

FINANCIAL STATEMENT EXTRAORDINARY.

Where Money Subscribed for National "Bank" Stock
Has Gone—A Study in Figures.

The Monetary Times' Winnipeg office has on its files perhaps the most unique financial statement ever produced in Western Canada.

Considerable credit is due to the Provincial Directorate, who acted on the shareholders' initiative in obtaining the statement. Although it is anything but satisfactory, there is gratification in the fact that an attempt to revive the undertaking has proved abortive. No necessity exists to pay any further calls in connection with the "National" or any other alias which this "Bank" may assume.

Promoter and Printer Benefit Most.

A glance at the expenditures clearly shows that the promoter and his printer are the greatest beneficiaries under the good-will of a confiding public. It is interesting to note that stock to the amount of \$101,600 was subscribed for in this financial fiasco. Of this sum it appears that \$16,886.86 was paid up, while the sum of \$687.50 receives credit as "Bills payable." Whether these are notes which have been discounted, we are not in a position to say. A conservative bank has given an overdraft of \$89.56, making the total receipts \$17,663.92.

The largest item of expenditure is \$9,370.79 for printing elaborate prospectuses setting forth the golden opportunity for investors to entrust their savings to the unlimited dividend producing National "Bank." Then comes Mr. Malcolm's item of \$5,075 for commissions. Judicious advertising in so far that the papers concerned were either mum on the merits of the National "Bank," or defend its demerits and promoter-accounts for \$2,757.42. An item there is, too, for postage, \$1,615.06. This was sufficient to carry 80,000 ordinary prospectuses to the public of Canada.

But the National "Bank" went further afield to dispose of its stock. It is understood that a heavy consignment of prospectuses, intended for our cousins to the South, was seized by the United States authorities and conveyed to Washington for safe deposit until the concern should own a charter. Under the heading, "Addressing envelopes," is an expenditure of \$1,169.55. Undoubtedly more than one of our readers will consider the position of envelope addressers to the National "Bank" with a considerable amount of envy. The other items include office furniture, \$41.75, and salaries, \$820, making in all a total of \$21,224.83, and thus a deficit of \$3,560.91.

Held a Little Cash in Hand.

Had that been the total deficiency in the statement it would not have been so serious; but to that sum, must be added the overdraft of \$89.56, and bills or notes to pay \$687.50, making a total of \$4,337.97, as practically the unsecured debts of the concern. It appears that Mr. Malcolm, probably viewing with alarm the money stringency on the other side of the border, and thinking that it would probably affect financial circles in Canada, deemed it advisable to hold cash in hand for \$937.71. Evidently he has overpaid himself and another gentleman, or at least he states that they are liable for \$1,802.59, thus making \$2,740.30, along with \$41.57 of office furniture, as forming the assets, against debts of \$7,078.27 which remain to be met.

The policy of the Monetary Times both in Toronto and Winnipeg in connection with the promotion of this bank has all along been to protect the Canadian investor from a financial concern which sadly lacked intelligent and honest promotion, and which was bound to result in failure. Having substantiated our beliefs we are now willing to let the National "Bank" of Canada, and its promoter, we trust, pass into oblivion, regretting that it has been such an expensive lesson to many shareholders in the West.

Some Eye-opening Figures.

The analysis of the statement, which has been prepared by two of Manitoba's Chartered Accountants, has been handed to the Monetary Times at Winnipeg, as an accurate statement of the finances of the company. It is subjoined.

Statement.	
Capital subscribed	\$101,600
Receipts:—	
Cash received on account of subscriptions	\$16,886 86
Bills payable	687 50
Bank overdraft	89 56
Total	\$17,663 92
Expenditures:—	
Printing	\$9,370 79
Advertising	2,757 42

Commission	5,075 00
Postage	1,615 06
Addressing envelopes	1,169 55
Salaries	820 00
General	281 41
Interest and exchange	20 40
Stationery	28 65
Discount on stock	45 00
Office furniture	41 75

Total expenditures	\$21,224 83
Less unpaid accounts	6,301 21
	\$14,923 62
	\$2,740 30

This balance is made up of:—

Cash in hand	\$937 71
Due by F. H. Malcolm and another....	1,802 59
	\$2,740 30

In brief the assets are given as:—

Cash in hand and due by Mr. Malcolm and another	\$2,740 30
Office furniture	41 75
Total assets	\$2,782 05
Liabilities:—	
Due bank	\$89 56
Bills or notes to pay	687 50
Accounts to pay	6,301 21
	\$7,078 27

Thus showing a deficiency or shortage, \$4,296.22; or, what we are more inclined to think, is really \$9,860.32.

Shareholders Have Yet to Learn.

We are informed on reliable authority that although Mr. Malcolm has had the Chartered Accountants' statement for more than a week, the shareholders have not yet been informed of the true position of the National "Bank."

As the above statement has been issued with the signature of two members of the Manitoba Chartered Accountants' Association, it may be deemed as accurate as the books would allow in the circumstances.

MINING COMPANIES.

Nipissing Has Not Considered Purchase of Watts
Property—Canada Consolidated Affairs—La Rose
Negotiations.

Regarding the numerous statements in the daily press that the Nipissing Mines Company is contemplating the purchase of the Watts property at Cobalt, the Monetary Times has the best of authority for stating the Company has neither purchased nor considered the purchase of that property. The reports are without foundation.

The directors of the North Star Mining Company have declared a cash distribution at the rate of two cents per share. During the summer diamond drilling has been carried on over a small part of the company's property. Some of this work was encouraging, but no new large bodies of ore were discovered. The mining operations during the last six months have been fairly satisfactory. Additional small bodies of ore have been found in the old workings, from which ore has been shipped at the rate of about 300 tons per month. The value of this ore has averaged about \$14 per ton, after deducting freight and treatment charges, but not mining expenses. The company's manager reports that there is at present in sight about 1,500 tons, which will enable the company to continue shipping at the same rate during the winter months.

Regarding our reference last week to the reported negotiations for the sale of the La Rose mine at Cobalt, we have received the following carefully worded letter from Mr. D. A. Dunlop, of Haileybury, Ont., the secretary of the company: "It would not be proper for me to disclose the names or identity of the interests that are dealing with us. We have not sold. The parties are looking over the field and are investigating our ore bodies to a limited extent, and they may or may not invest; that is a question that depends on several contingencies. I do not think the names you mention (Messrs. Wernher, Beit and Eckstein) are associated with us in any way whatever."

The latest report of Mr. E. W. McLean, official broker of the Diamond Vale Company, gives the holdings of the Company as 21,907 acres of coal lands, 7,040 acres of timber limits, and 2,000 inches of water rights in the Coldwater River. Diamond drilling operations have been made, and,