

## CANADIAN PACIFIC STOCKHOLDERS: 40,468

Number Has Increased 13,468 or 49 Per Cent. in Two Years—Sir Thomas Shaughnessy Hands Interesting Statistics to The Monetary Times

How the common stock of the Canadian Pacific Railway is held has always been an interesting study. During the past few years there has been considerable change in the grouping of the holdings. Sir Thomas Shaughnessy, president of the company, tells *The Monetary Times* that the total number of shareholders of the common stock is now 40,468, of which 5,138 are Canadian holders. At present the United Kingdom holds 62.88 per cent. of the \$260,000,000 of common stock. The present distribution of holdings, as compared with the position in January, 1911, and in June, 1913, is shown in the following table compiled from figures which Sir Thomas Shaughnessy has kindly supplied to *The Monetary Times* at the dates mentioned:—

	January, 1911.	June, 1913.	August, 1915.
Total number of common stockholders—			
In all countries .....	24,000	27,000	40,468
In Canada .....	2,500	3,400	5,138
Percentage of common stockholders in—			
Great Britain .....	65%	60%	62.88%
Canada .....	20%	23%	13.64%
United States .....	20%	23%	10.39%
Germany .....	15%	15%	5.33%
France .....	15%	15%	5.63%
Other countries .....	....	2%	2.13%

## Capital Stock Increases.

It must be borne in mind, in analyzing the above figures that the capital stock of the Canadian Pacific Railway has been increased several times during the period under review as follows:—In November, 1909, when \$30,000,000 of additional stock was allotted at 125, the amount of stock outstanding was \$180,000,000. That would be the amount of stock held by the 24,000 shareholders in January, 1911. A further block of \$18,000,000 was allotted in January, 1912, at 150; \$2,000,000 was sold during 1912 at a premium of \$2,860,831.80; and \$60,000,000 was allotted at 175 in January, 1913. In June, 1913, and at the present time, therefore, the full \$260,000,000 of stock had been issued.

In a little more than four years the number of shareholders has increased 24,468, or over 51 per cent. In the past two years, a remarkable change has occurred in the number of holders. Whereas two years ago there were 27,000 holders of the common stock, there are now 40,468, an increase of 13,468, or 49 per cent. These figures seem to indicate that the so-called small investor has been in the market during the past two years getting Canadian Pacific Railway stock, the large holdings having been sold to some extent to be picked up by small investors. The increase in the number of holders was probably made to a large degree during the past few months by those who had faith in the strength of the company and the maintenance of the 10 per cent. dividend. The number of Canadian holders has increased over 100 per cent. in the last four years, and now stands at 5,138. This is an excellent showing for a country which does more borrowing than investing.

## Drop in German Holdings.

The number of holders in Great Britain is larger than two years ago, but smaller than four years ago. The French and German holdings have dropped considerably. The volume of shares held by United States investors is not very large, only 10.39 per cent., a record which is beaten by Canada, which holds 13.64 per cent. of the total.

The figures in regard to Germany are of unusual interest. In January, 1911, and June, 1913, French and German holdings together were 15 per cent. From the figures given for each country separately at the present time, we may fairly average the German holdings in the previous years mentioned, at 7.50 per cent. This figure has been reduced now to 5.33 per cent. Between January, 1911, and the outbreak of war, *The Monetary Times* has excellent reason for believing that German holdings had risen as high as 40 per cent. Three

days after the war broke out, *The Monetary Times* stated that this figure had dropped to 5 per cent. That is now confirmed by the figures which Sir Thomas Shaughnessy has sent us. The statistics of German holdings recall the reports which were current in London, England, in August, 1914, to the effect that the heavy selling orders from Germany just prior to the war were really a deliberate attempt to smash the London market and cause a scare in the financial and commercial world so as to keep Great Britain out of the war. These reports mentioned the sum of \$10,000,000 as having been expended, or arrangements made for its expenditure, for this object, with the cognizance of the German government.

This story has substantial signs of truth. The Canadian Pacific Railway, as one of the greatest corporations in the British Empire, was expected to suffer in various ways in time of warfare, according to the seriousness and extent of the war. *The Monetary Times*, with the information it received from time to time, had good reason to supplement the London reports, mentioned above. Not only during the few weeks before the war did selling orders of Canadian Pacific stock arise in Germany. The selling movement in Berlin dated back many months before that. According to information gathered by *The Monetary Times*, German holdings had been increased to a considerable extent, the approximate figure being 40 per cent. of the common stock of the railroad.

## Germans Were Consistent Sellers.

This would constitute excellent stock market ammunition for unloading. German selling later was understood to have brought the German holdings down to 5 per cent., an extraordinary drop. German bankers were said to have been advised by their Canadian agents to sell, but it seems apparent that they needed no such advice. In any event, Germany was a consistent seller. The Canadian Pacific stock, representing one of the best managed corporations in the world to-day, was probably chosen as the best security to use as stock exchange gunpowder,—for we have seen in the present struggle what extensive inter-relative effects have belligerence and finance.

The supposed German plan worked with a measure of success. Canadian Pacific Railway was the spectacular stock in the declines during the panic after the war declaration, and suffered most, dropping no less than 20 points in one day on the New York exchange. But in this campaign of the stock market, probably it had not been reckoned by the enemy that there was any possibility of the world's stock exchanges being closed. Naturally, it would have been fatal for the Berlin Bourse alone to remain open.

## Plot That Failed.

Most significant of all was the Austrian government's extraordinary harassing of the Canadian Pacific Railway's activities in Austria when it was running observation cars and engaging in the transportation of emigrants. Those events happened shortly before the war crisis and tend to show that apparently a deep-laid plot was originated in Berlin to undermine the British financial fabric, Canadian Pacific stock being used as one of the fuses. Meantime, the German war chest was well filled with gold. However, the latest report of the Canadian Pacific Railway and the maintenance of the 10 per cent. dividend, show that this corporation easily foiled such a plot, while the company maintained at the same time its good prestige, its own credit and also that of the Dominion.

At the meeting this week of the National Trust Company's directors, the regular dividend of 2½ per cent. for the quarter ending September 30th was declared.

Life insurance is taken out primarily for the protection of one's dependents. It is not an emergency account to be drawn on for the indulgence of whims or extravagances. It is not a contingent fund to be dipped into whenever other sources fail to provide money for the gratification of the desire to buy this or that luxury or convenience. The whole situation in regard to loans on life insurance affords a striking illustration of the ease of borrowing and the difficulty of paying back. The lesson brought home by the experience of the borrowers on life insurance policies is more than economic; it is moral. It concerns those fundamental ideals of thrift upon which rest prosperity and contentment.—Dr. Charles T. Cutting.