

also evidence of Sweezy bottom of page B47 and top of page B48, and where he also speaks of arranging the purchase price with Senator McDougald, page B46, from which the following is quoted:—

*By Mr. Smith:*

Q. Some of these discussions, Mr. Sweezy—would you be good enough to tell me if you had any conversations with Senator McDougald about the things we have been lately discussing?—A. It is pretty hard to recall. I know we had a great many as to what value should be ascribed to this Sterling Company, and I think as Mr. Jones was with me, and he is a very astute trader, I am pretty sure that he used all the argument that should have been brought forth at the time.

Q. We will assume then that you did the best you could. In other words, I presume you were not exactly giving this thing away; you were trading as best you could, and that was the best price you could get from these gentlemen with whom you were dealing?—A. Yes.

One should also read the following quotation from page B47, whereby it appears that Sweezy was given the impression by Senators Haydon and McDougald that there were other persons interested, whom he ought to remove, when, in fact, there were no others interested except Senator McDougald and Henry.

*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 interests 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 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 (B165):—

MR. SMITH:

You said this:

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.