

BRIEF SUBMITTED ON BEHALF OF HONOURABLE SENATOR
DONAT RAYMOND

MR. CHAIRMAN AND GENTLEMEN:

I

The report made during the Session of 1931 by the Special Committee of the House of Commons on the Beauharnois Power Project, which your Committee is instructed to consider and to report on does not, in its conclusions, contain any charge or censure against The Honourable Senator Donat Raymond.

Section 15 of said report contains, however, certain reflections or insinuations which are unjustified. I submit, with due deference, that nothing in the evidence adduced before the said Committee warranted these insinuations and that the additional information now in the possession of your Honourable Committee makes it abundantly clear that they were erroneous and unfounded in fact.

II

THE FACTS

Senator Raymond was invited by Mr. Jones and the Honourable Mr. Mitchell to join them in the Beauharnois Power Project early in the year 1927. After consideration, having confidence in Mr. Jones as a business man, he accepted and, on the 1st April 1927, subscribed for 800 part-interests or units in the first Syndicate, for which he paid \$30,000 of his own money (Blue Book pp. 787 and 788.) He did not know then who were interested in the Syndicate other than Jones and Mitchell. He did not know Sweezy and had no knowledge of his connection with the Syndicate.

These 800 units were placed in the name of "Le Crédit Général du Canada". The Senator had for some time adopted the policy of never allowing his name to be published in connection with any new venture. He was quite willing to gamble with his money, but did not want his friends to gamble on the strength of his name and, for that reason, always subscribed through a trust company or a broker. As a further instance of this well-established policy, the Senator referred to similar investments made previously, in which his shares were placed and are still held in his broker's name. (Blue Book pp. 788 and 789). This statement by the Senator is corroborated by Mr. Sweezy. (Ibid. pp. 644 and 645).

In the opinion of the Senator and of Messrs. Jones and Mitchell, this project was exclusively a matter within provincial jurisdiction. The hydro-electric power developed from the harnessing of the waters of the St. Lawrence River belonged to the Province and was among its natural resources.

Mr. Jones stated that the only question to be submitted to the Federal Government, in his opinion, was whether this project would interfere with navigation. If it did, leave to carry it out could not be granted. If it did not, leave could not be refused without interfering with Provincial rights (Blue Book p. 389).

Before the Committee of the House of Commons Senator Raymond said:

I did not feel that it (Ottawa) had anything to do with it, because it was in Quebec and not in Ottawa. (Blue Book page 789.)

and before your Honourable Committee:

I want to say that, as far as the Beauharnois is concerned, right from the beginning, I did not think that Ottawa had anything to do with it, and I was led to believe by our Counsel, Mr. Geoffrion, that, as far as Ottawa was concerned, they had to say 'yes' to grant it, if it did not interfere with navigation; and if it did interfere with navigation, they had