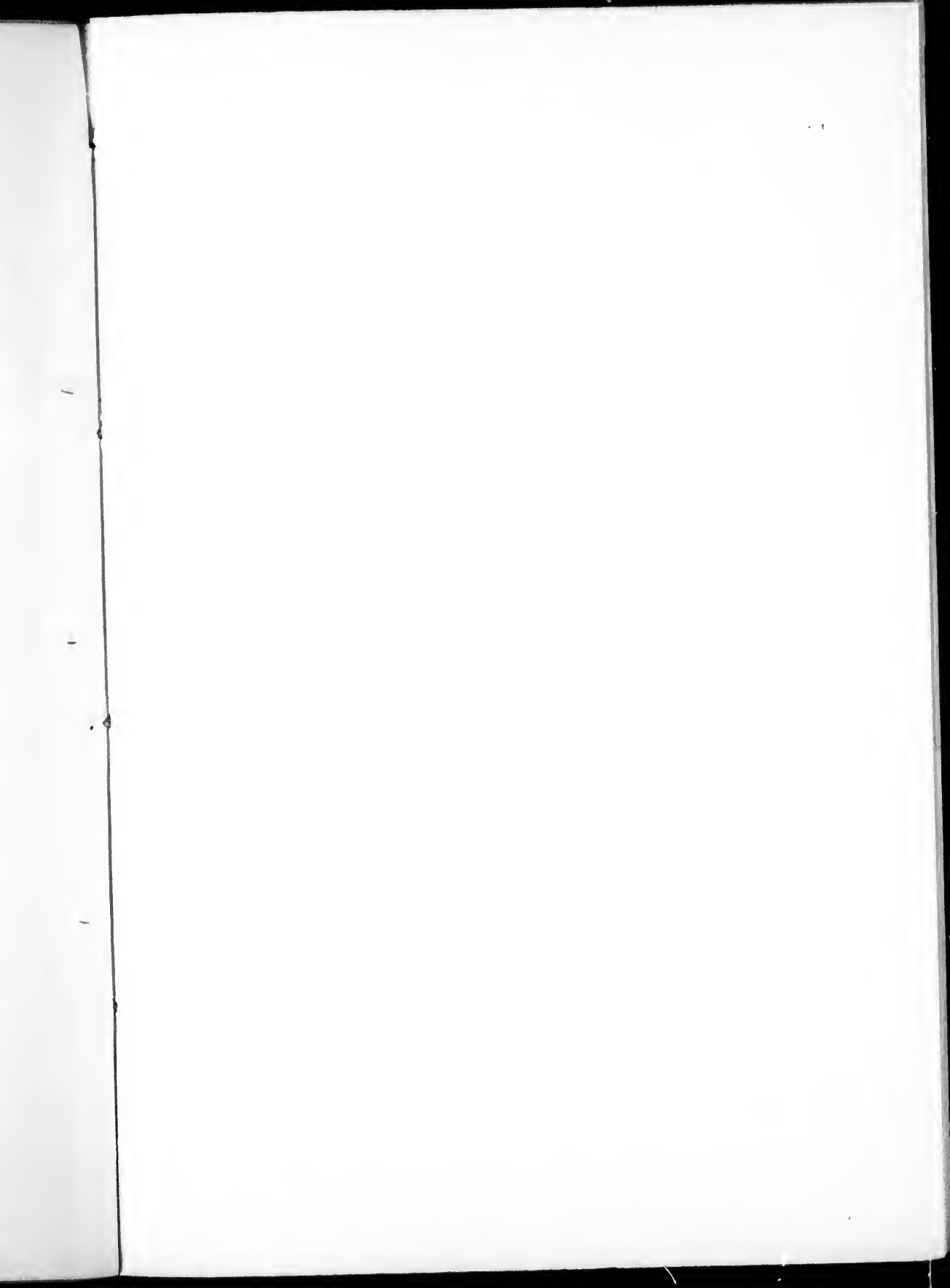
**23.** Sub-section sixteen of section nineteen, relating to PRESIDENT AND DIRECTORS, THEIR ELECTION AND DUTIES; sub-section two of section twenty-four, relating to BY-LAWS, NOTICES, &c., sub-sections five and six of section twenty-eight, relating to GENERAL PROVISIONS, and section ninety-seven, relating to RAILWAY FUND, of "*The Consolidated Railway Act, 1879*," shall not, nor shall any of them apply to the Canadian Pacific Railway or to the Company hereby incorporated.

**24.** The said Company shall afford all reasonable facilities to the Ontario Pacific Junction Railway Company, when their railway shall be completed to a point of junction with the Canadian Pacific Railway; and to the Canada Central Railway Company, for the receiving, forwarding and delivering of traffic upon and from the railways of the said Companies, respectively, and for the return of carriages, trucks and other vehicles; and no one of the said Companies shall give or continue any preference or advantage to, or in favor of either of the others, or of any particular description of traffic, in any respect whatsoever; nor shall any one of the said Companies subject any other thereof, or any particular description of traffic, to any prejudice or disadvantage in any respect whatsoever; and any one of the said Companies which shall have any terminus or station near any terminus or station of either of the others, shall afford all reasonable facilities for receiving and forwarding all the traffic arriving by either of the others, without any unreasonable delay, and without any preference or advantage, or prejudice or disadvantage, and so that no obstruction may be offered in the using of such railway as a continuous line of communication, and so that all reasonable accommodation may at all times, by the means aforesaid, be mutually afforded by and to the said several railway companies; and the said Canadian Pacific Railway Company shall receive and carry all freight and passenger traffic shipped to or from any point on the railway of either of the said above named railway companies passing over the Canadian Pacific Railway or any part thereof, at the same mileage rate and subject to the same charges for similar services, without granting or allowing any preference or advantage to the traffic coming from or going upon one of such railways over such traffic

coming from or going upon the other of them, reserving, however, to the said Canadian Pacific Railway Company the right of making special rates for purchasers of land, or for emigrants or intending emigrants, which special rates shall not govern or affect the rates of passenger traffic as between the said Company and the said two above named Companies or either of them. And any agreement made between any two of the said companies contrary to the foregoing provisions, shall be unlawful, null and void.

**25.** The Company, under the authority of a special general meeting of the shareholders thereof, and as an extension of the railway hereby authorized to be constructed, may purchase or acquire by lease or otherwise, and hold and operate, the Canada Central Railway, or may amalgamate therewith, and may purchase or acquire by lease or otherwise and hold and operate a line or lines of railway from the city of Ottawa to any point at navigable water on the Atlantic seaboard or to any intermediate point, or may acquire running powers over any railway now constructed between Ottawa and any such point or intermediate point. And the Company may purchase or acquire any such railway subject to such existing mortgages, charges or liens thereon as shall be agreed upon, and shall possess with regard to any lines of railway so purchased, or acquired, and becoming the property of the Company, the same powers as to the issue of bonds thereon, or on any of them, to an amount not exceeding twenty thousand dollars per mile, and as to the security for such bonds, as are conferred upon the Company by the twenty-eighth section hereof, in respect of bonds to be issued upon the Canadian Pacific Railway. But such issue of bonds shall not affect the right of any holder of mortgages or other charges already existing upon any line of railway so purchased or acquired; and the amount of bonds hereby authorized to be issued upon such line of railway shall be diminished by the amount of such existing mortgages or charges thereon.

**26.** The Company shall have power and authority to erect and maintain docks, dockyards, wharves, slips and piers at any point on or in connection with the said Canadian Pacific Railway, and at all the termini thereof on navigable water, for the convenience and accommodation of vessels and elevators; and also to acquire,





and work elevators, and to acquire, own, hold, charter, work, and run, steam and other vessels for cargo and passengers upon any navigable water, which the Canadian Pacific Railway may reach or connect with.

#### BY-LAWS.

**27.** The by-laws of the Company may provide for the remuneration of the president and directors of the Company, and of any executive committee of such directors; and for the transfer of stock and shares; the registration and inscription of stock, shares, and bonds, and the transfer of registered bonds; and the payment of dividends and interest at any place or places within or beyond the limits of Canada; and for all other matters required by the said contract or by this Act to be regulated by by-laws: but the by-laws of the Company made as provided by law shall in no case have any force or effect after the next general meeting of shareholders, which shall be held after the passage of such by-laws, unless they are approved by such meeting.

#### BONDS.

**28.** The Company, under the authority of a special general meeting of the shareholders called for the purpose, may issue mortgage bonds to the extent of ten thousand dollars per mile of the Canadian Pacific Railway for the purposes of the undertaking authorized by the present Charter; which issue shall constitute a first mortgage and privilege upon the said railway, constructed or acquired, and to be thereafter constructed, or acquired, and upon its property, real and personal, acquired and to be thereafter acquired including rolling stock, and plant, and upon its tolls and revenues (after deduction from such tolls and revenues of working expenses), and upon the franchises of the Company; the whole as shall be declared and described as so mortgaged in any deed of mortgage as hereinafter provided. Provided always, however, that if the Company shall have issued, or shall intend to issue land grant bonds under the provisions of the thirtieth section hereof, the lands granted and to be granted by Us to the Company may be excluded from the operation of such mortgage and privilege: and provided also that such mortgage and privilege shall not attach upon any property which the Company are hereby, or



by the said contract, authorized to acquire or receive from Us until the same shall have been conveyed by Us to the Company, attach upon such property, if so declared in such deed, but shall as soon as the same shall be conveyed to the Company. And such mortgage and privilege may be evidenced by a deed or deeds of mortgage executed by the Company, with the authority of its shareholders expressed by a resolution passed at such special general meeting; and any such deed may contain such description of the property mortgaged by such deed, and such conditions respecting the payment of the bonds secured thereby and of the interest thereon, and the remedies which shall be enjoyed by the holders of such bonds or by any trustee or trustees for them in default of such payment, and the enforcement of such remedies, and may provide for such forfeitures and penalties, in default of such payment, as may be approved by such meeting; and may also contain, with the approval aforesaid, authority to the trustee or trustees, upon such default, as one of such remedies, to take possession of the railway and property mortgaged, and to hold and run the same for the benefit of the bondholders thereof for a time to be limited by such deed, or to sell the said railway and property, after such delay, and upon such terms and conditions as may be stated in such deed; and with like approval any such deed may contain provisions to the effect that upon such default and upon such other conditions as shall be described in such deed, the right of voting possessed by the shareholders of the Company, and by the holders of preferred stock therein, or by either of them, shall cease and determine, and shall thereafter appertain to the bondholders, or to them and to the holders of the whole or of any part of the preferred stock of the Company, as shall be declared by such deed; and such deed may also provide for the conditional or absolute cancellation after such sale of any or all of the shares so deprived of voting power, or of any or all of the preferred stock of the company, or both; and may also, either directly by its terms, or indirectly by reference to the by-laws of the Company, provide for the mode of enforcing and exercising the powers and authority to be conferred and defined by such deed, under the provisions hereof. And such deed, and the provisions thereof made under the authority hereof, and such other provisions thereof as shall purport (with like approval) to grant such further and other powers and privileges to such trustee or trustees and to such

bondholders, as are not contrary to law or to the provisions of this Charter, shall be valid and binding. But if any change in the ownership or possession of the said Railway and property shall at any time take place under the provisions hereof, or of any such deed, or in any other manner, the said Railway and property shall continue to be held and operated under the provisions hereof, and of "*The Consolidated Railway Act, 1879*," as hereby modified. And if the Company does not avail itself of the power of issuing bonds secured upon the land grant alone as hereinafter provided, the issue of bonds hereby authorized may be increased to any amount not exceeding twenty thousand dollars per mile of the said Canadian Pacific Railway.

**29.** If any bond issue be made by the Company under the last preceding section before the said railway is completed according to the said Contract, a proportion of the proceeds of such bonds, or a proportion of such bonds if they be not sold, corresponding to the proportion of the work contracted for then remaining incomplete, shall be received by Us, and shall be held, dealt with and, from time to time, paid over by Us to the Company upon the same conditions, in the same manner and according to the same proportions as the proceeds of the bonds, the issue of which is contemplated by sub section *d.* of Clause 9 of the said Contract, and by the thirty-first section hereof.

**30.** The Company may also issue mortgage bonds to the extent of twenty-five million dollars upon the lands granted in aid of the said railway and of the undertaking authorized by this Charter; such issue to be made only upon similar authority to that required by this Charter for the issue of bonds upon the railway; and when so made such bonds shall constitute a first mortgage upon such lands, and shall attach upon them when they shall be granted, if they are not actually granted at the time of the issue of such bonds. And such mortgage may be evidenced by a deed or deeds of mortgage to be executed under like authority to the deed securing the issue of bonds on the railway; and such deed or deeds under like authority may contain similar conditions and may confer upon the trustee or trustees named thereunder and upon the holders of the bonds secured thereby, remedies, authority, power and privileges and may provide for forfeitures and penalties, similar to those which may be inserted and pro-

vided for under the provisions of this Charter in any deed securing the issue of bonds on the railway, together with such other provisions and conditions not inconsistent with law or with this Charter as shall be so authorized. And such bonds may be styled Land Grant Bonds, and they and the proceeds thereof shall be dealt with in the manner provided in the said Contract.

**31.** The Company may in the place and stead of the said land grant bonds, issue bonds under the twenty-eighth section hereof, to such amount as they shall agree with Us to issue, with the interest guaranteed by Us as provided for in the said contract; such bonds to constitute a mortgage upon the property of the Company and its franchises acquired and to be thereafter acquired—including the main line of the Canadian Pacific Railway, and the branches thereof hereinbefore described, with the plant and rolling stock thereof acquired and to be thereafter acquired, but exclusive of such other branches thereof and of such personal property as shall be excluded by the deed of mortgage to be executed as security for such issue. And the provisions of the said twenty-eighth section shall apply to such issue of bonds, and to the security which may be given for the payment thereof, and they and the proceeds thereof shall be dealt with as hereby and by the said contract provided.

**32.** It shall not be necessary to affix the seal of the Company to any mortgage bond issued under the authority of this Act; and every such bond issued without such seal shall have the same force and effect, and be held, treated and dealt with by all courts of law and of equity as if it were sealed with the seal of the company. And if it is provided by the mortgage deed executed to secure the issue of any bonds, that any of the signatures to such bonds or to the coupons thereto appended may be engraved, stamped or lithographed thereon, such engraved, stamped or lithographed signatures shall be valid and binding on the Company.

**33.** The phrase "working expenses" shall mean and include all expenses of maintenance of the railway, and of the stations, buildings, works and conveniences belonging thereto, and of the rolling and other stock and moveable plant used in the working thereof, and also all such tolls,

rents or annual sums as may be paid in respect of the hire of engines, carriages or waggons let to the Company; also, all rent, charges, or interest on the purchase money of lands belonging to the Company, purchased but not paid for, or not fully paid for; and also all expenses of and incidental to working the railway and the traffic thereon, including stores and consumable articles; also rates, taxes, insurance and compensation for accidents or losses; also all salaries and wages of persons employed in and about the working of the railway and traffic, and all office and management expenses, including directors' fees, agency, legal and other like expenses.

**34.** The bonds authorized by this Charter to be issued upon the railway or upon the lands to be granted to the Company, or both, may be so issued in whole or in part in the denomination of dollars, pounds sterling, or francs, or in any or all of them, and the coupons may be for payment in denominations similar to those of the bond to which they are attached. And the whole or any of such bonds, may be pledged, negotiated or sold upon such conditions and at such price as the Board of Directors shall from time to time determine. And provision may be made by the by-laws of the Company, that after the issue of any bond, the same may be surrendered to the Company by the holder thereof, and the Company may, in exchange therefor, issue to such holder inscribed stock of the Company, which inscribed stock may be registered or inscribed at the chief place of business of the Company or elsewhere, in such manner, with such rights, liens, privileges and preferences, at such place, and upon such conditions, as shall be provided by the by-laws of the Company.

**35.** It shall not be necessary, in order to preserve the priority, lien, charge, mortgage or privilege, purporting to appertain to or be created by any bond issued or mortgage deed executed under the provisions of this Charter, that such bond or deed should be enregistered in any manner, or in any place whatever. But every such mortgage deed shall be deposited in the office of our Secretary of State of Canada, of which deposit notice shall be given in the *Canada Gazette*. And in like manner any agreement entered into by the Company, under section thirty-six of this Charter, shall also be deposited in the said office. And a copy of any such mortgage deed,

or agreement, certified to be a true copy by our said Secretary of State or his Under-Secretary or Deputy, shall be received as *prima facie* evidence of the original in all courts of justice, without proof of the signatures or seal upon such original.

**36.** If, at any time, any agreement be made by the Company with any persons intending to become bondholders of the Company, or be contained in any mortgage deed executed under the authority of this Charter, restricting the issue of bonds by the Company, under the powers conferred by this Charter, or defining or limiting the mode of exercising such powers, the Company, after the deposit thereof with our said Secretary of State as hereinbefore provided, shall not act upon such powers otherwise than as defined, restricted and limited by such agreement. And no bond thereafter issued by the Company, and no order, resolution or proceeding thereafter made, passed or had by the Company, or by the Board of Directors, contrary to the terms of such agreement, shall be valid or effectual.

**37.** The Company may, from time to time, issue guaranteed or preferred stock, at such price, to such amount, not exceeding ten thousand dollars per mile, and upon such conditions as to the preferences and privileges appertaining thereto, or to different issues or classes thereof, and otherwise, as shall be authorized by the majority in value of the shareholders present in person or represented by proxy at any annual meeting or at any special general meeting thereof called for the purpose, -notice of the intention to propose such issue at such meeting being given in the notice calling such meeting. But the guarantee or preference accorded to such stock shall not interfere with the lien, mortgage and privilege attaching to bonds issued under the authority of this Act. And the holders of such preferred stock shall have such power of voting at meetings of shareholders, as shall be conferred upon them by the by-laws of the Company.

#### EXECUTION OF AGREEMENTS.

**38.** Every contract, agreement, engagement, scrip certificate or bargain made, and every bill of exchange drawn, accepted or endorsed, and every promissory note and cheque made, drawn or endorsed on behalf of the Company, by any agent,

officer or servant of the Company, in general accordance with his powers as such under the by-laws of the Company, shall be binding upon the Company; and in no case shall it be necessary to have the seal of the Company affixed to any such bill, note, cheque, contract, agreement, engagement, bargain, or scrip certificate, or to prove that the same was made, drawn, accepted or endorsed, as the case may be, in pursuance of any by-law or special vote or order; nor shall the party so acting as agent, officer or servant of the Company be subjected individually to any liability, whatsoever, to any third party therefor; Provided always, that nothing in this Charter shall be construed to authorize the Company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money, or as the note of a bank, or to engage in the business of banking or insurance.

GENERAL PROVISIONS.

**39.** The Company shall, from time to time, furnish such reports of the progress of the work, with such details and plans of the work, as our Governor-General in Council may require.

**40.** As respects places not within any Province, any notice required by "*The Consolidated Railway Act, 1879*," to be given in the "Official Gazette" of a Province, may be given in the *Canada Gazette*.

**41.** Deeds and conveyances of lands to the Company for the purposes of this Charter, (not being letters patent from Us) may, in so far as circumstances will admit, be in the form following, that is to say :---

"Know all men by these presents, that I, A. B., in consideration of \_\_\_\_\_ paid to me by the Canadian Pacific Railway Company, the receipt whereof is hereby acknowledged, grant, bargain, sell and convey unto the said The Canadian Pacific Railway Company, their successors and assigns, all that tract or parcel of land (*describe the land*) to have and to hold the said land and premises unto the said Company, their successors and assigns for ever.

"Witness my hand and seal, this \_\_\_\_\_ day of  
one thousand eight hundred and \_\_\_\_\_

"Signed, sealed and delivered } A.B. [L.S.]  
in presence of

"C. D.

"E. F."

or in any other form to the like effect. And every deed made in accordance herewith shall be held and construed to impose upon the vendor executing the same the obligation of guaranteeing the Company and its assigns against all dower and claim for dower and against all hypothecs and mortgages and against all liens and charges whatsoever and also that he has a good, valid and transferable title thereto.

In TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent, and the Great Seal of Canada to be hereunto affixed. WITNESS, Our Right Trusty and Well-Beloved Councillor, SIR JOHN DOUGLAS SUTHERLAND CAMPBELL, (commonly called the Marquis of Lorne), Knight of Our Most Ancient and Most Noble Order of the Thistle, Knight Grand Cross of Our Most Distinguished Order of St. Michael and St. George, Governor-General of Canada and Vice-Admiral of the the same, &c., &c., &c.

At Our Government House, in Our CITY of OTTAWA, this SIXTEENTH day of FEBRUARY, in the Year of Our Lord one thousand eight hundred and eighty-one, and in the forty-fourth year of Our Reign.

By Command.

Secretary of State of Canada.

