

rate, full well that even though the property was that of the Province of Quebec, it could not be used without the consent of the Governor General in Council of the Dominion of Canada, and that he was at all times aware that when the Order in Council, P.C. 422 was passed his partner in Sterling Industrial Corporation, Henry, was the Deputy Minister of Railways and Canals, the approval of which Department was necessary in order that P.C. 422 should be passed.

Senator Andrew Haydon

Senator Haydon is a member of the legal firm of Haydon & Ebbs. His first connection with development in the Soulanges section appears to have come upon his being approached in 1924 by Mr. Henry with a view to the incorporation of a company whose purpose was to apply to the Dominion Government for the diversion of water from the St. Lawrence river for the development of power on the south side of that river. He had known Senator McDougald for several years prior to this time (B190).

He had discussed power projects with him previously in 1922 or 1923 and in 1924 incorporated for him the Carillon Industrial Corporation and had lodged applications for the development of power with the departments of the Dominion Government (B191).

The first actual connection of Senator Haydon's firm with the present Beauharnois project appears to have been in the fall of 1928; the first entry in the account of Exhibit 88 being on the 30th day of September of that year. The evidence in respect to the matter is found at A727 and is hereafter quoted:—

By Mr. White:

Q. You are already sworn, Mr. Swezey?—A. Yes.

Q. You have heard the evidence of the last witness?—A. I heard part of it, but not entirely.

The witness referred to is Mr. Ebbs of the Haydon firm.

Q. He says that by prearrangement his firm received a cheque for \$50,000 for legal services in connection with the Beauharnois Power Syndicate, and that you made the arrangement to settle that amount with a member of his firm?—A. Yes.

Q. Is that correct?—A. That is correct. I want to explain—

Q. Perhaps you will let me conduct the examination. With what member of the firm was the arrangement made?—A. Mr. McGiverin.

Q. What was the arrangement?—A. The arrangement was the result of much discussion. First I went to see Senator Haydon but he was not in, and I saw Mr. McGiverin. I asked to have his firm retained as my counsel and guide in Ottawa in our efforts to have our plans approved. He heard my story about what we were aiming at and explained that it would be probably impossible for him to act for us because he was already under retainer from somebody else whose interest he thought would clash with ours, but as that retainer ended soon he would know in a given time, which was a matter of a few weeks, as I recall it, whether or not he could act for us.

Q. Did he tell you who?—A. No; I only had my suspicion as to who it was.

Q. Sterling?—A. No. I understand it was the Shawinigan Company.

By the Chairman:

Q. Did you know anything of the Sterling at this time?—A. No. If I had, it did not mean anything to me.

Q. You did not know anything of McDougald's interest in Sterling?—A. In 1928, no.