

Senator McDougald was only one of the twenty-five members of that Committee which at the conclusion of its efforts merely recommended "that the Senate at the beginning of the next Session of Parliament should consider the advisability of again appointing the Special Committee to continue its inquiry,"—a recommendation which was never acted upon.

We would also refer to paragraphs 19 and 20 of the Report of the Commons Committee:—

(19) Further in his speech on the 20th May, 1931, Senator McDougald said: "I might add that I paid into the Syndicate dollar for dollar with every other member of it."

(20) As previously pointed out in this Report, Senator McDougald, Senator Raymond and Mr. Frank Jones, bought their units in the first Syndicate for many fewer dollars per share than any other of the members, except possibly Mr. Sweezey who got some of his for a consideration other than cash.

The suggestions of these paragraphs are denied. Senator McDougald was never a member of the first or original Beauharnois Syndicate, this having been dissolved on the 4th of April, 1928, and his original investment having been made on the 18th of May, 1928, when he purchased Mr. Sifton's interests in the Second Syndicate. This the Committee of the Commons well understood, as will appear by paragraphs 3, 3a and 4, under the heading of "Corporate Organization," which are as follows:—

(3) The units subscribed for in the name of "Le Crédit Général du Canada" were subscribed and held for Senator Donat Raymond.

(3a) 1,000 of the units in the name of Newman, Sweezey & Company Limited, were held for Frank P. Jones and 50 for Fred M. Connell. The Honourable Walter G. Mitchell had a half interest in Mr. Jones' holdings.

(4) The units in the name of L. Clare Moyer are said to have been subscribed on behalf of the late Winfield Sifton. Senator Wilfrid McDougald states that on the 18th of May, 1928, he agreed to acquire them, the transaction being completed about the end of that month.

As Senator McDougald was not connected with the first Syndicate and had paid into the second Syndicate dollar for dollar with every other member in it, the suggestion to the contrary is unfair and improper.

In like manner Senator McDougald resents the statements of paragraph 9, of the report of the Commons Committee, in regard to the transfer of these units, this paragraph reading as follows:—

(9) In the meantime, however, namely on the 2nd October, 1928, these had been transferred from Mr. Moyer to Mr. John P. Ebbs, a member of the Haydon firm, by reason of some instructions from Senator McDougald, about which there seems to be some insolvable mystery, and about which there need not have been any mystery at all if the transactions were an ordinary business one.

This statement is peculiarly malicious in view of the evidence of Mr. Ebbs, a member of the Ottawa Bar, who testified to the effect that the shares in the new Syndicate had been purchased with Senator McDougald's money and who later said at page 723, in answer to a question by Colonel Lennox:—

Q. There seems to be an awful lot of mystery about McDougald?

A. There is no mystery as far as I can see. These shares of Senator McDougald were placed in my name. I gave Senator McDougald Declarations of Trust immediately.