

"We have, however, had some more corroboration lately from Premier Henry," Mr. Sinclair continued. "He throws some light on the matter; he says: 'The Government has full and complete reports on the Madawaska \$50,000 Aird payment, on the D. P. & T. C. purchase, and the \$125,000 payment to Aird.' As a result of this information the Government grants a Commission on the first two, but refuses one on the \$125,000 payment to Aird. The Premier says: 'This matter never had anything to do with Hydro.' Swezey says it was a contribution to Ontario Conservatives. Griffith says the same. But the Premier says it has nothing to do with Hydro, and so the Aird evidence stands entirely discredited and the Premier corroborates Swezey and Griffith. The evidence

of Swezey and Griffith was accepted in regard to all other contributions and can now be accepted in regard to this. This is the only conclusion any one can come to. Without a Commission to investigate it, the conclusion that it is a political contribution will become fixed."

No Cash Handouts "for Fun."

"Swezey was not handing out money for fun," he went on. "He paid \$864,000, of which \$739,000 was contributions for political purposes. If so, why was not the \$125,000 in the same class, in view of the statement of Premier Henry that it has nothing to do with Hydro? Aird could not get this money unless he represented some one; Swezey is not such a fool as to give the money away just because John Aird Jr. walked by. The Premier must know all about this; he says he was investigated."

Mr. Sinclair then referred to Page 780 of the Beauharnois inquiry evidence, in which Mr. Hogg's name is mentioned, and to Page 1,032, where the payment of the \$125,000 is indexed as being "to the Ontario Conservative Party, through John Aird Jr."

Mr. Nixon—Did he keep any of it for himself? About \$400?

Mr. Sinclair—I don't know.

Mr. Henry—He was no piker, like the President of the Liberal Party. Read the evidence and you'll find out.

Mr. Sinclair — Are you sorry he didn't get more?

"Surely," Mr. Sinclair said, "if anything should be investigated by a Commission, this transaction should, for the good of all concerned."

Election Year Purchases.

Discussing the purchases of power, extensively carried on by Hydro since 1926, Mr. Sinclair commented: "Election years seem to be favorite years for buying power."

"The 1930 report of the Hydro-Electric Power Commission," Mr. Sinclair said, "states three reasons why this policy is followed: (1) The delay in the St. Lawrence development; (2) inability to get more water at Niagara; (3) Georgian Bay Canal Company charter prevented development of Ottawa."

Mr. Sinclair asked whether the St. Lawrence delay was attributable to Federal obstacles only. He asked whether Ontario had been as alive as Quebec is on the subject. He asked whether Hydro had pressed for recognition of its rights on the St. Lawrence. There had been no publicity about it to create an Ontario policy. Ontario Hydro, he said, by adopting an Ontario policy, could have forced the issue at Ottawa. The Niagara treaty referred to was rejected only in January, 1931, by the United States Senate, and the Georgian Bay Canal charter was cancelled in 1927.

"The Commission's report says: 'Confronted with such circumstances and restrictions, the Commission in 1926 embarked on a purchase plan.'" Mr. Sinclair then outlined the different purchases, amounting to 891,000 horsepower, and called particular attention to the peak purchase in 1926 of 260,000 horsepower, and in 1929 of 346,000 horsepower, both of which were election years.

Survey of Purchases.

He said the rejection of the Niagara water treaty in 1931 could not be adduced as an argument for the purchase of 766,000 h.p. before that date, and hardly as a reason for the purchase of 125,000 h.p. one month after the rejection of the treaty. He further said that the Georgian Bay

Canal charter could not be used as an argument for purchase after 1927. Yet after 1927 the Commission had purchased 571,000 h.p. That also fails, he said, as an argument for the purchase of power. Further, Mr. Sinclair said that 475,000 h.p. had been purchased since the stock market crash in 1929, when it was plain that the country would have to go slow some considerable time. Yet, in the face of this, these tremendous purchases of power were made, and it was the purchase at these times, and in such large quantities, that constituted cause for an inquiry regarding the whole system of purchase of power by the Hydro-Electric Power Commission.

"The Commissioners should be obliged to give absolutely valid reasons for purchase, and that purchase should be made at the cheapest rates obtainable," Mr. Sinclair declared. He went on to prod the Chairman of the Commission, in sarcastic tones, for his "schematic plan" to develop 590,000 h.p. in Northern Ontario. Mr. Sinclair commented that nothing had since been heard of this project.

Demands Three Judges.

"I say, both in regard to the John Aird Jr. payment and to the purchase of these blocks of property, that we require a Royal Commission to investigate," he said. "By this I mean a special committee of three Judges—I would be satisfied with any now on the Bench—and also counsel, appointed by Hydro, to produce witnesses and records, with the right to cross-examine Hydro witnesses, and to be paid by Hydro or by the Government if the complaints are at all founded." He added that this would render the Commission independent

of all parties, counsel or witnesses, and make it purely judicial.

"There should be counsel for Hydro appointed by Hydro," he continued, "and there should be counsel for complainants. The facts they claim to have marshalled should be laid before this tribunal of three Judges in the clearest way possible."

"Its function," he declared, "will be purely judicial—and that should be the only function of any true Royal Commission. No other form of Commission will do, no other form of Commission will satisfy the people of Ontario or will do justice to the situation."

"There is no use of the Government's appointing any Commission which does not go so far as I have indicated here," he concluded. "It would put complainants on trial. If they failed, it would establish Hydro beyond suspicion. Failure to grant such a Commission will shake all faith in Hydro. Better to have no Commission at all than one falling short of these requirements." Stating that the Government would likely delay, he added: "But there will be a Commission, if they delay, if they refuse—and that will be after the next Provincial election."

Mr. Nixon Speaks.

On continuing the debate, Mr. Nixon remarked that he was pleased to associate himself with Mr. Sinclair in support of the Liberal amendment, and was met by Premier Henry's comment: "Getting a bit closer than you were yesterday afternoon."

"Yes," smiled Mr. Nixon, "and I want to say how pleased I am that the opportunity offers."

"In regard to the Hydro inquiry," the Progressive Leader went on, "let me say most emphatically that, if the Government cannot see its way clear to refer all the demands in the amendment to the Commission, the scope of the Commission should at least be widened sufficiently to include the payment of \$125,000 to John Aird Jr., engineer, of Toronto, by the Beauharnois Company for services rendered, as he swore, in securing for them a contract from the Ontario Hydro Commission. The Premier in his statement to the press said: 'It is simply a matter of Aird having put one over on Swezey, and having secured the \$125,000 payment for doing nothing about getting a contract; and, further, the alleged payment of \$125,000 to Mr. Aird had nothing to do with the Hydro Commission.' This is a Hydro inquiry, and nothing else. As for the alleged part of it, I think

this House may safely assume that the payment was made. Both Mr. Swezey and Mr. Griffith of the Beauharnois Company swore they gave the bonds, and Mr. Aird swore he received them. The Premier cannot pass this off with a casual wave of the hand and say Aird put it all over Swezey. Aird swore that he performed very definite services; in fact, that he got the contract and that his commission was fifty cents per horsepower, or \$125,000 in all."

Press Clipping Quoted.

"He never spoke to Hydro about it," interjected Premier Henry.

"Hydro may not have known about it," retorted Mr. Nixon, "but they already knew Aird."

Mr. Nixon produced a press clipping crediting the Premier with a statement to the effect that "Aird put it all over Swezey." Surely, said Mr. Nixon, the Premier did not appreciate, in his statement, the aspect in which he had put his own Commission in their relations with Aird as an "intermediary."

"If Aird," said Mr. Nixon, "put it all over the Swezey-Beauharnois outfit to the tune of \$125,000, what must he have done to my honorable friend, who, unfortunately, is not in the House, the innocent and unsuspecting farmer (Hon. J. R. Cooke, Hydro Chairman) from the hard scramble of North Hastings, when the tune was only \$50,000? If Aird gave satisfactory service for value received in the one case, why shouldn't we assume that he did so in the other, and the two are so closely co-ordinated that I do not see how the Commissioner should exclude the one in dealing with the other."

Extracts From Evidence.

After reading extracts from evidence taken by the Dominion Parliamentary committee on Beauharnois Mr. Nixon said:

"If Aird swore falsely in these matters, as we must infer from the Premier's statement, then it would seem to me that the Attorney-General has a very definite duty to perform, because, if perjury were committed, it was committed in Ontario. When Aird and Magrath and the present Hydro Commissioner and the Hydro officials

are before the Commission, under oath, why shouldn't this matter be cleared up. The Premier seems to be satisfied in his mind, but the public is not satisfied. He has a duty to perform to see that this Legislature and the people of Ontario are satisfied as to the actual situation.

"If the Premier does not care to permit this Commission to investigate Mr. Swezey's story of political contribution, that is quite another matter. If the Grits at Ottawa can't clear that up, they can stay in the Valley of Humiliation. Some one else will take their place and save the country from the disastrous and ruinous Tory policies under which we are now suffering. So I say again, Mr. Speaker, that this phase of the Beauharnois contract should very properly be included in the inquiry, and the Commission, as given to Hon. Justice Middleton, should be amended, and its scope enlarged to that effect. The Premier would be well advised to make a complete clean-up of these astounding contracts and purchases. No matter what comes out of the inquiry, I do not see that it reflects against his Administration, except in so far as he and several of his Ministers were an adjunct of the last Administration, which every one knows as a one-man affair.

"Parading in Silk Pants."

"I regret that all this grief should have descended upon the bare and benevolent head of my honorable friend, for whom we all have the greatest respect and esteem. The man who should be sweating over this is our friend who is parading in silk pants before the King, many thousands of miles away.

"As for these other amazing contracts and purchases, two of them, Madawaska and the Dominion Power and Transmission, purchased for \$22,000,000, have been referred to the Commissioner, and I presume are sub judice as far as discussion in this House goes at the present time. If I am correct in this, I will certainly not attempt to discuss them. I do not know just how close an interpretation you intend to apply to the rule governing this matter, Mr.