

(2) It appears by the evidence that up to this time the total expenditure on Sterling account by Senator McDougald was about \$2,500.00 .

(3) It is then left with Senator McDougald to confer with Swezey on the subject; and it is settled between these two that Sterling would be taken over at that price.

(4) Later, on December 18th, 1928, an agreement was executed between Sterling and the Beauharnois Syndicate on the terms mentioned; but subject to the condition that Beauharnois application to the Dominion Government for approval of plans and site etc, should be approved on or before the 28th February, 1929. (910)

(5) The evidence given by Senator McDougald shows the profit which he and Mr. Henry eventually made out of this deal (see page 896) . Each of them received 1000 part interests in the Beauharnois Syndicate. For each of these part interests they received \$150.00 in cash, and in addition a bonus of 40,000 Class A Shares of the Beauharnois Power Corporation, Limited.

STATEMENT IN THE SENATE JULY 16TH, 1931.

59.

In his place in the Senate on the above day Senator McDougald referred to the sale of the Sterling Company to the Beauharnois Syndicate. He read to the Senate a statement which his Counsel had presented before the Special Committee of the House of Commons. The following is what he said about the sale of the company:

*Evidence has been made in connection with the sale of the assets of the Sterling Company with the apparent purpose of showing that Senator McDougald made undue profits in the matter, to the detriment of the Beauharnois Company. Mr. Swezey, on behalf of the Beauharnois Company, was the buyer and agreed to the price suggested by Mr. Henry for reasons which he considered good and sufficient; and as a matter of fact Mr. Swezey showed good judgment in purchasing such assets, as he thereby acquired for his