

Power Corporation Limited six per cent Collateral Trust Sinking Fund Bonds due October 1, 1959, on which a book value of \$1 per share was placed, \$770,000.

Take that figure, please. Then:—

Issue of 21,000 Shares Beauharnois Power Corporation Limited Class "A" Common stock to W. H. Robert et al under terms of agreements dated February 3, 1927, and July 18, 1929, on which a book value of \$1 per share was placed, \$21,000.

Amount of cash paid to Montreal Cottons Limited under terms of agreement dated July 18, 1929, \$1,975,000.

Amount of preliminary expenditure made by Beauharnois Syndicate and Beauharnois Power Syndicate covering test-pits, equipment, legal fees, etc., \$637,788.05.

Put that figure down in a separate place, please: Then:—

Amount of cash paid to McDonald and Robb Limited under terms of agreement dated February 5, 1930, also letters to above party dated October 25 and 28, 1929, and February 5, 1930, \$100,000.

What was that \$100,000 paid for?—A. I must take time to look that up, Mr. White.

Q. Then:—

Purchase by Beauharnois Construction Company of 8,000 shares of the Capital Stock of Marquette Construction Corporation at \$20 per share as authorized by directors January 6, 1930, \$160,000; less: Issue price by Marquette Construction Corporations, \$40,000. Total, \$120,000.

Please put that down to Mr. Aird's account.

Mr. FORSYTHE: In a separate place?

Mr. WHITE: No; I am not satisfied that there is any value in it.

Q. Now, as to the items that I have asked you to take into account, what is the total?—A. \$7,079,000.

Q. And the total capital being as you told us before?—A. \$31,800,000.

Q. And these items amount roughly to about a quarter of the total capital?—A. A little less than 25 per cent.

Q. A little less than 25 per cent of the total capital as of December 31, 1930?—A. Yes.

Mr. WHITE: This analysis of the properties, rights and interests account will be Exhibit No. 127.

EXHIBIT No. 127

Beauharnois Power Corporation Limited and subsidiary companies:

Analysis of properties, rights and interests account, dated December 31, 1930, by P. S. Ross & Sons, Chartered Accountants.

Q. You have also furnished me with a copy of the Consolidated Balance Sheet of these companies as of May 31, 1931? (*Exhibit No. 128*)—A. Yes.

Q. Which was not audited?—A. No, sir.

Q. Take that document and point out to the committee any major differences in the amounts of the various accounts as compared with the audited balance sheet, Exhibit No. 126?—A. The most important changes in the balance sheets are represented by an increase in the property accounts of \$5,781,185.74. The source of the funds used by the company for those additional property expenditures is covered by bank loan as of May 31, 1931, of \$3,500,000 and funds received from the Royal Trust Company amounting to \$1,430,396.67. There are a few other smaller changes.