

With respect to this Senator McDougald says:—

Speaking for myself, I want to make a further positive and absolute denial of the implications and suspicions of the *Mail and Empire*.

The statement quoted above from the *Mail and Empire* clearly suspects that Senator McDougald is interested in a power scheme on the St. Lawrence River in the national section; this he denies, using the words "implications and suspicions of the *Mail and Empire*." At the time of making this statement to the Senate he was interested and a part owner in the Sterling Industrial Corporation which had made an application for the diversion of water in the Soulanges section for the development of power.

The whole statement of Senator McDougald made to the Senate on that occasion has all the appearance of one which was very carefully prepared and one is driven to the unescapable conclusion that, having regard to his ownership of Sterling, the statement made to the Senate is untrue. It might also be added that he had a further power interest, although not on the St. Lawrence, namely, his interest in the development of power at Carillon which has been hereinbefore referred to.

Then again on the 20th May, 1931, he made a further speech in the Senate, referring to previous speech made on the 19th April, 1928. A portion of which is as follows:—

"honourable members of the Senate, before the Orders of the Day, I rise on a question of privilege. According to the newspapers of this morning the honour and integrity of myself as a member of this House have been attacked in another place, and I desire to draw attention at once to a statement which I made in the Senate in April, 1928, regarding my position in the much-discussed Beauharnois Power Company. Newspaper articles had reflected on myself and other members of the National Advisory Committee reporting on the St. Lawrence waterways. It was insinuated that our decisions and recommendations were influenced by personal interests in power developments on the St. Lawrence. In this House I stated at the time that I had no interest in the Beauharnois Power Company nor in the syndicate. That was absolutely true and correct. I may say at once that up to that time I had been invited on many occasions to become a member of that syndicate, but had always declined. After that date I was asked again, and had the whole project investigated from every angle. When I was satisfied that it was a proper project for me as a member of this Senate, as a business man, and as a citizen of Canada, to take a financial interest in, I agreed to do so. Some six months later, in October, 1928, I took an interest in the Beauharnois syndicate, and was influenced solely by my business judgment.

I may add that I put into the syndicate dollar for dollar with every other member of it, and when it was dissolved I received my portion of the common stock in the new company, and my portion of the money distributed, as did every other member of that syndicate.

Now I have no apology to make for accepting the chairmanship of that company, nor have I any apology to offer on behalf of the company. I state at once that the men who had the vision and the courage to undertake the building of that great power canal, with all its potential advantages, should be commended instead of being condemned.

Then you went on:—

At the present moment the Beauharnois Power Company are employing 3,000 men on the site of the work—

and you recited the work they had been doing, and the sale of debentures, saying that part had been taken care of by the best legal brains in Canada. Then you concluded in this way—