

with the Federal Government should result in authority to divert 40,000 c.f.s. of the river St. Lawrence. Between the 4th April and the month of October, 1928, Mr. L. Clare Moyer subscribed to the second syndicate, the Beauharnois Power Syndicate, for 1,600 part interests. That would be the additional equivalent of the original 800 which he had in the first syndicate. All the members had that right to subscribe at \$100, and Mr. L. Clare Moyer did subscribe for another 1,600, undertaking an obligation of \$160,000, of which ten per cent was payable.

On the 28th of October, 1928, one of the honourable Senators mentioned in the inquiry took over by an agreement all of the Moyer interests—that is to say, he took over 3,200 part interests in the syndicate, which Moyer states in his evidence had been subscribed for on behalf of Mr. Sifton. In any event, the honourable Senator stated in his evidence, and before the Senate, that in October, 1928, he did take these over—and there is no doubt about that—in the form of a transfer direct to him of these part interests, which later on became cash and stock in the Beauharnois Power Company. The honourable gentleman said that on the 18th of May he had paid Mr. Sifton for the shares. The method of payment, I think, was said to be in bonds through Mr. C. A. Barnard, if I remember correctly. They were taken over on the 18th of May, and formally and documentarily taken over in October.

The Sterling Industrial Corporation, the creature of Mr. Henry comes into the picture in December, 1928. You will note that all this time the application of the Beauharnois Light, Heat and Power Company was before the Government and met with more or less varying success. It is my duty to invite your attention to Exhibit No. 75, an agreement between the Beauharnois Power Corporation of the one part and John P. Ebbs of the other part, and one Lyla Brennan, of the city of Ottawa, stenographer in Hon. Senator Haydon's office, of the other part. That is a trust agreement whereby the 2,000 part interests in the Beauharnois Power Syndicate which had been issued for the shares of Sterling Industrial Corporation in October, 1928, were to be acquired by the Beauharnois Power Corporation. These five shares were to be handed over to Miss Brennan to be held by her, as trustee, and the consideration for the purchase of these five shares, that had been issued and lain dormant was 2,000 part interests of Beauharnois Power Syndicate. That agreement was made upon the condition that Beauharnois Light, Heat and Power Company's application before the Governor in Council was approved. The condition is:—

If the said application of the said Beauharnois Light, Heat and Power Company for the approval of its plan and site be not granted by the Dominion Government on or before the 28th day of February, 1929, then the trustee shall return to the said Ebbs and/or his nominees the share certificates of the Sterling Industrial Corporation Limited and the said Marquette Investment Corporation—

that was a Trustee Corporation formed by Swezey for the purpose of dealing in securities and finances of the Beauharnois Power Company.

—shall be no longer entitled to issue the said 2,000 part interests or any part thereof or certificates in virtue of this agreement and of the said resolution.

The sale was subject to the passing of the application of the Beauharnois Light, Heat and Power Company.

Now, just prior to the 8th of March, 1929, there was an invitation issued to all the interests who chose to discuss the application of the Beauharnois Light, Heat and Power Company, and you will find in Exhibit 1-A that at that meeting Mr. Aimé Geoffrion, K.C., who was acting as counsel for the Beauharnois Light, Heat and Power Company, in view of the protests put forth