

NATIONAL FINANCE COMPANY'S LIQUIDATION

Shareholders' Outlook is Not Bright—Some Sales of Properties and Securities Effected

In connection with the liquidation of the National Finance Company's affairs, the following particulars are included in a report of Mr. R. Kerr Houlgate, manager of the Yorkshire and Canadian Trust Company to April 30th, 1916:—

"The statement of affairs shows that, according to book figures, the assets amount to the sum of \$3,072,611.85, and the liabilities, including the amount due to shareholders on account of capital, viz., \$1,667,397.75, to the sum of \$2,649,278.12; making an excess of assets over liabilities of \$423,333.73 (exclusive of contingent liabilities in respect of guarantees of payment, aggregating \$159,847.67, as also in respect of guarantees under trust investments, aggregating \$373,981.85). These figures are arrived at by showing the assets at the figures they were carried at in the company's books at the date of liquidation, and not at their present value. It is practically impossible to estimate the true value of the assets at the present time, but it might be pointed out that unless conditions in the next year or two materially change, particularly as to realty values, it is very doubtful just what will be realized for the benefit of the ordinary creditors; while the shareholders' position would appear to be hopeless.

Contributory Payments.

"During the period of the above report, lists of creditors were settled before the court, as also those of the contributories. The list of contributories shows an amount as being due from them of \$342,655 in respect of their shares, and the sum of \$132,499 was called by order of the court, being \$20 on each share held, or such smaller amount as might be owing on any share. There has been received the sum of \$20,875 on account of the above ordered call. All of the contributories, with the exception of ninety-five, met in full or arranged for the payment of the call. Judgment for the amount called has been given by the court against those who failed to pay or arrange for the payment of the call against them.

"During the year four sales were effected of properties owned by the company at satisfactory figures considering the conditions of the realty market, and the moneys realized have been used to protect other assets. Since liquidation four properties have been dropped through foreclosure or mutual arrangement, and the liabilities were thereby reduced by \$408,652 in respect of mortgages and agreements payable. The properties in every case had depreciated in value to such a great extent, and as they were not producing sufficient revenue to meet accruing interest on the principal liability against them, to say nothing of taxes, water rates and general expenses, it was deemed advisable not to carry them any longer, the court concurring with the liquidator in this. A payment of approximately \$58,000 was received on account of the lands adjoining the Welton Block, and applied mainly against the balance owing to the Canadian Pacific Railway under the agreement of purchase covering the land.

Selling Municipal Bonds.

"Municipal bonds to the extent of \$74,005 were disposed of, and call loans for a similar amount were fully satisfied from the proceeds. Call loans payable at the present time only amount to \$4,878, and arrangements for their settlement are pending through the sale of the bonds still on hand.

"At the date of liquidation the liabilities (exclusive of the liability to shareholders) amounted to \$1,538,868, and at the 30th of April, 1916, they amounted to \$981,880, showing a reduction therein of \$556,988. Guaranteed liabilities in regard to trust investments at the above respective dates were \$1,121,235, and \$373,981, a reduction of \$747,253; while contingent liabilities have been reduced from \$214,750 to \$159,847.

Liquidator Reduces Expenses.

"Early last year it was quite evident that it would be a considerable period of time before any assets could be disposed of or realized on, and so the liquidator has endeavored to reduce to a minimum the general expenses in connection with the liquidation from time to time, and to secure extensions of the various liabilities in order that no equities or assets of the company would be lost. The reduc-

tion of the operating expenses is shown by the comparative statements of earnings and disbursements for the three periods ending the 30th of April, 1915, the 31st of October, 1915, and the 30th of April, 1916, in which the amounts of \$7,387, \$3,777 and \$2,564 respectively appear as charges, representing salaries, printing, stationery, postage and miscellaneous expenses. The coming period will show a further large reduction under the above charges. Other reductions have been effected, in one case a reduction of 2 per cent. per annum of interest under a mortgage payable, which means a saving to the liquidation of \$700 per annum."

CANADIAN BANK CLEARINGS

The following are the returns of the bank clearing houses for weeks ended July 13th, 1916, and July 15th, 1915, with changes:—

	Week ended July 13, '16.	Week ended July 15, '15.	Changes.
Montreal	\$ 82,117,101	\$ 47,950,503	+ \$34,166,598
Toronto	47,592,814	36,623,246	+ 10,969,568
Winnipeg	37,935,967	17,366,483	+ 20,569,484
Vancouver	6,824,518	5,020,890	+ 1,803,628
Ottawa	5,856,406	4,032,160	+ 1,824,246
Calgary	3,934,481	2,778,648	+ 1,155,833
Quebec	4,090,005	3,156,680	+ 933,325
Hamilton	3,570,180	2,738,882	+ 831,298
Edmonton	2,093,441	1,833,414	+ 260,027
Halifax	2,827,606	2,091,244	+ 736,362
London	2,072,793	1,747,230	+ 325,563
Regina	2,177,671	1,153,550	+ 1,024,121
St. John	1,977,543	1,676,968	+ 300,575
Victoria	2,203,513	1,591,666	+ 611,847
Saskatoon	1,036,310	712,005	+ 324,305
Moose Jaw	835,167	532,873	+ 302,294
Brandon	513,886	417,262	+ 96,624
Brantford	613,548	512,940	+ 100,608
Fort William	575,213	389,146	+ 186,067
Lethbridge	531,658	297,150	+ 234,508
Medicine Hat	297,970	187,704	+ 110,266
New Westminster	283,819	289,755	- 5,936
Peterboro	531,166	442,338	+ 88,828
Totals	\$210,492,776	\$133,542,737	+ \$76,950,039
Sherbrooke	509,750		
Berlin	461,823		

The following are the returns of the bank clearing houses for weeks ended July 20th, 1916, and July 22nd, 1915, with changes:—

	Week ended July 20, '16.	Week ended July 22, '15.	Changes.
Montreal	\$ 78,408,200	\$ 47,670,717	+ \$30,737,483
Toronto	46,252,618	37,103,580	+ 9,149,038
Winnipeg	39,702,256	16,615,941	+ 23,086,315
Vancouver	6,335,843	5,627,664	+ 708,179
Ottawa	5,360,642	4,230,566	+ 1,130,076
Calgary	4,348,529	2,769,082	+ 1,579,447
Quebec	4,054,899	3,408,065	+ 646,834
Hamilton	4,665,251	3,196,863	+ 1,468,388
Edmonton	1,960,228	1,899,922	+ 6,306
Halifax	2,684,497	1,907,663	+ 776,834
London	1,905,806	1,682,043	+ 223,763
Regina	1,980,887	1,125,135	+ 855,752
St. John	1,792,169	1,563,202	+ 228,967
Victoria	1,538,485	1,317,955	+ 220,530
Saskatoon	1,023,187	727,522	+ 295,665
Moose Jaw	993,425	570,238	+ 423,187
Brandon	669,005	428,686	+ 240,319
Brantford	599,087	490,512	+ 108,575
Fort William	566,600	561,549	+ 5,051
Lethbridge	583,511	322,452	+ 261,059
Medicine Hat	358,238	185,975	+ 172,263
New Westminster	315,357	287,312	+ 28,045
Peterboro	495,142	331,750	+ 163,392
Totals	\$206,539,862	\$134,024,403	+ \$72,515,459
Sherbrooke	495,516		
Berlin	478,098		