

and the par value of the ten thousand part-interests issuable by the Beauharnois Power Syndicate in respect of the acquisition of those assets.

Q. And is that reflected in the consolidated balance sheet, Exhibit No. 126? Is that \$1,000,000 of shares part of the \$1,179,000 Class "A" shares which have been issued?—A. No. The \$1,000,000 represents the par value of the part-interests in the Beauharnois Syndicate.

Q. They are taken over at \$1,000,000 at \$100 a share, and the actual net value of the book assets involved is \$261,000?—A. Yes.

Q. Those assets being transferred to other accounts?—A. Yes.

Q. Which leaves in this account a balance to be charged up to properties, rights and interest, of \$739,000?—A. Yes.

Q. For which the Beauharnois Power Corporation or its subsidiaries received no tangible asset?—A. Right.

Q. Then:—

Payments made to W. H. Robert et al under terms of agreements entered into by R. O. Sweezey and W. H. Robert et al under dates of February 3, 1927, and July 18, 1929, \$1,400,000.

W. H. Robert et al—Charges under terms of agreement entered into by R. O. Sweezey and W. H. Robert et al under date of July 18, 1929, supplementing agreement dated February 3, 1927, \$40,000.

So that the total received by the Roberts was \$1,540,000?—A. Plus 21,000 shares of stock, subsequently.

Q. Then the next item reads:—

Issue to J. P. Ebbs of 2,000 part interests (fully paid) of Beauharnois Power Syndicate in connection with the acquisition of all the Capital Stock of Sterling Industrial Corporation, \$200,000?

—A. Yes.

Q. Put down that item of \$739,000 and then take the \$200,000.—A. Yes.

Q. Then:—

Transfer from Preliminary Expenditure Account of the amount paid by Beauharnois Syndicate covering legal expenses as mentioned in the agreement entered into by R. O. Sweezey and W. H. Robert et al under date of February 3, 1927, \$5,100.82.

and the total figure shown is \$2,484,100.82?—A. Yes.

Q. The next item is:—

Beauharnois Power Corporation Limited and Subsidiaries

Amount paid to Beauharnois Power Syndicate December 17, 1929, as part consideration for the taking over of Assets and Undertaking of Beauharnois Power Syndicate, \$4,750,000.

Net book value of Assets acquired, \$2,500,000.

the difference being \$2,250,000?—A. Yes.

Q. Please take that figure. That, I take it, would represent, as you stated before, the difference between the book value of the assets and the amount of cash paid to the syndicate—is that it?—A. That is quite correct.

Q. Do not adopt my language unless you are satisfied that I am stating it fairly and correctly.—A. That is quite correct.

Q. The next item is:—

Discount of 10 per cent on issue of \$30,000,000 Beauharnois Power Corporation Limited six per cent Collateral Trust Sinking Fund Bonds due October 1, 1959, underwritten by Bankers at 90, \$3,000,000.

Take that figure, please. Then:—

Issue of 770,000 Shares Beauharnois Power Corporation Limited Class "A" Common Stock to Underwriters of \$30,000,000 Beauharnois