

The Monetary Times

Absorbed the INTERCOLONIAL JOURNAL OF COMMERCE, 1869;
the TRADE REVIEW, Montreal, 1870; and the JOURNAL OF
COMMERCE, Toronto.

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The Monetary Times

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THE WESTERN CANNERIES.

After lengthy consideration, Mr. F. H. Malcolm, managing director of the Western Canneries, Limited, has replied to the Monetary Times' criticisms concerning his unique enterprise. Through a Winnipeg legal firm comes to hand an unusually long communication from Mr. Malcolm. We are asked to publish the same verbatim and in full, without interlineal comments of our own, and including the statutory declaration which accompanies the letter. Mr. Malcolm kindly informs us that, as his reply will occupy more of our space than can be reasonably asked gratis, we are to charge him for the same at our current rates, and to draw on him at sight for the amount. He also desires the Monetary Times to furnish a quotation for the insertion of the company's prospectus as an advertisement.

For one reason alone Mr. Malcolm's requests cannot be granted. The Monetary Times has in good faith, criticized the organization of the Western Canneries. It cannot conscientiously accept money on any account whatever from a concern for which it has little respect. The communication addressed to the Monetary Times has already appeared in full in several Western journals, and has, therefore, been widely read. And it is open to inspection at this office.

The fact remains that Mr. F. H. Malcolm led prospective investors to believe in the possibility—remote, anyway—of the payment of two hundred per cent. dividends, which he termed a "very modest" estimate. In the original prospectus profits were reckoned without any consideration whatever of the cost of raw materials. Such a flagrant omission detracts considerably from the attractiveness of, and confidence in, two hundred per cent. dividends.

It is still asserted that the Monetary Times asked Mr. Davenport, of Winnipeg, to make a thorough investigation of the Western Canneries. This is entirely untrue. Such a request has never been made. The very fact that this misstatement has been published broadcast is an indication of objectionable company promoting

methods. One letter only was received from Mr. Davenport, a curious communication, which has already appeared in these columns. A reply was sent by the editor. In it Mr. Davenport was told "that he must surely be testing our sense of humour."

Mr. Malcolm has answered, not very satisfactorily, the questions we first asked in our issue of November 3rd, 1906. He tells us that the New Zealand Canneries are operating profitably to-day, but as it is over twenty-three years since he left New Zealand, he cannot remember details; that the False Creek Company was operated at a loss, owing to the scarcity of salmon, a contingency not foreseen by him; that the profits of the Table Bay Canneries were large, but were never published.

Mr. Malcolm gives some interesting calculations by which he estimates that the two hundred per cent. dividend is an easy possibility, and that the annual business of the company will amount to some two hundred million dollars per annum. His assertions and figures look very well in print. But dreams and reality are two different things.

"Personally," he adds, "I am simply the managing director of the company." But the Memorandum and Articles of Association of the Western Canneries show that Mr. Malcolm is the organizer, founder, incorporator, general manager, and managing director of the company. The Memorandum and Articles of Association also purport to vest in Mr. Malcolm absolutely for his own use four thousand shares of the common stock, and to authorize him to transfer the remaining one thousand shares to the foundation shareholders as a bonus, and one share of this stock for every share of preference stock held by them.

By Article 35 Mr. Malcolm is vested with full power to organize, incorporate, and establish the company. He has full right and authority to sell and allot shares, receive and disburse moneys, issue share certificates, open and operate banking accounts, and transact all business necessary. Which are heavy duties for a