

*Map at back.* *B-133*

**CANADIAN PACIFIC RAILWAY.**

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ANNUAL REPORT FOR THE YEAR

**-1890-**

AND

REPORT OF PROCEEDINGS

AT THE

**TENTH ANNUAL MEETING**

OF SHAREHOLDERS,

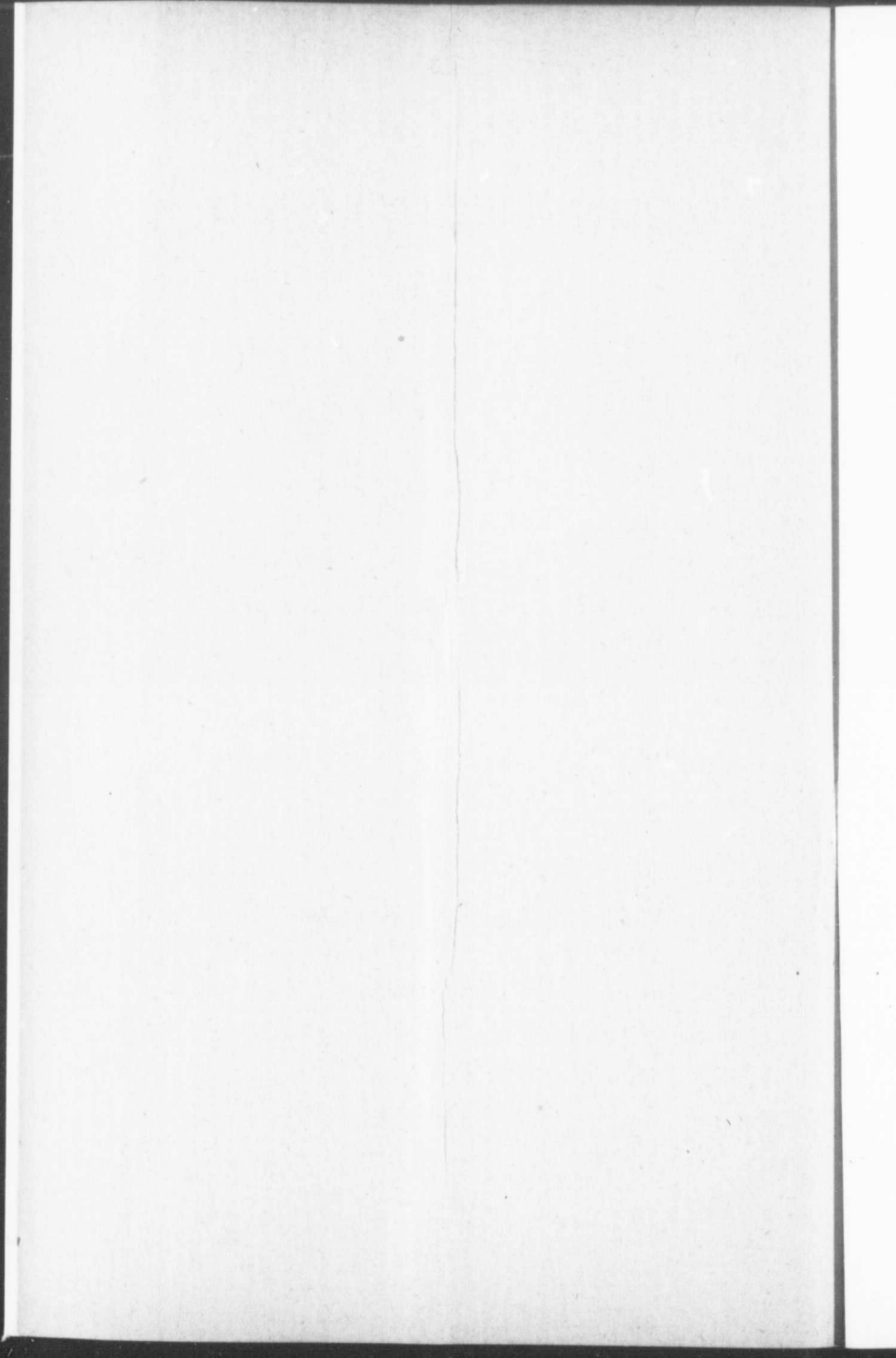
HELD AT THE GENERAL OFFICES OF THE COMPANY,

**MONTREAL,**

ON

**WEDNESDAY, 13<sup>th</sup> MAY, 1891.**

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# CANADIAN PACIFIC RAILWAY.

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ANNUAL REPORT FOR THE YEAR

-1890-

AND

REPORT OF PROCEEDINGS

AT THE

## TENTH ANNUAL MEETING

OF SHAREHOLDERS,

HELD AT THE GENERAL OFFICES OF THE COMPANY.

MONTREAL,

ON

WEDNESDAY, 13th MAY, 1891.



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GAZETTE PRINTING COMPANY.

## BOARD OF DIRECTORS.

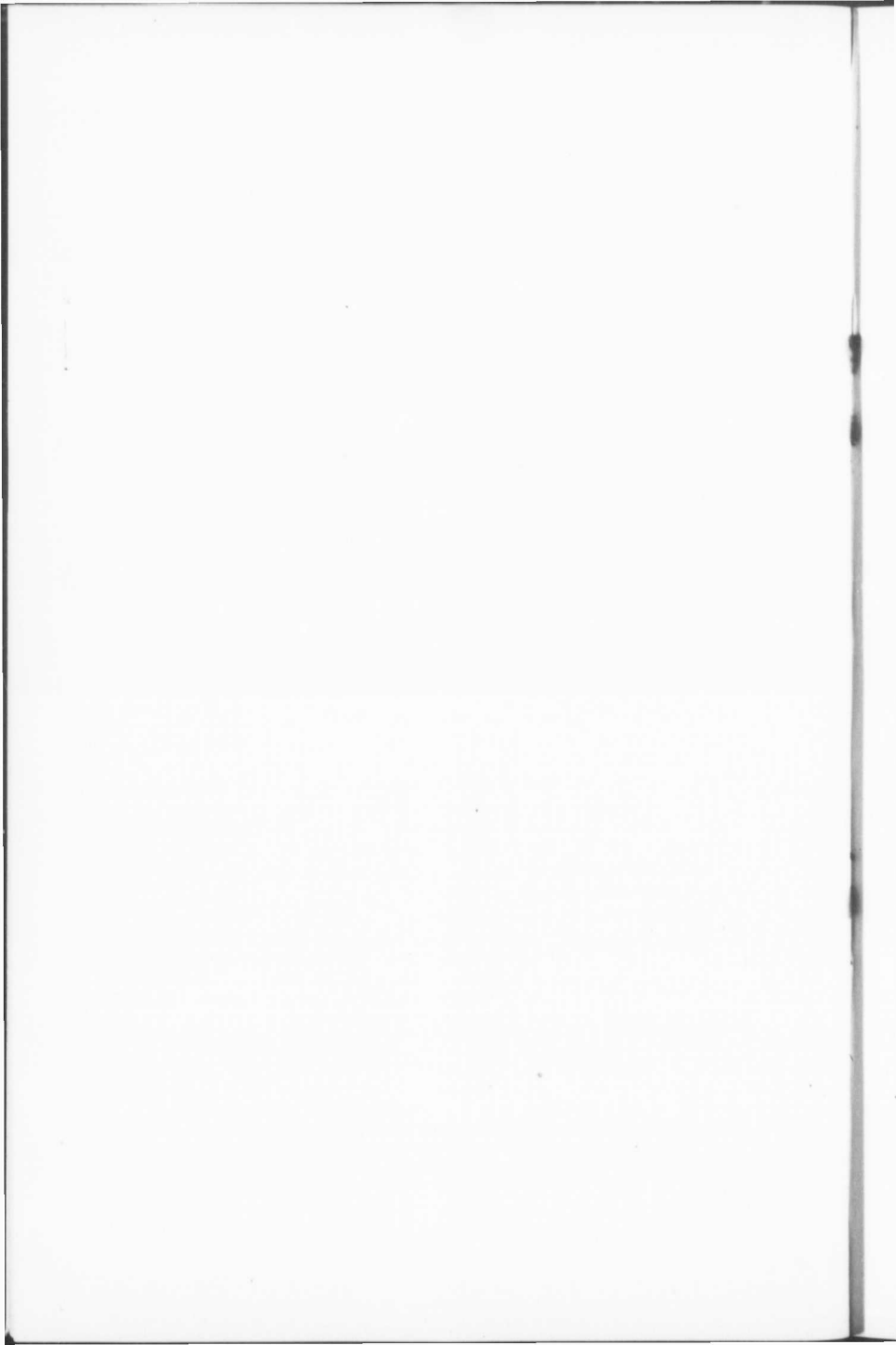
SIR GEORGE STEPHEN, BART.,	MONTREAL.
SIR DONALD A. SMITH, K.C.M.G., M.P.,	do.
MR. WM. C. VAN HORNE,	do.
MR. RICHARD B. ANGUS,	do.
“ EDMUND B. OSLER,	TORONTO.
HON. J. J. C. ABBOTT, Q.C., Senator,	MONTREAL.
MR. SANDFORD FLEMING, C.E., C.M.G.,	OTTAWA.
“ GEORGE R. HARRIS, of Messrs. Blake Bros & Co.,	BOSTON.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

## OFFICERS.

MR. WM. C. VAN HORNE, <i>President</i> ,	MONTREAL.
“ T. G. SHAUGHNESSY, <i>Assistant President</i> ,	do.
“ CHAS. DRINKWATER, <i>Secretary</i> ,	do.
“ GEO. M. CLARK, <i>Chief Solicitor</i> ,	do.
“ GEORGE OLDS, <i>General Traffic Manager</i> ,	do.
“ I. G. OGDEN, <i>Comptroller</i> ,	do.
“ HY. BEATTY, <i>Manager Lake Steamship Lines</i>	TORONTO.
“ W. SUTHERLAND TAYLOR, <i>Treasurer</i> ,	MONTREAL.
“ D. McNICOLL, <i>General Passenger Agent</i> ,	do.
“ W. WHYTE, <i>Gen. Supt. Western Division</i> ,	WINNIPEG.
“ C. W. SPENCER, <i>Gen. Supt. Eastern Division</i> ,	MONTREAL.
“ H. ABBOTT, <i>Gen. Supt. Pacific Division</i> ,	VANCOUVER.
“ THOS. TAIT, <i>Gen. Supt. Ontario &amp; Quebec Division</i> ,	TORONTO.
“ H. P. TIMMERMAN, <i>Gen. Supt. Atlantic Division</i> ,	ST. JOHN, N.B.
“ C. R. HOSMER, <i>Manager of Telegraphs</i> ,	MONTREAL.
“ L. A. HAMILTON, <i>Land Commissioner</i> ,	WINNIPEG.
“ HARRY MOODY, { <i>Deputy Secretary and Registrar of</i> <i>Transfers</i> , 1 Queen Victoria St.,	LONDON, E.C.
“ ARCHER BAKER, { <i>European Traffic Agent</i> , 67 & 68 King William Street,	do.
MESSRS. WATSON & LANG, { <i>Transfer Agents</i> , Bank of Mon- <i>treal</i> , 59 Wall Street,	NEW YORK.

## EXECUTIVE COMMITTEE.

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



# Canadian Pacific Railway Company.

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## TENTH ANNUAL MEETING.

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REPORT OF PROCEEDINGS AT THE TENTH ANNUAL MEETING, AND AT A SPECIAL GENERAL MEETING OF THE SHAREHOLDERS, HELD ON WEDNESDAY, THE 13TH DAY OF MAY, 1891.

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

The Shareholders present in person, and by proxy, were ascertained to represent 344,771 shares of the stock of the Company.

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

CANADIAN PACIFIC RAILWAY COMPANY.

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NOTICE TO SHAREHOLDERS.

The Tenth Annual Meeting of the Shareholders of this Company for the election of Directors and the transaction of business generally will be held on WEDNESDAY, the 13th day of May next, at the principal office of the Company at Montreal, at 12 o'clock noon.

The meeting will be made special for the purpose of considering and taking such steps as may be deemed expedient, in order to give effect to any legislation by the Parliament of Canada, authorizing the issue of Consolidated Debenture Stock in respect of the Company's Souris Branch Railway; the Columbia and Kootenay Railway; the Lake Temiscamingue Colonization Railway; the Calgary and Edmonton Railway, and a Railway from Saskatoon to the waters of the North Saskatchewan River, and of outstanding obligations in connection with the Manitoba South-Western Colonization Railway Company, or any of the said matters.

The Transfer Books of the Company will close in Montreal and New York on Tuesday, May 5th, and in London on Tuesday, April 21st, and will be re-opened on Thursday, May 14th next.

By order of the Board,

CHARLES DRINKWATER,

*Secretary.*

Montreal, 6th April, 1891.

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

## TENTH ANNUAL REPORT

OF THE

DIRECTORS OF THE CANADIAN PACIFIC RAILWAY COMPANY, SUBMITTED AT THE ANNUAL MEETING OF THE SHAREHOLDERS, HELD AT MONTREAL, 13TH MAY, 1891.

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

The gross earnings for the year were.....	\$16,552,528.98
The working expenses were.....	10,252,828.47
	<hr/>
And the net earnings were.....	6,299,700.51
Deducting the fixed charges accruing during the year.	4,246,618.00
	<hr/>
The surplus was.....	2,053,082.51
From this two supplementary dividends of one per cent. each, were made, and paid August 17th, 1890 and February 17th, 1891.....	1,300,000.00
	<hr/>
Leaving a surplus carried forward.....	753,082.51
Surplus of previous years.....	1,903,350.32
	<hr/>
Total surplus carried forward.....	\$2,656,432.83
	<hr/>

The working expenses for the year amounted to 61.94 per cent. of the gross earnings, and the net earnings to

38.06 per cent. as compared with 60.04 and 39.96 per cent. respectively in 1889.

The earnings and working expenses of the New Brunswick Railway are included from September 1st. The earnings and working expenses of the South Eastern Railway, which is worked by the Company for the account of the Trustees, are not included.

The fixed charges for the year were :—

£7,191,500	1st Mortgage Bonds 5 p.c.....	\$1,749,931.66
\$7,000,000	Province of Quebec.....	350,000.00
£99,600	North Shore Ry. 1st Mortgage 5 p.c.....	24,236.00
£200,000	Canada Central 2nd Mortgage 6 p.c.....	58,400.00
	Canada Central 1st Mortgage, Sinking Fund.....	51,100.00
£200,000	St. Lawrence & Ottawa 1st Mortgage 4 p.c.	38,933.34
\$2,544,000	Man. S. W. Col. Ry. 1st Mortgage 5 p.c...	127,200.00
	Toronto, Grey and Bruce Rental.....	140,000.00
£3,432,191 15s. 5d.	Ontario and Quebec 5 p.c. Debenture stock	835,166.67
£575,190	Ontario and Quebec, Detroit Extension, 5 p.c Debenture stock, seven months from June 1st .....	81,645.00
\$2,000,000	Ontario and Quebec, ordinary stock, 6 p.c.	120,000.00
£1,330,000	Atl. & N. W. Ry. 1st Mortgage 5 p.c.....	£66,500
	Less amt from Dominion Government.....	38,486 6s.
		<hr/>
		£28,013 14s. 136,333.34
£1,090,312 10s.	4 p.c. Consolidated Debenture stock 1 year	212,247.50
£45,000	4 p.c. Consolidated Debenture stock six months from July 1st.....	4,380.00
	Rental of Line Mattawamkeag to Vanceboro .....	23,800.00
	Rental of Line Vanceboro' to McAdam Jet. to July 1st.....	1,500.00
	Rental of part South Eastern Ry., Farnham to Brigham Jet.....	1,400.00
£750,000	Algoma Branch 1st Mortgage 5 p.c.....	182,500.00
	Rental New Brunswick Railway four months from September 1st.....	107,844.49
		<hr/>
		<u>\$4,246,618.00</u>

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

RECEIPTS.

Cash on hand January 1st, 1890.....	\$4,571,335.49
Surplus Revenue (as per statement).....	\$2,053,082.51

*Land Department.*

Proceeds of Land Sales.....	§ 300,154.23
Less expenditure in connection with sales, premiums on bonds, &c.....	141,153.51
	<u>§159,000.72</u>
Deduct amount remaining in Deferred Payments.....	125,458.87
	<u>33,541.85</u>
Consolidated Debenture Stock, Four p. c., Amount issued £1,580,000.....	7,660,606.00
	<u>9,747,230.36</u>
	<u>\$14,318,565 85</u>
Deduct Station balances, accounts receiv- able, &c.....	\$5,887,051.83
Less amount at December 31st, 1889.....	5,162,740.10
	<u>724,311.73</u>
	<u>\$13,594,254.12</u>
Current liabilities at December 31st, 1890 (including expenditure on Souris Branch and Columbia & Kootenay Railway in advance of sale of bonds).....	\$4,070,504.69
Current liabilities at December 31st, 1889..	1,894,012.45
	<u>2,176,492.24</u>
Add difference .....	<u>\$15,770,746.36</u>

EXPENDITURES.

Interest on funded debt and rentals of leased lines due Jan. 1st, 1890, and ac- crued to that date.....	\$1,675,094.52
Construction branch lines (Schedule "A")	1,009,844.08
Additions and improvements main line and branches (Schedule "B") .....	1,552,737.31



Construction and improvements leased lines (Schedule "C").....		\$1,148,768.60
Equipment.....		1,425,990.99
Telegraphs, extensions and additions .....		96,212.87
China and Japan steamships (expenditures during year in building three vessels)...		2,375,679.41
Supplementary dividend made Dec., 1889, and paid Feb. 17th, 1890 .....	\$650,000.00	
Supplementary dividend made June, 1890, and paid August 17th, 1890 .....	650,000.00	
		<u>1,300,000.00</u>

## ADVANCES.

*Land Department.*

Interest advanced against lands.....	\$698,910.20	
Less surplus proceeds from town sites,		
Total proceeds of sales.....	\$317,750.61	
Deduct expenditures for clearing, improvements, &c.....	53,647.68	
		<u>\$264,102.93</u>
Deduct amount invested in hotels and other buildings for rent or sale .....	64,497.53	
		<u>\$199,605.40</u>
Deduct amount remaining in deferred payments .....	14,842.78	184,762.62
		<u>514,147.58</u>

*Lake Steamship and Car-Ferry Boats.*

Amount advanced on construction of .....	234,802.59	
Increase in stores and material in hand.....	257,739.83	
		<u>11,591,017.78</u>
Add Treasury assets December 31st, 1890..	6,020,112.16	
Less amount for accrued fixed charges....	1,840,383.58	
		<u>4,179,728.58</u>
		<u>\$15,770,746.36</u>

The following is a comparative statement of the earnings and working expenses for the past four years.

	1887.	1888.	1889.	1890.
Passengers ....	\$3,453,818 49	\$3,800,883 18	\$ 4,623,474 00	\$ 4,774,713 76
Freight .....	6,924,130 47	8,017,313 66	9,057,719 34	10,106,644 02
Mails .....	241,949 05	263,344 46	354,044 32	356,038 61
Express .....	235,035 09	244,247 18	247,606 70	260,268 43
Parlour & Sleeping Cars .....	176,826 39	187,694 13	239,103 14	268,096 76
Telegraph & Miscellaneous	574,653 31	682,052 99	847,190 93	786,767 40
Total .....	\$11,606,412 80	\$13,195,535 60	\$15,369,138 43	\$16,552,528 98
Expenses .....	8,102,294 64	9,324,760 68	9,241,302 27	10,252,828 47
Net Earnings ..	\$ 3,504,118 16	\$ 3,870,774 92	\$ 6,127,836 16	\$ 6,299,700 51

The earnings and working expenses of the New Brunswick Railway are included in the above figures for the last four months of 1889 and 1890, for comparison.

The earnings per passenger per mile were 1.74 cents, and per ton of freight per mile 0.84 cents, as against 1.78 and 0.915 respectively in 1889.

As was anticipated in the last annual report the earnings for the first half of the past year from grain traffic, and from general local traffic, passenger as well as freight, suffered in consequence of the light crops of 1889, nearly all of which were marketed before the close of that year.

The traffic interchanged with the Duluth, South Shore and Atlantic, and the Minneapolis, St. Paul and Sault Ste. Marie Railways was likewise affected by the crop failures in the Northwestern States.

The crops of the past year were large in Manitoba and Assiniboia, and fairly good elsewhere; but the harvest in the northwestern provinces was long delayed by wet weather, and little grain was marketed until the middle of October; it was only in the last ten weeks of the year, therefore, that the new crop began to tell in the earnings of the railway.

During the greater part of the year, as was the case in the last half of 1889, freights of a leaner description than are usually sought had to be taken in order to keep up the earnings, and this unfavourably affected the ratio of working expenses to profits.

The large amount of money realized by the farmers in the Northwest from their crops, and the considerable amount of grain yet in their hands and in store along the line, promise a good traffic until another crop is harvested; and only an average crop is required to ensure handsome results for the present year, which has opened most auspiciously, the earnings of the first four months having increased \$1,278,930, and the profits for the same time (estimating April) having increased about \$550,000, over the corresponding four months of the year covered by this report.

Your lines have continued to enjoy immunity from snow blockades or other interruptions of traffic.

The property of the Company has been well maintained, and extensive improvements have been made on all of its lines.

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

During the year large improvements were made in alignment and gradients between Carleton Place and Chalk River, and the maximum gradient between Montreal and Chalk River (246 miles) is now reduced to 40 feet to the mile ascending westward, and 35 feet to the mile ascending eastward—the latter being in the direction of the heavier traffic; and on this important section of the line the capacity of the ordinary locomotives has been increased fully 150 tons each. It is intended to continue this reduction of gradients as far as Callander (covering the section of the main line acquired from the Canada Central Railway Company), as rapidly as the work can be conveniently done, this section having to bear the large traffic of the Sault Ste. Marie branch in addition to that of the main line.

One hundred and seventy-one miles of the main line and sixty-eight miles of the Ontario Division were relaid with steel rails weighing 72 lbs. per yard in place of the 56 and 60 lbs. rails originally used, and the lighter rails have been utilized in branch lines and sidings. Five hundred and seventeen miles of the Company's lines are now laid with these heavy rails.

Among the many improvements may be mentioned the replacement of 213 timber bridges of various kinds by permanent masonry, or iron work, or solid embankments.

The provision of sidings for mines, manufacturing establishments and other industries on the Company's lines is alone a large item in the improvement account.

To provide for the rapidly increasing traffic, large additions to the rolling stock must be made during the current year. The Company's equipment is already taxed beyond its capacity.

It is the policy of your directors to continue the improvements in the order of their importance, and as rapidly as the work can be done with advantage. The money already expended in this way has brought such large returns both in economy of working and increased traffic, that nothing should be permitted to delay the further improvements which are contemplated, and which will produce equally satisfactory and profitable results.

The extension of the Ontario and Quebec system from London, Ontario, to Windsor and Detroit, was opened for traffic in June, and the results have been very satisfactory, notwithstanding a scarcity of rolling stock.

During the past year the Souris branch was extended from Souris to Hartney, 16.4 miles, and the grading was completed to Melita, 26.1 miles beyond. A section of 27 miles of a lateral branch of the Souris line was completed from Glenboro westward 21.3 miles, and graded 5.7 miles beyond. Within a few weeks the first 100 miles of the Souris branch system will be completed, and it is the intention of your Directors, as authorized at the last annual meeting, to push the main line of the Souris branch forward to the coal fields in Southeastern Assiniboia, an additional distance of about 70 miles; it is also their intention to make a connection between the present terminus of the Southwestern branch at Deloraine and the Souris branch at Melita, 23 miles; this connection being necessary for convenience in working the railway and for the distribution of coals from the Souris fields throughout Southern Manitoba. The extension of the Souris branch is urgently required for the relief of the many settlers in Southwestern Manitoba and Southeastern Assiniboia, who are out of reach of markets for their produce. It is also required for the protection of the Com-

pany's interests in that quarter and for the development of an important section of its Land Grant. A grant of 6,400 acres per mile of railway has been secured from the Dominion Government in aid of these extensions, and the Province of Manitoba has granted further aid in money.

The Qu'Appelle, Long Lake and Saskatchewan Railway, which was referred to in the last annual report as having been completed to a point 150 miles northwesterly from Regina, was extended during the year to Prince Albert on the North Saskatchewan River, an additional distance of 100 miles. This line is held by your Company under a lease for six years without rental, and your Company has an option to purchase it at the end of that time.

The Calgary and Edmonton Railway, which will be held by your Company on the same terms, was completed during the year from Calgary northward 93 miles, and will be extended to Edmonton a further distance of 97 miles, during the present season. It is also to be extended southward from Calgary to Fort McLeod 110 miles, and about fifty miles of this section are expected to be completed before the end of this year.

There are already large settlements in the Prince Albert, Edmonton and McLeod districts, and the branch lines reaching them will at once develop a considerable traffic, and make immediately available for settlement extensive areas of your lands.

The Columbia and Kootenay Railway (leased to your Company in perpetuity) connecting the navigable waters of the Columbia and Kootenay Lakes, and making acces-

sible the Kootenay mining district, is now practically completed. An important traffic awaits its opening. A grant of 200,000 acres of valuable mineral, timber and agricultural lands was made by the Provincial Government in aid of this line. These lands are being selected in the most promising districts, and it is believed that enough will eventually be realized from them to cover the entire cost of the railway.

The work on the Mission Branch was not pushed forward until late in the past year because of delay in the completion of the American line approaching from the south with which it was intended to connect. The connection has now been made, and continuous railway communication is established between British Columbia and the Gulf of California by which all the important cities of the Pacific Coast may be reached.

One other branch line remains to be made during the present year—the Temiscamingue Railway, extending from Mattawa on the Ottawa river, northward to Lakes Temiscamingue and Kippawa (51 miles) and reaching the most important timber country in Eastern Canada. This line is already in operation in short sections, and a very large lumber traffic awaits its completion. Both the Dominion Government and the Government of Quebec have granted liberal aid in money towards its construction, and its control by your Company is deemed of such importance by your Directors that they will ask your authority for its acquisition and completion.

A satisfactory agreement was reached with the Dominion Government in September last concerning the exchange of traffic at St. John, New Brunswick, with the In-

tercolonial Railway—the Government line—and since that time there has been a marked improvement in the traffic of the Company's line between Montreal and the Maritime Provinces.

On the first of July last the New Brunswick Railway, over which connection is made with the city of St. John and with the Intercolonial Railway, was leased by your Company in perpetuity, on terms that will make it a source of profit; it has been worked as part of the Canadian Pacific system since September 1st. This railway, in addition to affording necessary connections, reaches the most important districts in New Brunswick, commands the entire traffic of the valley of the St. John river, and reaches Fredericton, the capital of the Province, and the seaports of St. Stephen and St. Andrews, as well as St. John. This line has all along been looked upon as necessary to the Canadian Pacific system, and with that view it has for several years been held for your Company with the understanding that it would be taken over as soon as practicable.

The measures adopted at the adjourned meeting of the shareholders on the 12th June, have confirmed and made secure and permanent your control of the traffic of the Minneapolis, St. Paul and Sault Ste. Marie, and Duluth South Shore and Atlantic Railways, and on terms so favourable that no loss or expense to your Company is to be feared. These lines are already self sustaining, and their commanding position and special advantages, both as regards through and local traffic, must soon make them highly profitable in themselves, and as feeders to your railway their importance can hardly be over-estimated.



The matters in arbitration between the Government and the Company respecting the section of the railway made by the Government in British Columbia have not yet reached a decision. The arbitrators are now on the ground and it is hoped that a conclusion will soon be reached.

The building of the Company's China and Japan steamships was delayed by numerous strikes in the ship-yards, but at the date of this report one of the ships has completed its first trip from Hong Kong to Vancouver, the second is on its way from England to Hong Kong, and the third will soon be ready for service. The results of the first trip of the "Empress of India" have been most gratifying in every respect.

#### LANDS.

In October last a final settlement was reached with the Government concerning the Company's lands. All questions relating to the original grant, and to the grants subsequently made to the various branch lines have been fully and satisfactorily disposed of, and the Company is now in a position to select in favourable localities the remainder of its lands.

Immigration and land sales were seriously affected during the past year by the crop failure of 1889, in the North West ; but the present year has opened with a decided improvement in both.

The sales of Canadian Pacific lands last year were 73,941 acres for \$276,586, at an average price of \$3.76 per acre, as against 142,661 acres for \$494,402 in 1889, at an average price of \$3.46½ per acre.

The sales of Manitoba South Western Railway lands for 1890 were 7,544 acres for \$36,078, at an average price of \$4.78 per acre; as against 52,499 acres for \$236,792, at an average price of \$4.51 per acre.

Of the lands previously recovered by the Company by cancellation of sales 7,608 acres were resold during the year at a profit of \$11,465.

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

	Acres.
Original Grant.....	25,000,000
Surrendered to Government under agreement of March 30th, 1886.....	6,793,014
	<u>18,206,986</u>
The Company has earned on account of its Souris Branch Land grants.....	640,000
	<u>18,846,986</u>
Sales to Dec. 31st, 1890.....	3,606,011
Less cancelled in 1890.....	4,988
	<u>3,601,023</u>
Quantity of land unsold.....	<u>15,245,963</u>

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

	Acres.
Original Grant.....	1,309,424
Grant for Carman extension.....	40,000
	<u>1,349,424</u>
Sales to Dec. 31st, 1890.....	107,418
Less cancelled to Dec. 31st, 1890.....	990
	<u>106,428</u>
Quantity of land unsold.....	<u><u>1,242,996</u></u>

## CONCLUSION.

The Directors believe that the surplus earnings for the present year and hereafter will be at least sufficient to pay regular dividends at the rate of five per cent. per annum on the ordinary shares of the company, without regard to the guaranteed dividend which expires in August, 1893; but they recommend a continuance of the policy of supplementing the three per cent. guaranteed dividend with two per cent. from surplus earnings, making a total annual payment of five per cent., and allowing the remainder to accumulate as a reserve.

In conclusion, the Directors feel justified in pointing with some degree of pride to the fact that the first day of the present month was the time fixed by the original contract between the Government and the Company for the completion of the main line of the railway. That date not only found the main line already more than five years in operation, but found the Company with 5500 miles of railway in full and profitable working, and with tributary lines embracing 1600 miles more; with its lines reaching almost every important place in the Dominion of Canada, and with connections established to New York, Boston, Chicago, St. Paul, Minneapolis and Duluth; and, as if to mark this date more strongly, the first of the Company's fleet of Pacific steamships had just arrived at Vancouver from China and Japan with a full passenger list and a full cargo.

For the Directors,

WM. C. VAN HORNE,

*President.*

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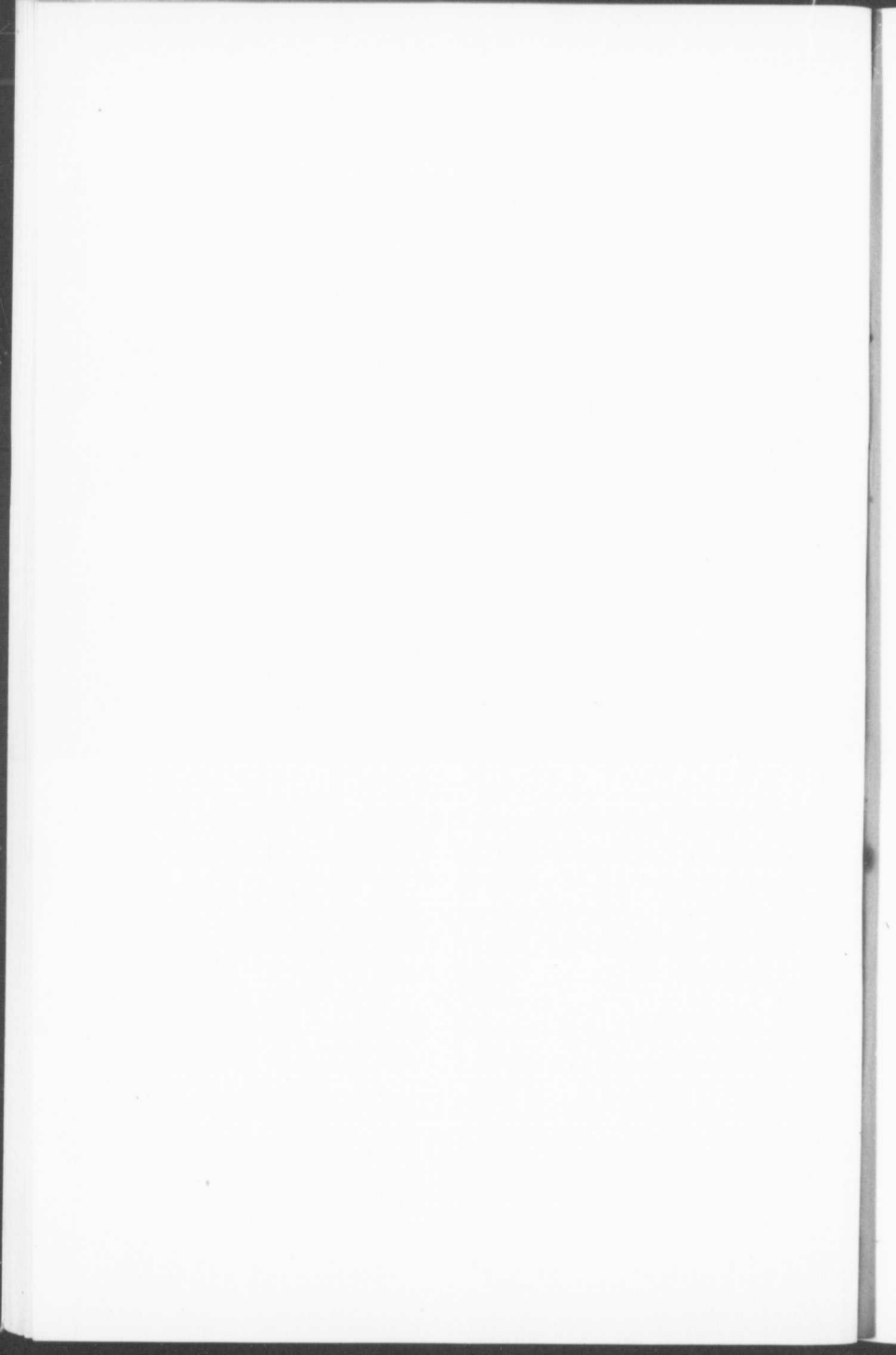
APPENDIX.

BALANCE SHEET,  
STATISTICS,

ETC.

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Cash in Treasury .....	4,127,551 41	
		6,020,112 16

Less: Expenses, contribution rebate, and 10 p. c. on Land Grant Bonds taken in pay- ment.....	2,217,283 10	
		19,434,402 57

TOWN SITES.

Amount received from sale of Town Sites not covered by Land Grant Mortgage.....	\$ 2,056,291 29	
Less: Expenditure improve- ments, grading, clearing, &c.	365,496 69	
	1,690,794 60	
Cost of Hotel and other build- ings at Vancouver, and Banff Springs Hotel.....	574,816 91	
	1,115,977 69	
Surplus receipts of 1889 and 1890 applied against ad- vances on Land Bond In- terest .....	429,427 35	
		686,550 34

SURPLUS EARNINGS.

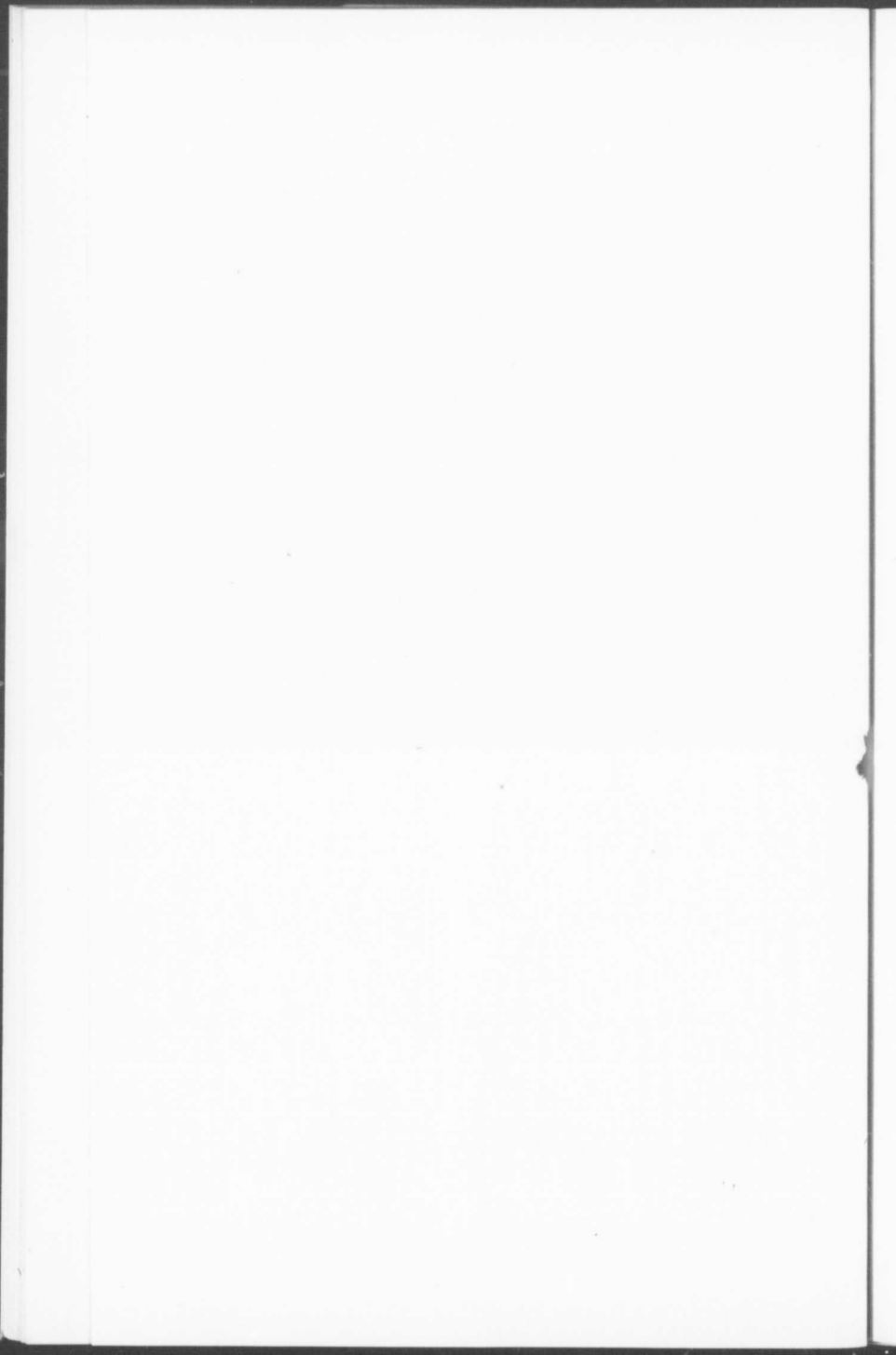
Net earnings for years 1888, 1889 and 1890, after payment of all fixed charges and supplementary dividends.....	2,656,432 83	
		\$198,122,727 63

\$198,122,727 63

I. G. OGDEN,  
Comptroller.

**CONDENSED BALANCE SHEET—December 31st, 1890.**

<b>COST OF ROAD.</b>		<b>CAPITAL STOCK</b> .....	\$ 65,000,000 00
Main Line.....	\$127,199,939 79	<b>MORTGAGE BONDS.</b>	
Lines acquired or held under perpetual lease.....	17,815,738 93	1st Mortgage bonds, 5 per cent.....	£7,191,500 \$34,998,633 33
Branch Lines.....	8,859,118 39	Canada Central 1st Mortgage, amount of issue, £500,000	\$2,433,333
	<u>\$153,874,787 11</u>	Sinking Fund deposited with Govt. 1,500,000	
<b>NOTE.</b>		Balance at maturity.....	850,000 00
Lines built by Government not included — Estimated cost.....	\$35,000,000	Canada Central 2nd Mortgage, 6 per cent.....	973,333 33
15,245,963 acres of land unsold, which, at average of last two year's sales (\$3.57 per acre), would realize.....	\$54,428,087.91	Due Province of Quebec on Q.M.O. & O. Ry., 5 p.c.....	3,500,000 00
		Due Province of Quebec on North Shore Ry., 5 p.c.....	3,500,000 00
<b>EQUIPMENT.</b>		Algoma Branch, 1st Mortgage, 5 p.c.....	3,650,000 00
Rolling Stock.....	\$ 12,211,784 48	North Shore Railway, 1st Mortgage.....	484,719 67
Lake Steamers.....	478,952 99		<u>47,966,686 33</u>
Shops and Machinery (Montreal, Hochelaga, Perth and Carleton Place).....	1,183,325 38	<b>FOUR PER CENT. CONSOLIDATED DEBENTURE STOCK</b> .....	12,040,606 00
	<u>13,874,062 85</u>	<b>LAND GRANT BONDS, First Mortgage.</b>	
<b>CONSTRUCTION PLANT AND TOOLS</b> .....	151,991 87	Am't of issue, \$25,000,000 00	
<b>REAL ESTATE</b> (at and near Montreal).....	285,490 63	Less—Amount redeemed & cancelled.....	29,561,500 00
<b>ADVANCES.</b>			\$ 4,438,500 00
South Eastern Railway.....	1,604,780 53	Amount held in trust by Dominion Government, not bearing interest.....	1,000,000 00
<b>STATION BALANCES, ACCOUNTS RECEIVABLE, Miscellaneous Securities and Advances</b> .....	5,887,051 83		\$ 3,438,500 00
<b>ATLANTIC &amp; NORTH-WEST RAILWAY 5 PER CENT. GUARANTEED STOCK</b> (acquired by issue of four per cent. Consolidated Debenture Stock).....	3,240,000 00	Land Bonds, 3½ p.c., interest guaranteed by Dominion Government.....	15,000,000 00
<b>ADVANCES ON LAKE AND FERRY STEAMERS</b> .....	527,817 92		<u>18,438,500 00</u>
<b>CHINA AND JAPAN STEAMSHIPS</b> .....	2,375,679 41	<b>CURRENT LIABILITIES</b> (including Vouchers and Pay Rolls).....	4,070,504 69
<b>MATERIAL AND SUPPLIES ON HAND</b> .....	1,961,032 69	<b>INTEREST ON FUNDED DEBT AND RENTAL OF LEASED LINES.</b>	
<b>DOMINION GOVT. GUARANTEE FUND.</b>		Coupons not presented, including amounts due January 1st, 1891.....	\$ 1,511,019 41
Amount on deposit to guarantee 3 per cent. per annum on Capital Stock until August 17th, 1893.....	5,461,391 79	Accrued to date not due.....	329,264 17
			<u>1,840,383 58</u>
<b>ADVANCES ON LAND.</b>		<b>SUPPLEMENTARY DIVIDEND, payable February 17th, 1891</b> .....	650,000 00
Interest on Land Grant Bonds.....	\$1,397,926 70	<b>CASH SUBSIDY FROM DOMINION GOVERNMENT</b> .....	25,000,000 00
Less—Surplus receipts from Town Sites.....	429,427 35	<b>BONUSES FROM MUNICIPALITIES</b> .....	348,661 29
	<u>968,499 35</u>		<u>25,348,661 29</u>
<b>BALANCE DUE ON LAND SOLD</b> —(Deferred Payments).....	1,699,134 48	<b>LAND GRANT.</b>	
<b>BALANCE DUE ON TOWN SITE SALES</b> —(Deferred Payments).....	190,885 01	3,601,023 acres sold, amounting to.....	\$11,462,164 67
<b>TREASURY ASSETS.</b>		6,793,014 acres taken by Dom. Govt. in reduction of Land Grant.....	10,189,521 00
Temporary Advance to Columbia & Kootenay Ry., pending sale of bonds.....	\$ 512,229 71		21,651,685 67
Temporary loans on security, bearing interest.....	1,286,015 04	Less: Expenses, cultivation rebate, and 10 p. c. on Land Grant Bonds taken in payment.....	2,217,283 10
Cash in Treasury.....	4,127,857 41		<u>19,434,402 57</u>
	<u>6,020,112 16</u>	<b>TOWN SITES.</b>	
		Amount received from sale of Town Sites not covered by Land Grant Mortgage.....	\$ 2,656,291 29
		Less: Expenditure improvements, grading, clearing, &c.....	365,496 69
			<u>1,690,794 60</u>
		Cost of Hotel and other buildings at Vancouver, and Banff Springs Hotel.....	574,816 91
			<u>1,115,977 69</u>
		Surplus receipts of 1889 and 1890 applied against advances on Land Bond Interest.....	429,427 35
			<u>686,550 34</u>
		<b>SURPLUS EARNINGS.</b>	
		Net earnings for years 1888, 1889 and 1890, after payment of all fixed charges and supplementary dividends.....	2,056,432 83
			<u>\$198,122,727 63</u>
			<u>\$198,122,727 63</u>





## STATEMENT OF EARNINGS FOR THE YEAR 1890.

From Passengers .....	\$ 4,774,713	76
“ Freight .....	10,106,644	02
“ Mails .....	356,038	61
“ Express .....	260,268	43
“ Parlour and Sleeping Cars .....	268,096	76
“ Telegraph and Miscellaneous .....	786,767	40
	<u>\$16,552,528</u>	<u>98</u>

## STATEMENT OF WORKING EXPENSES FOR THE YEAR 1890.

Conducting Transportation .....	\$2,576,725	72
Maintenance of Way and Structures .....	2,069,658	78
Motive Power .....	3,655,244	22
Maintenance of Cars .....	539,316	27
Parlour and Sleeping Car Expenses .....	64,096	14
Expenses of Lake Steamers .....	108,335	92
General Expenses .....	950,754	06
Commercial Telegraph .....	288,697	36
	<u>\$10,252,828</u>	<u>47</u>

## STATEMENT OF EQUIPMENT AT DECEMBER 31ST, 1890.

Locomotives .....	484
First and second class Passenger cars, Baggage cars, and Colonist sleeping cars .....	461
First class sleeping and dining cars .....	61
Parlour cars, Official and Paymasters' cars .....	25
Freight and cattle cars, (all kinds) .....	13,071
Conductors' vans .....	230
Boarding, Tool and Auxiliary Cars .....	308
Lake Steamers, " Alberta," " Athabasca," " Manitoba " .....	

## DESCRIPTION OF FREIGHT CARRIED DURING THE YEARS.

DESCRIPTION.		1888.	1889.	1890.
Flour .....	Barrels.	1,667,584	2,024,007	2,216,914
Grain .....	Bushels.	15,965,682	13,803,224	20,167,888
Live Stock .....	Head.	251,297	276,514	288,853
Lumber .....	Feet	351,466,992	473,462,550	564,560,194
Firewood .....	Cords.	107,654	100,288	109,478
Manufactured Articles.	Tons.	600,521	762,138	927,787
All other Articles.....	Tons.	586,396	632,518	726,014

## FREIGHT TRAFFIC.

	1888.	1889.	1890.
Number of Tons carried.....	2,496,557	2,638,690	3,378,564
Number of Tons carried one mile.	784,972,511	967,508,450	1,208,014,731
Earnings per Ton per mile....	1.02 cents.	0.915 cents.	0.84 cents.

## PASSENGER TRAFFIC.

	1888.	1889.	1890.
Number of Passengers carried...	2,280,049	2,638,690	2,792,805
Number of Passengers carried one mile .....	212,766,865	253,905,182	274,940,328
Earnings per Pass. per mile...	1.79 cents.	1.78 cents.	1.74 cents.

## TRAFFIC TRAIN MILEAGE YEAR 1890.

	Mileage.	Earnings.	Earnings per Traffic Train Mile.
Passenger.....	5,476,254	\$5,599,895.49	\$1.02
Freight.....	7,547,058	9,907,358.38	1.31
Total.....	13,023,312	\$15,507,253.87	\$1.19

The above earnings for traffic trains include earnings from Mails, Express and Sleeping Cars, but do not include Lake Steamers, Telegraph, Elevators, Rents, &c., the net profits from which amounted to \$648,241.83.

## EXPENSES PER TRAFFIC TRAIN MILE FOR YEAR 1890.

	Expenses.	Expenses per Traffic Train Mile.
Maintenance of way.....	\$2,069,658.78	.16
Motive power.....	3,655,244.22	.28
Maintenance of cars.....	539,316.27	.04
Traffic and general expenses.....	3,591,575.92	.28
	<u>\$9,855,795.19</u>	<u>\$ .76</u>

## SCHEDULE "A."

## CONSTRUCTION BRANCH LINES.

Mission Branch .....	\$223,306.24
Souris Branch .....	777,044.17
Buffalo Lake Branch (surveys) .....	2,621.89
Lake Dauphin Branch (surveys).....	5,236.05
Battleford Branch (surveys).....	1,635.73
	<hr/>
	\$1,009,844.08

## SCHEDULE "B."

DETAILS OF EXPENDITURE ON ADDITIONS AND  
IMPROVEMENTS DURING 1890.

## MAIN LINE.

## QUEBEC TO CALLANDEU. 503 Miles.

Additional stables at Montreal Cattle Yards .....	2,310.58
Improving water supply .....	4,654.88
Permanent Bridges between Quebec and Callander.....	157,980.19
Additional sidings.....	37,420.63
Additional stations and station grounds.	2,384.78
Payments on purchase of Canada Central Railway .....	1,215.02
Improvement of line between Carleton Place and Callander, reducing gradients, straightening line, &c.....	114,740.90
Miscellaneous.....	3,228.56
	<hr/>
	\$ 323,935.54

## CALLANDEU TO PORT ARTHUR. 649 Miles.

Additional stations and buildings.....	\$ 5,291.44
Additional sidings.....	14,920.16
Additional fencing.....	2,720.18
Widening cuttings, embankments, bal- lasting, filling trestles .....	156,596.12
Expenses and settlements of disputed claims, original construction.....	100,307.19
Miscellaneous.....	1,832.69
	<hr/>
	\$ 281,667.78

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

Improving water supply.....	\$	8,264.83	
Additional buildings, stations and yards.....		48,494.00	
Additional fencing.....		8,446.41	
Permanent bridges.....		130,024.00	
Widening embankments, filling trestles.....		26,983.26	
Substitution heavy rails and fastenings, less cost of rails, etc., removed.....		262,700.81	
Additional sidings.....		6,911.39	
Elevators at Fort William.....		20,302.88	
Right of way and perfection of title.....		10,714.21	
Divisional yard, shops, &c., at Fort Wil- liam.....		54,381.02	
Extension of coal dock at Fort William..		19,158.01	
Additional cattle yards.....		662.64	
Miscellaneous.....		115.41	
			\$ 597,158.87

## DONALD TO PACIFIC COAST. 461 Miles.

Snow sheds.....	\$	150.25	
Additional stations and buildings.....		1,101.03	
Yards and wharves at Vancouver.....		13,218.79	
Right of way and perfection of title.....		7,540.81	
Engine sheds and shops.....		1,935.43	
Additional sidings.....		3,196.42	
Widening embankments, ballasting, &c..		22,494.32	
Permanent bridges.....		12,603.11	
Additional fencing.....		2,863.14	
Prospecting for coal.....		7,552.97	
Wharf and steamboat landing at Revel- stoke.....		3,276.28	
Settlement of disputed claims (original construction).....		32,902.25	
Addition to Glacier Hotel.....		9,524.20	
Expenses of arbitration with Dominion Government.....		42,455.39	
Expenditures on Government Section under claim against Dominion Govern- ment.....		143,738.81	
			\$ 304,562.20
Total on Main Line.....			\$1,507,324.39

## BRANCH LINES.

Sudbury Copper Mines Branches (exten- sions and improvements.....	\$	3,138.06	
Southwestern branch.....		2,093.09	
Selkirk branch.....		952.28	
Stonewall branch.....		360.37	
Algoma branch.....		38,869.12	
			\$ 45,412.92
			<u>\$1,552,737.31</u>

## SCHEDULE "C."

## DETAILS OF EXPENDITURES ON LEASED LINES.

## ONTARIO &amp; QUEBEC RAILWAY SYSTEM.

Widening cuttings, embankments, additional culverts and ballasting.....	\$ 46,309.31	
Additional fencing.....	16,880.99	
Improving water supply .....	4,168.62	
Improvements at Toronto Junction .....	18,431.01	
Improvements at Smith's Falls .....	4,026.53	
Substitution heavy rails and fastenings, less cost of rails, etc., removed.....	132,001.22	
Right of way and perfection of title.....	17,025.66	
Subways at Toronto, Parkdale and Galt...	900.88	
Permanent bridges .....	97,978.72	
Additional sidings.....	53,452.68	
Engine sheds .....	2,283.46	
Additional stations and buildings .....	19,679.19	
Additional semaphores and signals.....	2,228.42	
Wharf and improvements at Owen Sound ..	51,692.41	
Rolling stock.....	82,730.17	
Terminals at Toronto.....	33,349.99	
	<hr/>	
	583,139.26	
Detroit Extension—Line London to Windsor (completing construction).....	507,057.86	
Less subsidy on line—London to Chatham.....	235,200.00	
	<hr/>	
	271,857.86	
		854,997.12

## ATLANTIC AND NORTH-WEST RAILWAY.

(In completion of construction.)

Right of way.....	38,291.06	
Grading, filling trestles and ballasting....	113,494.33	
Bridges and culverts.....	32,434.18	
Engine sheds and shops .....	10,902.66	
Rails, ties and fastenings.....	23,005.46	
Stations, buildings and yards .....	33,099.76	
Water stations .....	658.05	
Sidings .....	791.52	
Fencing and road crossings .....	10,106.81	
Cattle yards.....	308.00	
Station and yard at Montreal .....	21,571.26	
	<hr/>	
		\$284,663.09

## MANITOBA S.W. COLONIZATION RAILWAY.

Right of way .....	§	383.61	
Stations and miscellaneous buildings....		3,067.82	
Miscellaneous .....		168.81	
Additional Fencing .....		2,636.77	
Widening cuts and ballasting .....		2,369.99	
Extension to Carman .....		481.38	
		<hr/>	9,108.39
			<hr/> <hr/>
			\$1,148,768.60

## MILEAGE OF ALL THE COMPANY'S LINES.

MAIN LINE.		Miles.
Montreal to Vancouver.....		2906.5
OTHER LINES OWNED.		
<i>Eastern Division.</i>		
Quebec Section—Quebec to St. Martin's Junction....	159.8	
Piles Branch—Piles Junction to Grand Piles .....	27.5	
Joliette " —Joliette Junction to St. Felix.....	16.8	
Berthier " —Berthier Junction to Berthier .....	2.0	
Aylmer " —Hull to Aylmer .....	7.5	
St. Jérôme " —St. Lin Junction to St. Jérôme .....	11.0	
St. Lin " —St. Thérèse to St. Lin.....	15.0	
St. Eustache " —St. Thérèse to St. Eustache .....	8.0	
Brockville " —Carleton Junction to Brockville .....	45.5	
Algoma " —Sudbury to Sault Ste. Marie.....	182.5	
Buckingham Branch—Buckingham station to Village.	4.2	
Copper Mines Branches—Sudbury.....	5.0	
Lake Temiscamingue Ry., (under construction).....	51.0	
		535.8
<i>Western Division.</i>		
Emerson Branch—Emerson to Winnipeg Junction... ..	34.8	
Selkirk " —Winnipeg to West Selkirk.....	22.5	
Stonewall " —Air Line Junction to Stonewall... ..	18.1	
Gretna " —Rosenfeld to Gretna .....	13.7	
Pembina Mountain Branch—Winnipeg Junction to Manitou.....	100.6	
Manitoba South-Western—Manitou to Deloraine.....	101.0	
" " —Winnipeg to Glenboro....	104.2	
" " —Elm Creek to Carman.....	12.6	
Souris Branch—Kemnay to Hartney completed.....	32.5	
" " —Under construction from Hartney south-west.....	40.5	
" " —Glenboro' Section, Glenboro' to Meth- ven completed.....	21.3	
" " —Methven to Nesbitt, under construction	5.7	
		537.5
<i>Pacific Division.</i>		
New Westminster Branch.....	9.2	
Vancouver to Coal Harbour .....	1.2	
Mission Branch (under construction) .....	11.0	
		21.4
LEASED LINES.		
<i>Ontario &amp; Quebec Railway.</i>		
Mile End Junction to south end Lachine Bridge....	9.1	
Montreal (Windsor St.) to Toronto Junction... ..	339.0	
Toronto Junction to Strachan Avenue.....	3.2	
Toronto Junction to St. Thomas .....	116.1	
Toronto Junction to Owen Sound .....	116.6	
Don Junction to Union Station (Don Branch, under construction) .....	5.0	
Woodstock to London.....	26.6	



London to Windsor.....	112.0
Orangeville Branch—Streetsville Jct. to Melville Jct..	31.6
Elora " —Cataract to Elora.....	27.5
Teeswater " —Orangeville Jct. to Teeswater...	67.1
Wingham " —Glenannan to Wingham.....	5.0
<i>Guelph Junction Railway.</i>	
Guelph Junction to Guelph.....	15.0
<i>Atlantic &amp; North-West Railway.</i>	
Lachine Bridge (south end) to Mattawamkeag.....	327.0
("Short Line" to Maritime Provinces.)	
<i>St. Lawrence &amp; Ottawa Railway.</i>	
Ottawa to Prescott.....	51.8
Chaudière Junction to Sussex street, Ottawa.....	4.7
<i>New Brunswick Railway</i> .....	416.7
<i>Columbia &amp; Kootenay Railway</i> (under construction).....	28.5
Total leased lines.....	1702.5
In addition to the foregoing the Company has under lease the joint use of the Maine Central Railway between Mattawamkeag and Vanceboro .....	56.0
The Company also works for account of the owners the following lines:—	
*South Eastern Railway and Branches .....	281.0
*Qu'Appelle Long Lake and Saskatchewan Railway.....	246.8
(Regina to Prince Albert.)	
*Fredericton Branch (N. B. Ry.).....	22.1
Calgary & Edmonton Railway (under construction, to be worked by C.P.R.):—	
Calgary to Edmonton.....	190.0
" Fort Macleod .....	110.0
	300.0
(Of this line 93 miles have been constructed but are not yet in operation.)	
Total mileage worked and under construction .....	6609.6

## SUMMARY.

	Miles.
Mileage included in C.P.R. traffic returns.....	5504.2
Mileage of other lines worked .....	549.9
Mileage under construction, including Calgary & Edmonton and Columbia & Kootenay Rys.....	495.5
	6609.6

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

And the Report having been considered, it was moved by the President, Mr. Wm. C. Van Horne, seconded by Sir Donald A. Smith and unanimously

*Resolved,*

That the report on the affairs of the Company for the year ended December 31st, 1890, now submitted, be adopted, and that the same be published and forwarded to the Shareholders and others interested in the Company.

The President laid on the table the lease for 990 years of the New Brunswick Railway Company's system, (embracing 417 miles) which had been executed under authority given at the adjourned annual meeting of last year, as stated in the report, and he explained at length the provisions of Clause 4 which specifies the amounts of rent to be paid, reaching in the aggregate about \$325,000 per annum, which clause is in the following words:—

CLAUSE IV.

The Lessee will pay yearly and every year :

(a).—“The operating expenses of the New Brunswick System, which shall include, amongst other things, the cost of maintaining each portion thereof in good order and condition, also ordinary repairs and renewals, all expenditures arising out of any business or contract obligation, negligence or misfeasance, or however otherwise in any way connected with the use and operation thereof, including damages to persons or property, all taxes of every description, federal, provincial or municipal, upon the said demised properties, or the business or franchises thereof, and also any other expenditure, which is herein declared to be operating expenses ;

(b).—“To the Lessor, on the tenth day of March next

" after the date of these presents and thereafter half yearly  
 " on the tenth day of the months of March and September  
 " in each and every year including and ending with the  
 " month of September next after the period of the said  
 " term, an amount, equal to so much of eighty-eight four  
 " hundred and twentieths of twenty-three one hundredths  
 " of the aggregate gross earnings of the Lessor during the  
 " half year, ending on the thirtieth day of June or the  
 " thirty-first day of December (as the case may be), next  
 " preceding such day of payment, over the system of  
 " railways, described in the third clause of the said  
 " Indenture of lease, dated the twenty-first day of May,  
 " A. D., 1883, as shall exceed, if it do exceed, two  
 " thousand seven hundred and fifty pounds sterling,  
 " the amount of this excess (if any) to be paid to the  
 " Lessor, at such place in London, England, as it may from  
 " time to time, in writing direct ; but it is to be paid only  
 " so long as the St. John and Maine Railway Company or  
 " its assigns shall continue to be entitled to receive the  
 " same by way of rent under the terms of the said lease,  
 " and if the obligation of the Lessor to pay the same  
 " be at any time hereafter satisfied or acquired on behalf  
 " of the Lessor by means of the issue by the Lessor of con-  
 " solidated debenture stock to such an amount as may be  
 " necessary for that purpose, then the Lessee will there-  
 " after pay directly to the respective holders of consoli-  
 " dated debenture stock the interest as it shall fall due half  
 " yearly on so much of such consolidated debenture stock,  
 " as shall have been so issued for that purpose ;

(c). " To the Lessor, as and when and where they res-  
 " pectively fall due, all such sums, as may be necessary  
 " from time to time to meet the interest at the rate of three  
 " and a half per centum per annum on eighty-two thou-

“ sand pounds sterling of perpetual guaranteed debenture  
 “ stock, issued by the New Brunswick and Canada  
 “ Railway Company ;

(d). “ To the Lessor annually the sum of three  
 “ hundred and nineteen thousand three hundred and  
 “ ninety dollars in half-yearly payments of one hundred  
 “ and fifty-nine thousand six hundred and ninety-five  
 “ dollars each on the first day of the months of January  
 “ and July in every year ; after deducting from each  
 “ such half-yearly instalment whatever sum the Lessee  
 “ shall have paid or shall have become liable to pay on  
 “ account of any part of the six months, next preceding the  
 “ day, on which such half yearly instalment shall mature,  
 “ in respect of consolidated debenture stock, to be issued  
 “ by the Lessor, as provided for in the next succeeding  
 “ paragraph ;

(e). “ To every holder of any consolidated debenture  
 “ stock, which may be hereafter at any time issued by the  
 “ Lessor upon the written request of the Lessee and under  
 “ the provisions of the Act of the Parliament of Canada,  
 “ 53 Victoria chapter 71, or of any subsequent or amending  
 “ Act or Acts, as and when and where they respectively fall  
 “ due, all such sums as may be necessary from time to time  
 “ to meet the interest thereon according to the rate at and  
 “ the terms, on which it shall have been issued, and will  
 “ execute on each certificate, which shall be issued in  
 “ respect of any such stock, or in such other manner as may  
 “ be requisite, a valid and sufficient undertaking and  
 “ guaranty to that effect ;

(f). “ If at the request of the Lessee consolidated debenture  
 “ stock shall be at any time or times issued by the  
 “ Lessor in respect of floating obligations under paragraph

“ (d) of Clause III. of the said Act, exceeding in the aggregate four hundred thousand dollars, then the Lessee will pay as rent, in addition to the amounts covered by the two next preceding paragraphs, taken together, a further sum, equal to four per centum per annum on the excess whatever it may be from time to time beyond the said sum of four hundred thousand dollars, such additional rent to be paid to the several holders of debenture stock in the same manner as is heretofore provided for in respect of other portions of such consolidated debenture stock.”

The President further stated that the lease gave the Pacific Company the option to purchase the 1,650,000 acres of timber lands belonging to the New Brunswick Company at a price equivalent to 56½ cents per acre.

Whereupon it was moved by Mr. Sandford Fleming, seconded by Hon. Donald MacInnes and unanimously

*Resolved,*

That the Shareholders do hereby adopt and confirm the executed lease of the New Brunswick Railway system now submitted.

The President reported that under the authority of the resolution passed at the last annual meeting, an agreement had been executed between this Company and the Calgary and Edmonton Railway Company by which this Company would on its own account operate that Company's Railway for a period of six years without rental, with the option of purchasing it at the end of that period on satisfaction of the outstanding bonds of the Calgary and Edmonton Company, and ten per cent. premium thereon, the amount of such bonds being limited by the terms of the agreement to a sum which shall not exceed

\$18,000 per mile of the Railway ; and the agreement was laid on the table :—

Whereupon it was moved by Mr. Richard B. Angus, seconded by Mr. F. M. David and unanimously

*Resolved,*

That the Shareholders do hereby adopt and confirm the executed agreement now submitted and dated the 24th June, 1890, between this Company and the Calgary and Edmonton Railway Company.

The President reported that in pursuance of the authority given at the adjourned Annual Meeting of last year the Company had executed a lease in the form approved at that meeting, by which it had become possessed of the Columbia and Kootenay Railway and Navigation Company for 999 years from 1st July, 1890, paying by way of rental the interest at the rate of four per cent. per annum on the bonds of that Company, such bonds not to exceed £5,000 sterling per mile of such Railway, the length being about 28 miles :—

And the lease having been laid on the table it was moved by Mr. Duncan MacIntyre, seconded by Mr. J. Alex. Strathy and unanimously

*Resolved,*

That the Shareholders do hereby adopt and confirm the executed lease of the Columbia and Kootenay Railway now submitted.

The following By-laws passed by the Directors since the last meeting of the shareholders were read as follows :

BY-LAW NO. 61.

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

Whenever and as often as the duly authorized conductor for the time being of any train requests any passenger to show or deliver up his or her ticket, such passenger shall comply with the request, or in default thereof shall be liable to pay and shall on demand pay the regular fare from the place whence such passenger took the train to the end of his or her journey; and if on any such demand a passenger fail to pay such fare then the conductor of the train, either alone, or with the assistance of other servants of the Company, may put such passenger out of the train (either with or without his or her baggage) at any usual stopping place, or near any dwelling-house as the conductor elects, the train being first stopped and no unnecessary force being used.

Dated this eleventh day of August, 1890.

BY-LAW NO. 62.

Amending By-Law No. 59.

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The Canadian Pacific Railway Company doth hereby enact as follows :—

Section 205 of By-law 59 is hereby repealed and the following enacted in lieu thereof, that is to say :—

205. In addition to these rules, the Time Tables of the different Divisions will contain special instructions as the same may be necessary. Special instructions not in conflict with these rules which may be given by proper authority, and issued in connection with the then current Time Table, will be observed and remain in force only during the life of the latter. All other special instruc-

tions given by proper authority shall be observed and remain in force until cancelled. No alterations shall be made by any officer or employee, unless with the approval of the General Superintendent.

The regulation in said By-law 59 relating to tramps is hereby amended by inserting after the word "Superintendent" in the last line but two, the following words, that is to say: "except in cases where it may be absolutely necessary for their proper care and attention."

Dated this ninth day of February, 1891.

Whereupon it was moved by Mr. H. Gordon Strathy, seconded by Mr. Hartland S. Macdougall, and unanimously

*Resolved,*

That By-laws Nos. 61 and 62 now submitted be and the same are hereby approved.

On motion of Mr. R. B. Angus, seconded by Mr. J. Henry Joseph, it was unanimously

*Resolved,*

That this meeting approves and confirms the action of the Directors in applying to Parliament for legislation authorizing the issue of additional Consolidated Debenture Stock for the purposes mentioned in the notice calling the Special Meeting of Shareholders for this day, and authorizes them to proceed to obtain the said legislation.

It was further moved by Mr. Wm. C. Van Horne, seconded by Mr. E. B. Osler, and unanimously



*Resolved,*

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

The meeting then proceeded to the election of Directors for the ensuing year; and on motion of Mr. Donald Macmaster, seconded by Mr. Jesse Joseph, Mr. Hartland S. Macdougall and Mr. J. Alex. Strathy were appointed Scrutineers.

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

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

The President made a further reference to the Calgary and Edmonton Railway Company and stated that a favor-

able opportunity had occurred whereby through the even exchange of Canadian Pacific four per cent. consolidated Debenture Stock for the six per cent. Bonds of the Calgary and Edmonton Company, the Railway of that Company might become the property of the Canadian Pacific Company free of interest charge for something more than ten years, the Canadian Pacific Company getting also the benefit of the annual subsidy of \$80,000 granted by the Government to the Calgary and Edmonton Company for the remainder of the stipulated period of 20 years, and becoming possessed of a portion of the Calgary and Edmonton land grant ; and he stated that negotiations were still pending on this subject. He reported also that in view of the expediency of acquiring the road of the Lake Temiscamingue Colonization Railway Company as mentioned in the report, negotiations had been entered into with that object, that Company having applied to Parliament and being likely to obtain power to sell or lease its railway to this Company, but that the negotiations were not sufficiently advanced to enable him to state fully the agreement which was likely to be reached in relation to both of these questions :—

Whereupon he moved, and the Hon. J. J. C. Abbott seconded the following resolution :—

Whereas the negotiations in respect of the purchase of the Calgary and Edmonton Railway at an earlier period than that named in the existing agreement, and in respect of the purchase or lease of the Temiscamingue Colonization Railway had not yet resulted in a definite agreement in either case, it is

*Resolved,*

That in order to give further time for the completion

of such negotiations, this meeting do stand adjourned till Thursday, the 2nd day of July next, at 12 o'clock noon.

And the resolution was unanimously adopted.

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

The President explained that the matters mentioned in the notice for this meeting were the subjects of pending legislation, and, that in consequence of the session of Parliament commencing so much later than usual, this legislation was not sufficiently advanced to enable such matters to be satisfactorily dealt with at present, and he recommended that their discussion be deferred.

Whereupon it was moved by the Hon. J. J. C. Abbott, seconded by Mr Geo. R. Harris, and unanimously

*Resolved,*

That this Special Meeting do stand adjourned until Thursday, the 2nd day of July next, then to meet on conclusion of the business of the adjourned Annual General Meeting.

WM. C. VAN HORNE,

Ó. DRINKWATER,

President.

Secretary.

NOTE.—At a meeting of the Board held immediately after the adjournment of the Shareholders' meeting, Mr. Wm. C. Van Horne was re-elected President of the Company, and the following were appointed the Executive Committee:—

Sir George Stephen, Bart.,      Hon. Sir Donald A. Smith, K.C.M.G., M.P.,  
Mr. Wm. C. Van Horne (*ex officio*),      Mr. Richard B. Angus.

MINUTES of the Adjourned Annual General Meeting of the Shareholders of the Canadian Pacific Railway Company, held on Thursday, the 12th day of June, 1890, at one o'clock p.m., pursuant to resolution passed at the Adjourned Annual Meeting, held on the 2nd June, 1890, at which no business was transacted.

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The President, Mr. Wm. C. Van Horne, having taken the chair, the resolutions of adjournment passed at the meetings held on the 14th May last and 2nd June instant were read by the Secretary.

Proxies in favour of the President and Mr. R. B. Angus, or either of them, which had been given for the Annual and Special General Meetings of the Shareholders held on the 14th day of May last, and for any adjournment thereof, were laid on the table.

The Minutes of the proceedings of the Board of Directors at their meeting held this day, in relation to the negotiations between the Minneapolis, St. Paul and Sault Ste. Marie Railway Company (hereinafter called the Sault Company), and the Duluth, South Shore and Atlantic Railway Company (hereinafter called the South Shore Company) were read and approved; whereupon the President submitted a draft of a proposed Agreement (approved by the Board of Directors at their said meeting held this day) between this Company and the Sault Company, providing for a permanent traffic arrangement between the two Companies, and the guaranty by this Company of the interest upon the bonds of the Sault Company at the rate of 4 per cent. per annum, consisting of \$14,290,000 of Divisional Bonds, and all of its Consolidated Five Per Cent. Bonds, of which there are now outstanding \$6,710,000; and the same

having been fully considered, it was, on motion of Sir George Stephen, seconded by Mr. Wilmot D. Matthews, unanimously

*Resolved,*

That the terms of the said draft be approved, and that the said proposed Agreement, with such changes and modifications from the said draft, if any, as may be approved by the Executive Committee of the Board of Directors, be executed on behalf of this Company under its corporate seal by the President and Secretary.

The Secretary then read to the meeting a copy of an Agreement, dated May 27th, 1890, made between the Sault Company and the holders of Five per Cent. Consolidated First Mortgage Bonds of the said Company, providing for the reduction of the rate of interest upon all Consolidated Bonds of the said Company from 5 per cent. per annum to 4 per cent. per annum, and the surrender by the holders of \$5,210,000 outstanding Consolidated Bonds of 15 per cent. of the par value thereof, in exchange for the Income Certificates of the said Company, such reduction and exchange to be made on condition that the reduced interest on said bonds should be guaranteed by this Company; all as set out in the said Agreement.

Whereupon, on motion of Mr. R. J. Cross, seconded by Hon. Geo. A. Kirkpatrick, it was unanimously

*Resolved,*

1. That this Company, in consideration of the execution of the proposed Agreement (in the previous resolution mentioned) by this Company and the Sault Company, in such form and with such changes and modifications from the said draft, if any, as may be approved by the Executive Committee of the Board of Directors under the terms of the said Resolution, do guarantee the payment of interest at the rate of 4 per cent. per annum, upon the said Divisional Bonds of the Sault Company (if the holders thereof consent to the reduction of the rate to 4 per cent.), upon all the Consolidated Bonds of the said Company, the holders of which will surrender to the said Company for its uses 15 per cent. of their total hold-

ings as aforesaid, upon all the Consolidated Bonds to be thus surrendered by the said holders thereof in exchange for an equivalent amount of Income Certificates of the said Company, and upon all further Consolidated Bonds now held or hereafter issued by the Sault Company ;\* all in the form and manner hereinafter provided, that is to say :

2. The form of the guaranty to be printed upon the said Bonds shall be as follows :—

For value received, The Canadian Pacific Railway Company hereby guarantees the punctual payment of the interest on the within Bond at the rate of 4 per cent. per annum, at the times and in the manner therein stated.

In witness whereof the said Company has caused this guaranty to be duly subscribed by its Secretary or Deputy Secretary, pursuant to a resolution of its Board of Directors, duly passed on June 12th, 1890.

THE CANADIAN PACIFIC RAILWAY COMPANY.

By .....

Secretary.

3. That the said guaranty, in case of all Bonds held in America, shall be executed by the Secretary of the Company, and in the case of all Bonds held in Europe shall be executed by the Deputy Secretary of the Company in London, England, and that it have the same force, validity, and effect as if executed under the seal of the Company.

4. Mr. Harry Moody, of London, or such other person as may be designated by the Executive Committee of the Board of Directors, is hereby appointed such Deputy Secretary in London, for the purpose of executing there the said guaranty on behalf of this Company.

5. The said guaranty shall only be executed upon such Bonds as may have stamped or printed thereon the following statements :—

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\* NOTE.—The agreement contains an express provision that there shall be no further issue of Bonds without the formal consent of the Pacific Company.

## 1. On the endorsement :

Interest reduced to 4 per cent.

## 2. On the face of the Bond :

By agreement with holder of this Bond, the rate of interest hereon is reduced to 4 per cent. per annum from July 1st, 1890, payable semi-annually.

## 3. On each Coupon :

Amount payable hereon is reduced to twenty dollars.

The Secretary then read a draft of a proposed Agreement between this Company and the South Shore Company, providing for a permanent traffic arrangement between the two Companies, and the guaranty by this Company of the interest upon an issue of First Consolidated Four per Cent. One hundred year Gold Bonds to be made by the South Shore Company, the form of which Bond, together with the mortgage securing the same, was also submitted to the meeting. On motion, it was unanimously

*Resolved,*

That the terms of the said draft be approved, and that the said proposed Agreement, in such form and with such changes and modifications from the said draft, if any, as may be approved by the Executive Committee of the Board of Directors, be executed on behalf of this Company under its corporate seal by the President and Secretary.

On motion of the Hon. George A. Kirkpatrick, seconded by Mr. R. J. Cross, it was unanimously

*Resolved,*

1. That the guaranty of the payment of interest upon the said issue of First Consolidated Four per Cent. One hundred year Gold Bonds mentioned in the Agreement referred to in the next preceding resolution be engraved upon such Bonds and be executed under the seal of the Company by the President of the Company.





1st July, 1890, as approved by the Board of Directors of this Company at their meeting held this day, and now submitted to this meeting, be and they are hereby approved, and the Board of Directors is hereby authorized to cause an Indenture or Indentures, in conformity with such draft, to be executed on behalf of this Company, sealed with its corporate seal and signed by its President and Secretary, the said draft being dated this day and endorsed by the Secretary and filed amongst the archives of the Company, as stated in the resolution of the Directors herein referred to.

The President stated that, in pursuance of the resolution of the Shareholders at the Annual General Meeting on 14th May last, arrangements had been concluded for leasing the Columbia and Kootenay Railway, and were embodied in a draft lease which he now submitted to the meeting.

Whereupon it was moved by Sir George Stephen, seconded by Mr. Richard B. Angus, and unanimously

*Resolved,*

That the substance and form of the draft of a proposed lease of the Railway of the Columbia and Kootenay Railway and Navigation Company to this Company for 999 years now submitted to this meeting be and the same are hereby adopted, and the shareholders do sanction and approve of a lease in the terms of the said draft, and that the Board of Directors do cause an Indenture in accordance with such draft to be duly executed on behalf of the Company under its corporate seal, and the signatures of such of the officials as the Directors may by resolution determine, and that the said draft be filed amongst the archives of the Company, this date and the signature of the Secretary being first endorsed thereon.

The President said it had been thought advisable to strengthen the Bonds which the Columbia and Kootenay Company would issue in aid of the construction of its railway, by inserting in the mortgage of that Company securing them a covenant by this Company to the share-

holders' trustees, guaranteeing payment of the interest on the Bonds, which interest this Company was to pay under the terms of the lease by way of rental; and he submitted a draft mortgage prepared on this basis.

Whereupon it was moved by Sir George Stephen, seconded by Mr. Richard B. Angus, and unanimously *Resolved*,

That the substance and form of the draft of a proposed mortgage by the Columbia and Kootenay Railway and Navigation Company to the Honourable George A. Kirkpatrick and Richard Bladworth Angus, Esquire, as Trustees, securing the Bonds about to be issued in aid of the construction of its railway, and containing an express covenant by this Company as a surety guaranteeing payment of the interest on such Bonds, be and the same are hereby approved and adopted in so far as they affect this Company; and the Board of Directors is hereby authorized to cause an Indenture, in accordance with such draft, to be executed on behalf of this Company, under its corporate seal and the signatures of such of its officials as the Directors may by resolution determine, and that the said draft be filed amongst the archives of the Company, this date and the signature of the Secretary being first endorsed thereon.

The following by-law, passed by the Directors at their meeting held this day, was read to the meeting as follows:—

BY-LAW NO. 60.

The Board of Directors may by resolution nominate and appoint any Director to sign and execute, during the absence of the President from the City of Montreal, and in his stead, any agreements, cheques, or other documents, such authority if given for a specified period to continue for that period, otherwise for the remainder of the period of the Office of the Board, and any agreement, cheque, or other instrument signed or executed by such Director, in pursuance of the terms of the appointment, shall be as valid as if signed by the President, such Director to add in each case after his signature the words "for the President."

Dated, Montreal, June 12th, 1890.

Whereupon it was moved by the Hon. J. J. C. Abbott seconded by Mr. Angus, and unanimously

*Resolved,*

That the By-law No. 60, relating to the execution of official documents in the absence of the President be and the same is hereby approved and adopted.

A general By-law passed by the Directors at their meeting held this day, relating to the operation of the Railway, the movement of traffic thereon, the regulation of the conduct of the officers, servants, and employees of the Company, and other matters (the said By-law being numbered 59), was laid on the table, and it was moved by Mr. Wm. C. Van Horne, seconded by Sir George Stephen, and

*Resolved,*

That By-law 59, relating to the operation of the Railway and the conduct of the officers and employees of the Company, be and the same is hereby approved and adopted.

The President stated that several informal communications had taken place between different members of the Government on the one part, and himself and other officials of the Company on the other part, in connection with the settlement of questions which had arisen concerning the land subsidy promised to the Company under the original agreement of 1880, and, after explaining the nature of the different communications, he submitted to the meeting a letter on this subject which the Secretary had lately received from the Department of the Interior.

Whereupon it was moved by Mr. Richard B. Angus, seconded by Mr. Richard J. Cross, and unanimously

*Resolved* as follows, that is to say:—

Whereas the Secretary has received a communication from the Secretary of the Department of the Interior, dated 29th May last, submitting propositions for the final adjustment between the Government and the Company of the method by which the land subsidy should be

reduced from 25,000,000 acres to 18,206,980 acres under the Act 49 Vic., cap. 9, to the following effect, that is to say :—

1. That the eastern half of the reserve created by the Order in Council of 24th October, 1882, for the purposes of the said subsidy (which reserve covers the uneven numbered sections contained in the area comprised between the 52nd and 54th parallels of latitude and between the 104th and 116th degrees of longitude), excepting therefrom a belt twelve miles wide on each side of a right line from the south-west angle of Township 35 of the 4th range west of the 3rd meridian in the Dominion lands system of surveys to the north-west angle of Township 43 in the 16th range west of that meridian (at or near the town of Battleford), and a right line thence through the north-west angle of Township 50 in the 28th range west of that meridian to the 110th degree of longitude, be at once released from the effect of the said Order in Council of the 24th October, 1882, and that this area and also the additional area on the south of it, bounded on the north by the 52nd parallel of latitude, on the east by the 104th degree of longitude, on the west by 110th degree of longitude, on the south by the Saskatchewan river from the said 110th degree of longitude till it intersects the northern boundary of the 48 mile belt of the main line of the Canadian Pacific Railway, thence easterly along that boundary to the 104th degree of longitude, be at once released from all claim which the Canadian Pacific Railway Company may have to lands therein under the Canadian Pacific Railway Act, so that the Government may be enabled to dispose thereof and particularly to select and retain therefrom the 6,793,014 acres for which provision is made in the Act 49th Victoria, Chapter 9.

2. That the remainder of the reserve be finally released from the effect of the said Order in Council on the 1st day of January, 1891, except as to the lands in the odd-numbered sections which the Company may in the meantime specify in writing.

3. That so much of such lands as the Company shall so specify shall form part of the subsidy to which the Company is still entitled.

4. That the Company shall construct, complete, and operate a railway from some point on the Qu'Appelle, Long Lake & Saskatchewan Railway at or near Saskatoon, to a point on the navigable waters of the North Saskatchewan river, to be agreed upon between the Government and the Company, the same to be completed and ready for operation on or before the 1st day of April, 1892.

And, whereas it is expedient that the said method should be adjusted with as little delay as possible,

Therefore the Board of Directors is hereby authorized to execute on behalf of the Company such instrument or instruments as they may think fit, embodying an agreement with the Government on the basis of the said proposition, with such qualifications, if any, as they may deem advisable.

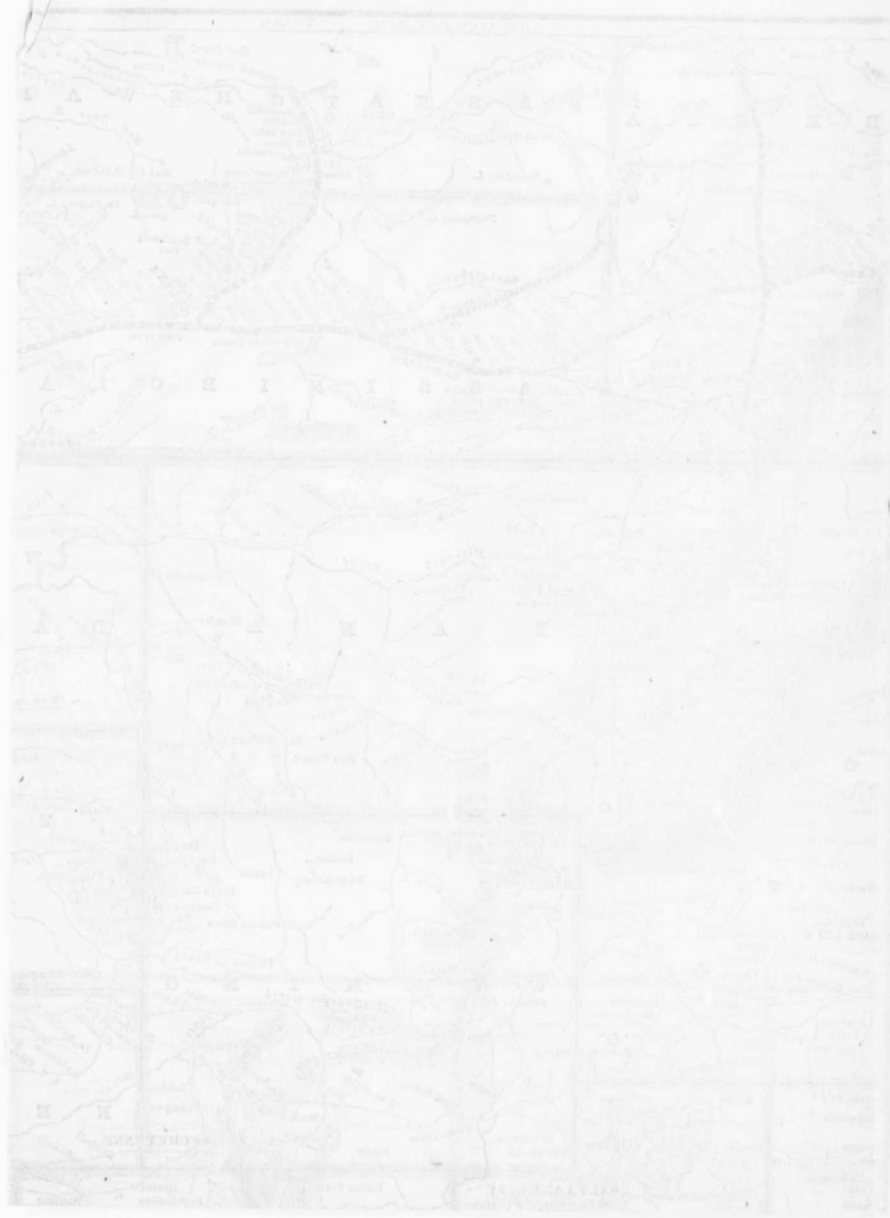
WM. C. VAN HORNE,

President.

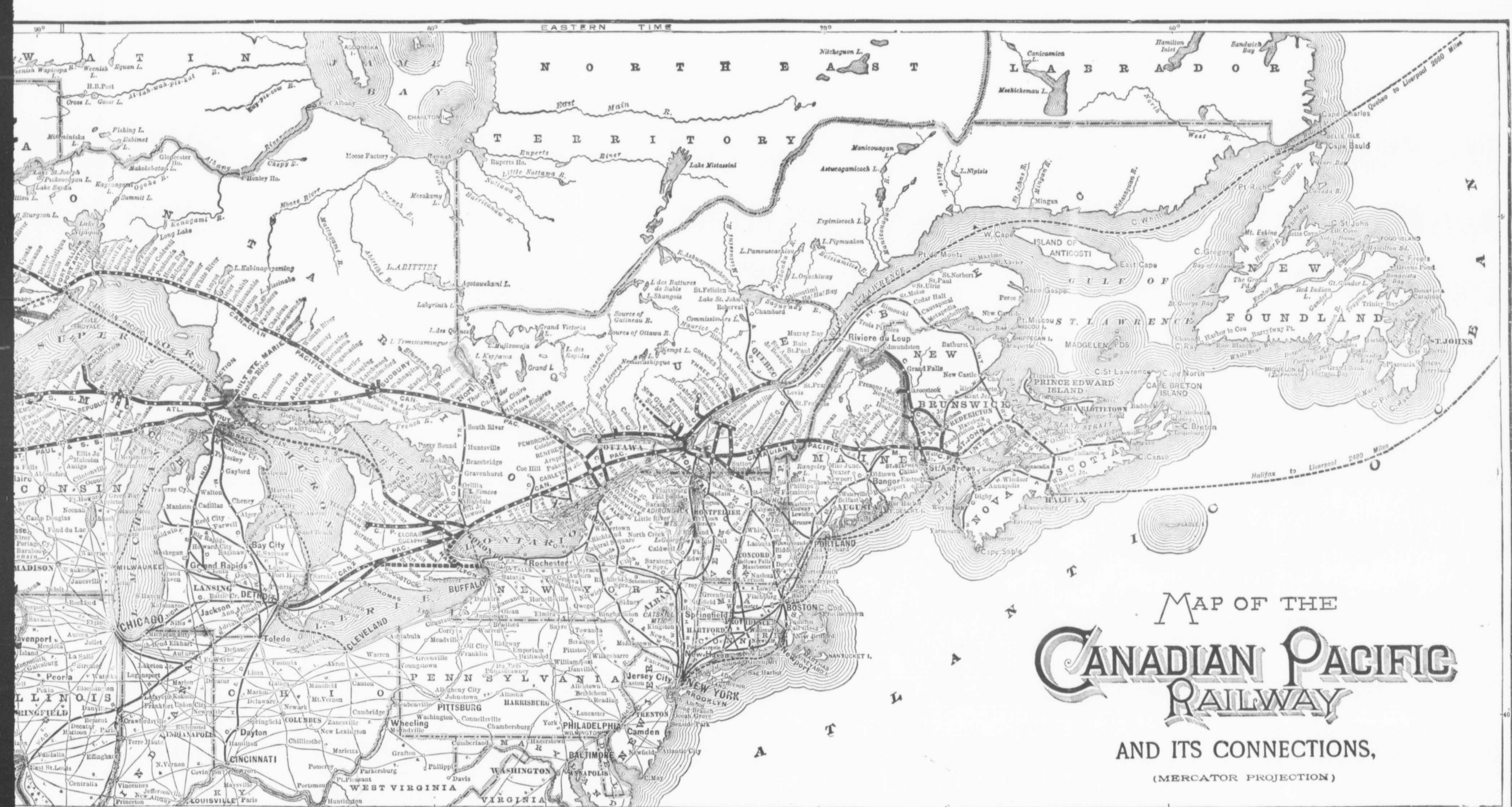
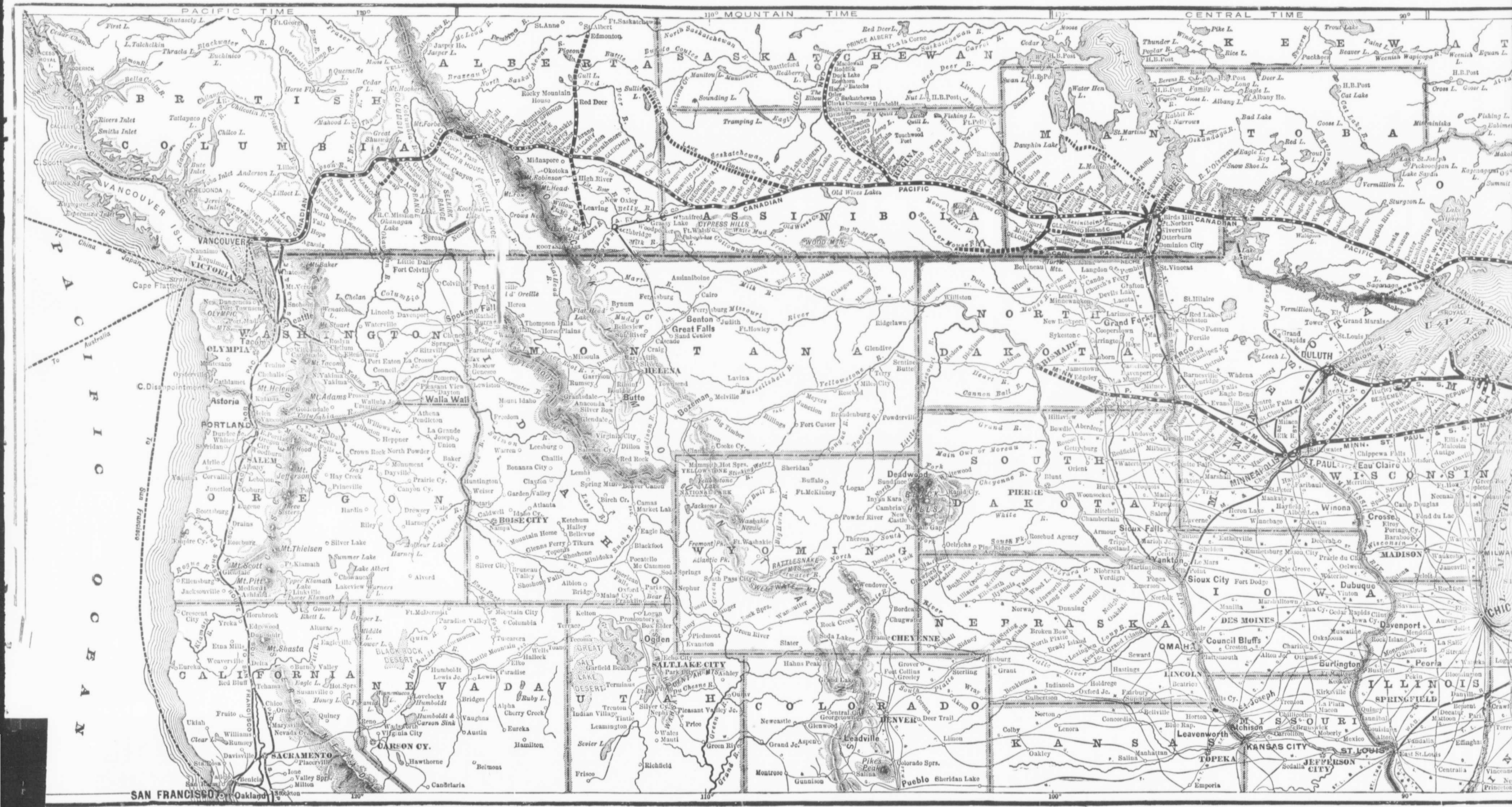
C. DRINKWATER,

Secretary.

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