

The Monetary Times

Absorbed the INTERCOLONIAL JOURNAL OF COMMERCE, 1869;
the TRADE REVIEW, Montreal, 1870; and the JOURNAL OF
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HOPE FOR THE CANNERIES.

For the first time in the history of the now famous Western Canneries, a director of the company has visited the East and met Eastern shareholders. In November, 1906, the country was deluged with the prospectus of a proposed canning business. It was attractively prepared and written. To those not accustomed to sorting fiction from fact, it acted as an excellent bait. The financial result was that nearly \$240,000 of the company's capital was subscribed. At that time the Monetary Times examined the prospectus and discovered some glaring omissions. The most important related to estimated profits—two hundred per cent. They had been figured without any regard whatever to the cost of stock necessary to commence operations. That is to say, the cattle were expected to amble from the ranges into the canneries without special invitation and without payment for their heads. Which was but one instance. Several other inconsistencies branded the prospectus as ridiculous. Yet nearly a quarter of a million dollars went into the promoters' hands. The fact does not say much for the investigation bump of the average investor.

Those who have read these columns regularly know the history of the company. Its chief promoter, F. H. Malcolm, has been concerned in a dozen enterprises which have had, to say the least, unfortunate terminations. The proposed ten million dollars National Bank of Canada is one of them. The correspondence regarding the company's affairs which has come to this office has long since filled a filing cabinet to overflowing. It was of two descriptions—vituperative and grateful. The former emanated from the promoter and his satellites. The latter came from shareholders who desired to see

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something for their money besides unique demonstrations of how to fritter in organization. After many months, the chief promoter sent us a lengthy letter. He asked that it and other matter should be given publicity in our columns. And, here is the point—we were invited to render our account for this, based on current advertising rates. The farce continued. Money was spent like water on organization. Little tangible results came to the shareholders.

To come to more recent events—a financial statement of the company's position has been published. Although the auditor who compiled it is said to be an excellent accountant, the statement is somewhat extraordinary. Under assets is placed Mr. F. H. Malcolm, "General," \$4,550. This item he can best explain. Organization expenses swallow \$72,577, an enormous sum considering the snail-like progress of the company during the past two years. The item, Fully-paid Common Stock, \$205,300, appears under liabilities, while under assets the same sum is tagged, "Good-will Common Stock Issued, Fully Paid." These and the other figures are of the past. But inquiry into the past will not hurt the prospects of the future. The auditor responsible for the present financial statement may have accepted as correct many previous audits and statements. Without reflection upon those who have conducted previous audits, we suggest it advisable that the company's finances be examined from the beginning. It will do no harm to know exactly how \$72,000 has been expended on organization. It will be interesting to know to whom Good-will Common Stock Issued, Fully Paid, amounting to \$205,300, has been handed. To accept the statement as it stands is unwise and inadvisable. We feel that those of the directors who have at heart the interests of the company's shareholders will have no objection to a thorough audit of the company's finances by a qualified man.

Regarding the present stage—at last a light has appeared in the dark way; or more accurately, a flower has grown in the weedy garden. Mr. C. A. Flower, the assistant managing director, who will probably become