

exception of 26 shares of the par value of \$100. Apparently Murdock claimed that he had paid some such sum for his shares. The amount of the surrendered shares was to be turned into a liability of the company. And the subscribers to the subscription list were to take new shares in lieu of the surrendered shares. This would enable them to acquire the property subject to the liability. Hewson, Murdock and Blair thus would be reducing their holdings very much, and also their controlling interest. It appears that the amount of the loan, \$39,424.12, mentioned in the basis, represented in part the amount of the paid up shares or what should have been paid on account of them. They must be treated as paid up, no doubt. The company apparently had been financed and carried on upon money borrowed from one of the banks. As security for this sum the debentures of the company issued to the extent of \$50,000, were, on the 15th of June, 1907, given to the bank. And apparently the directors had personally indorsed the paper of the company for the money borrowed.

The new concern by the basis contemplated a loan of \$40,000 to enable them to accomplish their purpose, and to have a working capital. Already the promoters had fallen short of getting the proposed amount of subscriptions, some \$50,000.

Going back to the case of the subscribers, this notice of 5th of June, 1907, was sent to them by Blair.

"Amherst, N.S., Canada,  
June 5th, 1907.

Dear Sir:—

It will doubtless be of interest to you to have a brief statement of affairs in connection with the proposed extension of the Wood Works to the stock list, of which you were good enough to subscribe.

As you are perhaps already aware, the subscribers held a meeting in the Town Hall on the 22nd of May, and appointed the following gentlemen a committee to work in conjunction with the board of directors of the Victor Wood Works, Limited, viz., Samuel Freeman, W. A. Allen, C. S. McLeod, W. Wood and D. A. Morrison.

It is proposed to hold a shareholders' meeting as soon as possible after June 15th, at which the number of the present board will be increased by the addition of several gentlemen from the new subscribers.