

Official Report of National Finance Liquidator

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collected from Mortgagors whose Mortgages were hypothecated as security against the Mortgage Trust Certificates mentioned in the Trust and Guarantee Account, all of which amounts have been duly paid over to the holders thereof. These funds being earmarked as security, are always placed in a Trust Account in the Bank and kept separate from the general funds, and paid over by cheque from time to time as the various Coupons or Certificates fall due. The coupons are all payable on the same dates twice a year, although the Liquidator makes payment only as he receives it, and being in the nature of trust funds, they are not available for the general benefit of Ordinary Creditors.

Opportunity has also been taken as occasion arose, Mortgagees holding Mortgages subject to guarantee of payment by the Company became uneasy on account of the arrears of interest or principal not being made by the Mortgagors, to suggest to them that they take the Mortgages over into their own hands and relieve the Company of all further liability under the guarantee of payment attached to same, and during the seven months succeeded in thus having the liabilities reduced by approximately \$424,000.00.

Three hundred and ninety-nine claims have been received from Unsecured or Ordinary Creditors, amounting to \$361,227.37, while sixty-seven claims have been received from Secured Creditors, amounting to \$798,805.20, and forty-one have been laid aside for further information and proofs regarding them, totalling \$270,279.38. This makes an aggregate of claims lodged of \$1,430,311.95. In addition to these there are still a number of known claims, amounting to approximately \$350,000.00, still to come in. In addition to this it may be stated that a number of creditors hold security of such a nature that it is not incumbent on them to lodge any claim until such time as they have realised their security, and it may be noted that the above amounts do not include claims lodged by Shareholders in the Company on account of shares held. All of the claims on hand are presently being segregated and examined preparatory to the Liquidator having same adjudicated upon. The last date for filing these has been fixed as 6th July next and 20th July for adjudication of same.

Immediately after the office premises were vacated on Pender Street, the Liquidator was successful in having them re-leased for a term of five years to a good company at a satisfactory rental, thus eliminating a claim by the Proprietor for a very considerable amount in respect of breach of lease. The office furniture also was disposed of at a very fair price and with practically no expense to the Creditors.

The Company had Agency Offices at Calgary, Regina, Winnipeg, Ottawa, Toronto, St. John and Halifax. Immediately on the liquidation commencing, steps were taken to advise the Agents to close the offices and sell all the various articles of furniture to the best advantage, which was duly done and arrangements were made for the collections and handling of the assets from Vancouver.

A list of all vacant and saleable houses and properties belonging to the Company was prepared and efforts made to have them rented or sold as occasion might arise. These

are now almost all revenue producing, and a sale of one house in Talton Place was made with no loss to the Creditors.

The Company also acted as Trustee and Guarantor for the debentures issued by the Richlands Orchard Co., Ltd., Richlands Irrigation & Development Co., Ltd., and Okanagan Falls Land Co., Ltd. The total issue of such debentures by the two first named companies is \$125,000.00 and the latter \$84,500.00. Each of these is secured by the assets of the Company, consisting of unsold land and Agreements for Sale. On 5th February, the debenture holders of the Richlands Orchard Co., Limited, and Richlands Irrigation & Development Co., Limited, made application to the Supreme Court to have a Receiver appointed in their interests, and Mr. T. W. Greer, Manager of the Pacific Coast Fire Insurance Company, was duly appointed in this capacity. Immediately thereafter all the books and documents belonging to them were turned over to him. Then on 14th May last, Mr. R. Kerr Houlgate was appointed Receiver for the debenture holders of the Okanagan Falls Land Co., Ltd. These appointments were rendered necessary by the fact that no interest had been paid on the debentures for some considerable time and such procedure was tantamount to foreclosing on their security.

A careful examination of all the Company's Minutes, both of Directors' and Shareholders' Meetings since incorporation of the Company down to the date of liquidation, was made for the purpose of ascertaining if these might contain any ultra vires acts of the officials of the Company, but these proved to be all in order. The Lists of Contributories have been settled by the Registrar of the Supreme Court, and application is about to be made for authority to make a call on parties whose balances are unpaid. It will be necessary also for the Liquidator to take legal proceedings against all debtors on an early date, and arrangements are already being made in that respect.

It will be seen, therefore, from the foregoing statements that the Winding Up of this Estate will be a long and protracted affair; and from the state in which the assets appear to be, all those of an easily realisable nature having been earmarked for a few large Creditors before the Company went into liquidation, the balance consisting of equities in Real Estate, Agreements for Sale, etc., will require to be held together and carried along for some years yet, before the Liquidator can realise on them at such a price as the Ordinary or Unsecured Creditors can hope to get even the smallest dividend from.

BRITISH COLUMBIA LUMBER AND WEST INDIES.

The Canadian Consular Agent at Port of Spain, British West Indies, is of the opinion that the opening of the Panama Canal affords opportunities for trade with Western Canada which are not being overlooked by merchants. He states that if Douglas fir has the qualities which will enable it to replace pitch pine, now secured from the United States, there will be an excellent market for it in the British West Indies. The first large cargo of British West Indian sugar is about to be despatched by the new route to British Columbia, and lumbermen will recognize the importance of the new conditions as affecting return cargoes of lumber.

The superiority of Douglas fir is being brought to the attention of the Consular Agent in order that he may distribute information concerning it to local buyers.

In connection with the foregoing, an article on the West Indian lumber trade in the June number of the Canada Lumberman quotes an American business man, located at Kingston, Jamaica, who says:—

"A great deal of the pitch pine imported here from the Southern States is very defective. We would not use it in the United States; you would not use it in Canada. It is used in Jamaica because there is nothing to compete with it. I would like to see your British Columbia Douglas fir coming in here."