

Mr. STARR: There are only 80,000 shares involved.

The CHAIRMAN: I will get at it in a moment.

Q. How many shares of the Beauharnois Power Corporation were issued to you and Henry? - A. 80,000.

Q. By reason of your having sold a nuisance value in the Sterling Industrial to them, how many shares were issued? - A. 80,000 shares.

Q. 80,000? - A. Yes.

Q. Now then, what Mr. White says is perfectly correct, that you had in contemplation that at some time or other that dividends would have to be paid on those shares, if they paid dividends? - A. If they paid dividends.

Q. And those dividends would be paid to you and your associates, on what is obviously a nuisance value, sold to them. Is that right? Why hesitate, Senator? - A. That is essentially correct, yes.

Senator McDougald again referred to Sterling as being an obstacle to Beauharnois on account of it having an prior application (A164). In fact, he further said that he had never heard the Sterling application mentioned by anyone in Ottawa as an obstacle to the granting of P.C. 422, and does not know, even yet as to whether the application itself was ever withdrawn (A163). In fact, it may be said, without fear of contradiction, from reading the whole evidence of Senator McDougald before both the Committees, that the Sterling application had no value whatever in his judgment, except in so far as it might have been desirable for Beauharnois to acquire Mr. Henry's services. Of these services he speaks at length at pages A165-6. The fact is that Mr. Henry joined Beauharnois at a salary of \$40,000, which was double the salary that he had at any time received in his life time, and was also given shares in the corporation itself, so that it is now admitted that Beauharnois paid at least