

THE WESTERN CANNERIES COMPANY.

Concern Will Pay 200 Per Cent. Dividend When Steers and Hogs Cost Nothing.

"I agree to accept the same subject to the Company's deed of incorporation, this prospectus, and the memorandum and articles of association, to which I hereby subscribe."

The prospectus is abundant in terms. The deed of incorporation and the articles of association are quite nebulous. But the investing public is invited to subscribe to them in clear, cold cash, which is singular to buying a pig in a poke—an occupation scarcely appropriate even in an enterprise which will include the canning of pork.

The deed of incorporation, the prospectus, the memorandum and articles of association, the canneries promotion, which in the same form is described as "The Western Canneries, Limited. The double description is consonant with the general tone of the prospectus, which here and there confuses the tenses in a way that might lead the simple persons to believe that the enterprise is much more advanced than it is.

Courageous Six Hundred.

A fine list of six hundred Western shareholders is part of the prospectus. One would like to know whether they subscribed merely on the publication of this document—which is what a moneyed person in the East is invited to do—or whether they listened to the story of some enthusiastic canvasser and invested, looking for the justification of their faith to the illimitable possibilities of the West.

The prospectus, as published, is a curious document, voluminous, and in parts, luminous, but about as airy as anything placed upon the market for some time. The Western Canneries has a capital of \$1,000,000, in 5,000 shares of 10% preference stock and 5,000 shares of common stock. The Western shareholders have all paid their money "on equal terms"—which may mean anything or nothing. The advertisement states, in the same paragraph, that "this company has been organized," and that "sufficient capital for the two canneries is subscribed, so that its immediate organization is assured." Has the company been organized, or has it not?

If sufficient capital for two companies is subscribed, why is not a word said as to the cost of land, buildings, and equipment of any single cannery? It is said that the first is to be built at Medicine Hat. That is a perfectly honorable intention. But a company issuing one million dollars' worth of capital, and making its preference shares ten per cent., should at the very beginning produce some documentary proof that it has been organized; that certain definite steps have been taken to launch the enterprise, and that the money subscribed for stock is amply earmarked.

Very Moderate 200 Per Cent.

The confiding investor is assured that an annual dividend of 200 per cent. is "a very moderate anticipation for a company organized on the sound basis this one is." When fifty per cent. has been paid from the net profits of the company's business, ten per cent. of the remaining profits go to the general manager, as a bonus to his ordinary salary. What is the salary of the general manager to be? He is described as having been general manager of canneries in both hemispheres, one of them being that of the False Creek Canning and Packing Company.

The shares of the company, whose "immediate organization is assured," and which "has been organized," are vested in the incorporator, and the deed of incorporation must be accepted in the dark by the purchaser of stock. No particulars as to the destiny of 5,000 shares of common stock are vouchsafed, though as that stock is not-for-sale, and all the shares of the company are vested in the incorporator, it is fair to assume that the incorporator commands the whole of the common stock, and that while great play is made of the control of the shareholders who will elect the directors, it only remains for the incorporator to retain the common stock and one share of the preference stock to be disposer supreme of the capital subscribed.

For Organization and Brokerage.

There are many points of interest about the prospectus which cannot be properly dealt with in much less space than the prospectus itself. Take one paragraph:

"The expenses of organization are restricted and fixed 'at the actual expense incurred, and a commission of five per cent. (5 per cent.) on the capital allotted for organization and brokerage, and there are no salaries payable to any officers of the company until after commencement of operations."

What capital has been "allotted for organization and brokerage?" According to the prospectus, all the shares are vested in the incorporator, who apparently may allot any portion of them for organization (he is the "organizer"),

and the rest of them for brokerage. Unless the English language is a delusion, this can be only another way of saying the incorporator may place them on the market, and may receive a commission of five per cent. upon the whole of the capital subscribed.

The organizer, incorporator, secretary, managing director, all wear the same hat, the hat of Mr. F. H. Malcolm. Forgotten the Raw Material.

An estimated profit of 200 per cent. "is very modest indeed." The company is to corral the \$4,750,000 worth of canned goods trade in Western Canada—apparently it is to import peaches, corn and other edibles which grow in more salubrious climates, and can them on the plains.

Under the heading of "Profits," the uninitiated person is left to infer that what costs \$4.34, has a market value of \$9 to \$12.50. "The average cost of canning and packing, including the cost of cans, cases, labels, contents, and labor, for 2-lb. cans, 4 doz. cans to the full case, at the present price, is \$4.34, and the market price (at \$2.25 per dozen upwards) being \$9 to \$12.50 per case of four dozen cans."

But before you have hare pie, you must first catch your hare. Before you figure out the cost of packing forty-eight 2-lb. cans, you must buy your steer. The prospectus has forgotten to mention the steer. That is one of the mistakes which do not occur in well-regulated promotions. Ninety-pounds for \$4.34 is 4.42 cents a pound. Blood, bones, hair, horns, hoof and nozzle cost nearly that. The 200 per cent. may be earned when the steer and the hog are supplied gratis. The ranchers and farmers who have bought canneries stock may give Mr. Malcolm a good deal for nothing before they get through; but their gifts will hardly include silky beeves and waddling porkers.

Nine Simple Questions.

The prospective investor in Western Canneries may therefore pluck up courage enough to ask:

- (1) What is the record, in dividends, of Mr. F. H. Malcolm as general manager of the New Zealand Canneries, Limited, The False Creek Canning and Packing Company, Limited, the Table Bay Cannery of South Africa, Limited, etc?
- (2) What are the terms of the deed of incorporation?
- (3) What are the terms of the memorandum and articles of association?
- (4) What does Mr. Malcolm stand to gain by the mere fluctuation of the Company, in salary, commission, and stock?
- (5) What is the whole of the cost, from ranch to customer, of canned meat?
- (6) What are current prices of canned meats, and how is the "very modest" dividend of 200 per cent. to be made up?
- (7) What provisional contracts have been entered into for the purchase of sites, erection of buildings, and acquisition of plant?
- (8) What is the cost of the proposed sites, buildings, and equipment?
- (9) Why is the qualification for a director fixed at only \$500?

NEW INCORPORATIONS.

- Ottawa.—Canadian Kenning Company.—\$2,000,000.—H. Roy.
- Toronto.—J. A. Robertson Company, Lumber, etc.—\$500,000. J. S. Lovell. British American Oil Company.—\$200,000. H. Bobel. Dominion Photo Supply Company.—\$40,000. J. L. Ross. Publishers Limited.—\$50,000. J. D. Spence. Watts Mines, Limited.—\$1,000,000. W. R. P. Parker. Canada Cloak Company.—\$100,000. R. R. Perry. Wet Process Reduction Company.—\$1,000,000. G. E. Kingsley.
- Hamilton, Ont.—Alexandra Pavilion and Rink Company.—\$40,000. H. C. Beckett.
- Fort William, Ont.—Superior Bailey Mills.—\$40,000. R. L. D. Taylor, Toronto.
- Chatham, Ont.—Canada and United States Oil and Gas Company.—\$30,000. E. J. Bernard, Pittsburg, Pa.
- York and Ontario Oil and Gas Company.—\$30,000. E. J. Bernard, Pittsburg, Pa.
- Dunville, Ont.—Erie Natural Gas Company.—\$40,000. W. W. Crick.
- Georgetown, Ont.—Harley Kay Knitting Machine Company.—\$40,000. F. A. Harley, Hamilton.
- Cobalt, Ont.—Silver Lion Mining and Development Company.—\$500,000. F. Watt, Toronto.
- Olds, Alta.—Earl and Wolfe Company. Alberta Mortgage and Guarantee Company.
- Calgary, Alta.—Hamond Lithographing Company. Hardy and Allan, Limited.
- Claresholm, Alta.—Ugland Milling Company.
- Edmonton, Alta.—R. Hockley Company.
- Hardisty, Alta.—A. Johnstone & Company.
- Winnipeg.—Northern Realty Company.

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INSURANCE INSTITUTION

The proceedings of the Insurance Institute for the year 1905-1906 have been published. The publication will be of interest to those engaged in the insurance business. Information regarding the Institute and its affairs in general, the book contains addresses delivered before the Institute. These are all upon timely subjects, and which makes them of direct advantage to the President's admirable inaugural address. The concluding part of the book contains the tabular statement of the Institute's examinations for 1906, and the list of the successful candidates for the same year.

NEW ZEALAND STATE

Report of the Last Triennium Showing Expense Percentages

The report of the New Zealand Government Department was recently published. The report by the actuary of the business of the Department for the year ending December 31, 1905.

During that time 9,526 policies, as compared with 8,000 in 1904, were issued. The total number of policies issued during the last triennium was 45,137, insuring \$52,300,000. The total amount of premiums received was \$21,600,000, an increase of \$2,200,000 over the previous triennium. The average rate of interest earned has risen from 4.4 per cent. to 4.5 per cent.; the income, excluding taxation, has gradually increased during the last six triennial periods, as exhibited in the following table:—

Year	Income
1890	1,000,000
1893	1,200,000
1896	1,400,000
1899	1,600,000
1902	1,800,000
1905	2,000,000

The taxation, not included in the above, is of the premium income.

Valuation as in Canada.

The valuation of the Department on the same basis as the new business insurance companies is required to be made by the Institute of Actuaries' H.M. Table of interest. The surplus for the last triennium amounted to \$1,000,000 and enabled a compounded bonus of 10 per cent. to be paid. This compounded bonus of 10 per cent. is a simple bonus commencing at the new policies, and increasing with the policies to 1.4 per cent. per annum in the policies.

The Department has a temperance policyholders, but, strange to say, the temperance policies did not work