

Q. The item of \$2,511,677.40 has been changed, of course?—A. Yes, I mentioned that.

Q. You mentioned that?—A. Yes.

Q. What is the balance in that account now as of 31st May?—A. \$895,150.

Q. Showing that of those securities and cash then held in escrow about \$1,800,000.—A. \$1,430,000.

Q. Had been turned over to the company?—A. Yes.

By the Chairman:

Q. \$1,430,396.67?—A. That is right. That does not quite balance against the \$5,781,000; the major portion of the difference represents credit received from companies from whom the Beauharnois Companies were purchasing equipment and construction materials.

By Mr. White:

Q. It is not a comparatively large amount?—A. \$881,000 odd, sir.

Q. Then, I understand that you have prepared (*Exhibit No. 129*) from information supplied to you by the auditors and other officers of the company what you call a consolidating balance sheet?—A. That was supplied by them.

Q. As of December 31, 1930?—A. Yes.

Q. And there are various items in this sheet which I see you have marked. Do you wish to call them to the attention of the members of the committee? The first item there is \$120,000?—A. That was the item spoken of a while ago, representing the difference between the cost to Beauharnois Construction Company of the capital stock of Marquette Construction Company over the issue price of the stock on that company's books.

Q. Is there anything else?—A. There is nothing here of particular—

Q. The item of \$149,882.06, what is that?—A. On reference to both sides of the balance sheet you will notice that \$149,000 represents depreciation that has been provided by Marquette Construction Company up to December 31, 1930, the entry on the consolidating balance sheet in respect of \$149,000 is reversing the entry against the reserve for depreciation account; that is, washing it out.

Q. I understand so far as the purchase of property of the Beauharnois Company is concerned, that you have not checked back the vouchers to see whether these properties are correctly set up in the books?—A. No, sir.

Q. But you have accepted the statement of the company's auditors?—A. Yes, sir.

Q. That, of course, would be a pretty tedious and long process?—A. It would take a long time.

Q. I understand that you wish to have it understood that your firm is not taking any responsibility for the correctness of that figure?—A. Yes, I would like that understood.

Q. But as to the analysis that you have given here, \$11,000,000 odd, you are satisfied with the correctness of that?—A. Yes, sir.

By Mr. Montgomery:

Q. Mr. King, taking first the figures that you have mentioned, \$11,000,000 odd?—A. Yes, sir.

Q. The first item referred to, \$739,000, you stated that the company received no tangible asset, or rather, you assented to Mr. White's question?—A. Yes, sir.

Q. Are you sure of that?—A. \$739,000?

Q. Yes. As a matter of fact, at that time the charter had been obtained or rather amended, had it not?—A. I don't know, sir.