

Mr. WHITE: Now, take that Consolidated balance sheet exhibit No. 126. I will have to later take a non-audited balance sheet and compare the position with this one as of the 31st of May. The committee will appreciate the differences between that sheet, which has not been audited, and this one which is audited, and which will be easily accounted for.

By Mr. White:

Q. This balance sheet shows the total capital of the company to be what?—
A. \$31,800,000.

Q. \$31,800,000 made up of what?—A. Five Management Preferred shares of no par value issued at \$5; 1,799,995 Class A Common shares of no par value issued at \$1,799,995, making \$1,800,000 in respect of the capital stock.

Q. That is in respect to Class A Shares?—A. And the Management Shares.

Q. \$1,800,000?—A. \$1,800,000. Then we have \$30,000,000 Collateral Trust Sinking Fund 6 per cent 30 year Bonds due October 1, 1959.

Q. And those two make up the figure of \$31,800,000?—A. Yes, sir.

Q. Which according to this statement is the capital of the companies as consolidated?—A. Yes.

Q. And that appears on the liability side of this balance sheet?—A. Yes, sir.

Q. Then take the assets side. I see a figure here of \$28,768,816.53, and that is the "Cost to date of Properties, Rights and Power Development in course of Construction." Then to that is added "Construction Commitments not yet delivered per Contra, \$4,117,034.85, against which there is on the liability side a similar amount set up under the caption "Construction Commitments not yet delivered per Contra"?—A. Yes, sir.

Q. So that those two items can be eliminated, one balancing the other?—
A. Absolutely.

Q. So that deducting that item of \$4,000,000 odd we have the statement that the cost at this date of properties, rights and power development in course of construction is \$28,768,816.53?—A. That is right.

Q. And then there are securities on deposit with the two governments?—A. Yes, sir.

Q. And Workmen's Compensation Commission, a set up of \$1,021,385; investments, \$200,168. I assume that is the Sterling Investment Corporation?—A. Oh, no.

Q. What is that? Oh, that is the Brupbachu Silk Mills Limited?—A. Yes.

Q. \$200,000 of that amount is in connection with the Brupbachu Silk Company at Valleyfield.

Q. Then you have accounts receivable \$184,730.37; Employees Working Funds \$9,385.08; Accrued Interest Receivable \$27,319.22, a total of \$221,434.67.—A. Yes.

Q. And then you have Cash and Marketable Securities in Escrow \$2,325,546.67 and Cash \$186,130.73?—A. Yes.

Q. A total of \$2,511,677.40. Now, before we go to analyze this item of \$28,000,000 odd, would you tell me something about the items of "Accounts Receivable"?—A. Yes, sir.

Q. \$184,730.37. How is that amount made up?—A. Of that amount \$150,000 represents an advance made to the Marquette Investment Corporation. The balance of it largely represents—

Q. Is that the amount spoken of by Mr. Swezey a moment ago?—A. That is right. And the balance of the amount of \$183,000 mentioned by you—

Q. \$184,000 odd?—A. Yes, \$184,000 odd represents largely a charge made by the company for containers purchased by the Beauharnois Construction