

with the liabilities assumed by the company, a sum of \$911.87 paid on account of liabilities of the firm not included in those the company were to assume, amounts carried from time to time to the credit of the stock accounts of the Harrises and Campbells, two sums of \$60 each paid in cash to R. P. Harris junior and W. J. Campbell, two amounts of \$500 each entered as "cash," and an amount of \$1,000 entered as "C. A. Douglas." R. P. Harris junior was secretary-treasurer of the company, and the books were kept under his supervision.

The company, when paying the liabilities, succeeded in obtaining a considerable reduction, and the amount so saved was, pursuant to a resolution of the directors, divided among the shareholders. The collective amount coming to the Harrises and Campbells was \$600, a cheque for which was issued but indorsed back to the company and credited on stock. The stock of the Harrises and Campbells was, however, never paid up in full, and all four will appear on the list of contributories for substantial amounts.

The first of the \$500 "cash" debits is the amount of a cheque issued 6th February, 1901, payable to "Harris & Campbell," indorsed by them, and handed to C. A. Douglas, who deposited the amount to the credit of his private bank account. The deposit was made on 6th February, and on the same day Mr. Douglas issued his cheque to the company for \$1,000, which amount was placed to the credit of his stock. For some reason, not explained, this credit appears as of 31st January, but the cheque is dated 6th February.

The second \$500 "cash" debit is the amount of a cheque issued 1st April, 1901, payable directly to Mr. Douglas, and deposited by him as before, on 4th April. Mr. Douglas, as on the former occasion, concurrently issued his cheque to the company for \$1,000, which amount was placed to the credit of his stock. This cheque, though dated 1st April, was not deposited until 4th April, nor paid until 6th April.

The \$1,000 debit is a book-keeping entry, the amount being carried from the Harris & Campbell account to the credit of Mr. Douglas in his stock account.

The two cheques for \$500 are signed for the company by C. A. Douglas, as president, and R. P. Harris junior, as secretary-treasurer, and countersigned by Joseph Boyden, as managing director. The scrip is dated 22nd February, 1902, and is signed by Douglas and Harris as president and secretary-treasurer respectively.

Such being the facts, I have no hesitation in finding that Mr. Douglas still owes \$2,000 on account of his stock, and