

# *OPO Perspectives*

## *Canada@150 Edition*

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### **150 Years of Procurement: Canada's Early History**

As Canada celebrates the 150<sup>th</sup> anniversary of Confederation, the Office of the Procurement Ombudsman is presenting a three-part article reflecting on the history of federal procurement in Canada.

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Trade routes date back to the earliest parts of Canada's history. Prior to the European arrival on Canadian soil, Canada's First Nations people had a robust trading system spanning across North America. Even Ottawa's name derives from the Aboriginal term *Odawa*, which means 'traders'. Some of the earliest supply chains in Canada's history were part of the fur trade between First Nations people and European settlers. In response to the high demand for fur in Europe, a network of trade outposts and routes were developed. Traveling on water by canoe and over land by portaging, the First Nations people and the Voyageurs (French traders) were renowned for their speed and endurance in moving furs across the country. These early routes followed by traders laid the foundation for the future of transit across the country.

In the 1820s and 1830s, a revolution swept across Canada – the railway system. The first railway in Canada was launched in 1836 in La Prairie, Quebec. While Canada's first railways focused on passenger transport rather than on the transport of goods, the idea of an intercontinental railway was laid in the minds of businessmen and the race to build a transcontinental railway was on. In 1867, Canada united in Confederation and in 1871, the plans for a railway spanning from Nova Scotia to British Columbia were set in motion. The Canadian Government was to determine who would be awarded the contract to build this railway.

The procurement for the construction of the transcontinental railway system was plagued with challenges. It was alleged that Prime Minister Sir John A. Macdonald awarded the contract to Sir Hugh Allan in exchange for political donations. The allegations proved serious, leading directly to the end of Macdonald's first term as Prime Minister in 1873. The contract was eventually awarded to a coalition of Scottish businessmen, who established the CP Railway Company in 1881 and completed the project in 1885.

Known as the Pacific Scandal, this transcontinental rail contract was one of the first major procurement-related controversies experienced by the post-Confederation government. This planted the seed for government to begin formalizing the procurement process in a more fair, open and transparent manner.

#### **Next Chapter: Canada at War**



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CANADA 150