

Mr. WHITE: I would like to know what tangible asset was turned over

Mr. MONTGOMERY: I have not suggested the word tangible. The tangible assets that were turned over were the shares of the Beauharnois Light, Heat & Power Company, which was a very different proposition from the shares which were acquired by the first syndicate.

Mr. JACOBS: This is a case where the one loaf and fish were sufficient to produce loaves and fishes for a multitude to eat.

Mr. WHITE: It requires a miracle to do it.

Mr. JACOBS: Yes. We have miracles in these days too.

The CHAIRMAN: You are cashing in on your hopes that you realized.

Mr. MONTGOMERY: It was not cashing in on hopes but something that had been attained.

The CHAIRMAN: You are getting credit for it in the \$261,000.

Mr. MONTGOMERY: No, no credit. The \$261,000 does not absorb any credit between the value of those shares and the shares that the company required to carry out a small project in the feeder canal—shares in a small contract to carry out the Hungry Bay-Melocheville project.

Mr. JACOBS: If you were trying to get anything of that sort in Quebec, would you say what it would cost to get it?

The CHAIRMAN: I am not persuaded that it is so difficult.

Hon. Mr. MACKENZIE: Any large organization must have preliminary assets before they can function.

By Mr. Montgomery:

Q. Now, the same thing would apply to the \$2,250,000, the next large item which you touched, the amount paid to the Beauharnois Syndicate in consideration, taking over the assets and undertaking of the Beauharnois Power Syndicate. You have no information as to the status of what was turned over by the Beauharnois Power Syndicate as compared with what they had acquired from the original Beauharnois Syndicate?—A. No, sir; the figures were taken again from the balance sheets.

By the Chairman:

Q. You say that the figures were again taken from the balance sheets supplied by the Ross Company?—A. Yes, sir.

Mr. MONTGOMERY: Precisely.

By Mr. Montgomery:

Q. And you, perhaps, are not aware that in the interval between the two Syndicates they had obtained the approval of the plans at Ottawa, and the project had developed up to the point it reached on December 17, 1929?—A. No, sir; I saw no assets on the books in respect to that.

Q. For instance, you did not see the two large power contracts which have been referred to as having made this development possible, included as an asset on the books?—A. No, sir.

Mr. JACOBS: Is it not taken in?

Mr. MONTGOMERY: No. They are absorbed in that figure of \$2,500,000 which my learned friend, Mr. White, had the witness point at as if it had been pure water.

Mr. WHITE: I have not characterized it as water at all, or in any other way.

Mr. MONTGOMERY: I assumed—

Mr. WHITE: Don't assume.