why Mr. Starr's accound should be paid by the Company and in what capacity Mr. Starr was appearing, may perhaps be taken as a general comment of his lack of frankness in connection with the whole matter of the inquiry, because the record of the Commons Committee, particularly the statements of Mr. Starr as in what capacity he was appearing; the statement made to the Senate by Senator McDougald as to refusing to appear before the Commons Committee, are eloquent and conclusive of the fact that Mr. Starr was appearing for him in his personal capacity and not as chairman of the Beauharnois Power Corporation.

- 28 -

091483

In conclusion, Senator McDougald made a private 9000 of \$445,475 and 168,000 class "A" shares from the Beauharnois enterprise, all of which came to him without the investment of one single net dollar; from public subscription from the people of Canada; while he was a Senator of Canada, in duty and honour bound to protect the interests of the people of Canada. (Pages A184-85-86) And the fact that he was thus prominent and a close friend and adherent of the Government of the day throws some light on his statement on page A186 when he took "A political gamble". Again it should be emphasized that he did all of these things believing, at least, that the property from which he made his money might have been the property of the Dominion of Canada, as evidenced by his application with Henry through the Sterling Industrial Corporation for that property and knowing, at any rate, full well that even though the property was that of the Province of Quebec, it could not be used without the consent of the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 150)

## PUBLIC ARCHIVES ARCHIVES PUBLIQUES CANADA