THE

STOCK EXCHANGE

YEAR-BOOK

FOR

1921.

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 Bankers' Almanac and Year-Book," "The Canadian Gazette," &c.

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of £500,000 6 per cent. first mortgage bonds of £100 each, of this Canadian company, at par, and subsequently £282,700 was sold privately, making the total outstanding £782,700, but these have now all been converted, as mentioned below, or paid off. In July, 1906, an offer was made on behalf of the Canadian Northern Railway Company, and this was accepted by the bondholders, and has been carried into effect. Under this offer the Qu'Appelle Company gave in exchange for every £100 bond £107 in new 4 per cent. debenture stock, both principal and interest being guaranteed by the Canadian Northern Railway Company, while the scrip certificates, issued in respect of unpaid interest on the bonds, received 30 per cent. of their face value in new debenture stock. The stock is not to exceed £1,050,000, and has a mortgage on the railroad, converted bonds of the old issue being kept alive as collateral. The amount of debenture stock outstanding is £1,031,412, with interest payable June 30 and December 31, and the principal falls due July 1, 1936. Debenture stock is transferable at the London office as above; transfer form, common; fee, 2s. 6d., stock being transferable in sums of £1 and multiples. The debenture stock is quoted in the official list to the extent of £922,309; latest price, 64½.

Quebec and Lake St. John Railway Company.—This company was first known here by the issue in February, 1899, of £780,000 of first mortgage 5 per cent. bonds. Default took place in the payment of interest in 1899, and in the following year an act was obtained from the provincial legislature of Quebec by which the company was reorganised. In 1906 the control of the company was obtained by the purchase of the common shares by interests allied with the Canadian Northern Railway Company, and late in 1910 a conversion scheme was brought forward, was accepted by the security holders, and has been carried into effect. Under this scheme £895,688 of 4 per cent. perpetual debenture stock has been issued in exchange for three old classes of bonds, this stock being guaranteed both as to principal and interest by the Canadian Northern Railway Company; interest is payable January 1 and July 1, by warrant sent by post. The company has power to increase the amount of the debenture stock up to £1,500,000, subject to the consent of the trustees. The line is 241 miles in length. The share capital is $4,524,000, all issued and fully paid, and nearly the whole is owned by the Canadian Northern Railway Company. Debenture stock is transferable on common forms in multiples of £1; fee, 2s. 6d. Registers of the stock are kept in London and Toronto, and stock may be transferred from one register to the other on payment of a fee of 2s. 6d. either way. Debenture stock for £889,777 is quoted in the official list; latest price, 52½.

Canadian Northern Western Railway Company.—See notice of Canadian Northern Railway System.

Canadian Pacific Railway Company.—*Directors:* Lord Shaughnessy, K.C.V.O. (Chairman), E. W. Beatty, K.C. (President), G. Hall (Vice-President), R. B. Angus, Hon. F. L. Béique, K.C., Sir J. C. Eaton, Sir H. S. Holt, C. R. Hosmer, Brig.-Gen. F. S. Meighen, C.M.G., Sir V. Meredith, Bart., Sir A. M. Nanton, Sir E. B. Osler, Comdr. J. K. L. Ross, Hon. W. J. Shaughnessy and Sir T. Skinner, Bart. (London). *Secretary:* E. Alexander. *Office:* Montreal.—The company was incorporated in February, 1881, for the purpose of constructing a 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,€76 acres of the land grant at $1.50 per acre. The company, according to the annual report, owns and leases 13,772 miles (including 383 miles worked for owners), and controls in all 18,859 miles. In addition, the company owns or controls 948 miles of railway lines in Nova Scotia, Quebec and British Columbia that are operated separately for economic or other reasons, but the affairs of the companies are not included in the annual report.

The company's accounts are now made up annually to December 31, and submitted in Montreal the first Wednesday in May. For each of the two years to June 30, 1902, the dividend was 5 per cent.; 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 was 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 the eight and a half years to December 31, 1919, the dividends totalled 10 per cent. per annum, 7 per cent. being, as regards 1911-12 and 1912-13, from railway and steamship earnings, and, as regards the six and a half years to December 31, 1919, 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 June, September, December and March). For the year 1919 there was a net surplus of $844,250 (which was placed in reserve to meet specirl taxes) on the earnings of the railway, and $1,249,342 on special income account, the total accumulated surplus from operation (after deducting the balance dividend for the year 1919, paid in April, 1920) being $127,275,369 (the same as at the close of 1918), besides which there was at December 31, 1919, a "surplus in other assets" of $98,093,458, and at the same date there were reserves and appropriations for steamship and equipment replacement and for contingencies and contingent war taxes aggregating $65,268,801. Quarterly distributions at the rate of 10 per cent. per annum were made on the shares in June, October and December, 1920, and a similar payment is to be made on April 1, 1921. 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 $3\frac{3}{8}$, $5\frac{1}{4}$, 12, 9, $9\frac{1}{4}$, 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 year 1920 were $33,153,000, as compared with $32,933,036 for 1919.

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 net earnings of Pacific Coast steamships, the commercial telegraph and news department, rentals, &c.; 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 "Assets in Lands and Properties, Exhibit D" (at December 31, 1919, $95,211,438). 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 $20 Note Certificates in respect of each share 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.

The company's steamships, and those of the Allan Line Steamship Company, of which it has control through its holding of the shares of that company, are now operated by the Canadian Pacific Ocean Services, Limited, as managers and agents, the shareholders having at the annual meeting held in October, 1916, ratified and confirmed an agreement dated December 7, 1915, entered into with the Canadian Pacific Ocean Services, Limited, with that object. The Canadian Pacific Ocean Services, Limited, was organised at the company's instance with a view to the more effectual segregation of its steamship services from its railway undertaking. Further particulars regarding the Ocean Services Company will be found elsewhere. The preamble to the shareholders' resolution of October, 1916, indicated that the conditions affecting ocean traffic might render it desirable in the company's interests that, in giving effect to the proposals approved at the annual meeting of the previous year, the effective date of which proposals was left to the directors to determine, a somewhat different plan might be adopted; and a further resolution was passed empowering the directors to give effect to the resolution passed at the previous annual meeting relating to the shares of the Allan Line Steamship Company held by the company and the transfer of the several steamships and other property therein mentioned, by completing the sale and transfer therein authorised either to the Ocean Services Company or to some other company created for that purpose, in which the company would have full ownership and control, in such manner and at such times and upon such conditions as the directors might think proper.

Early in 1917, under an agreement with the Imperial Government, 4 per cent. consolidated debenture stock to the amount of $40,000,000, which the company was empowered to issue, was issued and loaned to the Imperial Treasury for a maximum period of five years from January 1, 1917, at a premium of $\frac{1}{2}$ per cent. per annum over the interest payable on the stock.

In his address to the shareholders at the annual meeting in May, 1918, the chairman gave a brief review of the salient features of the company's financial policy and, among other things, indicated that while the sale of the original share capital of $65,000,000 yielded to the company's treasury somewhat less than $45 per share, the present day share capital of $260,000,000 had produced an average of $112 per share, and that if the amount expended on the property from surplus revenue were taken into account the shareholders had paid an average price of $143 for each $100 share. Further, that while between 1899 and 1916 the mileage had been increased from 7,000 to 13,000 miles the fixed charges had only increased from $6,800,000 to $10,300,000; that while the cost of the transportation system as described was $818,000,000, the outstanding capital of all classes against it was only $623,000,000; and that whereas the highest dividend paid to shareholders from transportation revenue is 7 per cent. per annum, that rate of distribution is only equivalent to $2\frac{1}{2}$ per cent. on the cost of the railway system, and if the dividend of 3 per cent. from special income be added, making the total dividend of 10 per cent. per annum, the yield is less than $2\frac{1}{2}$ per cent. on a conservative valuation of the company's total assets.

All the outstanding 5 per cent. first mortgage bonds secured on the main line and property of the company were retired in 1915, and in November of that year the trustees under the mortgage executed a discharge of mortgage and reconveyance of the property to the company, and the documents have been deposited with the Secretary of State at Ottawa, 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 agency 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 United States (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 the common form, which requires the 1 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. 1½d. per dollar. Voting power, one vote for every share. Latest price, 149.

£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 deeds required for other securities being transferred at the same time. The directors' report for 1914-15 stated that, "There being some doubt as to the right of the company to issue its preference and debenture stocks in dollar currency as well as sterling, the requisite authority to do so was secured by Act of Parliament at the last session." Voting power, one vote for every £20. The amount of this stock may not exceed one-half the ordinary capital outstanding. Latest price, 62½.

£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.2, in January, 1888, at 98½ 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, 79½.

£36,222,921 Perpetual 4 per cent. consolidated debenture stock. Besides this amount $40,000,000 stock referred to above was issued and loaned to the Imperial Treasury in 1917. 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 deeds required for other securities being transferred at the same time. The directors' report for 1914-15 stated that, "There being some doubt as to the right of the company to issue its preference and debenture stocks in dollar currency as well as sterling, the requisite authority to do so was secured by Act of Parliament at the last session." Latest price, 66½.

$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 December 31, 1919, amounted to $57,228,727. 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 their 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 20s. 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. 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.2, at $4.86⅔ to the £. Latest price, 121.

$7,990,000 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.

The unsold lands, now valued as stated below, are included in the balance sheet among "Assets in Lands and Properties, Exhibit D," together amounting at December 31, 1919, to $95,211,438, while the deferred payments on lands 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, no longer appear as separate items in the balance-sheet, being grouped with other amounts under the head of "Investments and Available Resources." The unsold acreage, amounting to 5,804,852 acres, is valued at prices ranging from $40 to $1·50 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 1919 were 681,763 acres for $13,668,443, being an average of $20.05 per acre. Included in this area were 80,795 acres of irrigated land, which brought $52.53 per acre, so that the average price of the balance was $15.68 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, 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.

Head Office in Europe: 62-5, Charing Cross (Trafalgar Square), London, S.W.1. *European General Manager:* Sir G. McL. Brown, K.B.E. *European Freight and Passenger Agencies:* 62-5, Charing Cross, S.W.1.; 91, Bishopsgate, London, E.C.2; Royal Liver Building, Pier Head, Liverpool; 120, St. Vincent Street, Glasgow; Tramway Centre, Bristol; 4, Victoria Square, Colmore Row, Birmingham; 41, Victoria Street, Belfast; 1, Rue Scribe, Paris.

Offices of the Deputy-Secretary, and Registrar: 8, Waterloo Place, Pall Mall, S.W.1. *Deputy-Secretary:* R. D. Morrison. *Registrar:* Edward F. Tremayne. Telephone numbers, 1171 Regent (Deputy-Secretary) and 1170 Regent (Registrar). *See Index to Advertisers, page ix.*

Cannock Chase and Wolverhampton Railway Company.—*Secretary:* E. A. Whipham. *Office:* Parliament Mansions, Victoria Street, S.W.1.—The authorised capital, including loans, is £106,600, of which £67,500 has been issued in consolidated stock, and paid up, and £12,500 in ordinary shares of £10, with £3,000 paid.

The accounts are made up annually to December 31. In the year 1914 the net earnings amounted to £2,548; in 1915, to £2,140; in 1916, to £1,666; in 1917, to £1,431; in 1918, to £1,638; and in 1919 there was a loss of £750. No accounts have been received, but this information has been officially supplied. Director's qualification, £500. Transfer form, common; fee, 2s. 6d. Telegraphic address, Fluework, London. Telephone number, 922 Victoria.

Cardiff Railway Company.—*Directors:* Marq. of Bute (Chairman), A. R. C. Pitman (Deputy-Chairman), Lord Glanely, Lord Merthyr and F. I. Pitman. *General Manager:* E. A. Prosser. *Secretary:* H. A. Roberts, F.C.I.S. *Office:* 22A, Queen Anne's Gate, S.W.1.—The Bute Docks Company was incorporated in June, 1886, to take over properties from the late Marquis of Bute, and in 1897 the name was changed as above. The authorised capital, including loans, is £7,763,099, and the following issues have been made, ranking in the order given, besides which, at December 31, 1920, there were temporary advances of about £445,200, against a debit to capital of £870,552:—

£2,033,300 Three per cent. debenture stock. Interest is payable January 1 and July 1.

£900,000 Four per cent. first preference shares of £100, fully paid.

£100,000 Four per cent. second preference shares of £100, ranking after the foregoing.

£500,000 Preferred ordinary stock (of 1896), issued in May, 1896, at 110 per cent. The stock is entitled to a dividend of 4 per cent. per annum in priority to the existing second preferred and ordinary shares, payable out of the profits of each year. The company reserves the right of issuing stock or shares to rank pari passu with the preferred ordinary stock of 1896 to an amount not exceeding one-half of the amount for the time being of ordinary shares or stock subscribed after May 26, 1896.

£200,000 Second preferred ordinary shares (of 1901) of £100, fully paid. The shares are entitled to a dividend of 3 per cent. per annum in priority to the existing ordinary shares, payable out of the profits of each year.

£2,600,000 Ordinary shares of £100, fully paid.

Preference, preferred ordinary and second preferred ordinary dividends are paid February 15 and August 15. The accounts are made up annually to December 31, and submitted in February. For 1913 1 per cent. was paid on the ordinary shares; for 1914, nil, but the dividend on the second preferred ordinary shares was paid in full; for 1915 and 1916, 1 per cent. each time; for 1917 and 1918, 1¼; and for 1919 and 1920, 1½. Carried forward, £7,960.

Voting power, one vote for every £1,000 of ordinary, preferred ordinary, second preferred ordinary or preference capital. Director's qualification, 50 shares, ordinary or preference. Transfer form, common; fee for registration of transfers, probates, deaths in joint holdings, marriages, powers of attorney or distringas, 2s. 6d.; stock is transferable in multiples of £1; the smallest holding allowed is £10. The company has adopted the provisions of the Forged Transfers Acts of 1891 and 1892, but no charge is made for the protection thus afforded. Telephone number, 1713 Victoria. The preferred ordinary and debenture stocks are quoted in the official list. Latest prices—preferred ordinary stock, 46½; debenture stock, 44½.