

Stock

Montreal Stock Exchange



CANADA'S SECURITY MARKET PLACES

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Canadian Stock Exchange

165 - Montreal Stock Exchange - Feb 14 '53

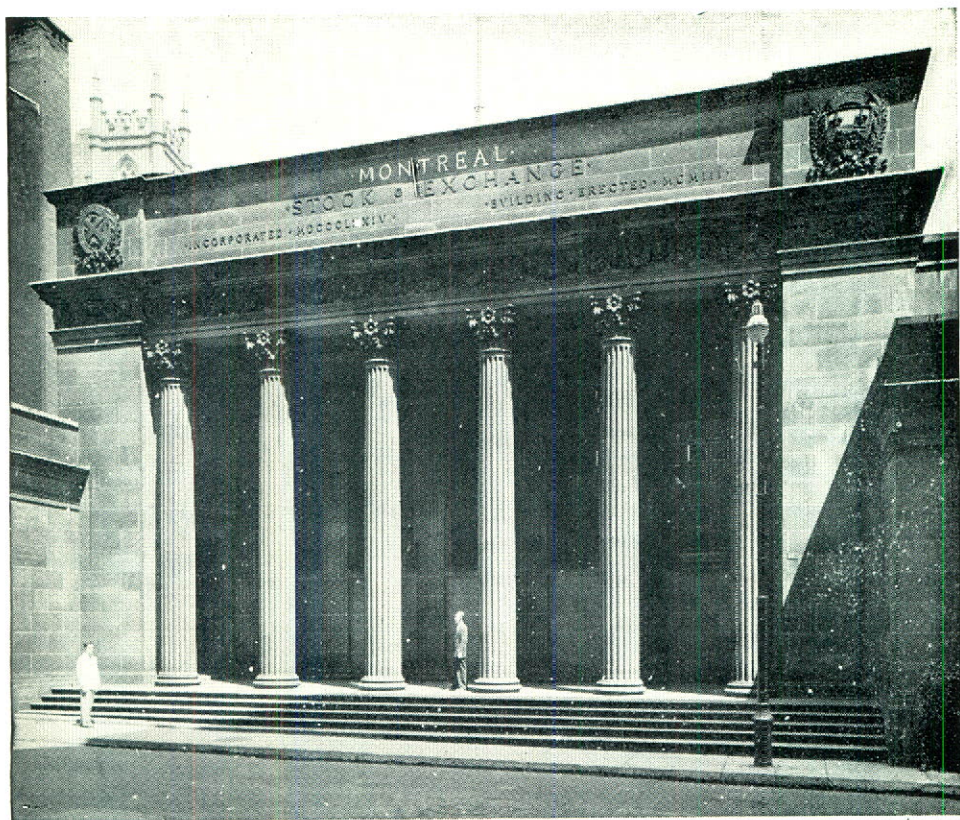
FORWARD WITH CANADA

The increasing public interest being shown towards investment is a tribute to the vitality of organized security markets, the importance of the services which they render, and the broad public character of that service.

The liquidity and facilities which a market provided for the owner of securities in the time of Canada's infancy have been steadily broadened to serve not only the field of finance, but that of commerce, industry, agriculture and the development of natural resources. This ability of security markets to keep abreast of Canada's growth has contributed an essential part to the building of the nation.

The natural wealth of the country is broadly distributed, although industry is concentrated for the most part in Eastern Canada. And in order to interest the thousands of large and small investors, companies must have security markets on which their issues may be freely traded.

The Montreal Stock Exchange and the Canadian Stock Exchange have been leaders in providing open markets for industrial, mining and oil securities. This progress, in the interest of investors everywhere, has gained the Montreal Exchanges an enviable reputation throughout the world and has made them "Canada's Security Market Places" for the listing of industrial companies.



Montreal Stock Exchange

HISTORY

Trading in securities made its appearance in Montreal in 1832 when shares of the Champlain and St. Lawrence Railway were sold in the old Exchange Coffee House on St. Paul Street. Thus was laid the seed which was to blossom into the Montreal Stock Exchange, the oldest incorporated Exchange in Canada.

A "Board of Stock Brokers" was formed in 1863 with rules covering membership, commissions and listing fees. In 1874 its members were incorporated under a Quebec charter to carry on their affairs as the Montreal Stock Exchange.

The Canadian Stock Exchange was organized in 1926 with a view to providing organized trading facilities for securities not listed on the Montreal Stock Exchange, for unlisted securities, and for shares of companies closely allied with the development of Canada's natural resources.

The growth of both Exchanges has kept pace with the development of Canada and the growth of the City of Montreal.

ORGANIZATION

The Montreal Stock Exchange and the Canadian Stock Exchange exist primarily for the purpose of providing facilities for the orderly marketing of securities. They neither buy nor sell securities, nor do they interfere in any way with transactions except to see that these are entered into openly with fairness and equity to both buyer and seller.

The two markets are non-profit-making institutions, with the costs of operation met in large measure by assessments against their members. The membership forms the basis of organization of both the Montreal Stock Exchange and the Canadian Stock Exchange. Every applicant for membership must be of the male sex, at least 21 years of age and in the free exercise of his rights. The Montreal Stock Exchange at present is limited to eighty members and the Canadian Stock Exchange to one hundred members.

Governing Committees, elected annually, formulate and administer the policies of each Exchange. Standing sub-committees are appointed from among members, including the following: Committee of Arrangements and Admissions, Building Committee, Floor Committee, Listing Committee, Telephone, Telegraph and Non-Member Brokers Committee, and a Public Relations Committee. All decisions of the sub-committees are subject to approval of the Governing Committees as a whole.

Canadian Stock Exchange



LISTING REQUIREMENTS

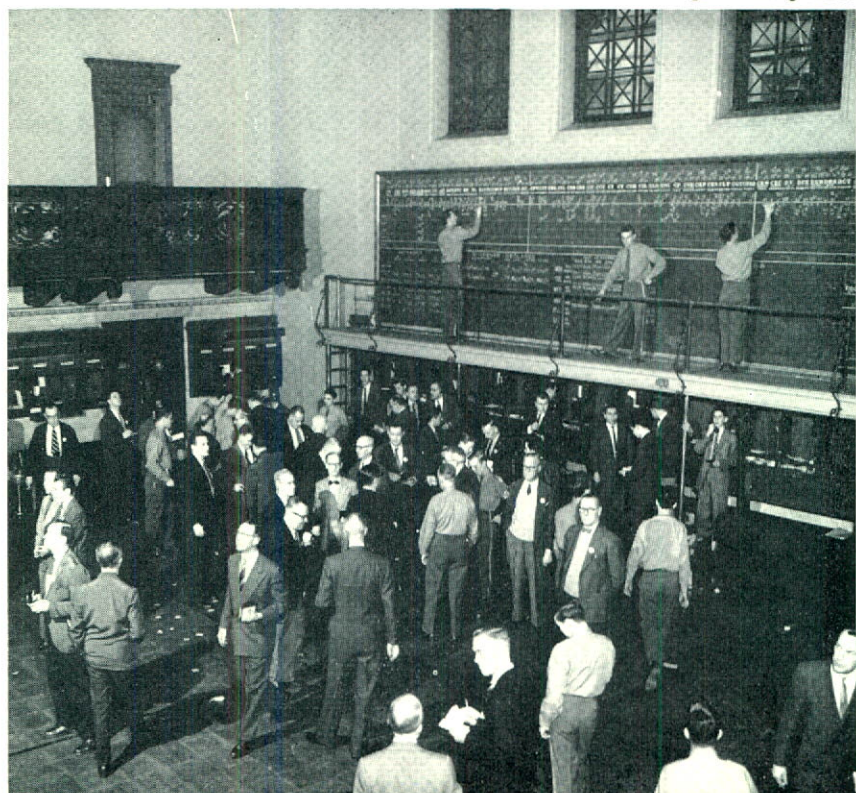
Applications for listing securities must be accompanied by detailed statements giving full information about the incorporation of the company, the nature and history of the business, properties owned, stock distribution, capitalization and other matters. A statement of earnings for the preceding five years, balance sheets and profit and loss statements must also be included.

In the case of mining stock, the applicant must further supply complete information with regard to the properties of the company, ore bodies, average value of ore, annual production, provisions for smelting, costs of operation and transportation. Total expenditures for the preceding five years for acquisition of new property and development must also be shown.

Corresponding details are required from companies owning or operating oil and gas wells.

Prior to the listing of securities, the affairs of a company are minutely examined by the Listing Committee of the Montreal Stock Exchange or the Canadian Stock Exchange. If approved, the company must sign an agreement setting out many provisions for the protection of shareholders.

A Section of the Montreal Stock Exchange Trading Floor





Trading on the Canadian Stock Exchange

ADVANTAGES OF LISTING

Listing of securities offers desirable advantages both to the company concerned and to the investing public. It gives the securities ready marketability, and simplifies new financing. The advertising value of listing is considerable, as the name of the company is constantly kept before the public eye by means of daily publication of quotations for its shares. To the investor, listing provides the facilities of an organized and continuous market for securities. The price he pays for any particular security is determined by him, with his stockbroker only acting as agent for the completion of the transaction. This ready marketability of a security enables the investor to use his shares as collateral for loans.

SECURITIES

There are two general types of shares, "Preferred" and "Common".

Preferred shares usually carry a preference as to dividends and assets, and may have other special rights and privileges attached to them. Their participation in the profits of the company concerned are limited, and their dividend return is usually a fixed amount. In event of the dissolution of the company, they customarily have a preference in the distribution of the assets.

After prior charges have been covered, Common shares participate in the profits of a company through dividends when declared by the board of directors. The amount of these dividends usually depends upon the annual earnings of the company. Thus the risk of common shareholders is limited to the amount of money they invest, while there is no limit to

the profits they may eventually receive. As part owners of the corporation and having voting power, they have a voice in its affairs, electing annually a board of directors to manage the company for them.

TYPES OF ORDERS

An order represents the investor's instructions to a broker with respect to a purchase or sale of securities. There are two chief types — a Market Order and a Limit Order. Should you desire to purchase or sell a security at the best price available, you would give your broker a Market Order. If you specify a Limit Order, that means your order will be filled only at the price specified, or at a more advantageous price.

BUYING AND SELLING

The customer gives his stockbroker an order to buy or sell shares of a certain company. The order is then transmitted direct to the trading floor of the Stock Exchange where it is received by the clerk of the member. The order is then relayed to the member or trading representative on the floor.

On receipt of the order, the member or his trading representative proceeds to a section of the floor called a Trading Square which corresponds to blackboards on the walls showing where the trading of particular stocks must take place. The blackboards carry the names and ticker symbols of each board lot and odd lot quotations, previous sales, and that day's open, high, low and last sales, plus the volume. The trader after checking the blackboard figures, then shouts the name and price of the stock he wishes to buy or sell in order to attract the attention of other traders who have similar orders. They gather around and cry out the price at which they will buy or sell.

When the trader finds the best offer he can obtain, which may be lower than your original bid, he shouts "Sold" to the trader who makes the offer. The seller then makes out a sales ticket, in triplicate, showing the name of the stock, the number of shares, the price, and the name of the broker to whom he made the sale. After the buyer initials the ticket, the seller retains the original, gives the buyer a copy, and a page boy brings the third copy to the ticker station. Here the ticket is stamped by an automatic time clock showing the time of the sale, and the details then sent over the ticker. In this way, a record of the transaction is



Deciding a Trade



Members' Phone Booths

transmitted simultaneously across the continent. In addition, such transactions are interspersed with bid and offer quotations indicated by a "B" and an "S" on the ticker tape.

In the meantime, the buyer and seller have given their copies of the sales ticket to their respective telephone clerks, who report the execution of the order to their offices.

On receipt of the report, the order department allots the transaction to the particular client, and the transaction is confirmed by the mailing of a contract, showing the details of the execution of the order. These details include the number of shares, the name of the stock, price, commission, and if you are the seller the amount of tax paid to the Provincial Government.

A Quotation Board



CLEARING HOUSE

The Exchange Clearing House completes the settlement of transactions between the member firms of the Montreal Stock Exchange and the Canadian Stock Exchange. Instead of each stockbroker making payments and individual delivery of securities to other firms, the operation is handled through this central Clearing House.

At periodic intervals throughout the day, the sales tickets are delivered to the Exchange Clearing House from the trading floors. Here they are recorded on separate punched cards, one for the buying member and one for the selling member. At the close of the market, these punched cards are sorted and the transactions are recorded on the member firms' clearing house sheets.

**Section
of the
Exchange
Clearing
House**



By the operation of this central Clearing House, the number of certificates and the amount of cash that has to change hands between the various member firms each day is reduced. The Clearing House establishes and confirms a credit or debit cash balance for each member firm, compiles their Clearing House sheets, and instructs each member broker of the securities he must deliver to balance his account.

With certain exceptions, the second day after a transaction takes place is "Settlement Day". The member firm must then deliver the securities due others and his settlement cheques. In return, he receives the securities and settlement cheques that are due to him.

PUBLIC RELATIONS AND STATISTICS

Publicity of the Montreal Stock Exchange and the Canadian Stock Exchange is handled by a Public Relations and Statistical Department. Press releases and up-to-the minute market data are distributed to member firms, newspapers, press services and radio stations. In addition, official daily news sheets containing sales, quotations and indexes of both markets are forwarded to all parts of the globe. Thus, every stock receives world-wide news coverage.

Additional market information, both past and present, is published in a Monthly Review. This booklet is a helpful guide in following the market and is available for subscription upon application.

Public interest in the functions of a stock exchange is continually being encouraged through guided tours of the Montreal Stock Exchange and the Canadian Stock Exchange. Two observation galleries permit excellent views of the trading floors and are open to the public during daily sessions.



*Statistical
Department*

SELF PROTECTION

Investigate before you invest. The investor or prospective investor should remember that securities should be purchased carefully after a thorough study of the security, the company and its record.

Remember that it is your money that is being invested. The final decision as to how it is to be invested must remain with you.

Montreal Stock Exchange
OFFICIAL DAILY QUOTATION SHEET

Canadian Stock Exchange
OFFICIAL DAILY QUOTATION SHEET

Montreal Stock Exchange
OFFICIAL DAILY QUOTATION SHEET

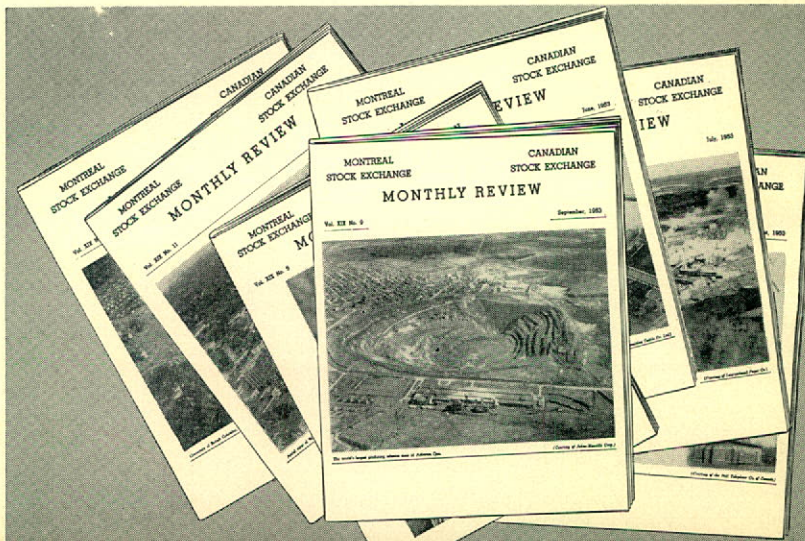
**Official
Daily
Quotation
Sheets**

YOUR BROKER

A broker is an agent, who performs many services in addition to executing his clients' orders. He has the task of safekeeping securities, assisting clients in the exercise of rights and proxies, the collection of coupons and dividends, and rendering statistical and financial information. For these and other services, the broker's only remuneration is the commission he receives for executing a customer's order.

Minimum commission rates for the different classes of securities are laid down in the regulations of the Montreal Stock Exchange and the Canadian Stock Exchange. These rates are applicable to both buying and selling orders with sellers obligated to pay provincial stock transfer taxes.

**Monthly
Reviews**

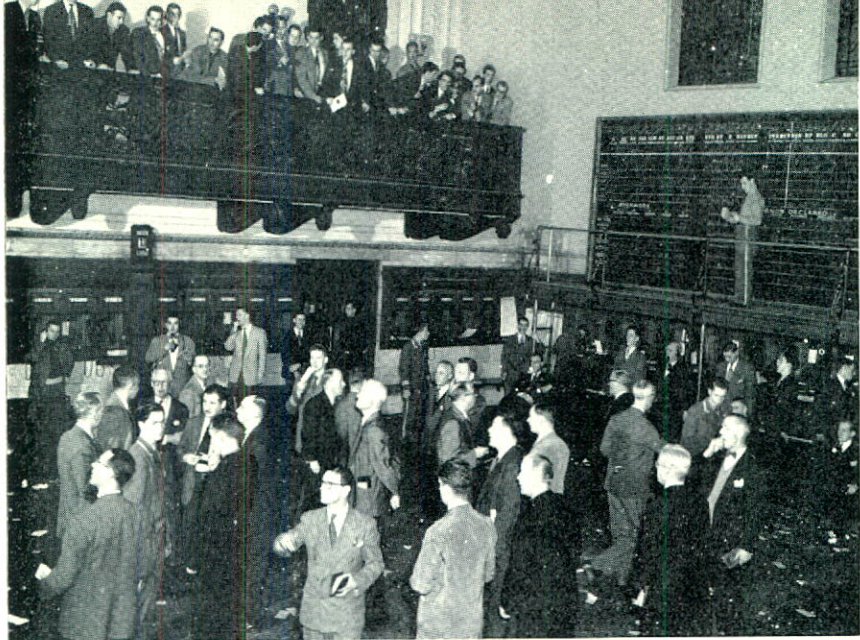


MARKET DEFINITIONS

The investor may, from time to time, be confronted with these expressions common to the investment world.

- "Arrears"** — Money due but unpaid. For example, unpaid dividends on cumulative preferred stock.
- "Asked Price"** — The price an owner asks for his stock when he offers it for sale.
- "At The Market"** — An order at the market is executed at the current price.
- "Authorized Stock"** — Represents the maximum amount of stock that a corporation can issue, under the terms of its charter or other statutory powers.
- "Bear Market"** — Refers to a declining market.
- "Bid Price"** — What someone is willing to pay for a security.
- "Book Value"** — The amount theoretically left for each share of stock after deducting a company's liabilities from assets as shown on company's books, including the amount due to securities ranking ahead. Frequently "Book Value" has little relation to the market value of the stock.
- "Bull Market"** — Refers to a rising market.
- "Convertible Securities"** — Types that may be exchanged under certain stated conditions for other securities of the same company. For example, bonds, debentures or preferred stock may be exchangeable for common shares on a definite basis.
- "Delayed Delivery"** — Transactions made "Delayed Delivery" are normally settled not later than the tenth day after the date of contract.
- "Dividend Yield"** — The percentage return offered to an investor on a basis of the per annum dividend and the market price of the stock. If an annual dividend of \$3.00 is paid on a stock at \$60 per share, the yield is $(\$3 \div \$60) \times 100 = 5\%$ return on the money invested.
- "Dividends"** — Payments a company makes to its shareholders. Dividends on preferred stock are usually stated amounts; on common stock they may vary widely.
- "Equity"** — Your equity in the company is the share of its capital and surplus that your holdings represent. Stocks are often called equity-type securities, or simply equities.
- "Ex-Dividend"** — When a market security is denoted as selling "ex-dividend" it means that anyone buying a stock on or after the ex-dividend date will not receive that dividend.

- "Issued Stock"*** — Represents that portion of the authorized stock that has been distributed and remains outstanding.
- "Listed Stock"*** — Is one which has been approved for listing on a stock exchange and called for trading after the company concerned has fulfilled certain requirements and agreements which afford protection to investors.
- "Margin"*** — The difference between the market value of securities in an account and the amount of money owed against them.
- "Over-The-Counter Market"*** — This is the market operated by security dealers for stocks that are not listed on stock exchanges.
- "Par Value"*** — The "Par Value" of a stock is its stated face value expressed in terms of so many dollars per share. Conversely, "No Par Value" is stock which does not carry any such stated face value.
- "Record Date"*** — A date set by a company when declaring a dividend in order to determine the shareholders who should receive the payment.
- "Rights"*** — A "right" is the optional privilege granted by a company to its shareholders to subscribe to additional shares of that company at a specified price, within a definite time limit, and at a predetermined share-ratio basis.
- "Seller's Option"*** — Transactions made "Seller's Option" or "Buyer's Option" are settled privately not sooner than the tenth day nor later than the sixtieth day after the date of contract.
- "Stock Split"*** — Represents the division of stock into a larger number of units.
- "Unissued Stock"*** — Consists of the difference between the authorized and outstanding stock.
- "Unlisted Section"*** — Is a part of the trading floor of the Canadian Stock Exchange set aside for dealings in unlisted securities. While these securities have been given trading privileges, the company concerned has not entered into any agreements with the Canadian Stock Exchange.
- "Warrants"*** — Certificates giving the holder the right to buy similar securities at a stated price under certain conditions. Usually within a definite time limit, although some warrants are perpetual.
- "When, As and If"*** — Refers to the time "when" securities will be issued, "as" to the form in which they will be issued, and "if" they will be issued. Securities that are not yet issued are often traded on this basis.



A Group Visit to the Montreal Stock Exchange

INVESTMENT

To obtain information on shares of companies listed on the Montreal Stock Exchange and the Canadian Stock Exchange you should consult a Member-Broker, a Banker or an Investment Dealer. From any of them you can obtain the necessary information to enable you to come to a decision as to how your funds should be invested.

*Canadian
Stock
Exchange
Visitors'
Gallery*



MEMBER FIRMS

List of members, member firms and member corporations on the Montreal Stock Exchange and the Canadian Stock Exchange as at March 1st, 1957.

- †*AMES & Co., A.E.
360 St. James St. W.
- *ARMSTRONG & Co., O.E.
c/o Hugh Mackay & Co.
- *AYER, ALBERT A.
453 St. Francois Xavier St.
- †*BAKER, WEEKS & Co.
200 St. James St. W.
- †*BARRY & McMANAMY
P.O. Box 129, Station B.
Quebec, P.Q.
- †*BEAUBIEN & Co., L.G.
221 Notre Dame St. W.
- *BIENVENU & Co., MARC M.
10 St. James St. E.
- †*BONGARD & Co.
25 Adelaide St. W., Toronto, Ont.
- †*BOULET, INC., J. C.
437 St. James St. W.
- *BOUSQUET, J. P.
c/o Jones Heward & Co.
- †*BRAULT & CHAPUT
5 St. James St., E.
- *BRISEBOIS, P. A.
c/o Geoffrion, Robert & Gelinas
- †*BURNETT Co.
212 St. Sacrement St.
- *BURNS BROS. & Co. LTD.
507 Place d'Armes
- *CHISHOLM & Co. LTD. H.,
226 Bay St., Toronto, Ont.
- †*COLLIER, NORRIS & QUINLAN
507 Place d'Armes
- *COOK, HERBERT G.
c/o Brault & Chaput
- †*COULTER, C. I.
- †*CRADOCK SECURITIES LTD.
455 Craig St. W.
R.R. 3 Georgetown, Ont.
- †*CRAIG, BALLANTYNE & Co., LTD.
215 St. James St. W.
- †*CRANG, J. H. & Co.
40 Adelaide St., Toronto, Ont.
- *CUNDILL, FRANCIS H.
453 St. Francois Xavier St.
- *DAVIDSON & Co.
25 Adelaide St. W., Toronto, Ont.
- †*DAWSON HANNAFORD & Co. LTD.
507 Place d'Armes
- †*DEAN, E. C.
453 St. Francois Xavier St.
- *DESROSIERS & Co.
455 Craig St. W.
- *DOHERTY, ROADHOUSE & Co.
335 Bay St.
Toronto, Ont.
- †*DOMINION SECURITIES COMPANY
200 St. James St. W.
- *EMARD, H. PAUL
c/o L. G. Beaubien & Co.
- † FAIRBANKS, F. H.
453 St. Francois Xavier St.
- *FARRELL, G. E.
453 St. Francois Xavier St.
- †*FLOOD & Co.
360 St. James St. W.
- †*FORGET & Co., L. J.
200 St. James St. W.
- †*FORGET & FORGET
51 St. James St. W.
- † FOSTER, R. D.
453 St. Francois Xavier St.
- † FRANCIS & Co. LTD., A. F.
66 King St. W.
Toronto, Ont.
- †*GAIRDNER & COMPANY LIMITED
360 St. James St. W.
- †*GARIEPY, GASTON
- †*GARLAND, H. S.
453 St. Francois Xavier St.
- † GENDRON INC., J. T.
71 St. Peter St.
Quebec, P.Q.
- †*GEOFFRION, ROBERT & GELINAS
507 Place d'Armes
- †*GILLETT & STRACHAN
200 Notre Dame St. W.
- †*GRAHAM & Co.
Room 702, 437 St. James St. W.
- †*GRANT, JOHNSTON & Co. LTD.
485 McGill St.
- †*GREENSHIELDS & Co.
507 Place d'Armes
- †*HICKEY DONALDSON & Co.
360 St. James St. W.
- *HIGGINSON & ROSS
P.O. Box 493
Hawkesbury, Ont.
- †*HODGSON & Co., C. J.
360 St. James St. W.
- *HOUSTON & Co.
335 Bay St., Toronto, Ont.
- †*JACKSON & Co. LTD., L. S.
132 St. James St. W.
- †*JONES HEWARD & Co.
249 St. James St. W.
- *KIDDER & Co., A. M.
276 St. James St. W.
- †*KING & Co., CHARLES
455 Craig St. W.
- †*KINGSTONE & MACKENZIE
215 St. James St. W.

- *LAIDLAW & Co.
360 St. James St. W.
- *LAMBERT, R. A.
70 York St.
Fredericton, N.B.
- *LATIMER & Co., W. D.
607 St. James St. W.
- †*LEGATT, BELL, GOUNLOCK LTD.
414 St. James St. W.
- †*LESLIE & Co., G. E.
360 St. James St. W.
- †*LEVESQUE & Co., J. L.
31 St. James St. W.
- †*MACDOUGALL & MACDOUGALL
507 Place d'Armes
- †*MACKAY & Co. HUGH
235 St. James St. W.
- †*MACLEOD, RIDDELL & Co.
360 St. James St. W.
- *MACMARTIN, A. E.
453 St. Francois Xavier St.
- † MACMURRAY, JAMES A.
63 Prince William St.,
St. Johns, N.B.
- † MACPIERSON, J. D.
453 St. Francois Xavier St.
- † MACTIER & Co.
507 Place d'Armes
- †*MAJOR & Co.
455 Craig St. W.
- †*MARLER & Co., J. L.
501 St. Peter St.
- †*MCCUAIG BROS. & Co. LTD.
276 St. James St. W.
- †*MCDUGALL & CHRISTMAS
520 St. Francois Xavier St.
- † MCEACHRAN, D. C.
453 St. Francois Xavier St.
- †*MCFETRICK & COMPANY
132 St. James St. W.
- †*MCLEOD, YOUNG, WEIR & RATCLIFFE
276 St. James St. W.
- † MCMASTER, D. S.
453 St. Francois Xavier St.
- † MEIGHEN WOOD LTD.
360 Bay St., Toronto, Ont.
- † MERRETT, E. S.
453 St. Francois Xavier St.
- †*MOAT & Co., R.
1010 St. Catherine St. W.
- †*MOLSON & Co.
485 McGill St.
- *MOLSON, WM. M.
453 St. Francois Xavier St.
- †*MORGAN & Co.
507 Place d'Armes
- †*NESBITT, THOMSON & Co.
355 St. James St. W.
- †*NEWKIRK SECURITIES LTD.
200 St. James St. W.
- †*NORRIS, ADAMS LTD.
200 Bay St.
- †*O'BRIEN & WILLIAMS
132 St. James St. W.
- † OLIVER & Co. LTD., C. M.
821 West Hasting St.
Vancouver, B.C.
- † OSLER & HAMMOND
21 Jordan St.
Toronto, Ont.
- †*OSLER, HAMMOND & NANTON
Nanton Building
Winnipeg, Man.
- †*OSWALD & DRINKWATER
233 Notre Dame St. W.
- *RAINVILLE & Co.
210 St. James St. W.
- †*RENAUD INC., LEOPOLD-A.
287 Notre Dame St. W.
- *RICHARDSON & Co., T. A.
11 King St. W.
Toronto, Ont.
- †*RICHARDSON & SONS, JAMES
300 St. Sacrement St.
- † ROCHON, FERNAND
c/o Rene T. Leclerc, Inc.
132 St. James St. W.
- *ROTHSCHILD & Co., L. F.
1010 St. Catherine St. W.
- †*ROYAL SECURITIES COMPANY
244 St. James St. W.
- †*SAVARD & HART
230 Notre Dame St. W.
- *SHEARSON, HAMMILL & Co.
200 St. James St. W.
- *SOUCLIE, GEO. O.
c/o Rene T. Leclerc Inc.
132 St. James St. W.
- † STANBURY, H. N.
180 Hollis St.
Halifax, N.S.
- *STREIT & Co. LTD., J. BRADLEY
80 Richmond St. W.
Toronto, Ont.
- *THOMSON & MACKINNON
38 King St. W.
Toronto, Ont.
- *TIMMINS & Co., J. R.
360 St. James St. W.
- † WATT & WATT
6 Jordan St.
Toronto, Ont.
- †*WOOD, GUNDY & Co.
360 St. James St. W.

†Denotes member Montreal Stock Exchange

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