

Q. The cost to the consumer is based on the outstanding stock, on the par value of the outstanding stock—

By Mr. Donnelly:

Q. Between your stock and non par?—A. Non par, yes.

By Mr. Pettit:

Q. How many splits have there been, and what was the nature of those splits?—A. There have been, I think, three splits. There was also, as the company has grown and needed more capital—the reason for the split was because it was found a very practicable thing to get the stock somewhere in the neighbourhood of \$10 or \$25 so that the average housewife or the average workingman would buy two or three shares, the theory being that as soon as he bought those two or three shares he bought our products. But whatever stock bonuses there have been—I think there has been only one—have been due to the fact that we sell \$100 par value share to an existing shareholder—a \$100 par value share, and we charge him \$300. One hundred dollars of that goes into the capital account and \$200 goes into the premium reserve account, and over a period of years the premium-reserve accounts amount to sufficient so that you can split the stock and give a stock bonus.

Mr. McPHEE: Don't you think we are wandering far afield?

By Mr. Pettit:

Q. How many times has the value of the no par value been fixed?—A. I cannot quite follow you.

Q. There is no par value stock, and the directors fix the value of that when you sell your stock from time to time, upon which you pay dividend?—A. Take a stock of the par value of \$40 and split it four for one. The assumption is that it is worth \$10; but what it is worth is fixed by the public.

Q. The directors fix the value of the no par value stock?

Mr. HANSON: They do if they are issuing new stock.

WITNESS: If you issue a no par value stock, the department requires so much capital, so much a share. You follow government regulations.

By Mr. Pettit:

Q. I would like to follow the fluctuations of the stock and the nature of the split and then we would know and have some idea as to whether the price charged now is based on probably stock that has been given away?—A. There never was any given away. When the split was four for one—

Q. Perhaps not given away, but a certain amount of no par value shares have probably been given in addition to what has been paid by the purchaser.

Mr. HANSON: He said he had one issue of bonus stock which came out of the premium reserve.

WITNESS: There has never been any bonus stock.

By Mr. Donnelly:

Q. Supposing I had one share in 1910, how many shares would I have now?—A. That is a long way to go back.

Q. How many splits have you made since 1910?—A. There were two or three. It is only taking a dollar from my shareholder and giving him four quarters back. It did not take any more tangible wealth.