

News of Hamilton, asking for donations. These were all referred to Commissioner Maguire, and the books of Municipal Underwriters show that payment was made under authority of a minute of the Commission dated Feb. 22, 1934, as follows:

May 3, 1934—\$250, to Canadian Labor Press Toronto.

June 1, 1934—\$250, to Labor Leader, Toronto.

June 26, 1934—\$100, to Labor News, Hamilton.

Oct. 2, 1934—\$250, to Canadian Labor Press, Toronto.

Nov. 23, 1934—\$250, to Labor Leader, Toronto.

Total, \$1,100.

"Money was distributed for propaganda of a highly political nature, published within the twelve months preceding the Provincial general election. The articles published in the Labor Leader, by Mr. R. J. Stevenson after the proofs had been submitted to Mr. Cooke are a good example.

"There are mysterious ways of doing things which only those who belong to secret societies can be expected to understand, so I am quite at a loss to appreciate the curious manner in which payment was made for this article. In June, 1933, Mr. Stevenson saw Maguire in the latter's office, and Maguire slipped Stevenson an envelope containing a cheque for \$250 on the Municipal Underwriters Limited bank account. Fancy the shock which Mr. Stevenson must have experienced when he opened the

envelope and found \$250 in cold cash.

"There just slipped into my mind without any particular reason the words of Bret Harte: 'For ways that are dark and for tricks that are vain, the heathen Chinese is peculiar.' I want it understood that these words have no application to Commissioner Maguire.

"It is not unnatural, however, that Mr. Stevenson should have found himself again in the office of Commissioner Maguire, and strange to say, the same pantomime was re-enacted. Mr. Maguire slipped Mr. Stevenson another mysterious envelope and Mr. Stevenson was again shocked to discover that inside it was a further \$250.

"J. B. Buchanan of Ingersoll took an active part in the Provincial election campaign, posing as a disinterested friend of Hydro, and attacking the Liberal Opposition. Secret payment of \$3,650.55 was made by Mr. Maguire to Mr. Buchanan out of the funds of Municipal Underwriters' Limited. Between Nov. 2, 1933, and March 28, 1934, these cheques were issued to Mr. Maguire, were cashed and the money paid to Mr. Buchanan. Mr. Maguire says 'in order to avoid disclosing the identity of the publicity man employed.'

"For the year ending March 31, 1934, the Municipal Underwriters Limited paid out a total of \$10,750.55, to Ontario Municipal Electric Association \$6,000.00, and for so-called publicity, \$4,750.55.

"The minutes of the Commission for Jan. 27, 1934, record that, 'Mr. James Simpson, representing the Publicity Committee of the Ontario Municipal Electric Association, presented a resolution on behalf of the Association respecting a proposed publicity campaign, and authority was given to set aside an appropriation of \$25,000 for this purpose; all accounts in connection therewith to be submitted to the Commission for its approval.'"

"Four large advertisements were prepared by the Chief Engineer, Mr. Gaby, and were published in the name of the Ontario Municipal Electric Association. The advertisements stated that they were a 'series of official announcements by the Ontario Municipal Electric Association representing the municipalities who owned the Hydro-Electric System of Ontario.' Each advertisement contained the names of the Publicity Committee—Controller James Simpson of Toronto, Frank L. Mason of Oshawa, and T. W. McFarlane of London, and the first advertisement contained the names of the entire executive of the Ontario Municipal Electric Association. These advertisements were of a highly political character, in that they justified the purchase of power from the East-

ern Quebec companies, and they were given the widest publicity in over 100 papers, commencing in June, 1934, and continuing to June 14 of the same year—the election being on the nineteenth.

"The sum of \$20,431.16 to Norris-Patterson & Company, Limited, an advertising agency, was made by the Commission, not directly, but by cheques to the Publicity Committee of the Ontario Municipal Electric Association, and were charged by the Hydro-Electric Power Commission to 'Overhead Operating and Expenses,' and the amount was added to the cost of power supplied to the municipalities. Then, to rather cap the climax of misuse of Commission's funds for political purposes, a broadcast entitled a 'Challenge to the Enemies of Hydro' was made on June 16, 1934, by Controller James Simpson, and was paid for in the amount of \$500 out of the funds of the Hydro Commission,

to be charged to the cost of power to the municipalities.

"Perhaps," concluded Mr. Roebuck, "the last touch of irony contained in this story of mis-appropriation of Commission's funds for personal benefiting by the individuals concerned and abuse of power for political purposes, lies in the fact that the present Commission has recently been obliged to pay, for insurance placed by Municipal Underwriters, and for which no funds were available for payment, the sum of \$1,669.88.