

ONTARIO PRIVATE BANK FAILURE

Deposits Seem to Have Become a Family Affair—Real Estate Holdings

The failure of the private Dale Bank at Madoc, near Belleville, Ontario, involves a discrepancy of \$201,955 between the last annual statement of assets and the conditions of finances when the bank closed its door three weeks ago. This is revealed by the audit into the bank's affairs by Messrs. Webb, Read, Callaghan, Hegan and Company. The auditors' report refers to the annual statement issued on May 31, 1913, and certified as correct by J. C. Dale and J. C. Dale, Jr. It says: "It would be instructive to have these two gentlemen explain how they accounted for a surplus of assets over liabilities of \$66,000 odd being converted into a deficiency of over \$132,000 in the course of ten months."

What the Audit Shows.

The tabulated report of the auditors is as follows:—

	On the books.	Real amounts.	De- ficiencies.
Overdrafts	\$33,778.89	\$30,547.12	\$3,231.77
Current loans and bills ..	201,428.85	143,107.57	58,321.28
Osler and Hammond	23,014.48	22,630.00	384.48
Debenture account	168,078.30	62,683.00	128,025.30
Mortgage account	86,122.33	76,111.02	10,011.31
J. C. Dale's account	35,433.41	23,943.38	11,489.83

Subtracting \$9,508.41 for miscellaneous collections and cash, the total deficiency amounts to \$201,955.56.

The report shows the amount owing by the various members of the Dale family, as follows:—

J. C. Dale, overdraft current account	\$30,717.06
J. C. Dale, overdraft insurance account ..	129.46
J. C. Dale, overdraft building account ...	4,586.89
J. C. Dale, jr., note	10,107.90
John Dale, note	19,854.72

Total

Plenty of Real Estate.

Against these loans the bank holds as security real estate to the value of \$25,943.58. The note of John Dale, a son of the manager, was to help him to carry on the business of the Madoc Piano Company, Edmonton, while the note of J. C. Dale, Jr., was found in a special envelope in the vault.

"We traced same back," say the auditors, "and found it had been renewed continuously from 1902. The origin of the note was found in two payments made to Osler and Hammond, stock brokers, Toronto, on April, 7, 1902, for \$4,000, and to A. E. Ames and Company, stock brokers, Toronto, on April 15, 1902, for \$2,602.12."

The same type of financial operations, the auditors say, account for the large discrepancy of \$128,000 in the debenture account. The discrepancy in the overdraft account is chiefly made up of bad debts written off and interest accrued. In commenting on this the auditors say: "We understand that practically no collateral was held against any of these overdrafts, which total over \$30,000."

Stock Speculations Caused Losses.

In dealing with the debenture account the auditors say that the deficiency is accounted for by losses in speculations on the stock exchange. The only legitimate loss was that of \$10,000, invested in the defunct Ontario Bank. It was also found that the speculative stocks were purchased in the name of J. C. Dale, and not of the bank.

The total amount spent on real estate was \$53,026.04, the largest single item being \$21,448.37 for 1,280 acres of land near Wainwright. The rest is in city lots in Winnipeg, Edmonton and Port Mann. Payments still to be made on these total \$16,116. The real estate operations are touched on in the mortgage account, which shows a deficit of \$10,011.31. The auditors say: "This debt is, of course, subject to the realization of mortgage loans and real estate. We are given to understand that some of the Winnipeg real estate has lately been assessed at a much higher figure than it actually cost."

ERA OF COMPLETED TRANSCONTINENTALS

British Columbia Interested in Developments—Valuable Iron Resources

"Throughout Canada there was a great awakening in regard to the shipbuilding industry. It was the dawn of a new era, and its prospects had been greatly stimulated by the prospective completion and opening of the Panama canal," stated Hon. W. J. Bowser, K.C., attorney-general of British Columbia, in a comprehensive address at Victoria. "It would be safe to say that within ten years the government will have spent \$150,000,000 in improvements toward this end. I have always looked upon this coast as having a great future for shipbuilding, and as a native of a maritime province appreciate the vast importance such an industry would have on the welfare of the community."

Want Blast Furnaces.

"A great many people wonder why, with our immense accessible deposits of iron ore and many other natural advantages for the manufacture of iron and steel, we have no blast furnaces. I am told that it is not altogether the price of labor or the lack of material that accounts for this, but that it is the price of fuel, or, in other words, the cost of producing coke, which is three or four times that on the Atlantic side. I am also told, however, that the electrolytic system of smelting, by the use of water power, is being rapidly developed in certain countries in Europe, and that by the new processes it is possible here to establish a small and paying industry with comparatively limited capital. Thorough investigation along these lines should be well worthy the serious attention of British Columbia boards of trade."

Vitality Interested in Development.

The attorney-general's concluding remarks were: "We have four transcontinental lines of railway practically completed to our shores, with the prospects of at least two American lines making this coast their termini. The Panama canal will be soon opened for traffic, with all it means for this province. Our harbors are being improved to a degree. Vast areas in the interior are being opened and made ready for settlement. The Peace river will be directly accessible in 1915, and that potential district will be tributary to our trade and commerce. In all this immense development Victoria is vitally interested, and, as well as the whole of the island of Vancouver, will share largely in the fruits of these accomplishments."

ABOUT THE CANADIAN PACIFIC RAILWAY STOCK POOL

Regarding the story which had gained considerable credence to the effect that proposals were made to form a brokerage pool for the purpose of holding Canadian Pacific Railway stock at a more or less uniform figure, Sir Thomas Shaughnessy said in an interview at Vancouver:—"The directors of the Canadian Pacific Railway have plenty to attend to in handling the ordinary affairs of the company without attempting to touch the company's stock in the stock market."

"We have no concern in the stock market," firmly declared Sir Thomas, in discussing the suggestion. "I saw the article in the Gazette, but officially I can say that we have never taken up the subject, nor have we any intention of taking it up."

Similar views with regard to this subject were expressed by Mr. R. G. Angus, formerly vice-president of the Canadian Pacific Railway, and head of the Bank of Montreal, a Canadian Pacific Railway director, who has returned on the Empress of Asia from a round-the-world trip.

"Canadian Pacific Railway stock is well able to stand on its own merits without any artificial aid of this sort," he said. "I do not think the company's directors would even listen to such a plan," he added.

Sub-agencies to the St. Romuald, Que., branch of the Quebec Bank, have been opened at St. Jean Chrysostome, Que., and at St. Nicholas, Que., with Mr. D. A. Bisson in charge as sub-agent.