

mittee are unfounded in law and unjustified in fact. They are a direct violation of his privileges as established by constitutional practice and the usage existing both in England and in Canada.

(2) It was entirely proper that in the year 1923 Senator—then Doctor—McDougald should have associated himself with Henry in business enterprises and that these should have included the possibilities of power development in the Soulanges-Beauharnois region, also that the expenses of the Engineering examinations should have been borne by Senator McDougald. Mr. Henry was supplying the knowledge and the work and Senator McDougald was financing him to the extent of \$10,000. Such conduct on the part of Senator McDougald is not merely not reprehensible but praiseworthy.

(3) On the 7th of May, 1924, or prior to his appointment to the Senate, Dr. McDougald was appointed as a member of the National Advisory Committee. It is clearly established that during all the time in which he acted on this Committee he evinced little or no interest whatever in the enterprises of Henry.

(4) Subsequent to his appointment as a member of the National Advisory Committee, Dr. McDougald was summoned to the Senate, being sworn as a member in December, 1926. On the 11th of January, 1928, the report of the Joint Board of Engineers was concurred in by the National Advisory Committee. An examination of this report and of the evidence of Mr. Henry and of Senator McDougald himself will show that it favoured a development on the north shore of the St. Lawrence. Senator McDougald has testified that up to this time he had given no consideration to any possible rights of the Sterling Company by reason of its applications, but even had he done so, the fact remains clear and uncontradicted that in concurring in the report of the Engineers adopted by the National Advisory Committee, he was acting adversely to any interests that might have belonged to the Sterling Company. The rights of the latter were limited to the south shore and they were adversely affected by the report in question, as a development of power on the north shore would necessarily have precluded any similar development on the south shore. The charges against Senator McDougald in reference to his conduct and motives as a member of the National Advisory Committee are entirely unjustified and unfounded.

(5) The first Beauharnois Syndicate was dissolved on the 4th April, 1928. Each member in this Syndicate had been given two units for every one held and had then the right to subscribe at par for a similar number of units in the Beauharnois Power Syndicate, which had been formed to replace the original Syndicate. The late Winfield Sifton was the holder of 800 units of the first Syndicate. He thus, by the arrangement mentioned, became the owner of 1,600 units of this Syndicate, with the right to subscribe at par to 1,600 further units in the second, or Beauharnois Power Syndicate. It was only on the 18th of May, 1928, that Senator McDougald acquired Sifton's rights. The manner in which these rights were acquired has been explained by Mr. Moyer, by Mr. Barnard, K.C., by Mr. Banks, and by Senator McDougald himself. Mr. Sifton was not merely repaid the amount of his investment. He was paid this amount, plus his out-of-pocket expenses, amounting to some thousands of dollars, receiving in settlement from Senator McDougald \$46,000 of Victory Bonds, which were then selling at a premium. This was an ordinary business transaction entered into long before the success of the enterprise was in any way assured and cannot call for any adverse comment. All payments made by Senator McDougald subsequent to the acquisition of the Sifton interests were made on exactly the same basis as were the payments by the other members of the second, or Beauharnois Power Syndicate.