

By Mr. Smith:

Q. Here is the purport of my question. I put it to you in this way: In the conversations that you had in the presence of Senator Haydon and Senator McDougald, both being there at the same time (that pleases you, I am sure), just what was urged on their behalf (I leave out the objectionable word boost), in persuading you to pay 2,000 part interest for this corporation with no intrinsic value - ?

A. The main argument was one of technical merit, as, being ahead of our application; and I don't know just how I got to believe, but I did believe, or thought, that there might be other people in it whom they thought it would not be fair to drop out and leave them unprotected while they were coming in with us; and whilst I am not clear as to whether they actually said that or not I was given that impression - that the merits of their arguments were that they were not alone in the matter that others might be with them. I did not know how many shareholders there were in this, and I didn't find out until after the purchase was made.

The foregoing is

~~Before going into conclusion in a general way,~~
the history of the sale of Sterling Industrial Corporation and the purchase of the Sifton interests in so far as the same are disclosed by the evidence, ~~we~~ now turn to the public utterances and actions of Senator McDougald relating to this power development.

On the 19th April, 1928, which was just a month, less one day, from the time he admits he made the Sifton purchase, Senator McDougald made the following speech in the Canadian Senate:

Mr. SMITH: ----

You said this: A 167.

Honourable gentlemen, I desire to make a statement on a question of privilege, and to give an absolute denial to certain newspaper implications reflecting on my honour and integrity, both as a member of this honourable body and as a private citizen.

The Toronto Globe of April 18 prints a despatch from its Ottawa correspondent, dealing with the bringing down of correspondence between the Canadian and United States Governments on the subject of the St. Lawrence waterways, in which it says, amongst other things: