

# Report of Liquidator of National Finance

Mr. R. Kerr Houlgate, manager of The Yorkshire & Canadian Trust, Limited, gives the following report on the liquidation of the National Finance Company, Limited, for the year ending April 30th, 1916:—

"The liquidator's accounts for the six months ending 30th April, 1916, and his report of the liquidation proceedings of the National Finance Company, Limited, from the date of his last report, viz., 30th April, 1915, to the above date, in accordance with the order of the Supreme Court, were duly filed with the Registrar on the 1st of June by The Yorkshire & Canadian Trust, Limited, official liquidator, through their principal officer, R. Kerr Houlgate.

"This report, which was lodged as supplementary to the former one, was very complete in its treatment of the management of the company's affairs for the period it covered.

"The statement of affairs shows that, according to book figures, the assets amount to the sum of \$3,072,611.85, and the liabilities, including the amount due to shareholders on account of capital, viz., \$1,667,397.75, to the sum of \$2,649,278.12; making an excess of assets over liabilities of \$423,333.73 (exclusive of contingent liabilities in respect of guarantees of payment, aggregating \$159,847.67, as also in respect of guarantees under trust investments, aggregating \$373,981.85). As stated above, these figures are arrived at by showing the assets at the figures they were carried at in the company's books at the date of liquidation, and not at their present value. It is practically impossible to estimate the true value of the assets at the present time, but it might be pointed out that unless conditions in the next year or two materially change, particularly as to realty values, it is very doubtful just what will be realized for the benefit of the ordinary creditors; while the shareholders' position would appear to be hopeless.

"During the period of the above report, lists of creditors were settled before the court, as also those of the contributories. The list of contributories shows an amount as being due from them of \$342,655.47 in respect of their shares, and the sum of \$132,499.64 was called by order of the court, being \$20.00 on each share held, or such smaller amount as might be owing on any share. There has been received the sum of \$20,875.58 on account of the above ordered call. All of the contributories, with the exception of ninety-five, met in full or arranged for the payment of the call. Judgment for the amount called has been given by the court against those who failed to pay or arrange for the payment of the call against them.

"During the year four sales were effected of properties owned by the company at satisfactory figures considering the conditions of the realty market, and the moneys realized have been used to protect other assets. Since liquidation four properties have been dropped through foreclosure or mutual arrangement, and the liabilities were thereby reduced by \$408,652.30 in respect of mortgages and agreements payable. The properties in every case had depreciated in value to such a great extent, and as they were not producing sufficient revenue to meet accruing interest on the principal liability against them, to say nothing of taxes, water rates and general expenses, it was deemed advisable not to carry them any longer, the court concurring with the liquidator in this. A payment of approximately \$58,000 was received on account of the lands adjoining the Welton Block, and applied mainly against the balance owing to the Canadian Pacific Railway under the agreement of purchase covering the land.

"Municipal bonds to the extent of \$74,005.71 were disposed of, and call loans for a similar amount were fully satisfied from the proceeds. Call loans payable at the present time only amount to \$4,878, and arrangements for their settlement are pending through the sale of the bonds still on hand.

"At the date of liquidation the liabilities (exclusive of the liability to shareholders) amounted to \$1,538,868.96, and at the 30th of April, 1916, they amounted to \$981,880.37, showing a reduction therein of \$556,988.59. Guaranteed liabilities in regard to trust investments at the above respective dates were \$1,121,235.64, and \$373,981.85, a reduction of \$747,253.79; while contingent liabilities have been reduced from \$214,750 to \$159,847.67.

"Early last year it was quite evident that it would be a considerable period of time before any assets could be disposed of or realized on, and so the liquidator has endeavored to reduce to a minimum the general expenses in connection with the liquidation from time to time, and to secure extensions of the various liabilities in order that no equities or assets of the company would be lost. The reduction of the operating expenses is shown by the comparative statements of earnings and disbursements for the three periods ending the 30th of April, 1915, the 31st of October, 1915, and the 30th of April, 1916, in which the amounts of \$7,387.33, \$3,777.10 and \$2,564.01 respectively appear as charges representing salaries, printing, stationery, postage and miscellaneous expenses. The coming period will show a further large reduction under the above charges. Other reductions have been effected, in one case a reduction of 2% per annum of interest under a mortgage payable, which means a saving to the liquidation of \$700 per annum."

## MUNICIPAL DEBENTURE BY-LAWS APPROVED.

Certificates of approval have been issued by the Municipal Department of the Province of British Columbia as follows:

Prince George—Debentures numbered 1 to 80, \$80,000, issued under By-law No. 13, Waterworks; fifteen years, 6%, payable half-yearly. Certified June 27th, 1916.

Prince George—Debentures numbered 1 to 10, \$10,000, issued under By-law No. 15, Civic Building; ten years, 6%, payable half-yearly. Certified June 27th, 1916.

Prince George—Debentures numbered 1 to 45, \$45,000, issued under By-law No. 17, Electric Light; fifteen years, 6%, payable half-yearly. Certified June 27th, 1916.

Prince George—Debentures numbered 1 to 15, \$15,000, issued under By-law No. 19, Street Improvements, ten years, 6%, payable half-yearly. Certified June 27th, 1916.

New Westminster—Debentures numbered 10745 to 10769, \$12,390.11, issued under By-law No. 231, Local Improvement Paving, twenty-nine years, 5%, payable half-yearly. Certified July 5th, 1916.

Nelson—By-law No. 265, Hospital, \$30,000, twenty years, 5%, payable half-yearly, and debentures thereunder. Certified July 5th, 1916.

Point Grey—By-law No. 3, 1916, Local Improvement Paving, \$10,756.69, ten years, 5%, payable half-yearly. Certified July 6th, 1916.

## The Balance Sheet of the Dominion.

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10. FARMING METHODS IMPROVING—And mixed farming becoming general, as opposed to single crop growing. This will have a healthy effect on future course of land values and land settlement.

### OUTGO.

1. EXPENDITURE ON WAR ACCOUNT—  
August, 1914 ..... \$ 50,000,000  
February, 1915 ..... 100,000,000  
Now asked ..... 250,000,000 \$400,000,000
2. INTEREST CHARGES PER ANNUM—On outstanding borrowings estimated at \$190,000,000.
3. LOSS OF PRODUCING POWER—Of enlisted men. Over 300,000 men withdrawn from civil life. Offset in fact that many were engaged in construction work and would now be out of employment if not in the army.