

Business East.

ONTARIO.

Wm. Smith, furniture, Ridgetown, has sold out.

J. Wooster, shoes, St. Thomas, has sold out.

Ontario Car Co., London, have assigned in trust.

E. Kominsky, underwear, &c., London, has sold out.

Taylor's Economy Soap Works, Dundas, are selling out.

Sutherland Bros., grocers, Galt, have assigned in trust.

H. Ward, grocer, Stratford, has sold out to A. W. West.

James Doherty, tobacconist, Dundas, is offering to sell out.

John C. Swahn, carpenter, Toronto, has assigned in trust.

Frank Gordon, hardware, Simcoe, has sold out to A. D. Ellis.

J. L. Midge, hotel, Omhirstburg, is away to the United States.

W. J. Clarke, general store, Mooreville, has gone out of business.

John Fleming, general store, Glen Morris, has assigned in trust.

G. W. Wodland, general store, Durham, has been damaged by fire.

M. McCallum, tailor, Parkhill; his stock has been sold by auction.

Evans & Haulton, hardware, Collingwood, have assigned in trust.

A. H. Melville & Co., general store, Lindsay, have assigned in trust.

James Gerry, flour and feed, Toronto, has held a meeting of creditors.

Clark, Morris & Co., furniture, Aylmer, have changed style to Cameron & Co.

J. C. Dixon & Bros., worsted manufacturers, Hamilton, are removing to Dundas.

Knox & Burritt, crockery, Stratford, have dissolved; D. B. Burritt continues.

Miss Rutherford, milliner, Toronto, is selling of her stock and giving up business.

Gavin Hume, hardware, grocer and mill, Galt, has called a meeting of creditors.

D. McKennie & Co., canned fruits, Port Arthur and Winnipeg, are about dissolving.

Marshall & Barron, electric machines, Toronto, have dissolved; A. F. Barron continues.

Northwood & Springer, grain, Chatham; their elevator is advertised to be sold on the 27th inst.

Starnam & Co., fancy goods, Berlin, have dissolved; Starnam retires and Simon Erb is admitted a partner. Style now Brighton & Erb.

A. E. Pavey & Co., wholesale woollens, London, have dissolved. S. Frank Peters has retired, and N. Stanley Williams has been admitted a partner.

QUEBEC.

R. G. J. Barnett Montreal, has assigned in trust.

A. Bronner & Co., hotel, Montreal, have dissolved.

Laurent Paque, general store, Forsyth, has sold out.

Elie Fachance, general store, Lambton, has sold out.

Pierre Gadbois, general store, St. John's, has assigned.

Gendreau & Bedard, plumbers and tinmiths, Quebec, have dissolved.

Jas. L. Clement, upholsterer and furniture, Montreal, has assigned in trust.

NOVA SCOTIA.

L. McLean, liquors, Strathmore, is dead.

Wm. Carson, general store and P. O., is dead.

Visnot Bros., wagons, has Bridgewater, have assigned.

J. E. Kent, grocer, Halifax, has sold out his stock on Windsor street.

J. A. Craig, drugs, Forth Sydney, has sold out his stock and left for parts unknown.

NEW BRUNSWICK.

M. G. Ayer, harness Moncton, has assigned.

J. S. Magee, grocer, St. Anikrows, has assigned.

Crane & Harper, general store, Bayfield, have assigned in trust.

Taxes on Capital.

Judge Blodgett of the United States Court has delivered a lengthy opinion in the case of the United States against the Bank of Montreal, which has excited much interest among the local banks. This was a suit to recover internal revenue taxes claimed to be due from the defendant on the capital employed by the bank in the banking business in this city, from Nov. 1, 1871, to Dec. 1, 1879. The defendant is a corporation created and existing under the laws of the Dominion of Canada, having its principal place of business at Montreal. Its charter capital \$12,000,000, fully paid up, and it has a reserve fund of \$5,000,000, with average deposits of about \$17,000,000. A branch agency was established in Chicago Nov. 1, 1871, and the local manager was informed that \$100,000 had been assigned as its capital. A regular banking business has been transacted ever since. The deposits have averaged \$2,000,000, and the profits on the business transacted, it is claimed will reach \$10,000,000. The \$100,000 assigned as capital has been treated and known upon the books of the bank as "fixed capital," and the internal revenue tax thereon has been regularly paid. In June, 1881, F. J. Kinney, agent of the internal revenue department, made an examination of the books and accounts of the bank, and ascertained that a much larger sum than the capital allotted to the agency had been used in its business, and he reported the amount due for tax on capital under section 3,408 of the Revised Statutes to be \$83,773.36. An assessment was made and a warrant issued for the collection of the portion of the tax which had accrued in two years, amounting to \$24,543.88, and the assessment was paid under protest. The present suit was to recover \$59,229.68, the amount of tax which accrued more than two years prior to December, 1879. The defence interposed was that the local agency is a branch of the parent bank in Montreal, and, as such, liable only for tax on the capital allotted to it by the parent bank. Also, that the funds used and loaned here can not be considered

capital for this branch, as they are sent here for temporary use and liable to be withdrawn for use elsewhere at the will of the home management. Further, that the funds used here are not part of the capital of the parent bank, but a part of its surplus fund, and that most of the funds used by the branch are not employed in the business of banking, as defined in section 3,407 of the Revised Statutes. A large sum of money, averaging in 1879 \$1,500,000 a month, was used in making loans, and the court held that it was not material whether the profits were retained here or sent to Montreal as fast as made, and the money for such loans sent here as wanted. The business carried on by the defendant must be held to be a banking business under the definition of the statutes. Ordinarily, no doubt what is known as the capital of a bank is the fund paid in by its stockholders on their capital stock, and this forms the basis upon which the business of the bank is conducted.

"As the Bank of Montreal can have no corporate existence here," said the court, "and only transacts business by comity, this agency must, I think, for the purpose of this law, be considered the same as a private person engaged in the banking business, and pay the tax on the money it uses in the business without regard to whether it is technically capital (that is the fund controlled by its stockholders) or not. If the defendant has power under its charter to establish branches, that power would only authorize the establishment of branches within the sovereignty which created the corporation. The business here is more in the nature of an agency than of a branch, and, if any of the funds of the home corporation are sent here and used here in conducting a banking business, they should, in my opinion, pay the tax imposed by the statute, as capital employed by a private person in the same way. It could not have been the intention of Congress to allow banks of foreign countries to send their money here to be loaned and used by an agent for the profit and benefit of such banks without subjecting them to the same burdens imposed by the law on domestic banks and bankers. I therefore conclude that the defendant is liable for the amount of tax claimed in this case, \$59,229.68, with interest at 6 per cent. from the time when such tax occurred."—*Journal of Commerce.*

THE damage to the C.P.R. steamer, *Alberta*, in her collision with the *Osborne* will foot up to \$12,000. The *Spartan*, of the Owen Sound Line has taken her place, and will make regular weekly trips until the damaged boat is repaired.

THE general condition of the lumber trade is stated by the Chicago *Northwestern Lumberman* to be duller than ever. This is particularly noticeable in the Northwest and in the rural districts, where the demand has been moderately active. This is explainable now that farmers are interested almost solely in harvesting. Exceptions to this general rule are reported from isolated places in Ohio, Indiana and further west, where local conditions of a favorable character have helped trade.