

## *The Auditor General and the Davis Contract.*

**A** MOTION was made in the House of Commons by the opposition in favor of granting additional powers to the auditor general. This motion was objected to by the government on the ground that it was uncalled for, unnecessary and inexpedient. The Minister of Justice made the statement twice and it was not contradicted that the opposition could not point to the expenditure or loss of a single dollar of public money due to any lack of powers on the part of the Auditor General. He went further than this and gave a very excellent illustration to the House of the extremely wide powers possessed by the Auditor General. The example was contained in the Davis contract for the lighting and operation of the Cornwall canal. This contract was entered into by the late Conservative government. It was redrawn in 1900 by the present government, and in this new contract smoked a scandal. He determined to question the validity of the contract, the cost of the service to the contractor, and a number of smaller matters of little account. For this purpose he retained the expenses of Mr. A. B. Aylesworth, K.C., and of special engineering and electrical experts, besides examining the engineer of the Department in charge of the canal.

The Auditor came to the conclusion that the new contract had been so changed as to "throw away every safeguard which had been provided with so much labor and forethought." To him the transaction was "inexplicable" and "the loss by acting on the agreement of 1900 instead of on the agreement of 1896 will be \$1,000,000."

This was a most serious indictment, and no wonder the press wrote it up under scare headlines. The very fact that the

new contract was made for 84 years instead of for 21 as in the original contract seemed to indicate a great pull on the part of the contractor.

But what were the facts?

When the thing came to be thrashed out in parliament it was proved that the original lease was for 84 years and that there had been no such extension as alleged. The extraordinary feature of this was that the part of the lease called the terms and conditions annexed to the lease was omitted by the Auditor General from his printed copy of the lease. The Minister of Justice also stated that the new contract did not differ from the old in respect to any one of its features. The original contract sets forth that the contractor is to supply such number of lights and such electrical power as determined by the government engineer. The new contract simply fixed the number of lights and amount of horse-power. The Opposition were amazed at this statement of the Minister of Justice, which pricked the bubble of the Auditor General completely. It is substantiated by the distinguished legal advice which the Auditor General himself obtained. Mr. Aylesworth, under date of June 14th, 1902, said:

"This agreement of Oct 18th 1900 in fact amounts to nothing more than the fixing of the quantities of the electrical horse-power and electric light the contractor is to supply."

On the evidence therefore offered by the Auditor General himself the new contract instead of making such change as to involve the loss of \$1,000,000 simply fixed the number of lights and the amount of horse-power to be supplied.

The Opposition, relying on the state