

## CANADIAN PACIFIC STOCK DECLINE

## It Has Been a Topic of Wide Discussion—Germany Was the Source of the Trouble

An English visitor to Canada who called at *The Monetary Times* office last week, was told of Sir Rodolphe Forget's prediction that Canadian Pacific Railway stock would shortly be down to 200. "Then I will buy some more," he exclaimed. That is typical of the attitude of the holder of Canadian Pacific stock, who knows the company and knows Canada. It is interesting to read the various explanations of the recent decline in this security.

Mr. James Ross, one of the largest holders of this stock, on his return to Montreal from Europe, said that one of the first reasons for the slump was unquestionably the straightened conditions in Germany, where the banks which had been holding large quantities of the stock were obliged to send out calls very extensively. As a good many of the former buyers were unable to meet the demand for more money, their stock was sold.

## Austria Sold Also.

Those well posted in London also learned that Austrian holders of Canadian Pacific Railway had to unload as well, so this constituted quite an extensive selling movement from the continent. Mr. Ross said he was not in a position to say just how much of the stock was held in Austria and Germany, but the amount was considerable, but it was likewise a well known fact that these two countries did not unload because they had lost confidence in the stock. They recognized as much as ever the splendid earning power and prospects of the Canadian Pacific Railway system, and they would no doubt proceed to buy back as soon as the money stringency had become less acute.

"Did the selling of Canadian Pacific Railway extend to the Dutch holders?" Mr. Ross was asked.

"I do not think that the Dutch holdings are now anything to speak of. The Dutch investor gets in at a low figure in his investments, which enables him to get out with a good profit early in the race, or else to hold on when there is stringency in the money market."

## Due to Money Stringency.

"This fall is entirely due to the monetary stringency in Germany, Austria, Canada and the United States," says the *Canada Gazette*, which continues: "In all these countries over-commitments to home enterprises has led to dear money, and a general adoption of a cautious policy on the part of the banks. Fresh money is not easily obtainable, and old loans are being reduced on the double ground of lenders desiring to increase their reserves and from the reduction in prices requiring margins to be made good or advances to be reduced. Especially in Germany and Canada are these unpleasant conditions being experienced. The only recourse is the realizing of international securities in less affected markets. Of these, the chief is Canadian Pacific common stock. In this case there is the further necessity of selling, as \$35 per share is due on June 16th on the recently issued \$60,000,000 of new capital. Similar instalments are due August 18th and October 20th. Each of these payments amounts to £4,200,000, ignoring prepayments.

"It seems reasonable to assume that the selling from Germany and Canada has been mainly in the form of closing of accounts for the rise, but the last settlement showed actual delivery of securities in names which could only mean real sales of long-held stock. That more has been done in this way during the current account is certain. The holding of Canadian Pacific Railway shares by Germany is said to be about 10 per cent. of the whole, and Canada and the United States are each thought to have about the same extent of interest in this great property. Nearly all the rest is owned in Great Britain, and the strength of the position is that the shares are distributed over an area probably not equalled for size by any other similar property. In spite of the large holdings by associations on behalf of others, the average holding is not 75 shares per person, and there is an ever-increasing number of shareholders who hold less than ten shares each and yet do not average five each."

## Canadian Stock Holder.

Mr. James Ross considers the Canadian holder of Canadian Pacific Railway an important factor.

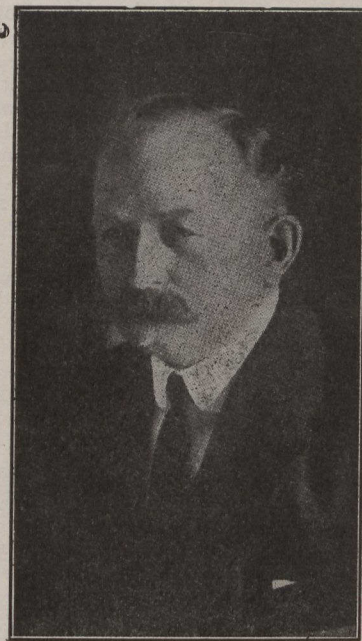
"Canadian holdings of Canadian Pacific Railway are quite as large as the financial position of Canadian investors will justify," he says, "for no one can deny the absolute faith of the people of this country in the present position and the outlook of the road. The property is of greater value to-day than ever before, for the reason that the company has been training up a vast army of expert officials."

A recent issue of the *London Standard* said:—

"The fall in the price of Canadian Pacifics is due largely, if not almost entirely, to financial influences. Possibly the shares stood too high when they were nearly 300, but since then the price has had so steep a decline that the over-optimism has been, to a substantial extent, discounted. Plenty of people are buying small lots, just as they did when the quotation slumped in the early part of the year, and these steady purchases of a few shares at a time are bound to exert a marked effect upon the price when the market takes a turn for the better."

## HOW CANADIAN PACIFIC STOCK IS HELD TO-DAY.

Much speculation has been indulged in as to where the stock of the Canadian Pacific Railway is at present held. Sir Thomas Shaughnessy this week informed *The Monetary Times* that the total number of Canadian Pacific common stock shareholders at the present time is about 27,000, the number of Canadian holders being 3,400. Of the common stock, holders in Great Britain have approximately 60 per cent. About 15 per cent. is held in Germany and France; 23 per cent. is divided about equally between Canada and the United States; the remaining 2 per cent. being scattered in the colonies and other countries. Nearly all the 4 per cent. consolidated debenture stock and the 1 per cent. preference stock is still held in Great Britain.



SIR THOMAS SHAUGHNESSY,  
President, Canadian Pacific Railway, Who Gives The  
Monetary Times Some Interesting Details as to  
the Present Stock Holdings of the Road.

*The Monetary Times* prints the following interesting table comparing these figures with the position in January, 1911:—

	Jan., 1911	June, 1913
Total number common stock shareholders . . . . .	24,000	27,000
Number of common stock shareholders in Canada . . . . .	2,500	3,400
Percentage of common stockholders in Great Britain . . . . .	65	60
Percentage of common stockholders in Germany & France . . . . .	15	15
Percentage of common stockholders in Canada and United States . . . . .	20	23
Percentage of common stockholders in Colonies & other countries . . . . .	—	2

The number of shareholders has increased by 3,000 in the two years and a half. A notable gain of 900 Canadian holders is recorded. On June 30, 1911, \$180,000,000 common stock of the company was outstanding. On June 2nd, 1912, \$16,000,000 additional stock was allotted at 150 and on January 2nd, 1913, \$60,000,000 at 175.