

The
VIRTUAL MUSEUM
of the
LANCASHIRE & YORKSHIRE RAILWAY

Operational Documents & Pamphlets

5 April 1921

Letter from Company Secretary, R C Irwin.
Advising Shareholders of the proposed terms of the
Amalgamation with the LNWR.

(2 Pages).

LANCASHIRE & YORKSHIRE RAILWAY.

SECRETARY'S OFFICE,

MANCHESTER,

5th April, 1921.

*To the Proprietors of the
Lancashire & Yorkshire Railway.*

DEAR SIR (OR MADAM),

I am instructed by the Directors to inform you that they have entered into a provisional agreement with the Directors of the London & North Western Railway Company under which that Company will, from a date to be agreed, acquire the undertaking of the Lancashire & Yorkshire Railway.

For many years past the interests of the two Companies have been closely allied, and as long ago as 1873 proposals were made for a formal amalgamation. At that date public opinion was against Railway amalgamations, and Parliament refused to sanction the proposal. The object was obtained, however, to some extent by means of various arrangements for pooling competitive traffic, the latest agreement having been entered into by the Lancashire & Yorkshire, London & North Western, and Midland Railway Companies in 1909 for a period of not less than 100 years. Recent events have convinced the Directors of the two Companies concerned that public opinion on the question of amalgamations has changed, and this fact, together with the expressed approval by the Government of the principle of Grouping, has resulted in the negotiations which have led up to the present agreement.

The Directors, whilst recognising that many of the Proprietors would in ordinary circumstances prefer that the Company should retain its identity, are of opinion that the best interests of the Shareholders will be served by consolidating their concern with a Company of the financial strength and widely distributed interests of the London & North Western Company.

In the past it has been the settled policy of the Directors of the Lancashire & Yorkshire Company to serve to the utmost possible extent the large and varied industries of the Counties of Lancashire and Yorkshire with which the Company has been so long associated, and as a certain number of your Directors will be elected upon the Board of the London & North Western Company, the connection between the interests served hitherto by the Lancashire & Yorkshire Company and the administration of the enlarged undertaking will be preserved, and it is hardly necessary to state that the policy which has been pursued in the past will be maintained under the new conditions.

The terms of the agreement, which will be subject to the sanction of the Shareholders of the two Companies, are that the prior Stocks of the Lancashire & Yorkshire Company shall be exchanged into Stocks of the London & North Western Company to yield the same amount of interest or dividend, with the exception of the 6% Minimum and $4\frac{1}{2}$ % Minimum

Preference Stocks, the holders of which will receive in respect of each £100 of such Stocks an additional £6 5s. and £12 10s. respectively of London & North Western 4% Guaranteed Stock for the surrender of existing contingent rights.

The London & North Western Company will issue £73 of their Ordinary Stock for each £100 Lancashire & Yorkshire Ordinary Stock. This price is one which the Directors of the Lancashire & Yorkshire Company have every confidence in recommending to the Shareholders.

Below is a statement giving particulars of the London & North Western Stock which will be issued in exchange for £100 of the various Stocks now issued by the Lancashire & Yorkshire Company:—

L. & Y. Stock.		L. & N. W. Stock to be issued in exchange.	
	£		£ s. d.
3% Debenture	100	3% Debenture	100 0 0
6% Minimum Preference	100	4% Guaranteed. £150, plus for surrender of contingent rights £6 5s. 0d.	156 5 0
4½% Minimum Preference	100	4% Guaranteed. £112 10s., plus for surrender of contingent rights £12 10s. 0d.	125 0 0
4% Guaranteed	100	4% Guaranteed	100 0 0
3% Preference	100	4% Preference	75 0 0
4% Preference (1903)	100	4% Preference (1902)	100 0 0
4% Preference (1908)	100	4% Preference (1902)	100 0 0
5% Redeemable Preference Stock (1916). Redeemable 30/6/1926.	100	5% Redeemable Preference Stock. Redeemable same date ...	100 0 0
Ordinary	100	Ordinary	73 0 0

A Meeting of the Proprietors will be called at a later date, when the proposed terms and conditions will be submitted for their approval, and authority sought for obtaining through Parliament the necessary sanction.

Yours faithfully,

R. C. IRWIN,

Secretary.