

product to New York. Mr. Webster, shipped some days ago ten tons of dressed flax, and 36 cwt. of tow to New York.

The Montreal Cotton Company, whose mills are at Valleyfield Que., it is reported, will shortly distribute a handsome bonus among its shareholders.

It was unanimously resolved, at the special general meeting of the Canada Cotton Manufacturing Co., of Cornwall, held at Montreal a few days since to increase the capital stock of the company by \$125,000.

The Merchants' Cotton Company, was formally organized in Montreal, and a board of directors appointed, Mr. G. Cheney being elected president; Mr. J. K. Ward, Vice-President; Messrs. Robt. MacKay, J. P. Cleghorn, Jonathan Hodgson, J. S. McLachlan, and A. A. Ayer, directors. The site of the factory will most probably be in the suburb of St. Henri, that municipality having just voted the Company a bonus of \$10,000 besides exemption from taxation for twenty years. The capital of \$400,000 is fully subscribed.

It is expected that the new woollen mill of Messrs Watts & Rock, at Drummondville, Que., will shortly be in operation, the first car load of machinery has arrived.

A meeting of the shareholders of the Canadian Locomotive Co., was held in Montreal on Wednesday, of last week, Mr. George Kirkpatrick, M. P., being chosen president; Hon. T. McGreevy, of Quebec, vice-president; Messrs. Peterson and Beattie, Montreal; Kirkpatrick, Gunn and Harty, Kingston; and Hugh Ryan, Perth, directors. Mr. J. W. Pyke is secretary, and removes from Montreal to Kingston, where the business meetings of the Company are henceforth to be held. The machinery and plant at Kingston have been taken over by the new company from the old one at a valuation. The capacity of the works will be enlarged so as to turn out one locomotive per week. Between 300 and 400 men will now be given constant employment.

The woollen factory to be built at Campbellford, for Messrs. Gault Bros & Co., of Montreal will be of very considerable extent. The factory proper is to be 60 x 190 feet and five storeys in height, the dye house and store house 30 x 70 feet two storeys high. The elevations, according to a gentleman who has seen them are tasteful and the plan convenient.

The mill of the Coaticook Knitting Company is a four set one, employing seventy hands, the output of knitted shirts and drawers during 1880 was 15,000 dozen, of the value of \$91,000. Another set of machinery has been ordered, and will probably be in place in the month of June next.

Messrs. Shortreed & Laidlaw, of Barrie, offer \$7,000 for the interest of Elora Village in her carpet factory, provided the assessment do not exceed \$5,000 yearly for ten years. The council will accept the offer provided \$7,000 taxes be paid yearly for five years, and some other minor points are agreed to.

Mrs. Thos. Worswick, of Guelph, is shipping a very fine 150 horse power Brown engine to Winnipeg. It is intended for the Hudson Bay Company's grist mill in that city.

An order has been received from Rome for two sample organs, made by Messrs. Bell & Co., of Guelph, and if these are satisfactory, a considerable export trade to Italy can be done in these instruments. The same firm is in receipt of an order from Australia for fifteen of their organs, and is about making a shipment of seventy-five of them to London, as part of a contract.

### WATERING STOCK

An extraordinary state of facts is disclosed in the course of litigation in the Ontario Court of Chancery in reference to the affairs of the Gas Company of London Ont. It appears that this company was incorporated in 1864 with a capital of \$40,000. The capital was increased under the authority of the act of incorporation to \$60,000, all paid up. The company was then earning 16 per cent. per annum upon the stock, and not desiring to let the public know the profits being realised, they determined to double their nominal capital without increasing the actual capital of the company. There were then only nine shareholders, five of whom were directors, and they all agreed together that each shareholder should have one share of new stock issued to him for every share of old stock he held and that the new stock should be issued as paid up. Nothing was in fact paid upon the new shares. This arrangement was carried out with the concurrence of the shareholders. In the course of a year or two the stock was placed in the market, the reports of the company in the meantime showing a paid capital of \$120,000. The stock has since passed into a considerable number of hands, but the fact of its having been watered appears to have only lately come to the knowledge of the majority of those who purchased shares. The bill in Chancery is filed on behalf of the holders of the new stock praying that the parties to whom it was issued may be ordered to pay the amount which it represents, or to return such of their stock as still remains in their hands to the company and to pay for that which has passed into the hands of innocent purchasers.

There appears to be no dispute about the main facts set out in the bill; the defendants, however, claim that the present litigation would not have arisen but for the depreciation of the stock of the company, owing to the establishment of a rival company, manufacturing gas from coal oil, and the amalgamation with the Steam Heating Company, whose bankruptcy entailed a loss of some \$25,000. The witnesses were examined in London, and then by consent the case was adjourned for argument to Toronto. Considerable interest is manifested in the case by the public in London and elsewhere, and the result of it is of vast importance, especially to the original shareholders of the company. As the best legal talent available in the Province has been engaged, there is no doubt the matter will be fully ventilated. What the ultimate result of

the litigation will be it would be useless to attempt to predict.

### TO CORRESPONDENTS.

J. A. S. of Paris desires us, for the information of a good number of our subscribers in that town, to answer the following question:

"A draft dated 30 Nov. 1880 at four months, when will it mature, the 2nd or the 3rd of April?" [On the 2nd April.—Ed. M. T.]

FINANCES OF WINNIPEG.—The report of the city auditors upon the financial condition of Winnipeg has been published. The statement showed a total of \$26 927 of taxes in arrear, at the close of 1880, of which between two and three thousand dollars each pertained to the years 1875, 1877, 1878, and 1879, while \$15,406 were those of 1880. The amount of taxes for 1880 which had been collected at the end of that year was \$14,053. The principal items among the receipts are the following:—Taxes, of 1880, \$14,053.62; of six previous years, \$16,209.56; Hotel licenses, \$6,833.35; Grocers' licenses, \$2600; other licenses, \$3,136.08; Police Court fines, \$3,600.25; City Hall, \$2,273.40; Market fees, \$1,133.55; Market stalls, \$3,666.65, and other items aggregating \$84,275.26. The total of the receipts, which is \$312,648.18, is reached by the addition of \$200,000 bridge debentures, interest and \$22,000 bills payable. Of the expenditure for the year, \$22,016.71 was for account of the Board of Works; \$15,500 for the Protestant School Trustees; \$11,871 for salaries; \$9,432.21 for the Fire and Water Committee. The other items are trifling in amount till we come to Bills Payable, \$13,600; interest on debentures, \$21,306.77; proceeds of bridge debentures expended, \$59,411.44. But the encouraging balance of \$119,527.46 is shown in the Ontario Bank at the close of the year.

The statement of city liabilities at the 31st day of December, 1880, is as follows:

City bonds (amounting to £51,300 stg., payable in 13 years from this date, at 9½ per cent. ....	\$249,660 00
Bridge debentures payable in 20 years from July last. ....	200,000 00
Notes "Bills Payable" under discount in Merchants Bank .....	22,000 00
Due School Board on 1880 taxes ..	4,030 00
	<hr/> \$474,690 00

SHORT WEIGHT.—In noticing the unpleasant fact that mats of Chinese rice coming into that market, & purporting to weigh 50 lbs really weighed only from 45 to 47 lbs. gross, the San-Francisco Grocer says:

This matter of short weights is frequently attended with serious results to retail traders, and it seems astonishing that after all that has been written on the subject, it has not been corrected. If a retail trader fails, he is generally thought to be either dishonest or incompetent, when perhaps the very parties making this charge have contributed to his failure. In the retail business it is the small leaks that swallow up the profits. A slight shortage on one or two articles might not be felt, but when the same things occurs on almost every article purchased,