THE

STOCK EXCHANGE YEAR-BOOK

FOR

1916.

A CAREFUL DIGEST OF INFORMATION RELATING TO THE ORIGIN, HISTORY, AND PRESENT POSITION OF EACH OF THE

PUBLIC SECURITIES AND JOINT STOCK COMPANIES

KNOWN TO THE MARKETS OF THE UNITED KINGDOM.

By THOMAS SKINNER,

Compiler and Editor of "The Stock Exchange Gazette," "The Directory of Directors," "The London Banks," "The Canadian Gazette," &c.

FORTY-SECOND YEAR OF PUBLICATION.

PRICE THIRTY-FIVE SHILLINGS NET.

LONDON

THOMAS SKINNER & CO.,

76–81, *GRESHAM HOUSE, OLD BROAD STREET, E.C.*

Brothers and Co., 40, Threadneedle Street, E.C., and £500,000 was sold on the market in February, 1915. Interest is payable March 1 and September 1, and the principal is repayable at par on September 1, 1934, but the company reserves the right to repay the stock, in whole or in part, on any interest date on three months' notice, any partial redemption to take place by drawings. Registers of the stock are kept at the company's offices in London and Toronto, and transfers can be effected from one register to the other on payment of a fee of 2s. 6d.; transfer form in London, common; fee, 2s. 6d. per deed; stock is transferable in sums of £1 or multiples thereof. Latest price, 88⅝.

$11,500,000 Five per cent. notes, issued in New York in August, 1915, and having a currency of two years. The notes are secured by the deposit of part of the 4 per cent. Dominion guaranteed debenture stock.

Canadian Northern Western Railway Company.—*London Secretary:* H. W. Harding. *London Office:* Bond Court House, Walbrook, E.C.—The company was incorporated under the laws of the Province of Alberta, Canada, in December, 1910. In May, 1911, an issue was made of $2,800,000 (or £575,342) of 4 per cent. first mortgage gold bonds secured upon certain lines of the company at the rate of $25,000 per mile, and in March, 1914, these bonds were exchanged by the company for £575,342 4½ per cent. first mortgage debenture stock, guaranteed both as to principal and interest by the province of Alberta, and secured upon 115 miles of the line from Blackfalds to the Brazian Collieries at the same rate. Interest is payable May 1 and November 1, by warrant forwarded by post, and the stock is repayable October 22, 1943. In February, 1914, there was offered for sale by Messrs. Lazard Brothers and Co., 40, Threadneedle Street, E.C., £1,320,000 4½ per cent. (Alberta) guaranteed first mortgage debenture stock, at the price of 93 per cent., both principal and interest being unconditionally guaranteed by the government of the Province of Alberta. Interest is payable June 1 and December 1, by warrant, and the principal is to be repaid at par February 16, 1942, all payments being made in London in sterling or in Toronto in currency at the exchange of $4.86⅔ to the £. The stock is limited to $20,000 per mile of railway in respect of the several sections specified in the trust deed, and of any additional lines hereafter constructed by the company in the Province of Alberta, in respect of which the Province may give a guarantee, and on the said lines of railway, exclusive of terminals, the stock is secured by a first mortgage, together with certain other property and assets. The railway as at present planned is to be 1,275 miles in length. The whole of the share capital is owned by the Canadian Northern Railway Company. Registers of both stocks are kept in London and Toronto, and transfers are made in London in amounts of £1 and multiples, on common forms; fee, 2s. 6d. The stocks can be transferred from one register to the other on a special form, on payment of a fee of 2s. 6d. The £1,320,000 issue of stock is quoted in the official list; latest price, 89⅜.

Canadian Pacific Railway Company.—*Directors:* Sir T. G. Shaughnessy, K.C.V.O. (President and Chairman), R. B. Angus, G. Bury (Vice-President), Hon. J. Dunsmuir, Sir H. S. Holt, C. R. Hosmer, Hon. R. Mackay, W. D. Matthews, D. McNicoll, Col. F. S. Meighen, A. M. Nanton, Sir E. B. Osler, M.P., J. K. L. Ross and Sir T. Skinner, Bart. (London). *Secretary:* W. R. Baker, C.V.O. *Office:* Montreal.—The company was incorporated in February, 1881, for the purpose of constructing a line of railway to connect the seaboard of British Columbia on the Pacific Ocean with the railway system of Canada, and of operating the same for ever. The Dominion government gave a subsidy of $25,000,000 in cash, 25,000,000 acres of land, and sections of railways, some built and others to be built, to the extent of 713 miles. To compensate the company for the extra expense incurred in anticipating by as much as five years the contract time for the completion of the road, further assistance was subsequently given by the government, the most important being the purchase back in 1886 of 4,528,676 acres of the land grant at $1.50 per acre. The company now owns and leases 13,361 miles (including 383 miles worked for owners, and 60 miles under construction), and controls in all 18,090 miles. The company's accounts are now made up annually to June 30, and submitted in Montreal the first Wednesday in October. For 1900-1 and 1901-2 the dividend was 5 per cent. each year; for 1902-3, 5½; for each of the six years to 1908-9, 6; and for 1909-10, 6½, while additional distributions of 1 per cent. per annum were made in 1907, 1908, 1909 and 1910 out of the proceeds of land sales. For 1910-11 the total dividends paid to the shareholders aggregated 9½ per cent. (7 per cent. from railway and steamship earnings, and 2½ per cent. from interest on land sales and from other extraneous assets), and, as foreshadowed at the annual meeting in 1910, and promulgated in a circular issued to the shareholders in March, 1911, a plan was formulated by which the shareholders might in future receive greater advantage from the extraneous assets of the company than they had in the past. The plan involved the separation in the accounts of the income from the extraneous assets (consisting of interest on investments, dividends, rentals and like income) from that from the railway and steamship lines, the former income being placed with the interest on the proceeds of land sales, already kept separate, and together forming a special income account. For 1911-12, 1912-13, 1913-14 and 1914-15, the total dividends paid each year were 10 per cent., 7 per cent. being, as regards the first two periods, from railway and steamship earnings, and, as regards the last two, from the earnings of the railway alone, and 3 per cent. from such special income (the 10 per cent. dividend being paid in equal instalments about the end of March, June, September and December). For the year 1914-15 there was a surplus of $89,914 on the earnings of the railway, and $3,169,332 on special income account, the total accumulated surplus on both accounts (after deducting the balance dividends for 1914-15, paid in October, 1915) being $74,905,845, besides which there was at June 30, 1915, a "surplus in other assets of $125,473,157," and at the same date there were reserves for steamship and equipment replacement and for contingencies aggregating $10,852,465. A quarterly distribution at the rate of 10 per cent. per annum is to be made on the shares on December 31, 1915. In 1902, 1904, 1906, 1908, 1909, 1912 and 1913 the shareholders had allotted to them at par, as regards the first four issues, 125 per cent. for the 1909 issue, 150 per cent. for the 1912 issue, and 175 per cent. for the 1913 issue, new shares to the amount, respectively, of 3 shares, 2 shares, 2 shares, 2 shares, 2 shares, 1 share and 3 shares, to each 10 old shares held at the time of issue; the market values of these rights were equivalent respectively to 3⅜, 5⅞, 12, 9, 9¼, 8 and 19 per cent. on the holdings in respect of which the rights were allotted, and the rights of subscription to the special investment fund note certificates were valued at \$4$\frac{5}{16}$ per cent. thereon. The net earnings for the three months to September 30, 1915, were \$10,988,000, as compared with \$11,509,000 for the same period in 1914.

At the annual meeting in October, 1913, the president indicated that the directors had had under consideration the desirability of conveying the company's lands, townsites and other interests to a company in exchange for all its capital stock to be held in the company's treasury and taken into the balance sheet with the other assets, but that there were disadvantages attaching to a conveyance of that description, particularly with reference to lands, and that probably the same end might be accomplished by the creation of an Investment Fund to be administered by trustees, and he stated that in any event the directors would endeavour before the publication of the next annual report to devise some plan for reconstructing the Special Income account, and showing the extraneous assets in more definite and tangible form. In redemption of that promise the earnings from ocean steamships now appear in the annual report in Special Income account, as also do the proceeds from townsite sales, and the net earnings of Pacific Coast steamships, the commercial telegraph, the news department, and the hotels; and the extraneous assets, consisting of collieries, shares in mining, smelting, light and power companies, unsold agricultural, irrigated timber, and townsite lands, coal, natural gas and petroleum rights, and demonstration and improved farms, &c., appear in the balance sheet under the head "Other Assets: Schedule B" (at June 30, 1915, \$131,241,869). The report for 1913-14 stated, with regard to the issue of Special Investment Note Certificates, that \$35,571,960 had been advanced from current funds to meet the cost of additional mileage and ocean steamers, against which no securities had been issued or sold; that, in the ordinary course, 4 per cent. debenture stock would have been issued to meet the expenditure, but that, market conditions having been unfavourable for selling that security in large amounts, the directors decided to create a Special Investment Fund composed of the deferred payments on land already sold, and securities in which land funds had been invested, aggregating \$55,000,000, and to issue against that fund, and the company's credit, ten-year Note Certificates to the amount of \$52,000,000, carrying interest at 6 per cent. per annum, to be offered to the shareholders at 80 per cent. In December, 1913, a circular was issued to shareholders of record on December 23 containing the terms of the issue (see below), accompanied by subscription warrant entitling them to subscribe for \$100 Note Certificates in respect of each five shares held. The Note Certificates, with interest, are to be paid off in instalments without any encroachment on the revenue from traffic, and the 4 per cent. consolidated debenture stock can be marketed when most advantageous.

In 1915 the company transferred to a subsidiary, entitled the Canadian Pacific Ocean Services, Limited, its steamships on the Atlantic and Pacific, together with its interest in the Allan Line Steamship Company, Limited, receiving as purchase-consideration £1,962,910 of the share capital of the Canadian Pacific Ocean Services, besides 5 per cent. first debentures for £2,865,860.

All the outstanding 5 per cent. first mortgage bonds were retired in 1915, and the capital is as under, all the issues, except the special investment fund note certificates and the equipment obligations, being quoted in the official list (particulars of the $3\frac{1}{2}$ per cent. land-grant bonds and stock, no longer a liability of the company, are now given in this work in the statement of the Canadian government debt):—

\$260,000,000 Shares of \$100, in certificates of various amounts. Included in this total are the above-mentioned allotments, offered for subscription at par for the issues of 1902-8 inclusive, at 125 per cent. for the 1909 issue, 150 per cent. for the 1912 issue, and 175 per cent. for the 1913 issue, and all were made payable in five equal instalments, the amounts of the issues being as follows: \$19,500,000 in 1902; \$16,900,000 in 1904; \$20,280,000 in 1906; \$24,336,000 in 1908; \$30,000,000 in 1909; \$18,000,000 in 1912, and \$60,000,000 in 1913. The authorised share capital is \$335,000,000, the amount having been increased in October, 1914, from \$260,000,000; no portion of the additional capital is to be issued until after the sanction of the shareholders has been obtained at a special meeting called for the purpose. The dividend dates are January 1, April 1, July 1 and October 1, but in recent years the dividends have sometimes been paid a day or two sooner. Share registers are kept in London, New York and Montreal, that in New York being in charge of the branch there of the Bank of Montreal. Shares on any one register may be transferred to any other register. For obtaining New York or Montreal certificates in exchange for discharge warrants, the London office charges 2d. a share; and for effecting transfers on the New York or Montreal register and obtaining new certificates, it charges 2d. a share, with the addition, in the case of the New York register, of 1d. a share, New York State transfer tax, and 1d. a share Federal transfer tax; and in the case of the Montreal register 1d. a share Province of Quebec transfer tax. Shares on the London register are transferable on common forms, which require the $\frac{1}{2}$ per cent. stamp on the consideration paid; fee, 2s. 6d. per deed. Holders of shares on the London register receive cheques on London for dividends at the rate of 4s. $1\frac{1}{2}$d. per dollar. Voting power, one vote for every share. Latest price, $198\frac{5}{8}$.

£16,578,477 Preference stock, 4 per cent., non-cumulative. The dividend is payable April 1 and October 1, in respect of the periods to December 31 and June 30, by warrant from the company's London office, where stock is transferable in multiples of £1; transfer form, common; fee, 2s. 6d. per deed; separate deed required for each class of security. Voting power, one vote for every £20. The amount of this stock may not exceed one-half the ordinary stock outstanding. Latest price, $80\frac{3}{4}$.

£750,000 Algoma Branch 5 per cent. first mortgage bonds, of £1,000, £500 and £100 each, issued by Messrs. Baring Brothers and Co. (now Baring Brothers and Co., Limited), 8, Bishopsgate, E.C., in January, 1888, at $98\frac{1}{2}$ per cent. Coupons are payable January 1 and July 1, and the bonds mature July 1, 1937, all payments being made by Baring Brothers and Co., Limited, at the above address. The bonds may be deposited with Baring Brothers, who give a receipt therefor and remit the half-yearly interest by cheque, a charge of ⅛ per cent. being made on depositing the bonds. Such deposited bonds are given up on the surrender of the receipt properly discharged. Latest price, 99⅞.

£36,222,921 Perpetual 4 per cent. consolidated debenture stock. Interest is payable January 1 and July 1 by warrant from the company's London office, where stock is transferable in multiples of £1; transfer form, common; fee, 2s. 6d. per deed; separate deed required for each class of security. Latest price, 83⅝.

$52,000,000 Special Investment Fund Note Certificates of $20, $100, $500 and $1,000 each, issued in February, 1914, to the shareholders in the proportion of $100 of certificates for each $500 of share capital. These notes carry interest at 6 per cent., and are specially secured on the "Canadian Pacific Railway Company's Special Investment Fund" (see above and below), which at June 30, 1915, amounted to $55,870,068. The certificates are guaranteed both as to principal and interest by the Canadian Pacific Railway Company. Interest is payable March 2 and September 2, by warrants sent to the registered owners, and the certificates are to be redeemed at their face value not later than March 2, 1924, but the trustee (the Royal Trust Company, Montreal) and the company may at its discretion from time to time redeem by drawings whenever there is sufficient money in hand for the purpose. Notice of the note-certificates drawn will be given by advertisement in London, Montreal and New York twice a week for four weeks, and they will be paid with interest accrued thereon on presentation at the company's bankers at these places within sixty days of first publication of the notice. The whole of the issue was in the first instance placed on the New York register, but purchasers were given the option of having their allotments registered in Montreal or London. The New York and Montreal register certificates have a transfer and power of attorney endorsement which, when signed in blank by the registered proprietor, renders them transferable by delivery. The London register certificates are transferable by deed only, stamped with duty at the rate of 10s. per cent. Transfer form, common; fee, 2s. 6d. per deed. The charge made by the London office for transmitting note certificates to New York or Montreal for transfer is 2d. per $100 or fraction thereof, and a further payment of 1s. New York power of attorney tax has to be paid in respect of each transfer endorsement dated between December 1, 1914, and December 31, 1915, inclusive. Interest warrants are mailed from New York to holders on the London register in time to reach them on or about the due dates; and to those in Europe registered on the New York and Montreal registers about the same dates. European holders can negotiate their warrants at the Bank of Montreal, 47, Threadneedle Street, London, E.C., at $4.86⅔ to the £. Latest price, 110.

$12,780,000 Equipment obligations.

The Land Grant.—In addition to the original grant of 25,000,000 acres, the company has received through its branch and subsidiary lines grants to the amount of 9,816,202 acres; in January, 1911, 102,174 acres in the irrigation belt were acquired from the Hudson's Bay Company at $13½ per acre; and in 1912 209,559 acres were acquired from the Alberta Railway and Irrigation Company.

In the accounts for the year 1913-14 the land accounts appear in new form, the unsold lands now valued, as stated above, being included in the balance sheet among "other assets," schedule B, together amounting at June 30, 1915, to $131,241,869, and in the balance sheet, under the heading Special Investment Fund, appear as assets the deferred payments on land and townsites, government securities, &c., which have been set apart to meet the interest on the Special Investment Fund Note Certificates and the principal of the issue at maturity. The deferred payments on land and townsites not so hypothecated are shown separately. The unsold acreage, amounting to 8,314,186 acres, is valued at prices ranging from $40 to $1 per acre; the directors and the officers of the land department are satisfied that these lands will eventually command much higher prices on the average than those given.

The sales of agricultural land in the year to June 30, 1915, were 231,297 acres for $3,742,115, being an average of $16·17 per acre. Included in this area were 6,550 acres of irrigated land, which fetched $55·22 per acre, so that the average price of the balance was $15·04 per acre.

Companies forming part of the Canadian Pacific System, but retaining their original titles in the Stock Exchange.—Alberta Railway and Irrigation, Atlantic and North-West, Calgary and Edmonton, Dominion Atlantic, Manitoba South-Western, Nakusp and Slocan, New Brunswick, Ontario and Quebec, Quebec Central, St. Lawrence and Ottawa, and Toronto, Grey and Bruce.

Other Companies controlled, but not leased.—Duluth, South Shore and Atlantic, and Minneapolis, St. Paul and Sault Ste. Marie.

Office of the Deputy-Secretary and Registrar: 8, Waterloo Place, Pall Mall, S.W. *Deputy-Secretary:* R. D. Morrison. *Registrar:* Edward F. Tremayne. Telephone number, 1171 Regent.

Head Office in Europe: 62-5, Charing Cross (Trafalgar Square), London, S.W. *European Manager:* G. M'L. Brown. *European Freight and Passenger Agencies:* 62-5, Charing Cross, S.W.; 67-8, King William Street, London, E.C.; Royal Liver Building, Pier Head, Liverpool; 120, St. Vincent Street, Glasgow; 18, St. Augustine's Parade, Bristol; 4, Victoria Square, Colmore Row, Birmingham; 41, Victoria Street, Belfast; 1, Rue Scribe, Paris.

Cannock Chase and Wolverhampton Railway Company.—*Office:* 9, Southampton Street, W.C.—The authorised capital, including loans, is £106,600, of which £67,500 has been issued in consolidated stock, and paid up, £12,500 in ordinary shares of £10, with £3,000 paid, £6,473 in loans at 6 per cent., and £6,160 in loans at 4 per cent. The accounts are made up to June 30 and December 31. The line is owned and worked by the Cannock Chase Colliery Company, "not as a source of profit." In the year 1908 the net earnings amounted to £1,256, in 1909 to £1,832, in 1910 to £2,790, in 1911 to £1,266, and in 1912 to £1,941. No information is now obtainable from the company. The above has been checked from the government returns for 1912, later figures not having yet been issued. Director's qualification, £500. Transfer form, common; fee, 2s. 6d.