

it is distinctly stated that all the work must be done in Ottawa, and no exception whatever is made. I think even a lawyer, and members of that profession can twist the meaning of words pretty well, would hold the opinion that word "all" means all, that it means every particle of the work shall be done in Ottawa. There was good reason for inserting such a condition. It was that the Government wished to retain constant supervision over the work, that the Government should at any time send an officer to inspect the work, and they should safeguard the country from any possible loss through carelessness. This point should be fully considered in this discussion, and I repeat this as being the most important point in the contract, that the work was to be done in the city of Ottawa. Circulars were sent to the Canadian agent in London enclosing forms of tender, and these were sent to a great many English firms. Those firms refused to consider the matter at all. Why? Doubtless because all the work had to be done in Ottawa. That stipulation ruled them out, and they said, we cannot compete with that condition in the contract. But if those firms had known that a great part of the work could have been done in England, the making of the dies and the engraving work could be executed there by skilled workmen, they might have put in tenders for the work. They said, we do not tender because there is the stipulation that all the work has to be done at Ottawa. When they ask if that was considered an important condition, the reply they received was that no deviation could be made in that respect, and that all the work must be done in Ottawa. It appears that only two tenders were received. The hon. member for York (Mr. Foster) said that only one was received; but I will admit, for the purpose of my argument, that the tender of the American Note Company was a proper one. I ask, and I wish the careful attention of the House to this point, why were only two tenders received? Why was only one tender received from the United States? It was because there is only one company there possessing the necessary facilities for doing the work. How did they acquire those facilities? Because the company gradually acquired capital from doing government and other work, purchased plant and built up a large establishment and secured skilled workmen, and now they have facilities which enable them to tender for work of this class. But there is only one company in the whole of the United States willing to tender for this work. We find also that only one company in Canada tendered for the work. It is said that the British American Bank Note Company thought they had a monopoly. It seems that they had practically a monopoly in Canada, because no other company was willing to tender. When other companies were asked to tender, they declined to do so. I will read

Mr. CRAIG.

an extract from a letter from a Canadian company, in which they gave as a reason for not tendering not only that they were unwilling to put \$50,000 as a cash deposit, but they gave other reasons as well. Mr. John R. Barber, writing on November 4, 1896 (at page 25 of the blue-book) says:

A new contractor would have to provide a suitable fire-proof building, a plant costing at least \$50,000 and put up a deposit of \$50,000, all for a business of about \$100,000 per annum. This would be all right if we could be assured of a few years' business at current prices, but if the Government is to get fair business rates for their work, no contractor can afford to comply with the above conditions.

That is a very strong statement, and it bears out the fact, which I shall show more clearly later on, that the British American Bank Note Company had not been paid more than fair prices for their work. The Barber & Ellis Company knew what the British American Company had been receiving, and yet they were afraid to tender. They stated that unless they were guaranteed the contract for a few years—evidently more than the five years for which the contract would run—there would not be money in it to induce them to make the investment. The British Bank Note Company had incurred this expense; they had erected a building here, put in machinery, trained workmen, and because they had this building, expensive plant and large capital invested they were able to make a tender at fair prices. So, as I have said, there were only two tenders received, and of those the tender of the British American Company was the only tender in strict accordance with the stipulated conditions. I mention this because the tender of the American Bank Note Company was not in strict accordance with the conditions set out; they made a special stipulation that they should not be required to manufacture the dies in Ottawa. I now wish to call attention to the memorandum of the Deputy Finance Minister respecting these tenders. It is a most important document. Mr. Courtney, in his memorandum, shows the difference in prices. No doubt those differences are large, amounting to \$30,000 a year; and Mr. Courtney points out some reasons which may account for this great difference in prices. What does he say? He says:

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.

To my mind that shows, and I shall prove it very soon, that Mr. Courtney did not think that the prices given by the British American Company were excessive. But he pointed out some reason why the prices in the tender of the American Bank Note Company were so small, and his idea is, that they thought they would be able to make