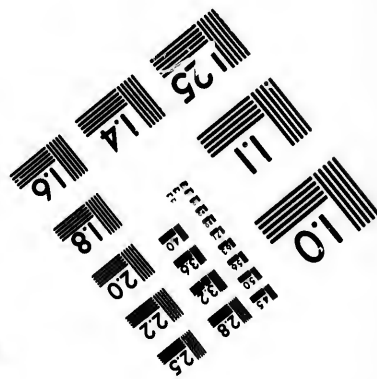
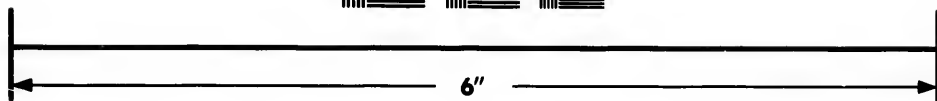
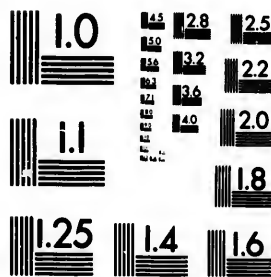


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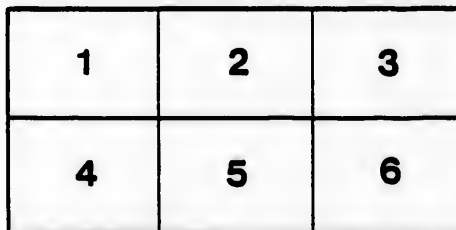
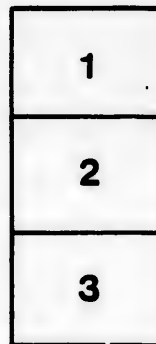
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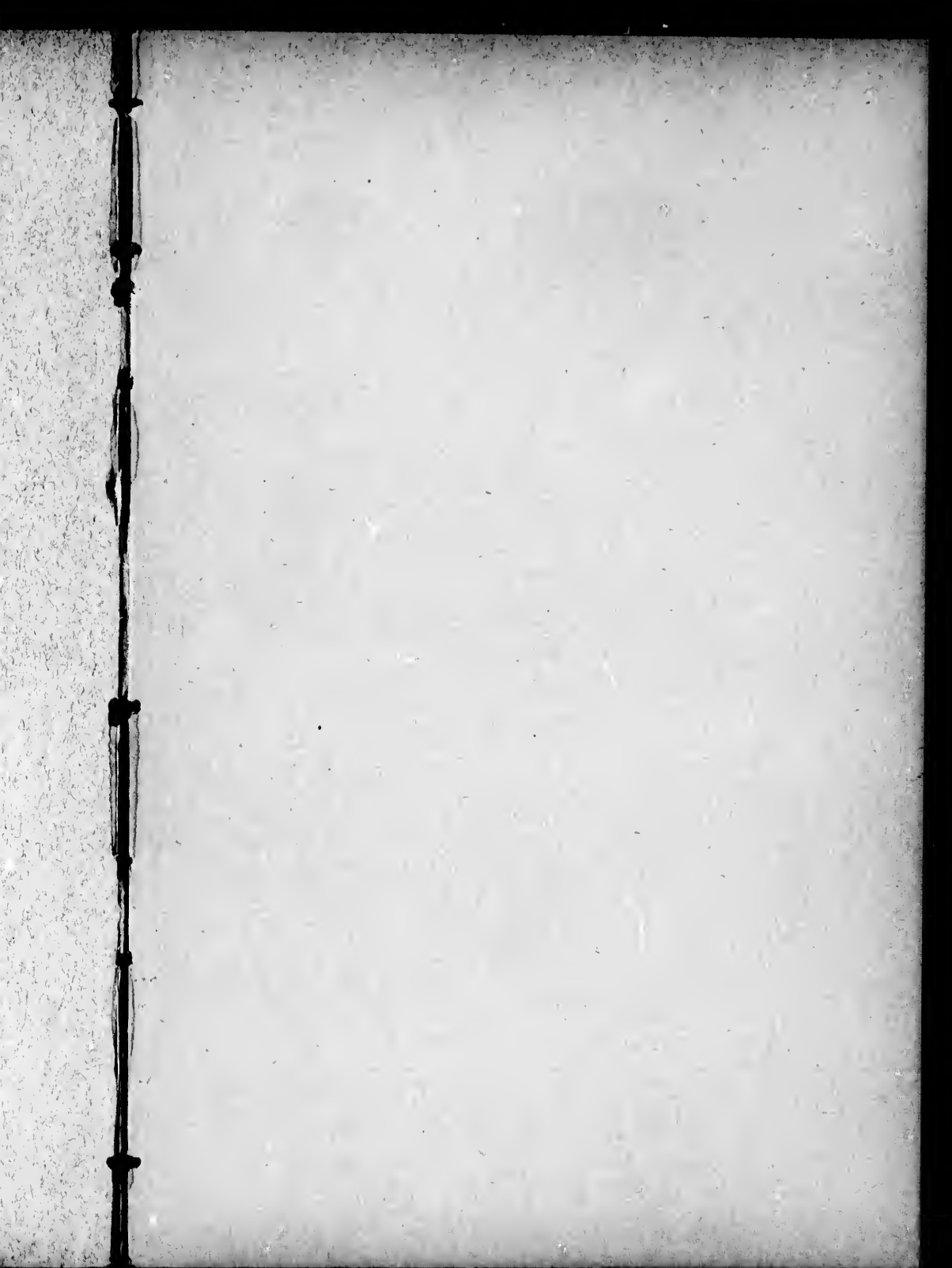
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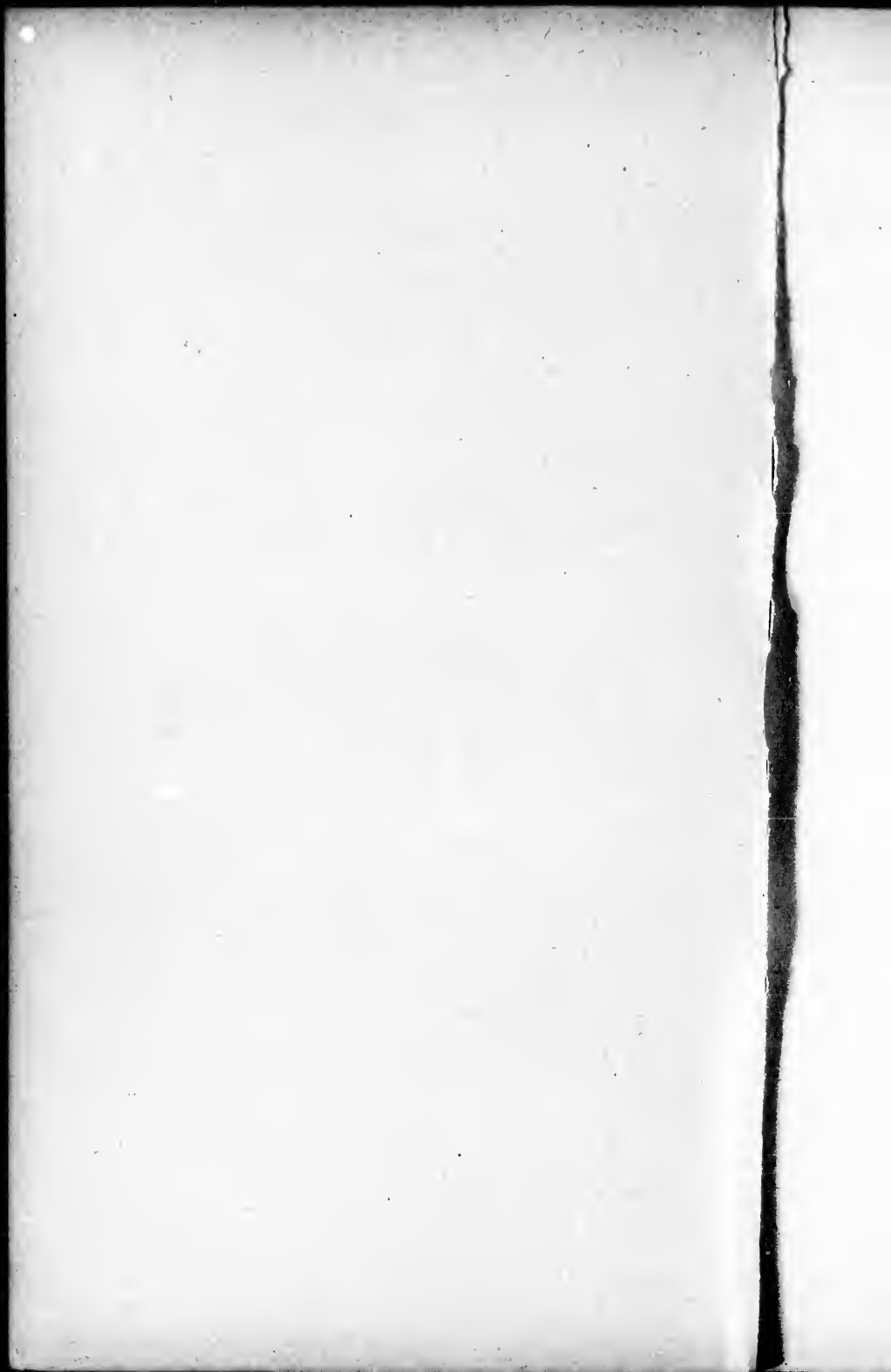
TO

CANADIAN INVESTMENT.

1897









ADDITIONAL FACTS CONNECTED WITH THE BANK NOTE CONTRACT.

When the papers in connection with the Bank Note Engraving Contract were brought down, they revealed a condition of affairs bad beyond belief. The public were led to believe that the tender of the British American Bank Note Company for engraving was excessively high. The papers reveal the startling fact that their tender, upon Bank Note engraving alone,—notwithstanding all the calculations and additions made—was **\$18,416.88** less than that of the American company; and in another branch of engraving and printing, the price of the American company is nearly **FOUR TIMES** greater than that of the Canadian company—that is **\$7,332.99**, as against **\$1,935.04**—an almost **INCREDIBLE FACT**, for the same amount of work. Add to this the five or six thousand dollars which the Queen's Printer will have to pay for machinery to do the stamped envelopes, which the Americans had removed from their contract, and the saving which might have been effected by the Queen's Printer doing the Postal Cards as well as the stamped envelopes. What then becomes of the alleged large saving to the country, for which a *national industry has been destroyed*? This engraving is the essential part of the work—the heart of the whole matter. It is for this the Canadian company has invested so large a Capital; has maintained so large an establishment; has retained the services of a permanent and expensive staff of Artists for a long series of years. Any apparent reduction in the American tender was made as a *cut rate* upon the mere mechanical work of printing, work which could be done by any well equipped Canadian printing house. This cut rate is more than *doubly met* by the permission the Americans have received of doing the engraving in New York. They, like the Canadian company, have to retain a staff of engravers, under yearly engagements, and this contract merely serves to keep them employed continuously, with no additional working expenses, nor tax on their business of any kind.

There is grave doubt as to whether the whole transaction is not illegal, seeing that the established practice of awarding contracts was departed from in every particular. A brave show was made of calling for tenders, and circulars were sent broadcast inviting them. English firms entertained the proposal, and asked if the work might be done in London. This permission was refused, and yet it was accorded to the American firm to do the work in an *alien country*. Why were the Americans favoured above their British competitors, to say nothing of the Canadian companies? If economy was the object, and if it was intended to have the essential part of the work—the engraving—done outside of the country, why not have it all done outside, instead of the pretence of doing it partly here, that is, the mere mechanical printing? The only thing that has been accomplished is the wanton destruction of an old-established enterprise, wanton because no permanent good can result to any one, and the plea of economy is only a *sham*. The Americans made a cut rate upon the cheapest kind of machine work, and were allowed to amply make it up by the permission given them of doing the essential work in New York, the part requiring *Capital, Talent, and an Established Business*, directly contrary to the specifications.

The fact of doing the printing in Ottawa is no guarantee of any considerable expenditure in the country, nor of security while the engraving is done in a foreign country. Even for bank note paper the American firm is awarded the same price for which the Canadian company offered to supply it, so the country saves nothing on this item, although it is about *one-fourth the whole value of the bank note work*. The American company made a cut rate to gain the field. The minister violated the specifications

A STATEMENT OF THE TREATMENT ACCORDED TO THE
BRITISH AMERICAN BANK NOTE COMPANY BY THE
MINISTER OF FINANCE, HON. W. S. FIELDING.

THE history of the first large contract entered into by Hon. W. S. Fielding after his translation from the Provincial to the Federal Cabinet, that by which it is intended to give to aliens instead of to Canadian citizens the duty of producing Canada's currency, is not only instructive, but is of vital interest to all classes of the community. Nothing can be of greater importance to the Capitalist, the Banker and the Merchant, than that the current money of the country should be undoubtedly genuine, and that there should be no possibility of counterfeiting. It is of vital importance to the Contractor that the secrecy of a tender submitted by him, under seal, to a Minister of the Crown, should be most strictly observed, but should the course which has been followed by Hon. Mr. Fielding in this case be generally adopted, contractors will find that the results of their labor in preparing tenders are merely supplying Ministers gratuitously with data on which to negotiate with outside parties for a lower price.

To the skilled artisan it is necessary that as much high-class, and therefore well paid, work as possible should be produced in Canada, but the result of this contract will be to allow a large amount of skilled labor to be done at Canada's expense, in the neighboring Republic.

To every Canadian, it must be clear that our public men, especially those in positions of trust, should, like Cæsar's wife, be above suspicion; that their every act should be capable of bearing the closest inspection; that those who have to repose trust in them, should in every case find that trust sacredly observed, and that Canadian interests of Capital and Labor, whether public or private, should be defended in every way possible.

Unhappily, Hon. W. S. Fielding does not appear to take this view of the case in the matter of the Bank Note Contract. To show how this has been done, it is necessary to give a résumé of the facts since the accession of the Liberal Government to power in July last.

When Mr. Fielding became Minister of Finance, he found existing a contract between the Crown, represented by his Department, and the British American Bank Note Company, (of which Mr. G. B. Burland is the president) for the printing of the Dominion bills, stamps, etc. This particular contract had been in force for some years, and was the last of a series of contracts for this class of work extending over a period of 35 years. During all this time the Company have the satisfaction of stating that no accident or error of any kind has occurred, and the work has always been done at least 30 per cent. less than current American prices.

One clause in the contract stipulated that it could be terminated by giving six months' notice, and on September 26th, 1896, Hon. W. S. Fielding gave legal notice to the British American Bank Note Company of the closing of their contract at the expiration of the six months' term. This notice was duly followed by an advertisement inviting tenders for November 23rd last.

Three or four Canadian Syndicates examined the specifications and the nature of the work to be done, but owing to the fact that the Government would not allow it to be done in Montreal or Toronto, and finding the capital required under such circumstances too large, the responsibility involved too heavy, and the risk attendant on it so great, they all declined to submit tenders.

In this way the Minister succeeded in putting a veto on the aspirations of Canadian capitalists, but it is now apparent that he was quite willing to allow the engraving to be done in New York by his American friends and, according to the Toronto "Globe," promised them the privilege of a second term, if they desired it. The result of this discrimination is made manifest by the fact that it is stated that only *one Canadian Tender* was submitted; as a consequence, when November 23rd was over, only one tender had been sent in, that of the British American Bank Note Company. Was this tender opened, and was it at this stage the American Bank Note Company of New York were invited to tender? At any rate, as a result the American Company, we are informed, were allowed to change the specifications and duly sent in a tender to suit their own wants.

No further action was taken by the Canadian Company till one of two things would happen, either they would be notified of the acceptance of their tender, or if it were not satisfactory, new tenders would be asked for. This, of course, is the procedure always followed in bona fide tendering.

No communication of any kind was had by the Government with the Canadian Company until two days after the Minister had the Order-in-Council passed on the 6th January, 1897, with only four members present, and in great haste had it signed by the Governor General; then on the 8th of January, he was magnanimous enough to send the following letter to the Company:—

SIR,

OTTAWA, January 8th, 1897.

Referring to your letter of the 21st November last, submitting a tender for engraving and a cheque for \$5,000, as a deposit, in compliance with the terms and conditions set forth in Circular dated 19th October, 1896, I have the honor to state that I regret that I am unable to accept the offer made in such tender, as the Government have a much more advantageous offer from another Company. I have accordingly given instructions to have the amount of your deposit returned to you.

I have the honor to be, sir,

Your obedient servant,

G. B. BURLAND, ESQ., *Pres't.*
B. A. Bk. Note Co.

(Signed) W. S. FIELDING,
Minister of Finance.

The cheque, however, was not returned till the 18th of January.

After receiving the notice above referred to, and the returned cheque, the President of the Canadian firm waited on the Deputy Minister of Finance, and requested an interview with the Minister to discuss the matter, and see if some arrangement could be made. At that time, Mr. Burland was ignorant of the fact that the American Company's tender had been received, or that the Minister had adopted a course the effect of which would destroy the capital of the British American Bank Note Company.

Hon. W. S. Fielding was out of town, but an interview was arranged for the following week. Before this interview was had, however, Mr. Burland was surprised to find in the "Globe" and in a New York paper, the statement that the contract had been given to the American Bank Note Company.

By the above act, the most glaring injustice was done the Canadian firm by the Minister, as can be seen from the fact, that from the time of the tender, November 23rd to January 8th, no communication of any kind was held with them on the matter of the tender, although constant communication and correspondence was maintained with the New York firm, for the purpose of *changing the specifications*, and making special conditions and terms by which they would do the work, and allowing some of the items to be omitted from the *specifications altogether*, in spite of the fact that the specification contained a proviso to the effect that the lowest or any tender was not necessarily accepted, under which the Minister had power to enquire of Mr. Burland, if there were any *error* in his tender, any *mistake* in calculation or *addition*, as might easily be the case. No interview was had with the Canadian Company whatever until January 23rd, after their cheque on deposit was returned, accompanied by a merely formal notice that there was a lower tender, giving no opportunity to the Company to make any correction for the sake of maintaining their capital, and retaining their staff of Canadian labor, in face of the alien labor law of the United States. (See letter, page 9.) This narrative clearly proves that Mr. Burland's Company was not fairly treated, and that there was no desire on the part of the Minister to do him an act of *simple justice*. Were more proof needed, plenty is forthcoming. The actions of Mr. Fielding would indicate that he had determined to discourage Canadian investment. At the above interview Mr. Fielding expressed the idea that faith was to be kept with the lowest tenderer. Was it not equally necessary to keep faith with invested capital? Such faith was not kept when he allowed the specifications to be changed in favor of a foreign corporation without calling for new tenders upon the altered specifications. Was this action not dishonourable in a Minister of the Crown?

Tenders were to be in by noon of November 23rd, and it was stated by more than one Minister that only the British American

Bank Note Company had tendered. This being so, the statement made in the notice returning the deposit cheque that "there was a tender" was, to say the least, *misleading*.

If the tender submitted at that date did not meet the Finance Minister's views, it was his plain duty, in justice to all parties, to call for fresh tenders, and not to open private negotiations with any third party, on condition that they would make terms satisfactory to him.

At what precise time the negotiations with the American Company were opened, remains to be ascertained, but it is probable that they were opened from Ottawa. Be that as it may, by the New Year matters were well under weigh, though not sufficiently settled for the American firm to have definitely tendered, and on January 6th, at a Council Meeting, at which only four Ministers, being a bare quorum, were present, the Minister had an Order-in-Council passed.

It is now worth while following the steps by which Mr. Fielding proceeded: On the 7th of January a report was submitted to the Committee of the Privy Council, and approved of by His Excellency in due course, from which the following is an extract:—

"On a report dated 6th January, 1897, the Minister of Finance stated that under authority of an Order-in-Council of 14th September, 1896, notice was given on 26th September, 1896, that the present contract between the British American Bank Note Company and the Government for the engraving, etc., of Dominion Notes, Postal and Inland Revenue Stamps, will be terminated and put an end to at the expiry of the fixed period of five years therein mentioned, the contract having gone into force on the 23rd of April, 1892, and by the terms thereof was to continue for a fixed period of five years from that date."

The Minister further states that under the above cited Order-in-Council, he called for tenders for engraving, printing, furnishing and delivering to the Government of Dominion Notes, Postage Stamps, Inland and Revenue Stamps, etc. Such tenders to be received by the Minister of Finance, at the Department of Finance, Ottawa, up to 12 noon, Monday, 23rd November, 1896.

In the terms and conditions of such tender it was specified that the contract to be entered into was for a fixed period of five years and three months, dating from July 1st, 1897, and in his communication he, the Minister, recommended that the Order-in-Council of 14th September, 1896, be amended so as to authorize him to call for tenders for a term not exceeding the said five years and three months, instead of five years mentioned in Order. The three months was no doubt intended to be from April to July, as the Canadian Company's contract expired on the former date; now they are stuck on the tail end of a contract to make up for the blunder of the Minister.

The Minister further stated that in response to such call three tenders were submitted, but one of such tenders did not conform

with the part of the terms and conditions which require a deposit of \$5,000 with tender, and consequently this tender was not taken into consideration ; the other tenderers, the *British American Bank Note Company* and the *American Bank Note Company* made the necessary deposit, and on examination and extension of the prices it was found that the tender of the *American Bank Note Company* was the lowest tender, the specifications having been changed by the *American Company* to enable them to make such a low tender, which change the Minister subsequently accepted without any notice to the *Canadian Company*, or any opportunity being afforded them to tender under the same conditions. It was, however, pointed out to the Minister that the stamped envelopes might be withdrawn from the new contract, and the Minister found on enquiring of the *Queen's Printer* that the Government could do the work themselves. What a pity he did not ask if he could do the *Post Cards* ! The reason will be found further on.

The tender of the *American Company* asked to change the specifications, and made the following condition :—

“The *American Bank Note Company* understands and makes it a part of this tender that it be not required by the specification hereto attached to manufacture bank note and other papers, steel rolls, steel plates, the dies and other tools of the trade, inks, colors, etc., in the *City of Ottawa*, but that such supplies necessary to the faithful fulfillment of the contract may be obtained elsewhere.”

Correspondence being had with the *American Company*, the *Company* consented to the withdrawal of the stamped envelopes from the contract. “The *Company* also submitted rates for the stamps in question, if required in large quantities, and explanations were made in reference to the condition above quoted, which are satisfactory to the *Minister of Finance*, in view of the large saving effected if the offer of the *Company* is accepted.”

“The *Minister* therefore recommends, in view of such saving, that he be authorized to accept the tender of the *American Company*, provided that the *DETAILS* of the contract can be arranged with the *Company* to his *SATISFACTION*.”

The *Order-in-Council* quoted from will repay analysis ; it continues to rehearse the *Finance Minister's Report*, stating that three tenders had been sent in, one of which was irregular and therefore out of account. A second, the *British American Bank Note Company's* tender ; and the third, that of the *American Bank Note Company*, the last named being the lowest.

It is remarkable that while the *Minister* implies in his *Report* that all these tenders were in his *Department* by noon of 23rd *November* last, he does not say so, and it is stated on very excellent authority, that when the time for receiving tenders expired, there was only one tender, that of *Mr. Burland's Company*, in the *Department*.

Having stated that the acceptance of the American Bank Note Company's tender would effect a saving to the country, Mr. Fielding's Report continues: "It was, however, pointed out to the Minister that the stamped envelopes might be withdrawn from the contract, and the Minister found on enquiry of the Queen's Printer that the Government could do the work themselves." Further on this Report says: "Correspondence being had with the American Company, the Company consented to the withdrawal of the stamped envelopes from the contract," but the Canadian Company was not honored with any correspondence on the subject.

Stamped envelopes were taken out of the contract because they were the least profitable items in it, involving as it would, the purchase of special machinery by the American Company to the amount of \$5,000 or \$6,000. The profit on the work done, after paying the wages and material according to the quantity used for ten years past, would not pay for the *machines* in a hundred years. The saving therefore effected the American Company by this concession on the part of our astute Minister of Finance is evident, and the Department of Public Printing has ordered the machinery to be paid for by the country, at full price, although the Canadian Company would have been pleased to sell the necessary machines for the purpose at twenty-five cents on the dollar, having no further use for them. Does this look like an endeavor to serve the country, or does it look like "business is business?" Is it any wonder that the contract was to be awarded on condition that the *details* be arranged to the *satisfaction* of the Minister of Finance!

Take next the case of POSTAL CARDS: If the Minister desired mere economy, or if he desired to have the Queen's Printer do any part of the work, for economy's sake, this was the work to be given to him. When wages and material were provided for, and engraving to the amount of \$100 done, no further cost would be entailed to the Queen's Printer. The Queen's Printer had all the machinery required, and could adequately do that part of the work, and being under no expense for rent, interest, management or machinery, if it were economy the Minister had in view, here was an opportunity for a saving of \$100,000 during the term of contract. There is no doubt about these facts.

But "Economy to the winds" BUSINESS WAS BUSINESS, when the Finance Minister could favor his American friends and destroy an Institution established by Canadian enterprise, and having the full confidence of the Banking Institutions of the country and the Government for over 35 years.

No! No! Economy was not his object, or such a glaring blunder could not have been made; and the same plea of "Business is Business," if persisted in by our Dominion Finance Minister, will

bring Mr. Laurier's Government to the same fate accorded Mr. Mercier's Government in the Province of Quebec by an outraged people.

The Report admits : "*It was pointed out to the Minister.*" Then he says that "after correspondence *the Company* consented to the withdrawal of the stamped envelopes from the contract."

Who was it pointed out that the stamped envelopes might be withdrawn from the contract, and not the *Post Cards*, the simplest part of the contract? The only persons sufficiently interested to do so were the American Company. It was not likely that any employee of the Finance Department would do such a thing, besides only the chief confidential employees of the Department knew the terms and conditions. Clearly the Company or its Agent made the suggestion, and the Minister was pleased to accept it to show his desire to economise!!

The gravest part of the business is to follow. The last two paragraphs are as follows :

"The American Bank Note Company understands and makes it a part of this tender that it is not required by the specification hereto attached, to manufacture Bank Note or other papers, steel rolls, steel plates, the dies and other tools of the trade, inks, colors, etc., in the City of Ottawa, but that such supplies necessary to the faithful fulfillment of the contract may be obtained elsewhere."

"The Minister therefore recommended, in view of such saving, that he be authorized to accept the tender of the American Bank Note Company, *provided that the details of the contract can be arranged with the Company to his satisfaction.*"

Hitherto it has been the theory that the details of a contract were to be found in the Schedule of terms and conditions supplied each tenderer. Hon. W. S. Fielding desires to make an innovation as far as contracts with the Dominion Government are concerned. Henceforth, the invitation will be, "Tenderers submit your price, *the details of the contract can be arranged to the mutual satisfaction of the Minister and yourselves afterwards.*"

Not only is the action recommended a public disgrace, but it is dishonorable, unjust and dangerous. It is disgraceful, because the words "Bank Note or other papers, inks, colors, etc., etc.," are merely a blind intended to cover the permission given aliens to engrave steel plates of Canada's paper money, make the steel rolls on which the impressions are taken, and engrave the steel dies in a foreign country, by which Canada's paper mint is relegated to the will of a foreign syndicate on a foreign soil, although the Canadian syndicates who desired to tender were denied the right to do the work either in Montreal or Toronto.

Not only has Mr. Fielding's action sold Canada's birthright, recklessly injured a large home industry, thrown 100 Canadian artisans out of employment, destroyed a large amount of Canadian capital—it has broken the spirit, if not the letter of the law. *It has*

violated the essential elements of all fair tendering, and is on that account disgraceful.

It was decided by the Canadian Government, much more than a quarter of a century ago, as a question of principle, that the engraving and printing of Government Notes and Stamps should be no longer given out to a contractor in a foreign country, but done in Canada, under immediate departmental supervision and control.

It must be considered that the making of Government Notes and Stamps, with all that pertains to it, is unlike anything else, except dies for the coinage of the gold and silver money of the country. The dies or plates from which the notes or stamps are produced are very small things, and can be easily duplicated and carried anywhere with the greatest ease. Think of the Government of England, or the Bank of England, or the United States Government giving a contract for the engraving of their Notes, Dies and Stamps to a foreign contractor, to be done out of the country, for the reason of APPARENTLY lower prices—and these prices on paper only!!

The main consideration is not so much a saving in the art of making, but obtaining the most absolute protection possible. If the Canadian Government were not satisfied with the present or any Canadian contract, it was the *duty* of the Finance Minister to have had all the other work done at the Government Bureau, as well as the stamped envelopes, instead of accepting the tender of a foreign company to do merely the printing, or least expensive part of the work, in Canada.

While the Minister was carrying on a correspondence with the American firm, and receiving pointers as to the alteration of the terms and conditions, so as to make them more favorable to the contractors, the scant courtesy of merely a notice by letter and one short interview, in which the Minister had nothing to consider but the lowest tender, were all that were accorded the Canadian firm during the two months. (See letter after interview, page 11.)

It was vain for the latter to ask another interview; it was vain for them to write; it was vain for them even to offer to do this work for the lowest figures of the American tender. It was nothing to the Honorable the Minister that half a million of Canadian capital was being destroyed in order to give a contract to a syndicate, containing not one Canadian subject, owning not one square yard of Canadian soil, with not one cent of Canadian capital, and no property in Canada to be security for their bona fides. It was nothing to him that 100 Canadian artizans would be thrown out of work. BUSINESS WAS BUSINESS! and the Canadian company was not in it—their tender was too high.

From November 23rd. to January 8th., not one word was vouchsafed the Canadian firm, though on January 6th., the Finance Minister reported to the Council that he had been in correspondence with the American firm.

On January 7th., "Mr. Fielding received His Excellency's license" to arrange the details of the contract to *his* satisfaction, and then it was safe to let Mr. Burland, as President of the British American Bank Note Company know. Accordingly, on January 8th., a letter was sent acknowledging the receipt of the Canadian tender and saying, "I have the honor to state that I regret that I am unable to accept the offer made in such tender, as the Government have received a much more advantageous offer from another Company."

This Order-in-Council was passed at a meeting where there were only four members present, three of whom doubtless were not particularly interested and simply adopted the Minister's recommendation "in view of the saving" *in figures only*, without considering the injurious nature of their action.

Hon. Wilfrid Laurier, the Prime Minister, the President of the Council, the man above all others concerned, and chiefly responsible, stated that Mr. Fielding had not spoken to him on the subject, and pledged himself that all the work would be done in the Dominion.

Hon. Sir Richard Cartwright, although a member of the Treasury Board, stated that he had not been consulted, nor had the subject been submitted to the Treasury Board. Sir Richard was not consulted, yet of all the Ministers he is the one in whose shrewdness as a financier, in whose integrity as a man of business, the Canadian public would have most faith.

In order to remedy this state of affairs and to supply the Ministers with full information upon which they could reconsider the hasty Order-in-Council, Mr. Burland sent the petition appended hereto. (Page 11.)

The following letter was sent Mr. Fielding and other members, after the notice in the Globe :—

HON. MR. FIELDING,

MONTREAL, Jan'y. 23rd, 1897.

Dear Sir:—In reference to the tender of the British American Bank Note Company, we would ask your kind attention to the injustice that would be done to the capital invested in the country, if the work of the country is given to foreigners, and we ask that new tenders be taken for the following reasons:—

1st.—That ample capital has been invested at the request of the Government to satisfactorily prepare all the work required by the Government.

2nd.—That contract is about to be awarded in violation of the terms and conditions of the specification.

3rd.—That no notice was given that foreign tenders would have privileges not embodied in the specification.

4th.—That the terms of the specification would be violated by giving the privilege to foreign competitors for a double period without equal rights to the local Company.

5th.—That the greatest injustice would be done local capital by allowing free duty to such foreign competitors without any allowance, in lieu thereof, to the local Company.

6th.—That all persons tendering against invested capital should show their ability by having suitable premises and machinery with which to do the work; tenders of all parties would then be on equal terms.

For the foregoing reasons and many others we respectfully ask for a reconsideration of the subject.

We have the honor to be, Sir,

Your obedient servants,

G. B. BURLAND, Pres't.

This letter was supplemented by another two day's later, which is as follows :—

BRITISH AMERICAN BANK NOTE COMPANY,
OTTAWA, Jany. 25th, 1897.

HON. MR. FIELDING,

Dear Sir :—We have to thank you for the time and attention you have given us with reference to the contract intended to be given to foreigners, having no claims or interest whatever in our country, save a strong desire to get possession, at any price, of the Bank Note business of the Dominion.

The British American Bank Note Company, with the assistance of the Government, was established to do this work in Canada. Large capital was invested by its citizens and the best of protection afforded, and for years past I make bold to say that the Finance Department and the Banks of the Dominion have had the Note circulation of the country at least thirty per cent. less than the current rate for such work from New York.

Our Capital now stands in great danger, not from competition with citizens of Canada and their Capital, but from one of the largest monopolies of the United States, having no interest in the Dominion, other than the purpose of securing its work and obtaining sole possession of the field, with the ultimate result of being able to charge any price they may think proper for this class of work, as they did in former years.

In order to avoid such a serious blow to the commercial interests of the country, and to protect the large Capital already invested, we, the British American Bank Note Company, are prepared to accept the terms of the tender submitted by the American Note Company, and preserve, if possible, the business of the Dominion, that has been performed by us in a satisfactory manner, for the last thirty-five years.

We are, however, perfectly satisfied that a closer examination of the difference in price that appears on the surface of the tenders, if the quality of material is taken into account, would reduce that difference to a minimum.

We have the honor to be, Sir,

Your obedient servants,

G. B. BURLAND, Pres't.

Copy to Hon. Mr. Laurier.

On the 27th January, the following letter was sent to all the Ministers :—

BRITISH AMERICAN BANK NOTE COMPANY,
OTTAWA, Jany. 27th, 1897.

DEAR SIR :—We fear that you and other Members of the Cabinet have been so busy that the following clause of the specification, on which we have tendered, has been overlooked in the action the Minister of Finance feels disposed to take. If no special favors are to be granted foreigners to destroy the business already established, we specially ask that you will look into the matter and see how the conditions are to be fulfilled before a final decision is reached.

"All work under the contract shall be done at the City of Ottawa, in such building or buildings as are approved of by the Government of Canada, such building or buildings to be fire-proof and to contain all necessary fire-proof vaults to ensure the safety of the work."

"No contract shall be entered into with any tenderer until he has satisfied the said Government of Canada that he has or will have by the time he begins work under the contract, a proper building or buildings in Ottawa, in which to carry on the work under the contract."

We have the honor to be, Sir,

Your obedient servants,

G. B. BURLAND, Pres't.

*To His Excellency the Right Honorable the Earl of Aberdeen,
Governor General of Canada in Council.*

The humble petition of the British American Bank Note Company, a body corporate, incorporated under the Laws of Canada, and having its Head Office at the City of Ottawa,

HUMBLY SHEWETH :

That for upwards of thirty-five years, your Petitioners have done and performed for the Government of Canada all the work connected with the engraving and printing of Bank Notes, Post Cards and Postal and Inland Revenue Stamps and Supplies.

That all this work, which is of a very private and special character, and in substance is the work of making paper money, has been performed by your Petitioners to the entire satisfaction of the various Ministers and other Officers of the Government of Canada who from time to time have had the control and supervision of the same, and without any duplication, loss or difficulty occurring in connection therewith.

That recently tenders were called for, for engraving Dominion Notes, Post Cards and Postal and Inland Revenue Supplies.

That the notice calling for such tenders was a printed one, and comprised specifications and essential terms and conditions of the proposed contract which any tenderer would have to execute if his tender were accepted.

That Your Petitioners understand that there were only two tenders put in, one by Your Petitioners and the other by the American Bank Note Company, a foreign corporation, having all its property and business connections in the United States.

That Your Petitioners also understand that the tender of the American Bank Note Company was apparently a lower tender than Your Petitioners, and that it is contemplated to award the contract to the lowest tender.

That Your Petitioners tender was based on the conditions of the contract, and on the quality of the work that it has been in the habit of executing for the Government of Canada.

That all Your Petitioners work is done here at the said City of Ottawa, by Canadian artists and artizans employed here in a special building erected here for that specific purpose, and to the satisfaction of the Government of Canada.

That the Capital employed in this purely Canadian business and enterprise is upwards of \$400,000.

That Your Petitioners have been given to understand that it is contemplated not to insist upon the condition contained in the printed form of tender requiring all work under the contract to be

done here at the City of Ottawa, in a building approved by the Government of Canada.

That Your Petitioners are also informed that it is contemplated to allow the dies, rolls and plates used in connection with this work, to be brought into Canada free of duty. The value of the dies, rolls and plates belonging to Your Petitioners and used by them in carrying out the present contract, exceeds the sum of \$50,000.

That if the American Bank Note Company is awarded the new contract, and if it uses the Inks for printing Bank Notes, and the paper which it usually uses for such work in the United States, the difference in the price of material now supplied by Your Petitioners and what would be supplied by the American Bank Note Company would be as follows:—

	Per annum.
One Dollar Notes 450,000 Sheets	\$4,500.
Two and Four Dollar Notes 120,000 "	4,515.
Postal Cards 27,000,000 Cards	<u>6,480.</u>

Per Annum . . . \$15,495.

Amounting in five years to \$77,475.

The above figures show clearly that the apparent cheapness of the American Bank Note Company is only in figures, unless the Government insists on the strict fulfillment of the conditions of the tender, and unless special privileges as to free importation, duties, &c., are not allowed to the American Bank Note Company.

The following charges will show the difference between the current New York rates for Bank Notes and the Canadian rates for same:—

New York rates—1000 Sheets \$1 Notes	\$ 95.00
Proportion of Engraving	20.00
Add Duty and Freight, 40 per cent	<u>46.00</u>

Cost per 1000 Sheets from New York \$161.00

The cost of the same work delivered to the Government by Your Petitioners is per 1000 Sheets . . \$ 91.31

That Your Petitioners being desirous of stopping a complete destruction of their property, and of avoiding the necessity of discharging a large number of skilled Canadian artists and mechanics, and of preventing this foreign corporation, which has practically a monopoly of the Bank Note business of the United States, from coming into Canada and obtaining a monopoly here, has offered to accept the contract on the terms of the tender put in by the said American Bank Note Company, and accordingly on the 25th day of January, 1897, Your Petitioners addressed the letter to the Honorable the Minister of Finance, a copy of which is annexed to this Petition. (See letter of the 25th.)

That having been given to understand that the whole question of the above work is now under the consideration of Your Excellency

in Council, and having regard to the facts and circumstances above stated, Your Petitioners humbly pray that the said tenders for the said work be reconsidered, and that Your Petitioners be awarded the contract on the terms and conditions offered in the tender submitted by the American Bank Note Company.

And, as in duty bound, Your Petitioners will ever Pray.

THE BRITISH AMERICAN BANK NOTE COMPANY.

(Signed) G. B. BURLAND,

OTTAWA, 28th January, 1897.

President.

The two following letters merit attention :—

The Honorable WILFRED LAURIER,

Premier of Canada, Ottawa.

OTTAWA, Feby. 6th, 1897.

Honorable and Dear Sir:—Before final judgment is passed by you on our national enterprise, might I ask you to spare one half hour's time to visit the establishment and fully understand from observation, the modes and methods of producing Bank Note work, the information thus obtained from such observation, we are fully satisfied, will enable you to overcome all erroneous statements on the subject, and enable you more fully to see the benefit to be derived by maintaining our institution in this country, in preference to handing it over to foreigners, with such an alien Labor Law against all hope of our people being able to gain employment out of the country. It will also enable you to more fully understand the terms offered by the American, and what terms are to be arranged with them. So far as we can see, the conditions to be allowed the American makes null and void the specifications we have tendered on, and we do feel that notwithstanding any errors of judgment, good faith is to be kept with them, it also ought to be kept with us.

Feeling that you are very busy at present, and that I am still in the doctor's hands, Friday and Saturday next, or the early part of the following week, might perhaps be convenient.

I have the honor to be, Sir,

Your obedient servant,

G. B. BURLAND, Pres't.

The following letter was sent to the Postmaster General :—

The Honorable W. MULLOCK,

Postmaster General, Ottawa.

OTTAWA, Feby. 6th, 1897.

Honorable and Dear Sir:—Your last few kind words spoken to me were full of meaning, in which you mentioned that the present Government had nothing to do with the past, but that the future was to make their record. I would therefore ask of you from your well-known high standard of justice and desire to benefit the country, that you would spare us about half an hour of your valuable time to visit the establishment and see the mode and operations, and terms used in doing Bank Note work.

We know that there have been erroneous views with reference to this work, and that we have been placed at a great disadvantage owing to the fact of the lowest tender being considered the cheapest work. The information to be gained by personal observation will fully decide whether the best interests of the country will be served by handing it over to foreigners, with such an alien labor law against all hope of our people being able to gain employment out of the country. Had we been aware, or received any information that the Americans were to be allowed certain privileges and conditions, our mode of tendering would have been on equal terms.

We will be most happy to wait on you at any time you can spare a few minutes, as above mentioned, as we have much greater faith in proper remedies being applied at the present critical time than a funeral operation after death.

Feeling that you are very busy at present, and that I am still in the doctor's hands, Friday and Saturday next, or the early part of the following week, might perhaps be convenient.

I have the honor to be, Sir,

Your obedient servant,

G. B. BURLAND, Pres't.

PUBLIC OPINION.

BANK NOTE CONTRACT.

"Observer" Discusses Some New Points of the Situation.

Editor Journal: An important statement, which constitutes a new departure, has been published as a rumor to the effect that an Order-in-Council has been passed, which allows the American Bank Note Co. of New York, to import among its supplies such as paper, inks, colors, etc., "steel rolls, steel plates, the dies and other tools of the trade," as a condition of its contract with the government of Canada. "Murder will out." And this statement may be accepted as beyond doubt true, for the plain reason that the New York Engraving Co. could not undertake the contract on any other terms by July next. Yet the printed specifications which I have seen since my last letter, define that

"All work under the contract shall be done at the City of Ottawa, in such building or buildings as are approved by the government of Canada, such building to be fire-proof, with fire-proof vaults. No contract shall be entered into with any tenderer until he has satisfied the said government of Canada that he has or will have by the time he begins work under the contract a proper building or buildings in Ottawa in which to carry on the work under the contract."

The meaning of all this is very plain, and does not admit of any doubtful interpretation. "All work" must be done in Ottawa; and that in "a building or buildings" in Ottawa of the kind described.

At present there is no such building in the city, except that in the occupation of the British American Bank Note Co., and it therefore follows that the contract with the big and enterprising New York company cannot be signed for a while. The New York company cannot, for the present at least, repeat its feat of Aaron's rod, and swallow up the Canadian company. A good deal will come and go between this and that.

Consider further the terms of the extraordinary Order-in-Council referred to, by the light of the specifications I have quoted, in respect to the imperative condition that "all work" shall be done in Ottawa. The Order says that the New York company may import along with its inks, papers and colors, its "steel rolls, steel plates, the dies and other tools of the trade." That is to say all the designing and the engraving, and all the materials and the appliances which go to make up a bank note, leaving the impressions from the plates alone to be done in Ottawa! We have here the shell without the oyster, with a vengeance.

A building such as described in the specifications quoted might be erected at a cost all the way from \$15,000 to \$40,000 in Ottawa. But this would take the time of some months. The other described materials necessary for the printing of a bank note, could not be produced in so short a time. But the mere printing, when these are in possession, might be done in any shed or garret in any part of the continent, and this is all the work which the New York company at the beginning, at least, could do in Ottawa. The capital, moreover, necessary to produce the engraving plant, would be far greater than that required to erect the building. A large part of the half million of capital of the British American Bank Note Co., is invested in such material. How ingenious then to classify it with ink, paper and colors? But is not this an attempt to cover up? Is it not too sharp and too smart? Would not the ordinary citizen call it an attempt to swindle on a very large scale?

I doubt if the Governor-General when he signed this order, or the ministers who passed it in council, or even Mr. Fielding himself, fully perceived the extent of its bearing, from the ingenious way in which its kernel is covered up. But his department ought to have known it, and pointed out its flagrant inconsistency with the printing specifications.

The matter, however, cannot stop where it is, and nothing further can be concluded before parliament meets, when the whole thing will of course be thoroughly ventilated.

There is yet a further point in connection with this curious Order. The minister recommended by reason of the "saving" he reported he was making, "that he be authorized" to arrange "the details of the contract," to "his satisfaction." What then are the use of "specifications?" and especially when the "details" indicated are the whole lock, stock and barrel.

The New York Company has let it be known through the newspapers that it would take Canadians into its employ, at New York, and give them the advantage of learning the trade. That is pleasant. But how is this doing "all the work"

in Ottawa? And a Montreal paper gave it out that the New York Company would ask the American government to suspend the American contract labor law in order to allow this pleasant arrangement to be carried out. But what chance would there be of such being done, even if the American government had the power to suspend the laws of Congress?

Let me say that I do not write from any feeling of hostility to the Canadian ministers. But I think a mistake has been made. And I have already said in so far as regards the Canadian contractor that he should be brought up if there is reason to do so. But the facts of the merits of the case, as between him and the rival tenderers have yet to appear.

What I object to is putting the fingers of the clock backwards, and going back on the policy established over quarter of a century ago of getting all engraving and other work connected with making Canadian government paper money done in Canada, under immediate government control. If the present contractor has been unreasonable there are many ways in dealing with him. But the dies and plates of Canadian paper money are not things to be put out to tender in the same way as a yard of cloth. It is not the custom of governments of the present day to do so. Perhaps the Imperial government might get its mintage work done cheaper by tender in Germany than at present, and with less possibility of risk than placing Canadian money dies and plates in the hands of a New York corporation.

It is not to be unfriendly to the present ministers to discuss the question thoroughly on its merits, as such may save them from concreting an error begun.

Ottawa, Feb. 26.

OBSERVER.

ALTERATION OF A CONTRACT.

The fact that the American Bank Note Company has purchased property in this city to the value of \$25,000, and is proceeding to erect a large and substantial structure thereupon, might be welcome if it meant that there was to be an addition to the business of the city by the establishment of a fresh enterprise. But the American Bank Note Company is coming here to do work already performed by a Canadian firm, and of which there is not enough for two competitors in the Dominion. The award to it of the contract for government engraving means that this is lost to the British American Bank Note Company, which has hitherto performed it. It means, too, the destruction of the greater part of the value of the capital invested in the concern.

It means more. It was represented when the matter was first made public, that all the work in connection with the business would be done in Canada. The specifications upon which tenders were offered provided that "all work under the contract shall be done at the city of Ottawa," but this specification is not being insisted upon in the case of the favoured American tenderers. It is now stated that an order-in-council has been passed releasing the latter from the condition by allowing the importation among its supplies, such as paper, ink, colors, etc., "steel rolls, steel plates, the dies and other tools of the trade." That is to say all the designing and the engraving and all the materials and the appliances which go to make up a bank note are to be done and furnished from New York, while the impressions alone are to be made in Ottawa.

This is very different from the terms upon which the parties were asked to tender, and it will strike the most casual observer as being not only unbusinesslike, but grossly unjust. The Canadian company was asked to tender on the assumption that all the work connected with the business was to be done in Canada, and after their offer had been rejected and that of a foreign company accepted, the terms are materially changed so to suit this foreign company.

The operations which are thus to be carried on in New York are in fact the substance of the business. Hitherto they have been done in Canada by Canadian workmen. Hereafter they are to be done in New York by American workmen. The manufacture is to be transferred from Ottawa across the line, and the Canadian workmen will be permitted an opportunity of walking the streets or of tasting the reciprocal friendliness of American alien labour legislation. There are many other points connected with this transaction which require to be discussed and placed before the public. The above will show, at all events, the kind of fair play which has been accorded our own fellow-citizens.

Ottawa Citizen, Jan. 12, 1897.

THE NORTHERN WASHINGTON.

The action of the government in awarding the contract for Dominion engraving to an American firm when there is an establishment in this city capable of doing the work well, and accustomed to do it, possessing the necessary capital and skill, having

the building, plant and experienced workmen, is an extraordinary indication of the affection in which the United States is held by our present rulers. On the borders, the officials of that country are busily engaged in expelling respectable and honest Canadian workmen under the Allen Labour law, which is interpreted and applied with extreme rigour. Even nurses and typewriters fall under the provisions of this invidious and offensive piece of legislation, and are not allowed to pursue their callings in the boasted land of the free. A short time ago the Premier was so moved by the petty persecution to which our countrymen and countrywomen have been and are subjected that he declared that if it continued the Dominion would retaliate. Now, however, as above stated, an American firm is awarded a large contract over a Canadian competitor.

There is a spirit of Christian forgiveness in this episode which cannot be too much admired—from the other side of the line, where, however, it will never be imitated. Can anyone conceive the government at Washington giving its engraving contract to the Burland, or any other Canadian company, because its tender was somewhat lower? Could a Canadian get a contract to the extent of one dollar from the State of New York, or any other State? Was such a thing ever heard of? If any American government could entertain such a preposterous notion, the press and public would howl it out of existence. Yet we, unselfish and magnanimous people, being struck on one cheek, meekly hold out the other, and thank our aggressor into the bargain.

This is a practical admission of the Monroe doctrine. "Our country is bigger'n your'n, and consequently our rights are bigger too." Uncle Sam is supreme on this continent. He will have the United States for the United Statesers, and will look to get a good deal of Canada too. Perhaps this is an inauguration of the vigorous immigration policy of which we have heard so much. Canadians being severely barred out from receiving any business favours in the States, while United Statesers can get government contracts in Canada, who can doubt that immigration in the latter country will be greatly encouraged? Now let John Charlton's heart rejoice, and his countrymen in Michigan be glad, Ottawa is to be the Washington of the North, and here their interests will be as carefully guarded as in the other Washington farther south.

Ottawa Evening Journal, Jan. 15, 1897.

THE GOVERNMENT ENGRAVING.

The Dominion government is coming in for sharp criticism for its award of the bank note engraving to a United States firm, and a number of Liberal papers are defending the government by the plea that \$120,000 a year is saved by the contract with the American firm.

There is no proof yet of any large saving.

The Liberal papers which make the contention may be misled by the assertion that the new contract is to be \$120,000 a year lower than the old one.

This does not mean that the tender of the American firm was \$120,000 or even \$120 lower than some Canadian tender. It is a comparison with past prices, not with tendered ones. The public has no reason yet to know that the Burlanda did not tender within a few dollars of the New Yorkers. It may be that the new Burland tender was very high, but that is not yet officially stated.

The Journal did not comment upon the new contract because the full facts were not known. But it is proper to say that unless there can be shown a great saving in the contract with the New York firm below the prices which Canadians offered, the government will deserve condemnation. It is not enough to say that the foreign firm must establish a branch here. They will bring foreign labor probably in all departments, and certainly in the superintending offices, and their profits will go across the line, while in the meanwhile a number of Canadians at present employed in such work will be turned on the street.

Ottawa Citizen.

THAT ENGRAVING CONTRACT.

The motives that animated the government in this extraordinary step of giving the engraving contract to an American firm cannot be divined. We are told that for the five years there will be a saving of \$120,000, as compared with the last five years. But we are not told what the difference was between the tenders of the American company and the Burland company respectively. For aught we know there may not have been a thousand dollars difference. In any case the Canadian firm should have been allowed the option of taking the work at a reasonable price. The preference shown to a foreign rival, belonging to a nation which treats our people with petty and ceaseless hostility, and trade intolerance, is amazing. It would seem to indicate a burning desire to show that the government cares no more for Canadians than it does for Americans.

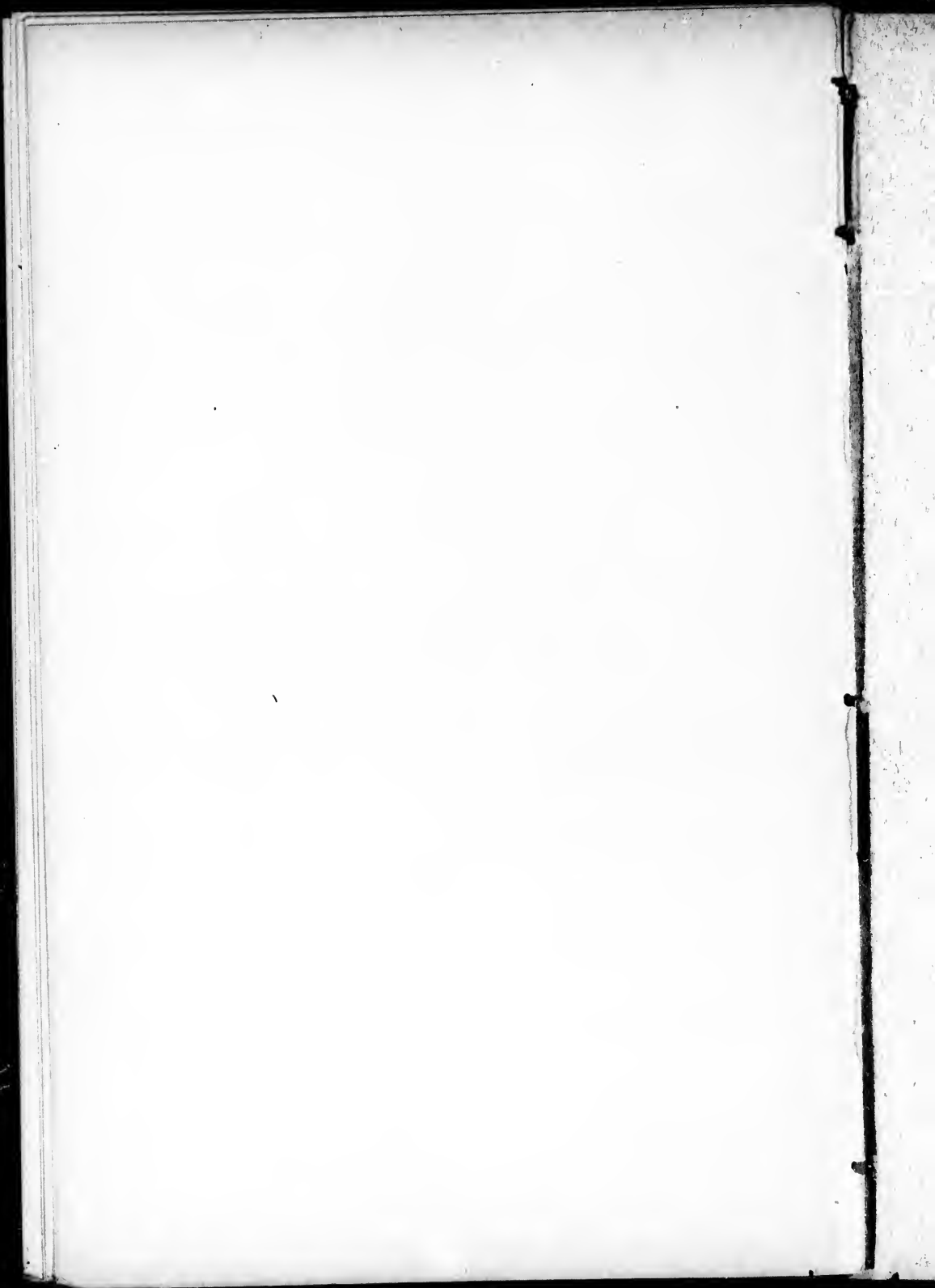
(Ottawa Correspondence, Montreal Gazette.)

OTTAWA, May 3.—The facts regarding the bank note contract which was given by the Government to a New York concern, were disclosed to-day by the production of the correspondence. The documents establish that the American Bank Note Company offered a cut rate to the Government to get a foothold in Canada, that it dictated terms to the Government directly in violation of the specifications, that the British American Bank Note Company afterwards offered to take the contract at the same figure as its American competitor had named, and that the contract was afterwards awarded to the American concern at a greater cost to the country than it would have been done by the Canadian company had its revised offer been accepted.

The new contracts were called for last fall. Offers were made by the American Bank Note Company, New York; the British American Bank Note Company, of Ottawa; and Barber & Ellis Company, of Toronto. The latter was ruled out because the tenderers offered personal security instead of the cash deposit of \$50,000. Of the two that remained that of the American Bank Note Company figured out at \$99,046 a year, and that of the British American Bank Note Company at \$128,843. The offer of the Ottawa company was slightly higher than the rates paid under the former contract, which figured out at \$125,000. In his report upon the tenders, Mr. Courtney, the Deputy Minister of Finance, pointed out that when the last contract with the British American Bank Note Company was made, enquiries were instituted to ascertain if the rates were fair ones. It was found that they were quite as low as the American Bank Note Company was doing the same work for the banks. It follows, therefore, that the offer made was considerably below the ordinary rates of the American concern, and may fairly be called cut rates. The American offer was, strictly speaking, informal and in violation of the specifications. Section 7 of the specifications required that all work under the contract should be done in the city of Ottawa. This was accepted in its entirety by the Canadian tenderer. The American Bank Note Company added a proviso to its tender as follows:—"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, colors, etc., in the city of Ottawa, but that such supplies necessary to the faithful fulfilment of the contract may be obtained elsewhere." Considering this variation of the conditions considerable correspondence took place.

Work Done in New York.

The Deputy Minister of Finance called attention to the new condition, and added this would allow them to do a large portion of their work in New York, which seems to require very careful consideration. Thereupon Mr. Fielding, instead of throwing out the offer as a violation of the specifications, wrote to the American tenderers for explanations. They replied that they proposed to produce all the original dies in New York, because there is not the talent in Canada to do the work, nor was it obtainable here. "In the United States there were better machinery, better workmen and better ideas of art." The company practically dictated its own terms to the Government in this respect. It told the Government that the Canadian officials did not know what they were talking of when they insisted that the dies could be made in Canada, or to use the exact words, "They were not familiar with bank note engraving." In response to a feeble protest from Mr. Fielding, the company kindly agreed to modify its position so far as to make the foundation dies in New York and do the putting together in Ottawa. Thereupon Mr. Fielding reported that the terms were satisfactory, although contrary in this respect to the specifications. Before the contract had been accepted, Mr. G. B. Burland, on behalf of the British American Bank Note Company, asked for a reconsideration. He claimed, among other things, that he had not been aware that he would have to compete with foreign concerns, and that the offer of the American company was contrary to the specifications. As no notice was taken of this, Mr. Burland offered to accept and carry out the contract on the terms offered by the American company. This offer was never reported upon by the Deputy Minister of Finance. But from a statement which appears in Mr. Courtney's report, it is clear that the last offer, although nominally for the same figure, was really lower than that of the American concern. Mr. Courtney pointed out that giving the contract to a new contractor would call for a large immediate outlay for dies, designs and rolls. This is necessitated by the acceptance of the New York offer, but would have been avoided had the Canadian company been given the contract. The facts submitted to-day show that the boast that the work is to be done in Canada is a hollow sham, as the most important part is to be done in New York. They show that in this important respect the tender of the American contract was amended, whereas the Government refused to allow any change in the Canadian offer. They show finally that the last offer of the British American Bank Note Company, having regard to the initial outlay, is lower than the offer finally accepted.



British American Bank Note Co.

ENGRAVERS AND PRINTERS,

OTTAWA AND MONTREAL.

INCORPORATED 1866.

CAPITAL, \$200,000.

The Company have much pleasure in thanking their friends and customers for the patronage extended to them during the past **35 YEARS**, and beg to state that their business will be carried on with renewed vigour and energy for the future.

BANK NOTES,
CERTIFICATES OF STOCK,
DEBENTURES, BONDS,
BILLS OF EXCHANGE,
AND HIGH-CLASS COMMERCIAL WORK
AT GREATLY REDUCED PRICES,
IN BEST QUALITY OF STEEL PLATE WORK.

Please send for SAMPLES and TERMS before ordering elsewhere.

ALL ORDERS PROMPTLY ATTENDED TO.

