

some of it up on account of other supplies that are not generally in demand. He suggests another reason in these words :

Whether the tender of the American Bank Note Company is one that could be carried out successfully, seeing that they may have tendered at unremunerative prices in order to secure a foothold in the country.

I have no doubt that they did tender at low prices in order to secure a foothold in the country, and that was a very natural thing for them to do. They have a large establishment in New York, they are doing a very large business there, and they have specified in their tender that they shall make all their dies and their tools in their factory at New York, and that they shall bring to Ottawa a great many of the supplies which they are using in their ordinary business. I repeat, that I have no doubt they tendered at a very low rate in order to get a foothold in this country, and I am very sorry to say they have succeeded. Now, it is a serious matter for us to notice, that the important part of this work is to be done at New York. I was very much impressed with the remark of the Finance Minister when he said, that only 1 per cent of this work was to be done in New York and 99 per cent was to be done in Ottawa with Canadian labour. If that is the case it is a very strong point, but I cannot reconcile that with the statement in the memorandum of the Deputy Finance Minister. Listen to what he says :

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, ink, colours, &c., at Ottawa, but may obtain elsewhere such supplies necessary to a faithful fulfilment of their contract.

Nothing could be more plain and emphatic than that, and if it is a fact as stated by the Minister of Finance that only 1 per cent of the work is to be done at New York, and that 99 per cent is to be done at Ottawa by Canadian labour, then I cannot understand the following statement by the Deputy Finance Minister :—

This would appear to allow them to do a large portion of their work at New York, and is a feature of the offer which seems to require very careful consideration.

Well, it ought to have our careful consideration, and I have no doubt in my mind that the Deputy Finance Minister is correct and that they will be allowed to do a large portion of their work in New York. That, Sir, is the objectionable part of this contract. Not only is a large portion of the work to be done in New York, but it is that very portion which we would like to have done in this country, namely, the skilled labour. An establishment like the British American Bank Note Company ; a Canadian institution, was a school for

young men who might learn to engrave and perfect themselves in this business. What are our young men going to say when they find that the skilled labour is carried from our country to the United States ; and that the fine work is to be done in New York and the ordinary work is to be done in Canada. That would seem to imply that we have not the skilled workmen here, and that we have not the young men who will learn this, even in the course of years. It is now proposed that we should go to the States to get men to do this work, instead of teaching our young Canadians to do it.

Another question that arises is this : Were the British American Bank Note Company charging too much ? That is a point also for our consideration. I shall read from page 39 of the blue-book, a statement which will answer that question completely. Mr. Courtney was unable to account for the low prices at which the American Bank Note Company tendered, and so he suggested reasons for it. It seemed to be a point which impressed him very much, because he tried to find out reasons why they tendered so low, and on that subject, he says :

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 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 inquiry 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.

It would seem from this that in 1892, before the Government entered into the contract with the British American Bank Note Company, they wanted to find out whether the prices were fair, and they discovered on inquiry and from seeing actual invoices, that the prices of the British American Company were not higher than the prices at that time charged by the American Bank Note Company. That bears out the assertion I made, that the American Company has tendered low in this contract in order to get a foothold in this country. They knew the prices charged previously, and they were determined to come in, and as is done very often by business men, they made a very low offer. I venture to say for myself, that I regret very much that the Government has seen fit to go out of the country to get this work done. The