

was in office at the time and for some years afterwards, and who would have direct knowledge of the facts, refused to pay his bill unless credit was given for the \$175.

Some time towards the close of December, the managing director of the 'Leader' Company (Limited), had a conversation with Mr. Scott, in which the latter referred to the contract made between them, to the fact that Mr. Hamilton had asked for the price, but he (Scott) never indicated that he regarded it as asking for tenders, and he expressed a wish that the copy might come along.

On February 3, 1896, Mr. Scott wrote a letter to the managing director at Ottawa, referring to the arrangement made between them to print these reports, complaining that they had not yet come to the office, and suggesting that the managing director might ask 'pertinently why they are not printed.' In the summer of 1896, Mr. Scott having then received the copy, and having repudiated a written contract binding that 'Scott will in any event until after the next general election, and therefore until after the expiration of the balance of the said term of three years . . . support, with the paper he shall publish in Regina, and which shall be called the 'Leader,' to the best of his ability, Davin and the Conservative party generally, and will during that time give Davin full control of the first two editorial columns of said paper,' told the managing director of the 'Leader' Company (Limited), that he did not intend to abide by his contract to allow the credit of \$175; but he gave no such reasons as appear in Mr. Smart's letter, but reasons which admitted the contract to allow the \$175. On the face of the documents inclosed by you, it is quite evident that nobody ever heard of this supposed contract connected with the inquiry of Mr. Hamilton in December, 1895, until after there was a change of government; that Mr. Scott presented his bill for the full amount to the lieutenant-governor and payment was refused unless \$175 was allowed, and, therefore, the supposed contract was repudiated by the only party who could make a contract; that no such contract would be acknowledged or regarded as having any foundation whatever was additionally shown by the fact that the legal adviser was told to offer Scott, and did offer him in legal tender, the balance of \$85. The second paragraph of Mr. Smart's letter is incorrect. I inclose you a copy of my reply to the letter of the 16th of August. In the third paragraph of Mr. Smart's letter we are told that a decision had been come to that Mr. Scott was entitled to be paid \$250. The statement made in the eighth paragraph, that Mr. Scott tendered, and that the tender was accepted, is not correct. The official reporter says it is not correct; the lieutenant-governor, who alone at that time had authority to make a contract, repudiated it in the most formal way; Mr. Scott seemed to have no knowledge of such a contract until the summer of 1896. In paragraph 10 we are told: 'It was therefore decided that no value whatever had been given at the time of payment, or was given after payment, to the 'Leader' Company (Limited), for the amount of \$175.' This is not true. The value given by the 'Leader' Company (Limited), was to keep a staff under pay, which it would otherwise not have kept on, ready to do the work from the 12th of December right on until August, 1895, when it sold its property. The statement in the 11th paragraph has been shown cumulatively to be untrue. By the 12th paragraph it is assumed that no contracts whatever were or could be made by the corners of the written agreement. This is an absurdity on the face of it, and is contrary to fact; witness

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the agreement already described; witness dozens of arrangements in regard to subscribers, &c. I consider that the payment advised has been improperly made, and I think the following facts should have made Mr. Smart leave Mr. Scott to his proper remedy if he had a just claim, where it could have been thoroughly sifted. Mr. Scott is not merely the editor of the Liberal organ, but is the known and avowed distributor of patronage for Western Assiniboia.

Mr. P. McAra, jr., of Regina, is administering the estate of the 'Leader' Company (Limited), and there are ample funds uncollected to meet any claims against the company.

I am, sir, your obedient servant,

N. F. DAVIN.

I do not intend to pursue this matter further at this time, because I think it is better to wait until we have the report of the committee. But the facts are now sufficiently before the right hon. the Prime Minister, and he will be able to judge whether a proper use has been made of the Committee of Public Accounts in regard to these matters.

Mr. T. O. DAVIS (Saskatchewan). It seems to me that this is not a proper time to bring this matter forward and discuss it, for the reason that the case is still before the Public Accounts Committee. The hon. gentleman from West Assiniboia (Mr. Davin) has treated us to a rehash of his own letter and some portions of the letter written as I understand, by Mr. Smart, to the Auditor General. That \$175 should have been paid to the hon. gentleman without any work being done then or for several months afterwards appears to me a very strange way of doing business. I do not think that governments generally do business in that way. I understand from the letter the hon. gentleman quoted that the lieutenant-governor of the North-west Territories of that time sent for the manager of the Regina *Leader*. I suppose I am not at liberty to say what took place in the Public Accounts Committee, but I can refer to what I have seen in the newspapers. This letter to which I have referred says:

His Honour told that person that he intended to have the accounts of reports of 1894 published forthwith, and volunteers to advance \$175.

As I understand the newspaper reports, they say the ex-lieutenant-governor of the North-west Territories, when placed on the stand, flatly denies that he sent for the manager of the Regina *Leader* Company.

Mr. DAVIN. Then, newspaper report is not correct, for the ex-lieutenant-governor did not flatly deny it.

Mr. DAVIS. According to the newspaper reports, the ex-lieutenant-governor said that he did not send to the managing director of the *Leader* Company to offer him this work, the managing director of the *Leader* Company came to him.

Mr. DAVIN. If this is to be gone into, I have here the sworn evidence of ex-Lieutenant Governor Mackintosh.