

ADVISE U. F. O. TO REDUCE PAR VALUE OF STOCK

Accountants Recommend Cut
From \$25 to \$15 After Bal-
ances Are Collected.

CANNOT PAY DIVIDENDS

Deficits Must Be Liquidated
by Profits Before Share-
holders Can Benefit.

TORONTO, Dec. 13.—Five hundred of the 20,000 shareholders in the United Farmers' Co-operative Company gathered in Massey Hall today for the informal and unofficial annual meeting made so by the court injunction which restrains the company from holding a regular annual meeting and transacting business.

The temper of the meeting was decidedly strong, and Dr. A. Farwell of Wingham, the shareholder who started the court proceedings several weeks ago, seemed to be almost in a minority of one.

Dr. Farwell rose frequently to ask questions and they were more or less patiently answered, but at the last the crowd grew impatient and there were calls of "sit down" directed at the doctor.

In their report to the company, Messrs. Rutherford, Williamson & Co., chartered accountants, who are the auditors, said:

"You will be prevented from paying a dividend until such time as the deficit is liquidated by profits. We do not see how the shareholders can seriously consider at this meeting the wisdom of putting their house in order at once by reducing the par value of the capital stock from \$25 to \$15 after first securing complete collection of the present balances due on outstanding subscriptions."

"In our opinion if the outstanding balances were collected it would put your company in a very healthy condition and preclude the necessity for heavy bank borrowings. We would like to emphasize the fact that the entire loss sustained by the General Wholesale, Limited, has been absorbed by the parent company and that the General Wholesale, Limited, capital stock is intact as your directors gave instructions to have the entire deficit transferred to the parent company."

Assets Over Liabilities \$734,085.

Among other comments by the auditors are:

"The consolidated balance sheet. By reference to this exhibit, you will see that your current assets amount to \$1,128,130.49, to which might be added the unpaid subscriptions amounting to \$223,748.53 making a total of \$1,451,879.02, against which there are current liabilities including bank loans of \$717,797.74, thus leaving a net surplus of current assets over current liabilities of \$734,085.28.

In regard to advances of \$6,000 to directors, the auditors say: "The attention of your directors was invited to this early in the year, and we understand that steps have been taken

Barthelmess a Simple Swain in First Starring Picture

BY JAMES W. DEAN.

NEW YORK, Dec. 12.—The most interesting thing about Richard Barthelmess' first starring picture is that he didn't pomade his hair, parade in full dress and smash a few hearts.

Barthelmess knows how to wear "soup and fish." His manners are courtly. Thus one would expect that his first starring picture would present him as a social lion.

But not "Tolable David," by Joseph Hergesheimer, was chosen as the vehicle. That is a simple story of simple folk of the Virginia-West Virginia mountains.

David was ready to assume a man's place in the world. He wanted the responsibility and recognition that goes to a man of affairs, no matter how trivial the affairs.

His older brother drove the mail. It was David's ambition to fill that job. His brother, his father and his mother never gave full recognition to anything he did. He was only "jes tolable."

Then the world crashed down upon the happy family. The older brother was permanently crippled by one of three rough characters who had moved into the neighborhood.

The father, going to avenge his son, fell dead. Upon the young shoulders of David developed the responsibility of the head of the house. He eventually drove the mail. In protecting it he met the three ruffians and in a rather vivid scene disposed of them.

The power of this story lies in the simplicity of its handling. Everyone in the cast seems to have been a master of character delineation. The types would not have been truer if they had been chosen from the lonely hills of West Virginia's hinterland.

No carping critic may say that this picture lacks proper atmosphere. It was filmed in the locale of the story. It will present to some city dwellers types and styles of architecture hitherto unknown to them.

DIRTYING THE HANDS.

Many photoplays, and stage plays, too, are unconvincing because the players are afraid to dirty their hands. If they are to fall they pick the cleanest spot they can find upon which to fall. No matter how great the hurry, if they are to vault a fence they stop to pick the smoothest place to pivot on.

To obtain security for this advance, as auditors of your company, we will require the authorization of the shareholders to the same."

"The assets amount to \$180,126.16 and are protected by a reserve for depreciation amounting to \$17,496.77, the usual rates of depreciation have been used in computing same. Against these assets there is a mortgage indebtedness amounting to \$75,000. Interest thereon was paid up to Oct. 31, 1921.

Inventories Taken.

"Physical inventories," say the auditors, "were taken and valued at prices at cost price or fair market value, whichever was the lower. Same have been further protected by an additional \$50,000 special reserve.

The transfer books and the other records pertaining to the capital stock of \$1,195,150 are kept by the company. There are some twenty thousand shareholders. Payments amounting to \$871,000 have been made against these subscriptions, thus leaving a balance of \$324,000 unpaid. The capital, says the audit, is impaired to the extent of \$388,000, reducing the par value of your

shares from \$25 to a book value of \$16.87 based on the subscribed capital stock, assuming that all the unpaid subscriptions can be collected in full.

The auditors report that for 1920 before they started to supervise the books—the profit and loss statement was incorrect and should have shown a deficit of \$7,711.96, instead of the surplus of \$43,440.22 as shown. "Your directors," says the auditors' statement, "were advised that legally they could not pay a dividend while the company's capital stock was impaired."

"It was found," the statement continues, "that in preparing the balance sheet both overvalued and overstated inventories had been accepted as correct. These adjustments substantially are as follows:

Branch stores — Inventories

Overvalued ————— \$ 46,882.53

Overvaluation fixtures, im-

provements and inventory.

King street store, Toronto, 10,956.12

Produce branches, Morrisburg

and Toronto ————— 65,267.24

(The produce inventories had been priced at c.i.f., Great

Britain, instead of a fair

local market value less de-

livery charges.)

Inventory head office, fruit

department ————— 9,949.55

(Non-existent.)

Business profits war tax 1919 4,918.18

Dividend General Wholesalers,

Ltd. (Cancelled) ————— 5,000.00

Total ————— \$142,972.94

Less sundry net credit ad-

justments ————— 19,820.76

Total ————— \$123,152.18

The grand total of turnover

\$5,612,743 for the year, of which

the retail stores accounted for \$2,019,511.72,

and the head office brokerage depart-

ments, \$2,493,231.

Urges Later Meetings.

The auditors recommend that the

annual meeting be fixed hereafter about

the middle of January to permit proper

time to close the books after the end

of the company's year.

The balance sheet, which has already

been published, showed a total defi-

ciency of \$288,597 at October 31, 1921, on

the consolidated statement. This, how-

ever, did not represent the season's

operations, as subsequent adjustments

and allowances pertaining to the period

up to October 31, 1920, converted a

surplus of \$43,440 then into a net deficit

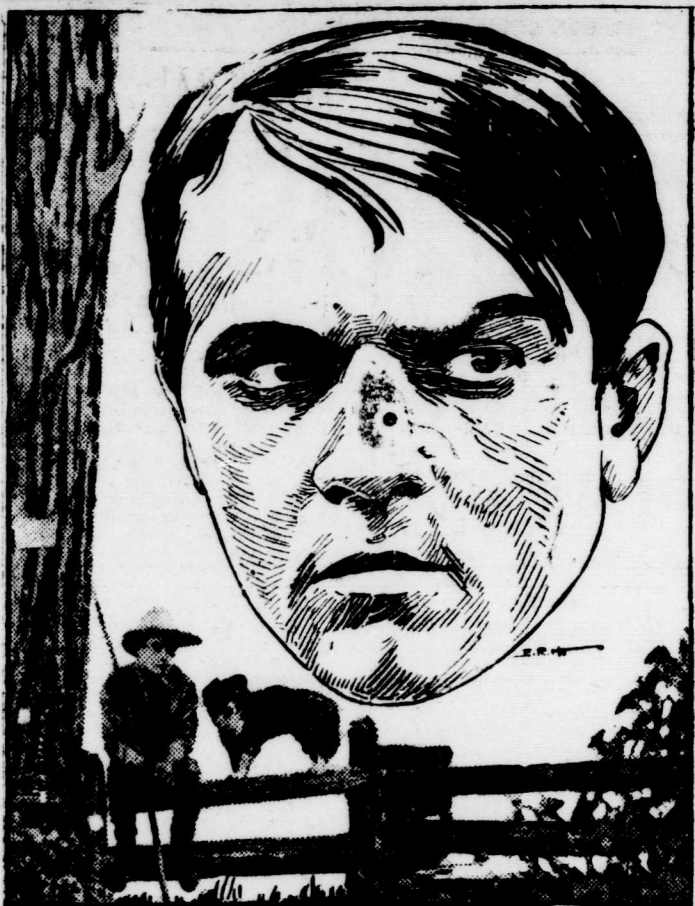
of \$79,712. For the current year's busi-

ness the present statement shows a

loss of \$159,499 for the co-operative and

of \$77,094 for the General Wholesalers,

a total loss of \$236,593.



Richard Barthelmess as he appears in "Tolable David," his first starring picture.

thinking of him still as a boy, flings her arms about him. He drags her through the spill from the watering trough.

The players are frequently placed in positions of physical discomfort and do not shrink from the parts they play. Perhaps Henry King, the director, that he is all that is left to her and should receive some credit for that.

David rushes to avenge the wrong done his brother. His mother, realizing that he is all that is left to her and should receive some credit for that.

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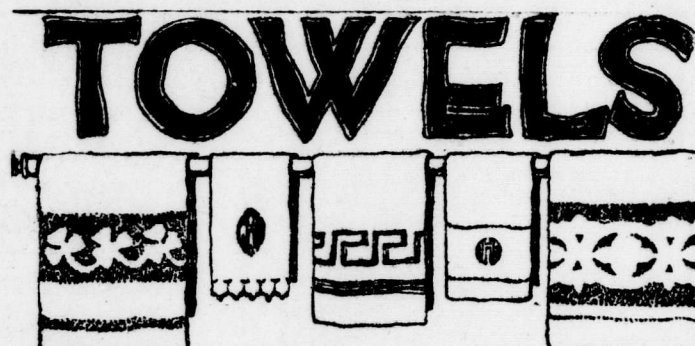
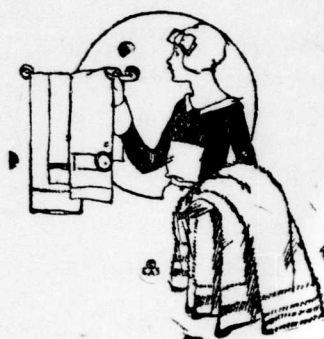
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'Old Bleach' Linen Towels

Practical Gifts :: Sterling Values

Trade mark "Old Bleach" on border or selvedge is synonymous of best obtainable in values for merchandise of quality, and rightly signifies reputation of this world-renowned maker of high-grade towels and toweling. Look for trade mark and your purchases can be made in absolute confidence. The lustrous appearance and durability in service attest high standard of efficiency obtained by these celebrated makers. With our Christmas shipment to hand, we are now showing a most complete range of Guest Towels, Individual Towels and bedroom size, in range of delightful patterns. All marked at today's favorable low prices. One particularly fine quality Diaper Guest Towel comes in either hemstitched or scalloped ends, with dainty damask border, with space for initial, is now priced as low as 85c each. Other qualities up to \$1.15 each.



BEDROOM TOWELS.

It is many seasons since we were able to announce such a variety as can now be had in the following sizes at prices that are (consistent with quality) extremely favorable:

20x36 inches, Plain Hemstitched Huckaback \$1.25

22x38 inches, Plain Hemstitched Huckaback \$1.50, \$1.65 and \$2.00

20x36 inches, Figured Hemstitched Huckaback \$1.50, \$1.65 each

22x38 inches, Figured Hemstitched Huckaback \$1.65, \$1.75, \$1.85 and \$2.00

20x40 inches, Figured Hemstitched Huckaback \$1.65, \$1.75, \$1.85, \$2.00

24x40 inches, Scalloped Huckaback, in attractive damask designs, with space for initial \$2.00 and \$2.25 each

DIAPER GUEST TOWELS.

One particular fine quality comes in hemstitched ends, with dainty damask border and space for initial; is now priced as low as 85c each
Other qualities up to \$1.15 each

INDIVIDUAL TOWELS \$1.00 TO \$1.50 EACH.

We would have you inquire for the following lines, which have been produced recently. In size between the small guest and larger bedroom towels, and are proving a most popular addition to this already varied range. Either all-over figured huck with pretty damask border or plain center with damask border. You will appreciate these values:

18x34 inches, Plain Hemstitched Huck \$1.00 and \$1.15 each

18x30 inches, Figured Hemstitched Huck \$1.10 and \$1.50 each

"OLD BLEACH" HUCKABACK TOWELING

Plain Huckaback, 15-inch width 95c

Plain Huckaback, 18-inch width \$1.00

Plain Huckaback, 20-inch width \$1.35 and \$1.50

Plain Huckaback, 22-inch width \$1.35, \$1.50 and \$1.75

Figured Huckaback, in 20-inch. Special \$1.35 yard

Madeira Luncheon Napkins

Particular attention we convey to this extremely fine quality linen and remarkable workmanship found in our range, in all prices, this season, and would also note the extra size, 14 inches, instead of 12 inches, as was almost entirely shown last season. One quality of linen, the finest, covering a truly remarkable range of delightful patterns.

Three-Point Rose, scallop edge. Priced at \$4.25 per half dozen

Three-Point Rose, scallop with dainty eyelet corner. \$5.50, \$6, \$6.25, \$6.75, \$7 to \$10 half dozen

Ladies' Winter Coats

About One-Quarter To One-Half Off

Just 36 Coats in this group—Velour and Bolivia Cloths; some are full lined and some have fur collars of opossum and beaverine; the colors are taupe, navy, brown and reindeer. We need say little of these coats, as they will tell their own story when you see them. They are all reduced from one-quarter to about one-half price, and are grouped into three lots, so there will be a choice for early buyers. Sale prices \$29.00, \$39.00 and \$55.00

