

\$50,000,000. The hon. gentleman says this contract was let by public tender and competition. That is a statement wholly baseless. There is a principle regarded as sacred in every country that public contracts should be put up to public competition and tender. To ignore that principle is to inaugurate a system of corruption and favoritism. The Statute of 1867 requires that all public works shall be put up to public tender. It is the Act relating to the Public Works of Canada. Clause 20 reads as follows:—

"It shall be the duty of the Minister to invite tenders by public advertisement for the execution of all works except in cases of pressing emergency, where delay would be injurious to the public interests or where from the nature of the work it could be more expeditiously and economically executed by the officers and servants of the Department."

There is a provision inserted in the first Act passed after Confederation relating to the Public Works. What did the hon. Minister of Railways, in 1874, do? He had regard to that principle and had it enacted that any section or sub-section of work should not be given out except by tenders. Here we find by the Act of 1874 the Government inserting a provision which required that the railway should be built only after tenders and competition. There is no other safe principle for the public protection. The hon. gentleman says that this work was put up to competition. I challenge him to point out any legal authority which he or his Government had in making this contract. I affirm that he has violated every provision of the Act of 1874 which was the only Statute relating to the Pacific Railway. What do we find? We find that not only was this contract not put up to public tender, but that the public mind of this country was lulled into a false security by the undisguised declaration of the Government in 1880, that their policy was to construct the road as a Government work, and not put it in the hands of individuals. The statement of the hon. member was this:

"What the policy of the late Government would have been, we do not know, but when we came into office, we decided to undertake it as a public work."

What changed that policy? There seems to be a mystery surrounding this transaction that has never been elucidated. What did the hon. Minister of Railways say in that connection? He said:

"I had no hesitation in saying that the whole sentiment of the country is changed on this question. I am not at all ashamed to say my own opinions are changed in relation to the character of this great work. I remember when the First Minister brought in his Act in 1874, for the construction of this as a Government work, I felt we were incurring too great a responsibility. I believed it was unsafe for the Government to undertake the construction of this great work from end to end; but I do not hesitate to express my opinion that the whole condition of Canada has changed since that time."

These were the utterances of the hon. Minister of Railways in 1880. When the hon. member for Niagara comes to speak, he, being in the confidence of the Government, will explain, no doubt, how it is and why it is they changed their policy. They changed their policy in secret. They did not at the next Session declare their change of policy before Parliament; but they changed it in the interim without giving any previous notice. The hon. Minister of Railways says the Government advertised for public tenders. In what newspaper? Was it the *Canada Gazette*. What conditions were prescribed? As I have shown, the Government violated every provision of the Act of 1874. If the hon. Minister wanted honestly to advertise for tenders, would he have not said: We propose to give the railway already constructed and to build other portions of the railway; we propose to exempt this railway from taxation and to give a monopoly of railway traffic in that country for twenty years. Now, how much will you take to construct the balance of the railway? That would have been an honest notice to give to the public, and nothing less should have been given. On what principle can the hon. Minister of Railway say tenders were asked for this work? If he can, I pause for a reply, because I am

anxious to know. The strong point we advanced in opposition to the Syndicate last Session was that the Government had changed their policy without giving any notice to the country. The hon. Minister of Railways says that the hon. First Minister at some pic-nic—they say it was a religious pic-nic—I did not know that he was in the habit of attending them—declared that the Government were then negotiating with some parties to build the railway. That the hon. gentleman said was equivalent to a notice to the public and an advertisement for tenders. Such a statement as that is an insult to the intelligence of the House. What did the Government do? They went to England and entered into communication with individuals there, and it was announced on their return that a contract firm had been made, but no contract was made at all. The contract was made only after they came to this country, and it was made behind the backs of the people. I believe that the sentiments advanced by the Government in 1880 was a sentiment of which the people approved. I felt myself that in view of the light and additional information we had, and I think it was the general feeling of the country, that that railway would be better built by the Government than if it were in the hands of private individuals. We have now a contract with the Syndicate involving hundreds of millions of dollars and no information given as to who tendered. The details were not given to the public. We sought to get the information, but it was absolutely refused, and we do not know that any persons excepting those persons constituting the Syndicate ever tendered for the work. Never was a Government contract in any country, as great as this contract, let without public competition. Take the policy of England or the policy of the United States; in the latter case the population by twelve times greater than ours. The contract would involve \$1,200,000,000 yet the Parliament of that country would not be consulted before letting it. This Parliament was called, as a mere matter of form, to approve of what had been done by the Government, and unless the House approved the action of the Government a dissolution would take place. The people of this country were coerced into approving of this contract. As I said before, I do not intend to protract this discussion, but I felt it my duty to repudiate the assertion of the hon. Minister of Railways that he had let this contract by tender. The contract is not based on a single provision of the Act of 1874, but is in direct conflict and direct violation of the Statute. He said last Session it was on the Statute of 1874. He then shifted his ground and said it was on the Statute of 1872, but he showed that that Statute had been repealed altogether. I think I have shown beyond question that this contract was let without any public competition or tender; that it was in direct violation of the law of the land, in violation of that principle which every one of us regards as sacred if we want to preserve the purity of the administration of this country. The Government ignored that principle, and I charge them that they stand convicted before the people of this country with having let a contract involving a \$100,000,000 without giving the people an opportunity of tendering for the work.

Sir CHARLES TUPPER. Do I understand the hon. gentleman to say he was in favor of doing it as a Government work?

Sir ALBERT J. SMITH. I mean to say that the Act of 1874 makes a double provision, it authorizes the Government to conduct it as a public work or to construct it through the instrumentality of a company. All the light and all the information we have now go conclusively to show that it would be wise and patriotic if this country had built the Canadian Pacific Railway as a public work instead of giving it to a company.

Sir CHARLES TUPPER. Then I would like the hon. gentleman to state why he was not in favor of doing this as