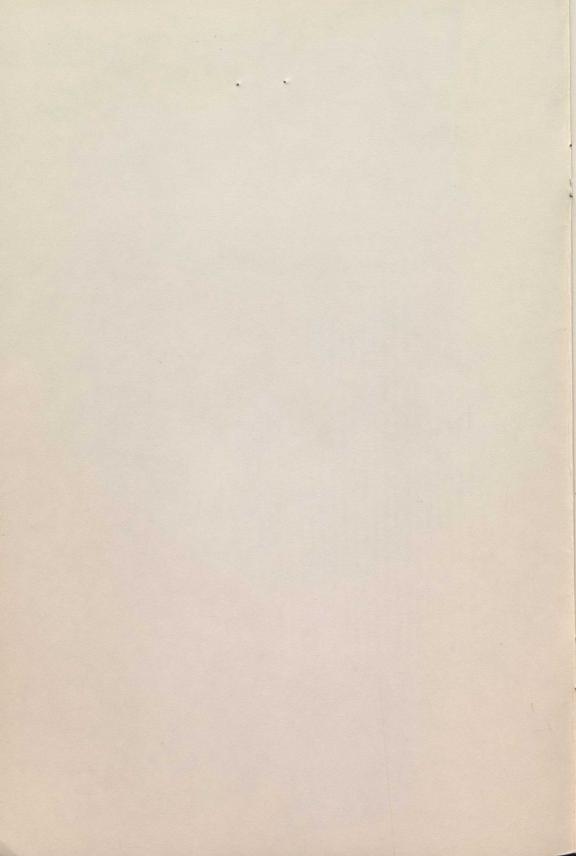
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# Canadian Pacific Limited

**Reference** Paper 110



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# Canadian Pacific Limited

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Prepared in the Public Relations and Advertising Department, Canadian Pacific, Montreal

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Canadian Pacific is a widely-diversified company, with assets of more than \$6 billion in land, sea and air transportation, telecommunications, hotels, natural resources, real estate and manufacturing.

The company was incorporated on February 16, 1881, to build a transcontinental railway linking Eastern Canada with the Pacific coast. At the time, the new Canadian nation faced the threat of secession by British Columbia and expansion by the United States.

Led by men of vision such as George Stephen (later Lord Mount Stephen, first Canadian Pacific president), Donald Smith (later Lord Strathcona) and Sir William Van Horne (first general manager of the company and later president and chairman), the company completed Canada's first transcontinental rail line after five years of arduous construction.

The last spike in the main line between Montreal and Port Moody, B.C., was driven at Craigellachie, B.C., on November 7, 1885. Just a little more than six months later, on June 28, 1886, the first passenger train left Montreal for Port Moody.

One of the company's first tasks was to create traffic for the new railway, which crossed many hundreds of miles of sparselysettled land. In 1887, three ships were chartered to carry tea and silk from the Orient to Canada's west coast and provide eastbound freight for the railway.

Hotels and tea-houses were established in the wilderness to give food and shelter to train passengers. Company colonization programs brought British and European settlers to the prairies and company irrigation schemes made cultivation possible. Telegraph services, first used for train dispatching, became available to prairie homesteaders and to Canada as a whole.

From these beginnings, Canadian Pacific has developed into a recognized leader in the development of multi-modal transportation systems. The company controls a transportation network encompassing approximately 100,000 miles of rail, truck, shipping and air lines, as well as related communications facilities.

Through Canadian Pacific Investments Limited, formed in 1962 to manage the company's expanding interests in non-transportation activities, and its subsidiaries, Canadian Pacific is engaged in the exploration for and production of oil, gas, coal, lead, zinc and other minerals, the manufacture of pulp and paper, lumber and lumber

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products, the production of iron and steel, the development of real estate, the operation of hotels, and the provision of equipmentleasing services.

#### **Transportation Services**

#### Rail

CP Rail operates 16,400 miles of main track extending from the Maritime Provinces to the Pacific coast, and controls another 4,600 miles in the United States. Its equipment includes approximately 73,000 freight cars, 3,800 pieces of service and maintenance equipment, 1,270 diesel locomotives and some 320 passenger-cars.

The railway has developed sophisticated unit-train systems for moving bulk commodities such as coal and sulphur. At Calgary it has one of North America's most advanced automated freightclassification yards to handle rapidly-increasing freight shipments to and from the Pacific coast. It provides "piggyback" service (the movement of highway trailers on railway flatcars) and domestic container service across the country, as well as transcontinental, intercity and commuter-passenger train services.

CP Rail has played a leading role in the development of container traffic in Canada. The railway is a joint owner of Brunterm Limited, a container terminal at Saint John, New Brunswick, and has an investment in the container terminal of CP Ships at Quebec City. The Quebec City terminal has the capability of a weekly "throughput" of about 1,600 containers in each direction.

# Shipping

CP Ships was begun at the end of the nineteenth century to provide passenger and freight service for the pioneer railway. Today, CP Ships connects Canada, Britain and continental Europe with regular container services.

In 1968, in recognition of changing trade patterns and market possibilities, CP Ships decided to concentrate its North Atlantic cargo operations on the movement of containers, and it phased out its break-bulk operations by mid-1969.

This development has been followed by the evolution of a multi-modal, land-ocean container service by CP Ships, with regular services between Quebec City, London, Rotterdam and Le Havre.

Three 20-knot container ships, each of 16,700-deadweight tons (dwt), built at a total of \$20 million, entered service in 1970 and 1971. All three 779-container vessels — *CP Trader, CP Voyageur* and *CP Discoverer* — are so designed that they can be "stretched" by an extra mid-section that increases their capacity to 1,150 containers each.

Canadian Pacific (Bermuda) Limited, formed in 1964, owns and operates a diversified fleet of tankers and bulk carriers for international trade. CP Bermuda has 29 vessels, totalling over two million dwt, in operation or under construction. Three other 59,000dwt break-bulk carriers are scheduled for delivery in 1977 and 1978.

CanPac International Freight Services Limited groups under one financial and general management Canadian Pacific's activities in the warehousing, customs-brokerage, international freight-for. warding, ship-agency, ship-brokerage and terminal-operating fields-

#### Trucking

Canadian Pacific is Canada's biggest trucking operator and one of the largest in North America. CP Express, CP Transport and the Smith Transport group of companies haul freight in more than 6,000 units of modern road equipment. This fleet comprises approximately 1,330 trucks, 2,780 highway trailers, 600 highway tractors, 525 city trailers and 755 city tractors.

CP Express specializes in the distribution of small-package shipments and also functions as a freight-forwarder, consolidating non-carload shipments into unit loads for transportation and distribution. Sorting and distributing containers is an important part of CP Express business.

Smith Transport is also active in the container field, hauls highway freight in Eastern Canada and "interlines" with other carriers to move goods anywhere in North America.

In Western Canada, CP Transport specializes in heavy and bulk-haul contract movements and has developed a number of distribution systems tailored to the needs of specific customers. The company has specially-designated trailers for hauling commodities such as sulphuric acid, liquid sulphur, edible oils, fertilizers, potatoes and fruit. CP Air is one of the world's major air-carriers, with more than 53,000 unduplicated route miles (84,800 km) linking five continents and major cities across Canada.

The overseas routes, 45,350 miles (72,560 km) in extent, stretch from Canada west to Hong Kong and Tokyo, east through major Canadian cities to Amsterdam, Lisbon, Rome and Athens, and south to San Francisco, Los Angeles, Mexico City, Lima, Santiago and Buenos Aires.

The airline's all-jet fleet includes four Boeing 747 wide-bodied jets, seven DC-8s, five elongated DC-8 *Spacemasters*, seven Boeing 737 short-to-medium-range twin-jets and six Boeing 727 tri-jets. Flight simulators for Boeing 747 and Boeing 727 were installed in 1976.

CP Air's operations centre at Vancouver International Airport is the largest and most modern in Canada. The main hangar can handle any commercial aircraft now flying or on the drawing board.

# **Telecommunications**

CP Telecommunications began in the 1880s with Morse keys in stations along the new railway-line. Today it is a leader in the development of modern telecommunications technology and supplies data-transmission services to business and industry across Canada.

TeleNet, a computer-based message-and-data-switching service, and Broadband, which transmits data at the rate of 3,000 words a minute, are designed specifically for today's expanding computerbased communications market.

A transcontinental microwave system provides high-quality, high-capacity transmission circuits for Broadband and other CP Telecommunications services such as Telex, DataTelex, teletype, facsimile, cable and telegraph traffic.

Computer Sciences Canada Limited, owned jointly by Canadian Pacific, Canadian National and Computer Sciences Corporation of Los Angeles, provides computer services to industries across Canada and has access to one of the largest computer libraries in North America.

#### Air

# **Pipelines**

ShelPac Research and Development Limited, owned jointly by Canadian Pacific and Shell Canada, has as its purpose research and development work for solids pipeline projects.

### **Canadian Pacific Investments Limited**

The non-transportation companies wholly owned or controlled by Canadian Pacific Investments Limited (CPI) include CP Hotels, Marathon Realty Company Limited, PanCanadian Petroleum Limited, CanPac Minerals Limited, The Algoma Steel Corporation Limited, Pacific Logging Company Limited, the Great Lakes Paper Company Limited, Cominco Limited, Fording Coal Limited, CanPac Leasing Limited, Canadian Pacific Securities Limited, Commandant Properties, Limited, and CanPac AgriProducts Limited. CPI also has an extensive portfolio of investments in companies in the energy, metals, chemicals and forest-products industries.

#### Hotels

CP Hotels is Canada's largest and oldest hotel company. It operates 22 hotels and motor-hotels, as well as restaurants and airline-catering facilities in Canada, West Germany, Israel, Mexico and Curaçao.

The Company operates hotels in Hamburg and Frankfurt, Jerusalem, and Willemstad (Curaçao). Early in 1977, it will open and operate a 282-room luxury hotel in Tiberias (Israel). A hotel and tourist company has been established in Mexico City, a luxury hotel is under consideration in Paris, and a resort hotel is being considered for St. Martin (French West Indies).

In Canada, CP Hotels is constructing hotels in London, Ontario, at the new Montreal International Airport at Mirabel, Quebec, and at the new Calgary International Airport in Calgary, Alberta.

CP Hotels owns and operates the Niagara International Tower Complex in Niagara Falls, Ontario. It operates the Village Station Restaurant in Toronto and manages restaurant facilities at the Royal Bank Plaza in Toronto, the Calgary Tower in Calgary, and the Granville Square office complex in Vancouver, B.C.

#### Real estate

Marathon Realty Company Limited, a wholly-owned subsidiary of CPI, is one of Canada's largest real-estate development companies.

Marathon owns various real-estate developments across Canada, including shopping centres, residential and condominium developments, office buildings, large commercial complexes such as Palliser Square in Calgary, Place du Canada in Montreal, and Granville Square (54 per cent) in Vancouver, industrial parks, buildings, aviation-related facilities and agricultural lands.

In June 1976, Marathon announced plans for a new office complex in Montreal on Canadian Pacific land comprising Windsor Station and surrounding areas. One of the two office buildings is expected to accommodate the corporate headquarters of the company. The project is estimated to cost over \$120 million, and is expected to be completed by 1981.

#### Iron and Steel

The Algoma Steel Corporation Limited, consolidated in 1974 and 51 percent owned by CPI, is a vertically-integrated primary iron-andsteel producer with production facilities located in Sault Ste. Marie and Port Colborne, Ontario.

Algoma's current annual raw-steel capacity is approximately 3.4 million tons — the second-largest capacity in Canada. Since the completion of additional facilities in 1976, Algoma has possessed the capability to convert an annual 3.5 million tons of raw steel into 2.5 million tons of finished products. Algoma produces and sells a variety of these steel products, including plate, sheet and strip, structurals, rails and fastenings, bars, grinding balls and rods, seamless tubes, as well as pig iron, coke and coal chemicals.

About 90 per cent of Algoma's coal and iron-ore requirements come from properties it owns or leases. Iron ore is shipped from Wawa, Ontario, and from leased properties at Steep Rock Lake, Ontario, and Tilden, Michigan. Algoma's metallurgical coal supplies are provided largely by a subsidiary company in West Virginia.

Algoma is also a major shareholder in Dominion Bridge Company Limited, Canada's largest steel-fabricator, which has significant manufacturing operations in the U.S. Steep Rock Iron Mines Limited is 67 percent owned by CPI and produces two million tons of iron pellets a year at its Atikokan, Ontario, facilities.

#### Oil and gas

PanCanadian Petroleum is one of Canada's largest independent oil-and-gas-producing companies. It has working interest holdings and petroleum and natural gas rights in approximately 12,800,000 net acres in Canada, the Arctic islands, the United States, the North Sea, Greenland, Iran and Indonesia. The company is engaged in searching for and producing petroleum, natural gas and related hydrocarbons.

PanCanadian Gas Products Ltd., a subsidiary, carries on petroleum exploration and production in Western Canada and has a 50 percent interest in an extraction plant for natural-gas liquids and related facilities for transporting and marketing liquified petroleum gases.

Through PanCanadian and Cominco Limited, Canadian Pacific Investments has an 18 percent investment in Panarctic Oils Ltd., a consortium of government and private interests that is exploring for oil and natural gas in the High Arctic Islands.

#### Mining

Cominco Limited, in which CPI has a 54 percent interest, is a major producer of lead, zinc, and other metals, fertilizers and industrial chemicals.

Cominco's major exploration efforts are concentrated in Canada, the United States, Mexico, Australia, Spain, Greenland and the Central African Republic. The company produces lead, zinc, gold, mercury, copper, tin, coal, potash and phosphate-rock ores in such places as British Columbia, the Northwest Territories, Saskatchewan, the United States, Greenland, Spain and Australia.

CanPac Minerals was incorporated in 1969 for the purpose of acquiring, exploring and developing mineral properties. The company has extensive holdings of coal, potash and other mineral rights in Western Canada. It also sells coal for power generation in Alberta. Fording Coal produces some three million tons of coking coal a year in southeastern British Columbia for export to the Japanese steel industry.

Both CanPac Minerals and Fording Coal are owned 60 per cent by CPI and 40 per cent by Cominco.

#### Forest products

The Great Lakes Paper Company, controlled by CPI, is one of Canada's largest newsprint producers, selling primarily in the United States Midwest. It manufactures newsprint paper, bleached craft pulp, unbleached sulphite pulp, stud lumber, particle-board and wafer-board. A \$170-million plant, opened in 1976, has doubled the size of the company.

Pacific Logging, a wholly-owned CPI subsidiary, is engaged in logging and lumber operations on Vancouver Island. It carries on logging operations at an annual rate of about 400 million board feet, and also produces about 150 million board feet of lumber a year. The company also participates in an intensive forest<sup>-</sup>y program that includes reforestration, forest-fertilization and second-growth management.

Pacific Logging also operates in the towing industry through Chemainus Towing, a significant operation on the coast of British Columbia. Its boats tug not only logs but also asphalt, ammonia, tar and other industrial products.

#### Rendering

CanPac AgriProducts is engaged in the recycling of animal products, commonly known as the rendering industry. The company owns all outstanding shares of Rothsay Concentrates Co. Ltd., a major Ontario-based concern whose main business is the conversion of animal and vegetable wastes into animal feeds. CanPac AgriProducts also has an interest in Steirian Rendering Company of Austria, as well as Baker Commodities of Los Angeles, a major U.S. rendering company.

#### Insurance

Chateau Insurance Company, a wholly-owned subsidiary of CPI, is a general insurance company specializing in large commercial and industrial accounts, including aircraft and marine business.

#### Finance

CanPac Leasing provides a complete equipment-leasing service to business and industry across Canada. One of its many services is to provide freight-cars to shippers and railways under operating leases.

Canadian Pacific Securities Limited assists the operating companies in the CPI group with new project financing and management of working-capital requirements.

# **Bulk Liquid Storage**

# Unitank Limited

Unitank Limited, established in 1976, is a bulk-liquid terminal and warehousing operation at Quebec City, jointly owned by Canadian Pacific Limited and Unitank Storage Company Limited of England, a subsidiary of Tate & Lyle Limited.

It handles and stores liquids shipped in tankers, tank trucks and rail cars and provides the necessary connections between marine and land forms of transportation, as well as warehousing for varying periods.

Unitank Limited has undertaken an \$8-million construction program to expand and improve an existing terminal at Beauport Flats on the Quebec City waterfront. A total of 21 new tanks is being added to the six already in place, to increase total storage capacity to 80,000 cubic metres.

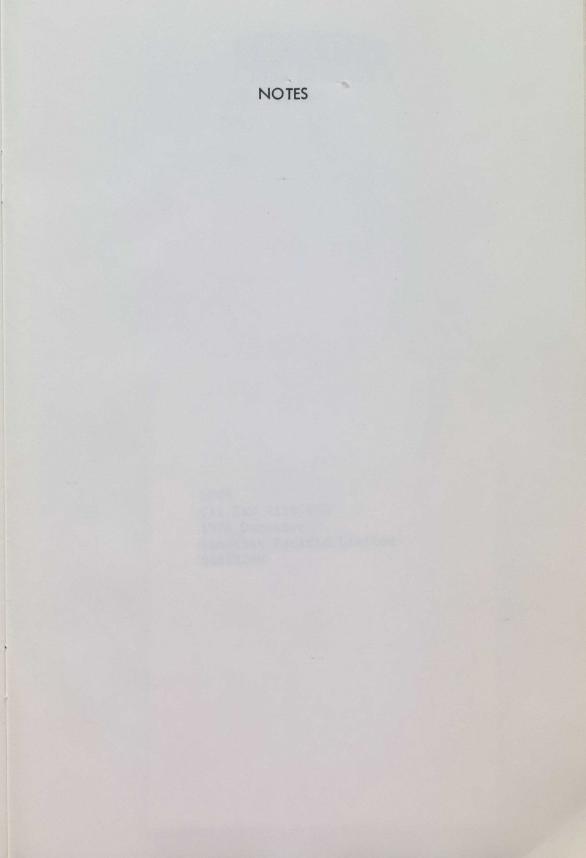
# **Consulting Services**

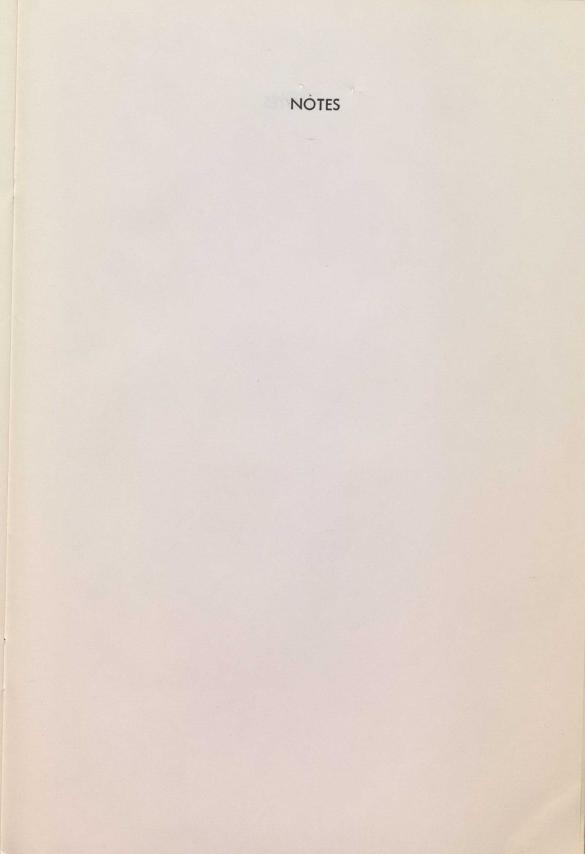
Canadian Pacific Consulting Services Limited started off in 1969 as a very small organization using employees from other sectors of Canadian Pacific, particularly the railway, on a project basis in its consulting ventures. However, the company has grown significantly in the last three years and has become a broadly-based engineering, transportation and economic consultant to governments and businesses throughout the world. It calls on professional, technical and operating personnel in the Canadian Pacific group to meet the specific requirements of projects anywhere in the world.

In 1975, CPCS secured the largest consulting contract in its history, covering provision of technical assistance to the Indonesian Railway over a two-year period. Since its formation, the company has also carried out major projects in Canada, Australia, Malaysia, Tunisia, Congo (Brazzaville), Venezuela, Ghana, Togo, Panama, Zambia, Nigeria, Turkey, Egypt, Brazil, Algeria and Thailand.



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