

Q. Yes?—A. Then when I saw him again he had—apparently the other retainer had worked its time out and he was free to act for us, and then I entered into a discussion upon the terms upon which he would represent us, and he asked a retainer that I thought was much too much, particularly as we were not sure of our ground up to that time. He asked a retainer of so much a year, which, as I remember it, was in excess of \$30,000.

Q. A year?—A. Yes. So I thought it was too much; but after quite a lot of discussion, I said that if our efforts were successful and the company were launched and going, it would not be so bad to pay that much, but if we did not succeed and I had to take it out of the pockets of a few members of the syndicate, it was difficult. However, by a compromise I agreed that if the thing got through I would much prefer to pay on that basis; if it went through I would pay him \$50,000., and a retainer for three years at \$15,000. To me it looked much easier to do so on the event of success than to do it regardless of the time and conditions we then faced.

Q. It always makes the lawyers work harder?—A. It is human nature to work harder at a price.

By the Chairman:

Q. In the event of failure, what was going to happen?—A. Well, he would have his expenses. At least I presumed that he would have to have his expenses. I did not make—

Q. You did not make any provision?—A. No. I was sure that he would charge us something for it.

By Mr. Lennox:

Q. When were you to pay the \$50,000?—A. I am not very clear just on how definite it was, but it was to be done at the time when everything would be approved in the way of getting what was necessary under the Navigable Waters Protection Act.

See also page A729 as follows:—

Q. And when you employed Senator Haydon and agreed to pay him \$50,000 that fee was contingent on the Order in Council passing?—

A. Yes.

The voucher itself, Exhibit No. 88, shows the payment of this amount by cheque of the Marquette Investment Corporation (which was the disbursing concern of the Beauharnois Company), of the 17th October, 1929. There is no account rendered and there are no details whatever filled in, in the voucher.

Mr. Swezey's explanation of this is contained on page A279. The only answer to these statements of Mr. Swezey is contained in the examination of Senator Haydon in response to his counsel, beginning at B188, wherein he denies that the retainer for his firm had anything to do with the passing of the Order in Council, and that it was, in fact, given for a gathering together of the various loose ends and putting this in the form of a financial company, which later became the Beauharnois Power Corporation (B190). He also states that the \$50,000 fee was arranged after discussion between himself, Mr. McGiverin, his late partner, and Senator McDougald. The evidence with respect to this is on page B239, from which the following is quoted:—

By Mr. Mann:

Q. What were the circumstances of that retainer, Senator Haydon? How did it come about?—A. Well, Swezey says that he—

Q. I do not want that?—A. That he talked to Mr. McGiverin in the fall of 1928. If he did I have no personal knowledge of it. I was away during a great deal of the fall of 1928.