

Company's tender was informal in a much more essential condition than the Barber & Ellis tender; why? The Barber & Ellis Company were willing to do all the work in Ottawa, willing to put up their building, willing to do everything except put up this deposit of \$50,000 in cash, instead of which they wished to give undoubted and sufficient personal security; but their tender was informal, and was ruled out. The American Bank Note Company's tender was informal in this condition, that it entirely overrode the basis of the whole specification, which was that the work should be done in the city of Ottawa, and they added a rider in these words:

The American Bank Note Company understands and makes it a part of this tender that it is not required by the specifications hereto attached to manufacture bank note and other papers, steel rolls, steel plates, the dies and other tools of the trade, inks, colours, &c., in the city of Ottawa, but that such supplies necessary to the faithful fulfilment of the contract may be obtained elsewhere.

Now, Sir, I make bold to state that there was not an employee in the Finance Department, or a gentleman in Canada who has had any knowledge of the history of the bank note work of this country from 1867, who did not know absolutely and positively, in reading these specifications, that they called for all the work, and that that was the essential condition insisted upon from confederation—insisted upon when in 1886 the old contractors were forced to come to Ottawa and place their capital and large plant in a new building here. But the American Bank Note Company simply said to themselves, as they said afterwards to the Minister: "No, we cannot comply with that condition; if you enforce it, we cannot take this contract, and therefore we put this rider in, that we shall not be obliged to conform with that basic specification, but that we shall be allowed to do this work in New York, and bring it in here." The American Bank Note Company, if they be not a firm of lawyers, have graduated somewhere very near to a lawyer's office. They are skilled casuists, altogether too skilled for my simple and unsuspecting friend the Minister of Finance. With extreme skillfulness and shrewdness they expressed their contentions, as mild-looking as though there were no harm in them; but they were accomplishing the deadly business they were after, of doing none of the essential work in the city of Ottawa. "It is not required," they say, "by the specifications hereto attached, to manufacture bank note and other papers." No one ever thought it was, no one ever said it was. "Steel rolls." No one ever thought it was, no one ever said it was, if they were plain rolls. "Steel plates." No one ever thought it was, no one ever said it was, if they were blank plates. And here is where the astuteness comes in. "The dies and other tools." They slide

right over the dies as if they were on a descent of glare ice, and they get to the tools as quickly as they can, as if they were no distinction between dies and tools. An engraver's chisel is a tool, but the design which he transfers by months of hard work and an accumulation of skill which can only be learned by years of practice, is the essential thing in the work. But that, say this company, is only a tool, like the engraver's tool. The dies and other tools are to be got in New York or wherever else they can be got most cheaply. When that casuist sentence came before the Finance Minister, he was a little troubled in his conscience. He took the precaution of having a report upon these tenders from the Deputy Minister, who, from the time he has been in office in this country, has been contemporaneous with this work, and has known everything in connection with it. Now, I want the House to attend to the report of the Deputy Minister of Finance, who with the officers of his department—good officers who are used to making that kind of calculations—moneyed out, as it were, the tender. On the face of it the report of these officers is this: that the old contract totalled up to \$123,000; that the present contractor's figures amount to \$128,843, about \$5,843 more, while the American Bank Note Company quoted prices equivalent to \$99,646, a difference of more than 20 per cent in favour of their offer. That struck the Deputy Minister as being peculiar. If the Deputy Minister had been as new a comer in that department as the Finance Minister, it would not have struck him as being peculiar. But it so happened that when the contract of 1892 was being made, the Deputy Minister had to make certain calculations and researches, and he made them. When he finds that \$99,646 is the tender of the American Bank Note Company, he feels moved in spirit to comment upon those figures, which he does as follows:—

This difference is so great that the undersigned deems it advisable to make some remarks thereon, and while he is unable fully to understand the reasons for it, he considers it might arise from various causes. In the first place, the new tenderers—the American Bank Note Company—may possibly think that they would be able to make up the difference by the increased rates at which they tender for supplies that are not generally in demand. If the contract is awarded to them, this feature should be kept in mind and carefully guarded against.

That is a very wise suggestion. It is what would immediately strike a professional man who was looking into this matter and trying to get at the bottom of it. He then goes on to say:

Further, a very great difference between theirs and the tender of the British American Bank Note Company arises in the prices given for printing notes.