

Now, mind, not for engraving the plates but for printing the notes.

Seeing there is such a manifest difference between the two tenderers on this item, the undersigned thinks some inquiries should be made through some expert, and he would suggest that the matter be submitted to the Queen's Printer, in order to ascertain whether the tender of the American Bank Note Company is one that can be carried out successfully, seeing they may have tendered at the unremunerative price in order to secure a foothold in the country.

Now, that is a very pregnant remark, and why is it made. It is made from previous knowledge. The Deputy Minister goes on to say :

In connection with the foregoing the undersigned begs to point out that at the time the present contract was entered into, full and explicit inquiries were made as to the rates of the American Bank Note Company, and also as to the charges made by the British American Bank Note Company to the chief monetary institutions in Canada ; and in one case the department was allowed access to the bills rendered for printing notes for the institution in question by the British American Company. The result of the inquiries proved that the rates charged to the Government for this class of work were in no sense larger than for the institution in question, and were not then higher than the rates quoted by the American Bank Note Company. The account rendered to the institution in question is now in the possession of this department. It can hardly be possible that since the present contract was entered into prices for the work have fallen to such an extent as the rates offered by the American Bank Note Company would lead one to believe. Indeed, from the tender of the present contractors, it would appear that it was found necessary to raise the rates in some lines in the offer now submitted. Accordingly, it would appear that other reasons exist than those pointed out inducing the American Bank Note Company to tender at rates so much lower than now paid.

Before entering into a contract with this company, if it be intended to do so, the undersigned respectfully suggests that care should be taken, and a distinct understanding arrived at, that no safeguard observed by the present contractors in conducting the business should be omitted in executing the work under the new contract. In this regard the undersigned may state that very great care is taken by the British American Bank Note Company for the custody and safe-keeping of our notes when in course of preparation.

He goes on to state what preparations are taken, and then adds :

Should the Government decide to enter into an agreement with the American Bank Note Company, it would appear to be desirable to bear in mind also that the institution is an alien corporation, and the officers who would in all probability conduct the business with the Government and carry out the orders, would probably come here from New York. In this connection the undersigned has to call attention to the condition appended to their tender that they are not to be required to manufacture bank note and other papers, steel rolls, steel plates, the dies and other tools of their trade, inks, colours, &c., at Ottawa, but may obtain elsewhere such supplies necessary to a faithful fulfilment of their contract. This would appear to allow them to do a large portion of their work in New York, and is a fea-

ture of the offer which seems to require very careful consideration, and while nothing is stated definitely on the point, the undersigned presumes the company took into consideration that they would have to pay customs duties on all dutiable articles brought into Canada.

And lastly, and most important for the House to bear in mind, he says :

The undersigned would further add that a contract with a new company would necessarily entail an immediate outlay for designs, rolls and dies—

Not tools—the Deputy Minister did not think they were tools

—necessary in the preparation of the new plates required. It would, in fact, entail all the expense attaching to the preparation of new notes and stamps. This of course would be unnecessary if the work remained in the hands of the present contractors, and this extra expense has not been taken into consideration in comparing the tenders. Undoubtedly, it would seem that even with this taken into consideration the tender of the American Bank Note Company is much lower than that of the British American Bank Note Company.

That I consider to be a very fair, a very judicious and a very pregnant report. Well, the hon. Finance Minister read that report, and what did he do ? Here was a company—and I believe my statement will be acceded to by every unprejudiced gentleman who reads it or who hears it—here was a company, one of the tenderers, which wished to have its tender accepted, although it had specifically ignored the basic consideration of the tender, namely, that the work of engraving and the preparation of these plates should be done in the city of Ottawa. The hon. Minister could not accept the Barber & Ellis tender because the \$50,000 were not deposited, although personal security, undoubtedly satisfactory, would be given. On that ground he ruled it out. He could not allow the London men the tender because the work must be done in Ottawa ; but when he has got the tenders before him, and he finds that this American Bank Note Company had put in a tender ignoring the specific and most important clause in the specification, what does he do ? Does he call for new tenders ? Not at all. Does he call the three tenderers together and enter into communication with them and give them all an equal chance ? No, he studiously ignores the British American Bank Note Company, one of the tenderers, whose tender was perfect in every respect, whose tender complied in every respect with the specifications, who had deposited the \$5,000 and had agreed to put up the \$50,000 with the Receiver General. He passes over that, he ignores the other two tenderers entirely, and he enters into communication with the American Bank Note Company. The British American Bank Note Company were within the sound of his whistle ; the American Bank Note Company were in New York and an alien corporation. He will not have