

By Mr. Bothwell:

Q. Can you remember those divisions of stock? In 1915 a stock dividend of 100 per cent was paid?—A. That is the one I speak of.

Q. In 1925 there is one from 2,000,000 at 25 to 8,000,000 of no par, and the shareholders received them on the basis of four for one?—A. Yes.

Q. April 16, 1929 the capital increased from 8,000,000 to 32,000,000 shares?—A. What date was that?

Q. April 16, 1929.—A. Yes.

Q. Four for one, is that correct?—A. I assume so.

Q. It was 100 per cent stock dividend in 1915, four for one in 1925, and four for one in 1929?—A. Yes. To get the true picture of that you will have to go back farther. You cannot start with the 100 per cent stock dividend as a stock basis. You will have to go back and take in what the shareholder paid in premium on capital stock before that.

Q. Your capital in 1915 was \$10,000,000, was it not, for that 100 per cent stock dividend?—A. I believe it was. I was not with the company in 1915. I presume that is correct.

By Mr. Hanson:

Q. What was your premium reserve then?—A. The premium reserve for that 100 per cent stock dividend, I believe it was—I think about \$500,000 as I remember. The rest was undistributed profit. But it is a fact, I think—this can be easily demonstrated by an accountant—I think the net result is that the shareholders have paid in more in premium reserve than they have taken out through the stock dividend. I think that is true.

By Hon. Mr. Euler:

Q. I think Mr. Ross stated that when they issued a \$100 share it was issued at a premium of \$200, and the workman paid \$300?—A. The shareholder paid.

Q. And the \$200 was credited to a premium reserve account?—A. \$200.

Q. And that was then drawn upon for the issuance of more stock?—A. Yes.

Q. I would like to ask whether that premium reserve account was increased, or was composed only of the premium that was paid, the \$200; or was that increased by undivided profits, I think you would call them, or by profits earned by the company which were later on issued to those shareholders? Was that reserve only on premium stock or was it increased by profits?—A. Both statements were true. A very considerable amount was premium reserve and the other was undistributed profits.

Q. They were all in the one account?—A. They were all put in the one account for the purpose of declaring this stock bonus.

Q. They were all in the one account?—A. They were all put in the one account.

Q. Mr. Ross, you stated that Mr. Clarkson had found that your company, over a period of years, averaged a profit of 8 per cent?—A. Yes, sir.

Q. A profit of 8 per cent on what?—A. A profit of 8 per cent on the capital investment, the money in the company.

Q. That is, actual money paid to you by the shareholders?—A. Yes, sir.

By Mr. McGibbon:

Q. Mr. Ross, can you tell us anything about by-products? The price of fuel oil, for instance, I imagine is regulated by the price of coal?—A. By the price of coal?

Q. I imagine so.—A. It is in certain places.