

no alternative, they had to say 'no'. So, I never thought that Ottawa had anything to do with the developments of any power in the Province of Quebec (Proceedings of the Special Committee of the Senate, page 135).

It is with this assumption, later confirmed by the Judgment of the Supreme Court, that the Senator took an interest in the Project.

The necessary authority from the Province of Quebec was obtained on the 23rd of June, 1928, when an emphyteutic lease was granted by the Lieutenant-Governor-in-Council, under the provisions of 18 George V (P.Q.) chapter 113.

Senator Raymond stated categorically, without being contradicted, that at no time did he attempt to exert his personal influence on behalf of this Project; that he never went to Quebec for that purpose; that the only help given by him was by investing his own money in the Syndicate. (Blue Book pp. 789 and 794.)

On the 4th April 1928, a second Syndicate, called the Beauharnois Power Syndicate, acquired the assets of the first, the consideration being two units of the new Syndicate for each one unit of the old Syndicate, with the right to unit-holders to subscribe for as many units in the new Syndicate as each already held therein at \$100 per unit, being the par value thereof.

The 800 units held by the Senator became, therefore, sixteen hundred units and in May 1928, the Senator exercised his right and subscribed for sixteen hundred further units, which, under his direction, were placed in the name of Mr. J. R. Lefebvre, his secretary and nominee. These units cost the Senator \$160,000 and his total investment became \$190,000 for the 3,200 units which he held. (Blue Book page 790.)

Shortly after, in July, 1928, the Senator sold to Mr. Simard, of Montreal, 2,000 units at \$100 each, i.e. \$200,000. From that amount the Senator was fully repaid of his investment, plus a profit of \$10,000 and he still retained 1,200 units, fully paid up, in the Syndicate. (Blue Book, page 791. Proceedings of the Special Committee of the Senate, page 132.)

Mr. Geoffrion's activities began at Ottawa only after that. These activities were purely legal and required no political influence whatever, as stated by Mr. Geoffrion himself before your Honourable Committee:—

We now come to the Dominion only for approval or disapproval under the *Navigable Waters Protection Act*. If we were right on that question, all the Dominion Government had to do was to get its engineers to report on the subject. If the engineers reported favourably, namely, that this was not an interference with navigation, they were bound to give us their approval. The decision is a judicial one. If they thought it was an interference they were bound to say no. That was a matter for the engineers almost entirely. I did not need to consult Mr. Raymond, because as an engineer I do not think he is of any use. . . . . All my activities were activities of a class that did not require any influence whatever. (Proceedings of the Special Committee of the Senate, pp. 26 and 27).

And the Senator said that he never went to Quebec or Ottawa for the purpose of helping this project, nor did he do anything whatsoever to "push the deal" (Blue Book, pp. 789 and 790.) (Proceedings of the Special Committee of the Senate, pp. 136 and 137). These statements are absolutely uncontroverted.

Later, a divergence of opinion arose between Jones and Swezey as regards the best method of financing this enterprise, and, on the 26th July, 1929, Senator Raymond, who shared Mr. Jones' opinion, gave an option to Mr. Swezey, through Mr. Jones, to buy the 1,200 units which he still held in the Beauharnois Power Syndicate and the option was taken up by Mr. Swezey who paid \$550 per share.

Mr. Jones had a proxy for about 6,900 shares including the Senator's 1,200. There were 351 shares left over. The Senator thought he would like to be con-