

PUBLIC SERVICE COMMISSION

1912

SPECIAL REPORTS ON DREDGING

Public Works Department

To His Royal Highness the Governor General in Council.

MAY IT PLEASE YOUR ROYAL HIGHNESS:—

The Public Service Commission have the honour to present a report of progress in an inquiry they are holding into the matter of dredging by and under the Department of Public Works.

In the decade between 1900 and the termination of 1910, about \$19,000,000 was expended by the Department in dredging, not including the amount for purchase and improvement of departmental plant. In the last seven years of the period, the annual expenditure increased rapidly and continuously, and in 1910 it amounted to more than during the first four years of the decade. In the Maritime Provinces, in Quebec, and in Ontario, dredging is done each year in part by contractors and in part by departmental plant, and inquiry into the various expenditures has proven to be a task requiring much time, persistency and concentration on the part of the Commission and those persons whom it has employed in the investigation. Much remains to be done, but it is apparent that certain reforms should be undertaken at the opening of the dredging season for the current year, and, therefore, the Commission have considered it urgent to present a report.

By departmental regulation, all matters relating to dredging are under the supervision of the Assistant Chief Engineer of Public Works. The present occupant of this office has held it for little more than one year, but he has during that time made an earnest endeavour to procure the adoption of improved methods. Recently, he decided to withdraw from the Public Service, but, at the request of the Minister, he has consented to retain his office and the Commission feel that his experience will enable him to give good public service. They have had his evidence and opinion to assist them in their inquiry.

The Assistant Chief Engineer has a small staff in his office at Ottawa, directly under his personal control, and subordinate to him there is also what is known as the Dredging Branch of the Department, presided over by the General Superintendent of Dredging, with an Assistant Superintendent, and inside and outside assistants. This Branch, as now constituted, has no other work than the care and control of departmental dredging plant. This it exercises directly in respect of the plant in Ontario and Quebec, and through local superintendents in respect of the plant in the Maritime Provinces and British Columbia. In the Prairie Provinces the Resident Engineers superintend the plant.

The Commission find that the existing Assistant Engineer's staff requires some rearrangement to enable it to deal efficiently with dredging generally, and especially in relation to contract dredging. They also find that the organization for the care and control of departmental plant is very unsatisfactory. The offices now used are inadequate; those occupied by the General Superintendent and his subordinates should be abandoned, and these officers should be brought into closer contact with the Assistant Chief Engineer.

The present General Superintendent is about seventy-three years old, and he is now and has been for some time unable by reason of illness to attend to his duties. The Commission understand that he has been an efficient officer. If it is deemed desirable to retain his services, the Commission feel that he should in reality occupy a consulting position only, and should relinquish all active participation in the management of the Branch. It seems to the Commission that a person with good executive qualities, having some practical knowledge of dredging, and preferably one familiar

with dredging machinery should be appointed in his place as General Superintendent, and that under him a very complete reorganization of the Branch should take place. A very inadequate and unreliable attempt at cost accounting now made in the Branch should be abandoned, and a complete system installed.

The Commission understand that Mr. T. H. Schwitzer has been named for appointment as Mechanical Engineer for the Branch. He has been for some time the Mechanical Superintendent of the Printing Bureau, and is now engaged in making an inquiry for this Commission at Sorel Ship-Yard. The Commission think that Mr. Schwitzer may, after some experience in the Dredging Branch, prove to be a proper person for the position of General Superintendent, the duties of which position he might discharge temporarily, with a view to his permanent appointment should his work prove in every way to be satisfactory. They do not think, however, that a Mechanical Engineer as well as a General Superintendent will eventually be needed in the Branch.

The system of management and accounting differs somewhat in the Maritime Provinces from that in vogue in the other parts of the Dominion, and it is here that the need for reorganization is most urgent. In the Maritime Provinces there are two Superintendents, one at St. John, N. B., and the other at New Glasgow, N. S., both receiving \$2,000 per year. The departmental plant in these provinces is valued at about \$1,500,000, and includes ten dredges, three tug-boats, and scows, etc. One of the dredges is valued at about \$700,000. All accounts are payable at the office in St. John, N.B. The local Superintendent there, Mr. Scovil, has a credit given to him for that purpose from time to time by the Department here. In regard to the Provinces of New Brunswick and Prince Edward Island he has also wide duties; hiring officers and crews, purchasing supplies, and exercising control over the movements of dredges. In regard to Nova Scotia, these latter duties are performed by the Superintendent at New Glasgow, though his accounts are payable at St. John. The expenditure in the dredging season of 1910 for towage by private tugs in the Maritime Provinces amounted to \$62,454.40, the contracts being made by the local Superintendents. This was in addition to the cost of operating departmental tugs and dredges. Vouchers for the payments by the office at St. John are sent in monthly to the Department in Ottawa, but the credit to the office is accounted for annually only. Purchases should be made by tender and contract more largely than at present, and better supervision should be exercised concerning the dredges and their movements. The practice of paying the accounts at St. John should be continued, but a closer supervision should be exercised from the Department at Ottawa.

The Commission find that it will tend to efficiency to have one Superintendent only for the Maritime Provinces, with an office at St. John, and that a suitable man should be appointed. An inspector recently appointed from Prince Edward Island should be made responsible to the local Superintendent for general service.

An Inspector is already attached to the office at St. John, N.B. It is desirable that the duties of Inspectors should be widened, by requiring them not merely to examine machinery, as at present, but to inquire and report upon the movements of dredges, the discipline of their crews, and generally any matters affecting their usefulness. Two inspectors may prove insufficient for this work, in which case the number should be increased.

The Assistant Chief Engineer says that the present local Superintendent at St. John is not qualified for the position he now holds, and much less so for the wider authority which should be exercised by one local Superintendent for the Maritime Provinces. He does not appear to exercise effective control over his subordinates, lacks initiative in combating abuses, and does not show zeal in carrying out reforms ordered by the Head Office. In 1911, the local Superintendent in Nova Scotia arranged for the services of a tug-boat, neglected to place her at work or to cancel the engage-

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ment, and received the Department at Ottawa as to the real facts, the final results being that in October, 1911, over \$3,000 was paid for hire of a tug which was not used even for one day. Other causes exist for dissatisfaction with this office.

The Commission find that neither Mr. Scovil nor Mr. Graham could efficiently perform the duties of local Superintendent for the Maritime Provinces.

CONTRACT DREDGING.

Considerable capital is required for individuals or companies to procure and operate an efficient dredging plant. Where keen competition for contracts exists, dividends are not likely to be either large or certain. It is expensive to move dredging plant frequently or for long distances, for which and other reasons it is more or less local in its very nature. Where work is to be done at various places at the same time, few contractors have sufficient plant to undertake many contracts. Where there is much dredging to be done at one place in one season, few contractors have plant enough to undertake it. For these and other reasons, a very strong tendency exists towards monopoly, merger or collusion. The Commission are persuaded that less actual competition in contracting than is desirable exists in Canada at the present time. Competition is frequently more apparent than real. Tenderers often bid for work at more places than they could attend to if given contracts for all, because when tendering they do not expect to be the lowest in every case. Their inability to perform all the work they are lowest tenderer for is sometimes advanced as a reason for giving a contract to one who is, in fact, not the lowest tenderer. It is not unusual to give a contract to one person or company at prices quoted by another, the explanation given being that the lowest tenderer has been given all the work he has plant to perform. Within recent years certain contractors have been told to commence operations before tendering, upon the understanding that the price they would receive would be that which was quoted in the lowest tender afterwards received. This fact being well known, the only tender received has naturally been that of the contractor doing the work. The condition, hitherto insisted on, that the plant to be used should prior to or at the very time of tendering be registered in Canada has probably restricted competition, and the same result has, perhaps, been brought about sometimes by restricting too much the period between calling for tenders and the time fixed for the commencement of work.

The Commission are of opinion that competition can be increased, and dredging be made less costly to the public, while at the same time assuming more and more the condition of an industry instead of a gamble, by the adoption of a sound and consistent practice. They suggest that more care than heretofore should be taken to ascertain the extent of dredging that will be required at any particular place; and that when it is so considerable that more than one season's work will be necessary, tenders should be asked for the whole work, or for the work required for a period of years. This is being done to a limited extent. The objection that Parliament makes grants annually only, would be no stronger than in the case of public buildings, which are seldom completed in one year. Parliament should be apprised at the outset of the extent of the work to be done, and that further yearly amounts will be needed. Advertisements calling for tenders should be published in the beginning of the year, and the successful tenderers should be notified early enough to permit them to acquire all necessary plant before the time to commence work has arrived. It is said that a practical objection on this point is, that until Parliament has voted supply, the Department cannot safely award contracts, but this should be met by adopting the practice of asking Parliament to deal with dredging votes early in each session, for they are subject to special circumstances, and the reason for early votes could easily be demonstrated.

It sometimes happens that only one tender is received for dredging at a particular place; a number of instances of this kind happen almost every year. It has then to

be considered whether any contract should be awarded, and it would appear as if in many instances contracts have been awarded at high prices simply because no lower price was tendered for. It seems to the Commission also that even where competition apparently exists, the prices contracted for are frequently higher than they should be. Sometimes the prices asked and given are much higher than resident engineers have estimated to be fair and reasonable, and it has even happened that resident engineers have certified accounts for payment as fair and reasonable at prices much higher than their own estimates, giving reasons for their change of opinion that might reasonably be open to the suspicion that they were made to suit the exigency. The material to be dredged is so varied, the difficulties resulting from location are often so great, and the matters to be considered in each case are so numerous, that the Commission readily perceive and willingly admit that the subject is one demanding the exercise of great discretion. Nevertheless, they feel that a proper solution would often be easier, if the Department were provided with statistics and other data which not only could but should be procured. The kind of material to be dredged, and the difficulties of location in each case, should be carefully reported upon in advance. Material can be classified, and with experience the actual cost of dredging each kind could be calculated very closely. The Department should adopt for itself a standard of prices for kinds of material and of location by which it should test the fairness of prices asked by tenderers. No contract should be awarded if these prices exceed the standard fixed by the Department, unless after careful inquiry and special report, special circumstances justify an excess rate. In preparing for the work of a season, it has been the practice to plan that departmental plant shall be used at certain places, and tenders asked for others, with the result that it is sometimes alleged that a high tender must be acceded to or the work be delayed. It would be wise, it is suggested, that the Department should not allocate all its plant at the very outset, but that some should be kept in reserve till tenders have been considered, so that if work has to be done quickly for which the prices asked by contractors are too high, departmental plant could be used to make tenderers reasonable.

The Commission find that the creation of a departmental board, which should be convened from time to time to consider matters relating to dredging would be advantageous. Where dredging should be done, whether tenders should be accepted, and many other incidental matters should be passed on by such a board, for the purpose of advising the Minister. Neither the Head nor the Deputy Head should be charged with the task of considering the very many matters of detail and principle of great importance which constantly arise, and on the other hand, the Assistant Chief Engineer, charged with the administration of this work, would be greatly strengthened by the assistance of such a board. Pressure from outside the Department is often exercised, and the head of the Branch thereby placed in a very difficult position, from which he would be often relieved if it were the fact that the questions arising would be passed upon by a responsible and capable departmental board.

TOWAGE OF SPOIL.

Specifications in use fix a maximum of $3\frac{1}{2}$ miles for towage of spoil at the rate quoted in the tenders, and also fix a cent or more per cubic yard of spoil for every additional mile beyond the maximum, any fraction of a mile being paid for as a full mile. The maximum fixed in the specifications does not differ in different places, but is the same in all cases. If the distance towed be less than $3\frac{1}{2}$ miles, the full rate fixed for dredging is paid in full, though the towage may be for only one mile or less. Large amounts have been paid for towage over $3\frac{1}{2}$ miles under this provision; and in most instances, the distances towed have been little in excess of the maximum, thus suggesting the thought that the towage has exceeded the limit by a fraction merely to give a claim for the full mile allowed. The Commission find that it should be

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specified that any fraction of a mile less than one half shall not be counted, and any fraction of a mile more than one half shall be paid for as a full mile.

The specifications to tenders have hitherto contained the following clause:—

“The dredges which are intended to be employed on this work shall have been duly registered in Canada at the time of the filing of this tender with the Department, or shall have been built in Canada after the filing of this tender.”

It has been said that this condition was intended to protect Canadian capital and labour as a national policy. Its precise form has not been necessary to that end, which could have been as well secured by the proviso which the Commission now suggest should replace it. It is possible and even probable that by requiring that tenderers should be owners of dredging plant before they tender, persons and companies have been deterred from tendering, who were financially able and quite willing to purchase, after the acceptance of their tenders, all the plant which should prove to be necessary. For these and for many other reasons, the Commission find that it is desirable to amend the specifications in use by substituting the following for the provision referred to:—

“Dredges and tugs not owned and registered in Canada shall not be employed “in the performance of the work contracted for.”

The change if adopted should be specially referred to in advertisements for tenders, and while it may be now too late to have much effect this year, the Commission believe that good results will hereafter accrue from the change.

It may be said that this change will give opportunities for speculation in contracts by permitting persons to tender who have no plant, but who will assign their contracts. It is sufficient reply to this, the Commission think, to say that tenders not accompanied by security should not be accepted; that no contract should be entered into unless and until the tenderer has satisfied the Department of his ability to perform it; and that no contract can be assigned without the consent of the Department.

It has been stated to the Commission that the Department of Public Works seldom insists on the forfeiture of security for contracts when a tenderer fails to enter into or a contractor fails to carry out a contract. The Commission feel that no deposit should be returned before a contract is completely carried out, except upon the authority of an Order in Council, and that there should be legislation requiring that all Orders in Council authorizing return of deposits should be placed before Parliament within ten days of the opening of a session.

DREDGING INSPECTION.

The greatest opportunities for fraudulent practices in connection with contract dredging are afforded by insufficient, inefficient or even dishonest inspection, when payments are made by scow measurement. Hitherto the Inspectors have been nominated by the members of Parliament or defeated candidates supporting the Government for the time being, and nomination has almost universally been followed by appointment. The fact that employment as Inspector is only temporary has increased the difficulty of procuring reliable and capable men. The Commission find that appointment as Inspectors should be made on the recommendation of the Assistant Chief Engineer, after great care has been taken to inquire into the record and the qualities of applicants; that written certificates of character, from responsible and reputable citizens, should in all cases be required and filed; and that where large contracts have to be performed, such as at Fort William, Midland, Victoria Harbour and St. John, N.B., yearly salaries should be paid for the services of qualified and satisfactory men.

In concluding this preliminary report the Commission desire to express their very strong feeling that the proper administration of matters relating to dredging

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is in a very special degree dependent upon the skill, care and good-faith of the departmental staff. Many questions have to be decided, for which no general rules can be laid down, and subsequent competent criticism is so extremely difficult, that with every precaution which can be prescribed, good results will nevertheless still depend very largely on the ability, the executive capacity and the firmness of the Assistant Chief Engineer and those under him, and upon the extent to which he and they have the support of their superiors in office.

All of which is respectfully submitted.

ALFRED B. MORINE,
Chairman.

G. N. DUCHARME,
R. S. LAKE,
Commissioners

Ottawa, 3rd April, 1912.

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To His Royal Highness the Governor General in Council.

MAY IT PLEASE YOUR ROYAL HIGHNESS:—

The Public Service Commission have the honour to make the following report:—

For some time past the Commission have had under consideration the subject of dredging as carried on by and through the Public Works Department, who placed at their disposal a large number of files and other documents.

On the 3rd April last they presented a report of progress which set forth certain findings which they had been able to make at that time; and on these findings they based certain recommendations, both in regard to that branch of the work which is carried on directly by the Department by means of its own dredges, and in regard to that part of the work which is carried out by private enterprise under contract with the Government.

The number and importance of other matters, which have since been engaging their attention, have prevented them devoting all the attention they would have wished to this question. The absence from the files of much material upon which they must assume decisions were based, as well as of the reasons of the Minister for those decisions, has also been a serious drawback, and prevents them making as complete a report as they would otherwise have been able to do.

Beyond some inquiry into the actual cost of the dredging performed by the Government itself, with its own plant, the Commission have been inclined to leave that branch of the question as it stood when they made their previous report. The present Assistant Chief Engineer in charge of dredging, as it was then pointed out, had only been a short time in office. He is a gentleman who had shown anxiety to improve the service, and the Commission had recommended certain measures, many of which he was already endeavouring to have adopted. Time had to be given for him to show results. The Commission, therefore, confined themselves mainly to a closer inquiry into the conditions under which dredging is performed for the Government by contract, the methods of assigning the work and giving the contracts, and the cost of dredging by contract in comparison with that of dredging directly by the Government itself.

Practically speaking, the duty of dredging the harbours and rivers of the Dominion, wherever commercial interests are concerned, has now come to be looked upon as a matter entirely and solely of Government concern. The Government appears to have assumed the obligation for the dredging required, not only for the improvement of our rivers, harbours and existing ports, but also that which is necessary for the creation of the new ports and new shipping centres, which are being created from time to time by railway and transportation companies. The amount of dredging now done in the Dominion, other than that carried out by, or through the Government itself, is so small as to be a negligible quantity. The position is, therefore, that any private corporation or individual, who owns a dredging plant, is entirely dependent for any returns from that plant upon its employment by the Government. The dredging business is in this respect different from perhaps any other in the country. It is a business in which a considerable amount of capital is required; and from the outset the person engaging in it is confronted with the position that he must either himself get the Government work, or failing this, get his plant used by some one who is more fortunate in that respect. The inevitable result is to encourage the owners of dredging outfits to arrange matters amongst themselves in advance of tendering, and to eliminate healthy competition. It also places an enormous power of patronage in the hands of the Minister in the exercise of his discretion as to the

persons to whom the contracts are to be awarded. That the Minister has exercised personal supervision over this question is quite apparent from the material placed in the hands of the Commission. There are some features in connection with it, which they feel it desirable to touch upon before mentioning the general conclusion at which they have arrived.

MUTUAL UNDERSTANDING BETWEEN TENDERERS.

That persons, who put in what are ostensibly competitive tender, frequently have an understanding with each other in advance, as to what prices each shall bid, is quite evident on the face of the tenders themselves. The following is a clear instance, though it is not the only one. In 1907, tenders were called for dredging at Midland and Waubaushene, and the Canadian Dredge and Construction Company, and the Penetanguishene Dredge Company each put in separate tenders for the work to be done at each of these two points, the tender of one company being the lower of the two at Midland, and the tender of the other company being the lower at Waubaushene. All four tenders bore the same date, were apparently filled out in the same handwriting, and were enclosed in envelopes endorsed by the same person. That no importance was assigned to this incident is shown by the fact that the contract for Midland was nevertheless awarded to one of these two tenderers.

ALTERNATIVE TENDERS.

That there has been a practice of putting in alternative tenders in the hope that, if one was not successful in getting the contract, the other might be, is evident from more than one instance of both of the tenders appearing on the files. In one case, which may be described here, both tenders were for the same work, dated the same day and filled in and signed by the same firm in the same handwriting. One, which bore the initials of the Minister of Public Works, was for thirty-nine cents scow measurement, and thirty-five cents cast-over; the other, which bore no initials, was for twenty-six cents scow measurement, and eighteen cents cast-over. The contract was awarded to the tender which was not initialed. In the Order in Council the Minister stated that it was the lowest tender; although in fact there was another tender put in on the same day for exactly the same amount, which had been duly received and initialed by the Minister. Several interesting questions are suggested in connection with this transaction. Why were the persons who put in the alternative tender given the contract; and is it not more than a coincidence that the prices they quoted were exactly the same as those of their competitor? Why was the difference between scow measurement and cast-over measurement twice as great in one of their tenders as it was in the other? If they were prepared to do the work for the lower figures, why did they put in another tender at half as much again; and if there had been no competition, would they have got the contract at the higher figures?

LOWEST TENDERS NOT ACCEPTED.

The statement that the lowest tender is usually accepted is not borne out by the files. In the year 1907, out of forty-three contracts entered into by the Government with various firms for dredging in Ontario and Quebec, fourteen were with firms who had not put in the lowest tender. In three of these cases they were not even the second lowest tender. The contracts awarded in these fourteen cases were for prices which averaged thirty-four per cent higher than the lowest tender. One firm tendered lower than any other for work at eight of these places, but did not get any of the contracts. It is true that they got contracts at other points, but this would not appear to be any reason why they should not have been awarded the contract wherever

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they were lowest. They had put up their deposits, and these could have been forfeited if they had failed to carry out the work at the prices tendered. There appears, however, to be no record of forfeiture of deposits in connection with tenders for dredging, and putting them up seems to have become a mere matter of form. Unless there be some penalty, the habit will grow up of firms putting in blanket tenders and, after the contracts are awarded, of picking and choosing those which are likely to be the most remunerative.

CONTRACTS MADE WITHOUT COMPETITION.

There appear to have been frequent instances of the Chief Engineer reporting prices to be fair and reasonable, and of contracts being subsequently let at higher prices; and this, in some cases, in the face of vigorous protests by the responsible officials. In some instances contractors have been set to work on the understanding that, if when the tenders were opened theirs was not the lowest, they would accept payment at the price of the lowest tender. Under such circumstances, it is not to be expected that there would be such competition. Apart from this, moreover, it would appear to amount to a breach of faith with would-be contractors to advertise for tenders when it had already been decided who was to get the work. Even if persons desiring to tender were not deceived, such a course is calculated to bring the whole system into contempt. Another practice which appeared to be common, was not to accept the lowest tender, but to award the contract to some other firm, provided they would accept it, at the prices of the lowest tenderer. This on more than one occasion resulted in the contractors holding out until they got their own prices.

Altogether the peculiar conditions, which have already been referred to, under which the Government is practically the only employer to whom owners of dredges can look for employment, and the fact that work is generally provided for all available plant, are not conducive to the close cutting of prices. Indeed it would be remarkable if there really was any bona fide competition. This, in the past, has undoubtedly led to many contracts being given at prices which were unduly high, either because there were no other tenders, or such tenders as there were, were not really competitive.

It seems impossible to arrive, with even a small degree of accuracy, at any conclusion as to the principles which governed the granting of many of the contracts in the past; and a comparison of the prices paid for dredging at the same points for a number of years in succession shows an amazing amount of variation.

COMPARATIVE COST OF GOVERNMENT AND CONTRACT WORK.

A reference has already been made to the fact that the Commission has been studying the cost of dredging performed by the Government with its own plant compared with that performed by contractors.

It must not be forgotten that private owners, in addition to cost of operation, wintering, repairs, equipment, superintendence and other expenses, have to take into consideration interest on the capital invested, depreciation and insurance. The Government on the other hand, while taking into consideration the former items, does not include the three latter in its calculations; and in the figures which are given below, so far as the Government plant is concerned, no cognizance is taken of them.

It may be mentioned here that comparisons are possible only in the Maritime Provinces, and in portions of Ontario and Quebec, as these are the only parts of the Dominion where both Government-owned plant and private plant are in operation. West of the Great Lakes all the dredging is done by the Government with its own plant; while on Lake Superior and Georgian Bay, with comparatively insignificant exceptions, it is all done by contract work. The St. Lawrence Ship Channel is done

entirely by Government dredges, which, up to the year 1904, were operated by the Public Works Department; but since then have been under the control of the Marine and Fisheries Department.

The comparative cost of Departmental and Contract Dredging for the four years ending 31st March, 1911, is as follows:—

Dredging—Maritime Provinces—1908-1911.

	Cub. Yards.	Cost.	Average per c. yd.
Departmental..	3,705,874	\$ 707,790 01	19.1 cts.
Contract..	5,933,968	2,839,190 32	47.84 "

At the average price of Departmental dredging, viz., 19.1 cents, the cost of 5,933,968 yards would be \$1,133,387.88. A saving of \$1,705,802 would therefore have been effected in these four years if Departmental plant only had been employed. It may be noted further that during the present year great economies have been effected in the management of the Departmental plant in the Maritime Provinces, and that results for the future will be much better than in the past.

The following comparisons are given as they deal with the only other localities where both private and Government dredges are used, but they are not of the same value owing to variations in the nature of the work.

Dredging—Lakes Erie & Ontario—1910-11.

	Cub. Yards.	Cost.	Average per c. yd.
Departmental..	591,187	\$ 59,231	10.01 cts.
Contract..	315,845	64,753	20.50 "

Dredging—St. Lawrence River & Tributaries,—1910-11.

	Cub. Yards.	Cost.	Average per c. yd.
Departmental..	521,263	\$128,325	24.62 cts.
Contract..	1,586,710	351,365	22.14 "

Owing to the incompleteness of the Departmental reports, in the figures immediately preceding, and in those next following, it was found necessary to confine the comparison to the last year for which returns are given, viz., 1910-11.

The next comparison deals with dredging throughout the Dominion. It includes the St. Lawrence Ship Channel; but the Prairie Provinces have been omitted as no accurate account has been kept of the amount of material dredged there.

Dredging throughout the Dominion—1910-11.

	Cub. Yards.	Cost.	Average per c. y.
Departmental..	9,671,032	\$1,189,552	12.3 cts.
Contracts..	9,644,671	2,694,336	27.93 "

At the average price of the dredging carried on by the Government with its own plant, the cost of 9,644,671 yards would have been \$1,189,597. A saving of \$1,504,739 would therefore have been effected in a single year if the Government had owned sufficient plant to do the whole work itself.

An even more striking comparison between the cost of Departmental as compared with Contract dredging is shown by the results in the Harbour of St. John, where Government and private dredges were working side by side. Had all the dredging carried out there by contractors during the last four years, been done by the Department with its own dredges, the saving to the public would have been \$1,012,002.

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An interesting comparison might also be made between the cost of contract work at Fort William and Port Arthur, and of that performed by the dredging fleet of the Department of Marine and Fisheries in the St. Lawrence Ship Channel. During the last three years, the earnings of the Great Lakes Dredging Company, principally for work at Fort William and Port Arthur, amounted to \$1,908,704.56 for 9,718,763 yards dredged, or about 19.64 cents per cubic yard. In the same three years the Ship Channel fleet, under the Government, dredged 17,763,608 yards at a total cost of \$1,583,792.82, or 8.92 cents per cubic yard, which is less than half the cost of the Great Lakes Dredging Company's work, although according to official reports a considerable portion of the material dredged in the Ship Channel consisted of 'boulders and hard rock'.

It must be remembered in all these comparisons that much of the work undertaken by the Government dredges is on the smaller and more difficult jobs, and in out of the way localities. It is consequently not at all popular with the contractors who look for the best of what is going. Furthermore, the work performed by the Government plant is usually of a much higher quality. The principal object of the master of a Government dredge is to do a good job; the principal aim of the ordinary contractor is to get financial results. If he can increase his profits by dredging deeper than necessary where the material is good, and scamping the work where the material is more difficult, there is a temptation to do so. Then again, if the Inspector makes a mistake as to the class of material, or the number of scow loads which leave the dredge, the mistake is likely to be against the Government and not against the dredge owner.

BRITISH COLUMBIA.

In British Columbia all dredging has been performed by a plant owned by the Government, and the quantity of material dredged there for 1910-11 amounted to 1,728,420 cubic yards, of which according to available returns, at least 85,000 cubic yards were rock. This was performed at a total cost of \$177,834.75, or an average of 10.28 cents per cubic yard.

It must not be forgotten that wages, food, and other expenses are higher in British Columbia than in any other part of the Dominion. In spite of this fact however, the cost of dredging there compares very favourably with contract work in Eastern Canada.

CONTRACTOR'S PROFITS.

The present system of letting contracts to private dredge owners at the rate of so much a cubic yard, according to the class of material to be dredged, is of recent date. Up to the year 1905 the general practice had been to pay for the services of dredges by the hour. The amount most commonly paid was \$8.00 an hour, though there were instances of \$10.00, or even \$12.00 being paid. The number of working hours a day averaged about ten, so that the amount earned by a dredge ranged from \$80.00 to \$120.00 a day. Coincident with the change, the Government ought, in advance of tenders being called for, to have compiled the most accurate information obtainable regarding the amount and nature of the material to be dredged, the difficulties likely to be met with, and the estimated cost. Contracts ought not to have been awarded unless the prices reasonably conformed to this estimate, and payments ought wherever possible to have been based on place, instead of scow, measurement. This does not appear to have been done and the change in the system has proved to be considerably in favour of the contractors.

A perusal of the Auditor General's Reports, and the long list of firms now engaged in the business, lead to the belief that it has been extremely remunerative to some of the contractors. One or two examples of this may not be out of place. In the spring of 1907, in St. John Harbour, for eighteen days' work with a single dredge, Mr. G. S. Mayes received the sum of \$29,515, being an average of \$1,639 a

day. A reference has already been made to the amount paid to the Great Lakes Dredging Company in the last three years, viz., \$1,908,704. The Dominion Dredge Company for the two years 1907-1909, for work in the Maritime Provinces and Quebec, received \$708,580 for 1,164,200 cubic yards, being an average rate of 60.8 cents; while the Departmental dredges during the same period dredged 2,045,307 cubic yards at an average rate of 20.7 cents. The Canadian Dredge and Construction Company, organized in 1907 with a paid up capital of \$22,500, received for two years' work the sum of \$685,391. In the year 1910-11 the dredge *Cynthia*, belonging to the Maritime Dredging Company, received \$276,588 for ten months' work, dredging 700,194 cubic yards at Beacon Bar, Harbour of St. John. This was an average of considerably over \$1,000 a day for every working day. The rate paid for this work was \$1.90 a cubic yard for boulders and 39½ cents for clay, but less than three cubic yards of boulders were met with during the season. The *W. S. Fielding* owned by the Government, was also working at St. John, in the Harbour Channel, at much more difficult work, and in a more difficult location, and dredged 460,970 cubic yards boulders, sand and clay at an average cost of 18.27 cents per cubic yard, or \$386 a day. Had the Government done the work at Beacon Bar with their own plant, the work done by the *Cynthia* alone could have been accomplished for \$127,925, or a saving of \$148,663.

It has already been pointed out that interest on capital, and depreciation are not included in the cost of dredging by the Departmental plant. The figures given are compiled from the Annual Reports of the Department, and are inclusive of cost of operation, repairs, renewals, towage, etc. If interest on capital were added, it would not materially affect the result as the Government borrows at a very low rate. As to depreciation, the aim of the Department is to keep the dredges as good as new, the repairs being charged to the annual expenses of the dredge.

GENERAL CONCLUSIONS.

It would appear to the Commission that the comparisons which they have given would in themselves indicate the desirability for discontinuance of contract dredging and the execution of the whole work by means of plant owned by the Government.

Other considerations, however, point just as strongly in the same direction. In the first place it should be borne in mind that there is no special inducement to exaggerate the amount of material dredged by a Government dredge; while on the other hand, it is to a contractor's interest to get credit for as large an amount as possible. Until the present year contractors' accounts have been made up almost entirely by scow measurement, certified to by the Dredge Inspectors. These are a body of men who hold purely temporary positions, being employed only during the dredging season and not very well paid. They are practically the only check upon the contractors. Instances have been brought to light in which they have neglected their duty, leaving opportunities not only for overcharges in respect of the quantity, but also for overclassification, of the material dredged. To what extent they may have certified to larger amounts than contractors were entitled to, it is impossible to say, but there can be no doubt that it has been done. To a certain extent this difficulty could be overcome by the substitution of place measurement for scow measurement wherever possible, but there are many cases in which this cannot be done. Added to all this is the difficulty of getting real competition in tendering, owing to the conditions which have been already pointed out, and to the method of dealing with the tenders when received. This has led to wasteful expenditure in the past, and might do so again in the future.

There can be no question that the amount of dredging to be done in the years to come will be just as great or greater than in the past. The constantly increasing business of the Dominion will ensure this. It would appear to the Commission, there-

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fore, that the proper way to provide for it is for the Government to extend the system of Departmental dredging which they are now operating with some success, and which there is good reason to hope may be improved in the future. The Government are in a position to do the work more cheaply than private individuals, owing to the large amount of capital expenditure involved. Contractors have to provide for this, and for a profit; and owing to the uncertainty of always being able to secure Government contracts, must make the profit as large as possible.

There have been complaints in the past that the patronage evil has prevented the best results being obtained from Government operation. The Department should be given an absolutely free hand to employ only the best men obtainable, and to insist upon discipline among their employees. This rule should prevail all through the Service from the highest to the lowest.

At present, two Departments of the Government are engaged in the Dredging business on a large scale, and a third Department to a lesser degree. The dredging of the St. Lawrence Ship Channel was under the Public Works Department previous to the year 1905, when it was transferred to the Marine and Fisheries Department. The Commission cannot see that any good purpose was served by this. It created two separate Dredging Services, each under its own administration and entirely independent of the other. They think that the time has arrived when both Services should again be placed under one Head, who should be adequately paid for his services, and provided with the best expert assistance procurable, as the business is of a technical character.

It has already been mentioned that dredging on a smaller scale is now being carried on by another Department, that of Railways and Canals. It is of a somewhat different character and carried on under different conditions, and is moreover confined to canals and waterways, for the good condition and proper administration of which that Department is solely responsible. For these reasons, the Commission are of opinion that the control should remain where it is, but that Department should keep in touch with the Dredging Branch, and avail itself of the advice of the technical experts employed there.

While the earliest possible action should be taken looking to the gradual acquirement of sufficient plant to enable the Government for the future to discontinue contract dredging altogether, and to carry out this service entirely with its own employees, the Commission would again urge that in regard to existing contracts which have some years to run, all payments should, so far as the circumstances may render it possible, be made on the basis of place measurement rather than by the scow load.

All of which is respectfully submitted.

G. N. DUCHARME.

R. S. LAKE,

Commissioners.

Ottawa, November 9, 1912.

PUBLIC SERVICE COMMISSION

1912

SPECIAL REPORT

ON

DISMISSAL OF R. E. COOK

Department of Public Printing and Stationery

To His Royal Highness the Governor General in Council.

MAY IT PLEASE YOUR ROYAL HIGHNESS:—

Soon after being appointed, the Public Service Commission was very urgently requested by Mr. R. E. Cook, of Ottawa, to make inquiry into his conduct as an official of the Department of Public Printing and Stationery, and the circumstances surrounding his dismissal in 1910. In the belief that such an inquiry was not merely a matter of justice to Mr. Cook personally, but that it might incidentally afford valuable information regarding the Printing Bureau, so-called, the Commission commenced the desired inquiry in January last, and now have the honour to present their report, and the evidence taken before the Commission on oath.

Mr. Cook entered the Public Service in 1887, as a compositor; was promoted several times; in 1897 was entrusted with the supervision of the work to be done outside for the Bureau by private persons and companies (particularly lithographing), and attained Sub-division 'A' of the Second Division in the Civil Service, with a salary of \$1,800 per year, and the rights and privileges conferred by the Civil Service Act.

He was dismissed from the Public Service in 1910, in the manner and under the circumstances hereinafter referred to:

An inquiry into the affairs of the Department of Public Printing and Stationery was made by the Honourable Mr. Murphy, then Secretary of State, during 1910. A report of the result was made to the Governor General in Council, dated November 8th, 1910, with certain evidence and sub-reports, and this material was placed before Parliament in a printed form during the Session of 1910-11. In the Commons, on January 30th, 1911, the Honourable Mr. Murphy said:—

'The blue book contains all the evidence of which any written record was made. In addition to the witnesses examined at the Printing Bureau, many other persons were interrogated at different times and places, but no record was made of their statements No person was examined under oath, as the investigation was a departmental inquiry, and it was not deemed necessary to issue a Commission authorizing the taking of evidence under oath.'

In the course of the inquiry, Mr. Cook himself was examined by the Minister, and the evidence of various other persons was taken in relation to matters in which his conduct seemed to be called in question. But no charges against Mr. Cook were definitely made at any time, nor was any statement made to him as to the matters concerning which he was suspected to have been guilty of dereliction of duty. Mr. Cook was not permitted to ask questions of witnesses, nor even to be present at all times when they were being examined; he was not afforded any opportunity to call witnesses on his own behalf, and was not represented by counsel. The Minister himself examined the witnesses, all of whom were his subordinates or receiving patronage from his Department, and the printed report of the inquiry he held indicates very clearly that his questions were improperly leading in character and tinged by hostility to certain witnesses. It was improper for the Minister himself to be both prosecutor, judge and executioner, especially in view of the fact that the witnesses were all subject to his influence.

An examination of the evidence thus taken, reported and published; a consideration of the remarks in relation to the matter made in the Commons by the Honourable Mr. Murphy, on April 25th, 1911; and especially a comparison of what is

attributed in the blue book to certain witnesses with the evidence of the same witnesses given on oath before us, conclusively proves that the material so published as evidence, in the blue book, is incomplete and untrustworthy, and should not have been given circulation.

In the administration of a Department it may sometimes be necessary to obtain information relative to the conduct of affairs otherwise than by testimony on oath, taken in the presence of a person or persons to whose conduct it relates, but no man should be condemned and punished without fair trial; and when, as in this case, the man is in reality the subject of suspicion, and his retention of office is in jeopardy, it is gross injustice to treat him as Mr. Cook was treated. Most certainly no man's reputation should be aspersed by the publication of evidence concerning him which has not been taken with all the safeguards which experience has proven to be essential to justice, even in public courts. No matter how cruelly unjust the matter published in a blue book may be, the victim cannot take any proceeding at law or any other action which will at all adequately vindicate his reputation, and therefore the publication, in an official form, of any matter concerning any person should not be resorted to or permitted without the greatest care. Mr. Cook has in this way been injured by the publication referred to.

In the Commons, on April 25th, 1914, the Honourable Mr. Murphy defended his action in the dismissal of Mr. Cook, making frequent reference to the blue book, and also made assertions and insinuations reflecting on Mr. Cook's conduct which even this evidence does not support, and in some cases contradicts. For instance, Mr. Murphy charged Mr. Cook with sending, "without the knowledge of the King's Printer," a letter which the Honourable Mr. Murphy denounced as improper. It was, in fact, the King's Printer himself who originated the idea of sending the letter in question; he had not denied it, and has before us adopted and justified it, as the result of a desire on his part to comply with what he understood to be the wish of the Honourable Mr. Murphy himself. For another instance, the Honourable Mr. Murphy represented that Mr. Cook made a contract for printing without his knowledge, and subsequently, to deceive him, obtained quotations for the work from several parties, which he presented to Mr. Murphy while the work was actually in progress. The real truth was: the Honourable Mr. Murphy being informed by Mr. Cook that he had arranged for the work, wrote to the persons who were doing it stating that no (official) order had been given for it; and directed Mr. Cook to procure quotations from other parties, which Mr. Cook did after he also had countermanded the order he had previously given for the work. Throughout the speech, there were many other misrepresentations or distortions of what Mr. Cook had done which would have been irrefragable, we think, if a full and fair inquiry had been made, and evidence on oath had been properly taken. Nothing that is said in the Commons can be the subject of an action at law, and, therefore, Mr. Cook has been forced to suffer without a remedy all the torments which must be experienced by any man with a keen sense of honour who has been unjustly assailed when and where he could offer no defence. Just because they cannot be called in question in the courts of justice, remarks ought not to be made in Parliament aspersing the character of any absent man, when not unavoidable, and they ought not to be permitted in any case when they obviously are not based on evidence given on oath in the presence of the accused, at a fair hearing, with full liberty to that accused to examine, cross-examine, tender evidence and otherwise justify himself. The case of Mr. Cook is an instance in point. His conduct was assailed in Parliament when he could make no defence, when only distorted evidence had been made public, and when the effect even of that distorted evidence had not been studied by any person except the Minister who took it. The speech was most unjust to Mr. Cook, necessarily inflicting great pain on him, and doing his reputation an injury from which, it may be, it can never completely recover.

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If for any reason, information concerning the conduct of an official be received in any manner less formal than we have described, and if in the absence of such formality the dismissal or other punishment of the official take place, it seems to us that the information obtained should not be made public, but that the punishment imposed, if called in question publicly, should be defended on the sole ground that it was so imposed in the discretion of the Minister, or by the Governor in Council, as the case may be. In no case should evidence be published which has not been taken as described, and assertions derogatory to any man's character should not be made in Parliament on any basis less substantial.

A very striking instance of the worse than worthlessness of the evidence taken in the inquiry by the Honourable Mr. Murphy, is afforded by the circumstances surrounding a letter published in the blue book referred to, at page 297. This letter was referred to in the Commons on April 25th, 1911, by Mr. Northrup, M.P., who denounced it as shameful, but it was defended and explained by the Honourable Mr. Murphy, in the speech above referred to. He did not, however, explain the circumstances under which that extraordinary and reprehensible document had been procured and placed in evidence. Those facts are, briefly, as follows:—In April, 1910, Mr. William Mortimer orally quoted to Mr. Cook the prices at which the Mortimer Company, Limited, would do certain lithograph work and supply certain paper, respectively. In June, 1910, Mr. William Mortimer was requested in writing, by letters ante-dated April 20th, to give quotations for the same things. It was explained to Mr. William Mortimer, in June, when these letters were given to him, that the reason for dating as of April the letters asking for quotations in writing which he had already given orally was this, that the official file in the Bureau might show in writing what had in reality taken place orally. The device was the King's Printer's, done with innocent intention, in fact, and without injury to anybody, but over this matter a great pothor was made in the Commons by the Honourable Mr. Murphy. Testifying about this matter, months before, viz., on the 7th of July, 1910, to the Honourable Mr. Murphy himself, the King's Printer said: "It was my own view." Yet on April 25th, 1911, the Honourable Mr. Murphy represented this as an instance of deceitful conduct on the part of Mr. Cook.

On September 16, 1910, Mr. William Mortimer gave unsorn evidence to the Honourable Mr. Murphy. The blue book (page 297) reports as follows:—

"Q. Do you remember having an interview in the Printing Bureau with Mr. Cook in April last regarding a work called 'Farm Grasses?'—A. Yes.

"Q. The substance of that interview was committed to paper by you in August last in a letter addressed to me, and which I will now read to you?—A. Yes."

The assertion, implied in the last quoted question by the Honourable Mr. Murphy, that the letter referred to was written by Mr. William Mortimer, was untrue. It was, in fact, written on the direction of the Honourable Mr. Murphy himself, by his stenographer, in Mr. Murphy's office, after discussion with the brother of Mr. William Mortimer, a Mr. A. E. Mortimer, who knew nothing personally about the matter. Mr. A. E. Mortimer very reluctantly gave evidence on oath before us relative to this letter. His evidence in full appears in the appendix hereto, but the following extracts accurately comprehend what he said on the question of authorship:—

"I first saw the letter in Mr. Murphy's office. I was sent for (to go there). The letter was already written, and was read over to me. The letter was discussed for only a few minutes. Then I signed it. I said if I were writing it, I would express it somewhat differently, it is somewhat bald or raw. It is all hear-

say so far as I am concerned. The language of the letter is not my choice. If I had known it was to go out in public I would never have signed it. Mr. Murphy said he was not going to make any use of it."

Feeling that the Honourable Mr. Murphy ought to be afforded an opportunity to explain his connection with this letter, before the evidence of Mr. A. E. Mortimer concerning it was published, your Commissioners supplied the Honourable Mr. Murphy with a statement of the evidence on the question of authorship, and asked the Honourable Mr. Murphy if he desired to testify before them on oath. He did not accept the opportunity thus offered, but instead tendered a statement made by him, and verified by his affidavit. The Commission on the 28th February, 1912, caused the following reply to be made:—

"It is their practice to receive evidence in the ordinary manner, orally, under oath and by question and answer, and they see no reason for departing from this safe rule, by placing in the record of evidence the ex parte statement you now tender. On the contrary, the statement obviously contains matters that it would be unfair to both Mr. Cook and Mr. Mortimer to place on record, except after the most careful examination and cross-examination.

"If the inquiry now pending before the Commissioners directly placed your conduct in issue, a summons for you to give evidence would have been served on you in the regular way, but it has been incidentally only, and in relation to the Mortimer letter, that your personal action has been referred to; and in offering you an opportunity to testify, the Commission has acted upon a sense of courtesy and fair play, desiring that evidence referring to your conduct should not be published without giving you an opportunity to place your explanation on record at the same time. That explanation, I am directed to say, must be given with the same formality and under the same safeguards as all the other evidence. The Commission desire to report at an early date. The time has already been extended to accommodate you. It is now further extended to the end of this week. If you desire to deliver your evidence verbally, the Commission will be obliged if you will intimate your decision as speedily as possible."

The Honourable Mr. Murphy has not expressed any desire to avail himself of the privilege thus accorded.

The Mortimer letter, so-called, was as follows:—

"OTTAWA, August 16, 1910.

"DEAR SIR.—Referring to our letter of April 22 last, addressed to the King's Printer and containing prices for an edition of Farm Grasses, we beg to say that the circumstances under which Mr. R. E. Cook obtained the letter mentioned are as follows:—

"At an interview in the Printing Bureau in April last, Mr. Cook stated to our Mr. Wm. Mortimer that you had given a contract for the edition of Farm Grasses to the Toronto Lithographing Company, and that as the contract amounted to more than \$5,000 you desired to have on file correspondence showing that you had invited tenders for the work, and that the Toronto Lithographing Company was the lowest tenderer. Mr. Cook added that this correspondence was required in case a question was asked about the matter. Mr. Cook asked Mr. Mortimer to put in a tender slightly higher than that of the Toronto Lithographing Company, and as the tender of the latter company had been placed on Mr. Cook's desk where Mr. Mortimer could see it, the latter copied the figures and returning to our office made up a tender as requested by Mr. Cook. We assumed that Mr. Cook's statements were correct and did not make any inquiry from you. We were, however, aware when we wrote the letter of April 22 that

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the contract had previously been given to the Toronto Lithographing Company, and that our figures were not in the nature of a tender, but were to be used merely for the purpose of justifying the giving of the contract to the Toronto Lithographing Company as explained to our Mr. Wm. Mortimer by R. E. Cook.

"Yours truly,

"THE MORTIMER COMPANY, LIMITED.

"A. E. Mortimer."

Man. Dr.

It will be noticed that the letter refers to one interview only as taking place between Mr. William Mortimer and Mr. Cook, which it fixes as in April, 1910, and as resulting in an offer of prices by the Mortimer Company dated 22nd April, 1910. It says that Mr. Cook represented at that time that this offer was required for the purpose of "fixing" the official file of correspondence, and as justifying the previous giving of a contract to the Toronto Lithographing Company, and that the offer was not to be regarded as a bona fide one. It is also represented in the letter that to enable Mr. Wm. Mortimer to make this bogus offer efficient for its deceptive purposes, the offer of the Toronto Lithographing Company was left where the figures quoted could be seen by Mr. Mortimer.

Careful criticism of this letter, in the light of all the evidence given before the Honourable Mr. Murphy and, on oath, before us, proves that this letter was a very deliberate concoction for the express purpose of destroying Mr. Cook's reputation, and that it is as wholly false as it is obviously despicable. The fact is, the thought of making the official correspondence agree with what had occurred in April did not occur to anybody until June, and consequently the statement that Mr. Mortimer was told in April of this desire was not and could not be true. The offer was asked for in April because the Honourable Mr. Murphy had refused to permit the Toronto Lithographing Company to proceed with the work, and had insisted on prices being obtained from other, and, therefore, the story that the offer was asked for by Mr. Cook for the mere purpose of justifying the contract with the Toronto Lithographing Company is obviously false. Mr. A. E. Mortimer has sworn before us that Mr. William Mortimer did in April see on Mr. Cook's desk the offer made by the Toronto Lithographing Company, and did copy the figures therefrom to aid himself in making an offer for the Mortimer Company, but Mr. A. E. Mortimer declares that this was done by his brother surreptitiously, and that neither he nor his brother wished it to be implied that Mr. Cook had left the letter on his desk for the purpose of permitting Mr. William Mortimer to see it.

Mr. William Mortimer has been absent from Ottawa for a long time, and, therefore, his evidence was not taken by us, but there is no reason to believe that it would alter the present appearance of the situation.

In the Mortimer letter it is represented that the Mortimers entered into collusion with Mr. Cook, to falsify a public record, and to deceive those who might rely on it. Mr. A. E. Mortimer signed the letter, but on oath repudiates its authorship and denounces its contents. Mr. William Mortimer in an unsworn statement to the Honourable Mr. Murphy, in the course of an inquiry, assented to the letter as a true relation of facts, including, of course, its admission of intent to deceive, and assented also to Mr. Murphy's untrue assertion that Mr. William Mortimer had written this letter. In face of all this, it is perhaps unnecessary to add that in our opinion both Mr. William and Mr. A. E. Mortimer are unreliable witnesses.

That the Mortimer letter was dictated by the Honourable Mr. Murphy himself, to his own stenographer, in his own office, is now admitted by the Honourable Mr. Murphy in his statement verified by affidavit. He, however, claims that the dictation was based on the oral narrative of Mr. A. E. Mortimer to him.

The Mortimer Company, when the evidence was given to Mr. Murphy and the letter signed, was, and it continued to be, in the receipt of printing patronage, which the Honourable Mr. Murphy absolutely controlled.

It was asserted by the Minister, in the Commons, on 25th April, 1911, that Mr. Cook was dismissed for causes shown in the course of the inquiry referred to above. It is probable that there were mixed causes for the Minister's action, but it is quite certain that the immediate occasion for dismissal was not anything alluded to in the course of the inquiry, but a very different matter altogether. The Montreal *Herald*, in July, 1910, was doing certain printing for the Bureau. On the 9th day of July—a Saturday morning—the Minister directed Mr. Mulvey, Under Secretary of State, to procure to be made a remittance of \$5,000 to the *Herald*, on account of work done. Mr. Mulvey personally visited the Bureau, between 11 a.m. and 12 a.m. on the same day, and ordered Mr. Cook to have the remittance made. Mr. Cook objected that the vouchers had not been received which the practice of the Bureau required should be in hand before a remittance was sent, and that this was more important than usual because \$5,000 had already been irregularly paid to the *Herald* by the Interior Department on account of the same work. Mr. Cook stated, however, that he would immediately telegraph for the necessary documents, which he did. Mr. Mulvey became very angry, left the Bureau, proceeded to the office of the Secretary of State, and informed him of Mr. Cook's refusal, whereupon the Minister by telephone ordered the King's Printer to suspend Mr. Cook. Mr. Mulvey, testifying before us, was of opinion that on the occasion in question he spoke of the desired remittance to both the King's Printer and Mr. Cook, but they both distinctly deny this, and being pressed as to his recollection of the facts, Mr. Mulvey was not able to satisfy us that his memory was good on this point. The circumstances seem to confirm the evidence of the King's Printer and Mr. Cook, and we conclude, therefore, that Mr. Mulvey, without the sanction of the King's Printer, asked Mr. Cook to do a thing which would have been a violation of the sound practice of the Department. We find, therefore, that the immediate cause of Mr. Cook's dismissal was a refusal which Mr. Cook was wholly right in making, and that Mr. Cook's conduct and demeanour on the occasion were proper, and the Under Secretary's action irregular.

In the House of Commons, on January 30th, 1911, the Honourable Mr. Murphy said that the dismissal of Mr. Cook was due to facts elicited in the course of the investigation held by him, and was for:—

- (a) Disobeying instructions.
- (b) Wasting public moneys.
- (c) Placing orders outside the Bureau without securing competitive prices, and for
- (d) Untruthfulness and incompetence.

From a perusal of the speech delivered in the Commons on the 25th day of April, 1911, by the Honourable Mr. Murphy, and from a consideration of all the evidence published in the blue book and taken before them, the Commissioners conclude that the verdict thus formulated refers chiefly to the circumstances surrounding,—

- (a) The conduct of Mr. Cook in reference to the proposed publication of a book known as "Farm Grasses," for the Department of Agriculture; and
- (b) A payment to the Gananoque Reporter for printing an immigration pamphlet for the Department of the Interior.

The salient, material facts in relation to these two matters are as follows:—

(1) "Farm Grasses."

A large amount of very high class lithograph work and a special kind of paper were necessary to the production of "Farm Grasses." Similar lithograph work had been done in 1909 by the Toronto Lithographing Company in the printing of a book

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called "Farm Weeds," and the workmanship was of very high quality indeed. In February, 1910, Mr. Cook, with the approval of the King's Printer, arranged with the same company for the lithographing of "Farm Grasses," and also for the importation for the Bureau of the paper required for the work. It is admitted by the King's Printer that he directed Mr. Cook to ascertain what arrangement could be made with the Toronto Company, and while the King's Printer is not quite clear that Mr. Cook reported that an agreement had been made, and the work commenced, we see no reason to doubt that Mr. Cook reported in due course, for the King's Printer was so much in the habit of relying on what Mr. Cook did that the fact of a report or no report would probably not impress itself upon his mind.

In March, after several unavailing attempts, the King's Printer and Mr. Cook obtained an audience with the Honourable Mr. Murphy, and Mr. Cook informed him that an arrangement had been made with the Toronto Company to do the lithographing and import the paper. Mr. Murphy was very angry, for he had previously instructed the King's Printer to obtain competitive tenders for doing the lithographing of this very work, which instructions, however, the King's Printer had omitted to mention to Mr. Cook. In his speech in the Commons, the Honourable Mr. Murphy sought to make it appear that on this occasion he was not told about the work having been given to the Toronto Lithographing Company, but only that the paper had been ordered through that company; and he says that he wrote to the company regarding the "paper," saying that he would not recognize the transaction. But the letter he did write to the Toronto company said, "You have been interviewed * * * * * regarding the publication of a book * * * *. No order has been given (by himself) for any part of the publication mentioned." This is not language which one would use regarding a purchase of paper; it does apply to the production of a book. It is admitted by all that Mr. Cook informed the Honourable Mr. Murphy on this occasion that he had obtained prices for lithographing from the Toronto company, and had arranged for a purchase of paper, and it is said by all the parties that the Honourable Mr. Murphy was very angry that competitive prices for the lithographing had not been obtained. But why should paper be ordered if no arrangements had been made for the printing, and why should the Honourable Mr. Murphy be angry over the absence of competitive prices for printing if no price had been accepted? We find that Mr. Cook's account of what took place at this interview is the correct one.

The interview was abruptly closed by the Honourable Mr. Murphy, who refused to approve of what had been done, and who ordered that competitive prices should be procured as speedily as possible. With the approval of the King's Printer, Mr. Cook, in April, proceeded to Toronto, Buffalo and New York, and obtained oral offers for the lithographing from various firms. Mr. Cook on this occasion informed the Toronto Company of the Minister's refusal to confirm what he had previously done. On his return, Mr. Cook prepared a tabulated statement of all the offers received, which statement the King's Printer conveyed to the Honourable Mr. Murphy, but the latter asked to see the offers, and on being told they were verbal, refused to approve action on them at that time.

On the 19th of June, 1910, the Honourable Mr. Murphy wrote to the King's Printer, and sent the letter by a clerk employed in his office. It is said by Mr. Murphy that this communication was intended to direct that a letter should be placed on the correspondence file "to show exactly what Mr. Cook had asked each tenderer for from whom he had asked prices." The King's Printer, aided by Mr. Murphy's clerk, construed this to mean that the minister wished that offers in writing, in the terms of the oral offers, should be obtained. Letters dated April 20, 1910, were sent out in June, 1910, to the firms who had in April made verbal offers, asking formally for offers, and covering letters explained that this course was followed in order that the official file might be in accordance with the facts. The fact that letters

dated in April were sent out in June opened the door for an assumption of much mystery about the matter by the Honourable Mr. Murphy in the Commons, who spoke of it as "a solemn farce," and said that the covering letters were sent "without the knowledge of the King's Printer." In the inquiry held by himself, the Honourable Mr. Murphy had been told by the King's Printer the reasons for this proceeding, and the King's Printer said "it was my own view," so that there is no excuse for blaming this on Mr. Cook. The expedient adopted was clumsy, but its author was quite innocent of any motive other than a desire to carry out the directions of the Honourable Mr. Murphy himself.

In perusing the evidence given before the Honourable Mr. Murphy, it is necessary to a right understanding thereof, to bear in mind that the words "contract" and "tender" were understood by the witnesses, Cook and Parmelee, to refer to written documents, and not to include oral agreements or offers. For instance, Mr. Cook says, "there was no contract with the Toronto Company," he means no written contract, and Mr. Parmelee places the same meaning on "contract." When they say "tender," they mean written tender, and do not include oral offers. The Honourable Mr. Murphy should have noticed this confusion in the minds of his witnesses, but it must have escaped his observation, for his comments in the Commons upon much of the evidence would have had no point in them if this distinction had been borne in mind.

None of the offers obtained in April by Mr. Cook were as good as the offer by the Toronto Company, but during the inquiry held by the Honourable Mr. Murphy one of his experts obtained a lower offer from a Montreal Company, which has only recently completed the lithographing. The lower price was largely consequent upon printing sixteen plates at one impression, whereas the Toronto and other Companies were of opinion that good work could not be done if more than eight plates were printed on one sheet. But the work has been well done, and the Montreal Company receives a lower price than the Toronto Company asked. Nevertheless, the Toronto Company is claiming damages, and a book which should have been published in 1910, has only now been produced, so that the delay must be set off against the lower price received by one company as compared with that asked by the other. The question of time was a factor in the original offer, for speed was desired by the Department of Agriculture, and lower prices might have been quoted by the Toronto Company and others if it had not been represented that early publication was necessary.

(2) "*Gananoque Reporter*".

The Interior Department requisitioned the Bureau for the printing of 100,000 copies of a pamphlet. It was decided to have the work done outside the Bureau. Mr. Cook suggested to the King's Printer that the printing should be given to the *Gananoque Reporter* in the office of which newspaper Mr. Cook had learned his trade as a compositor. The King's Printer assented, and Mr. Cook visited Gananoque to ascertain if the *Reporter* office was fitted out to do the work, and, if so, to arrange for it. The proprietor, Mr. Britton, thought \$2,000 about the price he should have, but dropped to \$1,600. Mr. Cook proposed \$1,160, and Mr. Britton intimated that he would rely on Mr. Cook's judgment. The King's Printer, after consultation with Mr. Cook, agreed to give \$1,160, which amount was arrived at by comparison with prices which had been paid other offices for similar work. Before the *Reporter* had actually been notified of the King's Printer's decision, but after that decision had been made, a Mr. A. H. Barker, Manager of the *Ottawa Free Press*, called at the Bureau, looking for printing work to do in the office of the *Free Press*. He was told by Mr. Cook that there was none to be given out at the time, but that an order had been placed with the *Reporter* for 100,000 pamphlets, which otherwise the *Free Press* might have got, and that the *Free Press* might get the work to do from the *Reporter*

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if the price it would take were low enough. Later on that day Mr. Barker named \$950 as the price he would take from the *Reporter*, saying that the *Free Press* job staff were idle at the moment, and this job would do as a "filler". On the same day, the *Reporter* was informed that the work had been awarded to it for \$1,100, and that it must be completed within one month. It had been the intention of the *Reporter*, up to this time, to do the work in its own office, which had a sufficient supply of plant to do the job in an ordinary way, but when the *Reporter* was informed that only a month would be allowed for the printing, the *Reporter* doubted its ability to do the work in so short a time, whereupon Mr. Cook informed the proprietor of the offer made by the *Free Press*, and the *Reporter* decided to accept the order for \$1,100, intending to sub-let the work to the *Free Press* or some other office. The *Reporter* was paid \$1,100 on the completion of the work; the *Free Press* received \$950 from the *Reporter*; and the latter, therefore, obtained a profit of \$210.

It appears that the price paid by the Bureau to the *Reporter* was fair and reasonable; and that the price paid the *Free Press* by the *Reporter* was unusually low; lower, probably, than the *Free Press* would have asked the Bureau for the same work if the order had been given directly. The only statement by Mr. A. H. Barker relative to the matter is in the form of a letter read by the Honourable Mr. Murphy, in the Commons, and as Mr. Barker now lives in the Northwest, we could not examine him on oath without more expense than seemed warranted. Remembering the manner in which the Mortimer letter was procured, we have not felt compelled to lay much stress on the exact form of the Barker letter, but it does not in any material matter differ from the above account of what occurred between Mr. Barker and Mr. Cook.

Undoubtedly, before he had actually completed the agreement with the *Reporter*, Mr. Cook was aware that the *Free Press* would do the work for the *Reporter* for \$210 less than the amount it had been decided to give the *Reporter*. It cannot be questioned that the Bureau was at that moment legally in a position to withhold the order from the *Reporter*. But can it be said that Mr. Cook was morally bound to withhold the order in view of all the circumstances, or that he did any moral wrong in not withholding it? He and the proprietor of the *Reporter* had agreed that the *Reporter* should have the work to do for \$1,100, if the King's Printer approved of that price, and the King's Printer had given his approval before Mr. Cook knew that the *Free Press* would do the work for the *Reporter* for a smaller amount. The approval of the King's Printer having been given, might it not have been a breach of faith to withhold the order from the *Reporter*, because of subsequent information that the price would allow the *Reporter* to make a profit by sub-letting the work?

It was the uniform practice of the Bureau to give out work without prior agreement as to price, and to pay for it at rates which had been revised and approved by the Honourable Mr. Murphy himself. Minister and King's Printer alike have known that in many cases, perhaps in a majority, competition by tender would result in lower prices. It has been the practice to keep at the Bureau a list of persons or companies to whom alone work was to be given, a proceeding which deliberately shut out competition by all those who were not on the list, and by shutting out such competition must have had the effect of compelling the Bureau in many cases to pay higher prices for printing than would otherwise have been necessary. By debarring opponents from any share in public printing, and confining that printing to those persons who are recognized to be supporters of the Government, and by paying those supporters upon an established scale, without asking them to tender or to name special prices, succeeding Governments have established the custom that printing work is not necessarily to be done at the lowest possible price, but is to be treated to a considerable extent as patronage, to be divided amongst friends and supporters of the Government, and not necessarily to be given at the lowest prices which could be obtained even from amongst these, by competition.

It is clear that Mr. Cook did not have any personal interest in the matter, except a friendly feeling towards an office in which he had been trained as a compositor; that he did not profit in any way by what was done, and that no thought of personal profit had anything whatever to do with his decision. The *Reporter* was a supporter of the Liberal Government of the day, and Mr. Cook's sentiments were Liberal-Conservative, so that he did not have even a partisan motive for patronizing the *Reporter*.

It was an error of judgment on his part not to withhold the order to the *Reporter* until he had informed the King's Printer, but it certainly was not anything more, and if on becoming aware of what had been done, the Minister felt that a different course should be pursued thereafter, a direction to that effect would have been quite sufficient, and would doubtless have been obeyed by Mr. Cook.

In the Commons, the Honourable Mr. Murphy complained that Mr. Cook had not been frank to him in reference to the time at which he knew that the *Free Press* would do the work for a lower price than the *Reporter* was to be paid, and in proof of this charge, he produced the letter signed by Mr. A. H. Barker to which reference has been made herein, stating the time when Mr. Cook really did know about the lower price. We are of opinion that Mr. Cook was not frank to the Honourable Mr. Murphy on this point; he told no untruth, but he did not tell all the truth. It is not remarkable, however, that he told as little as he could at the inquiry by the Honourable Mr. Murphy, for he was asked certain leading questions, and not generally to tell what he knew, and he was obviously made to feel that he was in the grasp of an enemy.

In any case, lack of frankness on this occasion had nothing to do with Mr. Cook's dismissal, for that had taken place before the Honourable Mr. Murphy obtained the evidence in Mr. Barker's letter.

Mr. Cook was twenty-three years in the Public Service, during which time he was known as a more than ordinarily active official, and it is noteworthy that though he occupied a position which gave him virtual control of considerable patronage, at a period when affairs in the Bureau were loosely managed, not a single charge of dishonesty was ever made against Mr. Cook. It was said by experts who examined the Bureau affairs in 1910, for the Honourable Mr. Murphy, that Mr. Cook had not a thorough knowledge of lithographing work, which he supervised for the Bureau. This was unfortunately true; it was Mr. Cook's misfortune, not his fault, that he had been placed by Dr. Dawson in charge of work of a technical character in which he had no training. Yet it appears that he did his work at all times to the best of his ability, and that he possessed the respect and confidence of Dr. Dawson and Mr. Parmelee, King's Printers at different times, and not of these alone, but also of those outside with whom he came in contact in a business way. Mr. A. E. Mortimer says of Mr. Cook, "I thought he was too strict, as I told the Minister (Honourable Mr. Murphy), and straight-laced." The managing director of the Montreal *Herald*, Mr. J. S. Brierly, wrote to the Honourable Mr. Murphy a letter in which the following appears:—"I have uniformly found Cook not merely courteous, attentive and industrious, but apparently one of the few men who was devoted to his work, who took an interest in it, who appeared thoroughly competent, and who deplored the lax conditions which prevented the best results from being secured." The Reverend Wm. Briggs, of the Methodist Book Room, Toronto, wrote as follows to the Honourable Mr. Murphy:—"We always found Mr. Cook to be the soul of honour in all business transactions, ever watchful of the interests of the Government he represented, and never by word or suggestion did we see anything improper in him; in fact, we had learned in the progress of the years to hold him in very great respect."

The examination of Mr. Cook himself, at the inquiry referred to, took place on the 7th day of July, 1910; two days later, the *Herald* incident having occurred in the meantime, Mr. Cook was suspended for three months, and at the expiration of

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that period he was dismissed. The suspension was by order of the Minister, the dismissal by Order-in-Council, on the Minister's recommendation, but the sentences of suspension and dismissal were conveyed to Mr. Cook by the King's Printer, who says that he did not recommend either, and was not accorded any reason for either. The sole responsibility, therefore, rests in fact on the Minister himself.

In conclusion, the Commissioners find that Mr. Cook was harshly treated, unfairly dismissed, and publicly misrepresented; that he had been, and is now capable of being, a valuable public servant, and that no sufficient evidence was adduced or cause shown to justify the treatment accorded him. We find that he should if possible be reinstated in the Civil Service in the status and with all the rights which he would now have if he had not been dismissed.

All of which is respectfully submitted.

ALFRED B. MORINE,
Chairman.

G. N. DUCHARME,
R. S. LAKE,
Commissioners.

OTTAWA, May 31st, 1912.

PUBLIC SERVICE COMMISSION

1912

SPECIAL REPORT

ON

Department of Public Printing and Stationery

To His Royal Highness the Governor General in Council.

MAY IT PLEASE YOUR ROYAL HIGHNESS:—

The Public Service Commission have the honour to present the following Report concerning the Department of Public Printing and Stationery:—

The Department of Public Printing and Stationery was organized by Act of Parliament in the year 1886, prior to which time all the printing for the Public Service had been done by contract. It did not, however, enter upon the actual business of printing until 1st July, 1888, when it took over the establishment of Messrs. McLean & Roger, the then contractors, leasing their premises and plant for one year, and transferring the working staff as it existed. The construction of the Printing Bureau was begun in the latter part of 1888, and progressed so that at intervals during the year 1889 the employees were moved into the new building, and the leased premises finally vacated on the 15th October of that year.

The new building was designed to accommodate the business of the Government as it existed at the time of the passing of the Act, without making provision for further increase. The consequence was that within three months of occupying it, the then Queen's Printer reported that every part of the building was occupied, and that in order to provide for the requirements of the law it should be enlarged.

Two years later Dr. Dawson, who had recently been appointed Queen's Printer, described the Bureau as occupied from attic to cellar and the work overflowing the limits of the building. Year after year he urged the necessity for additional accommodation; but it was not till 1904, and again in 1905-6, that the building was enlarged. Even then the increased accommodation was not sufficient to provide for all the services required by the Act.

These requirements are set forth in Sec. 5, Chap. 80, R.S.C., as follows:—

"The Department shall be charged exclusively with the following duties in relation to services required for the Senate and House of Commons and the several Departments of the Government, namely:—

"(a) The execution and audit of all printing, stereotyping, electrotyping, lithography, binding work, or work of the like nature, and the procuring of the material therefor;

"(b) The purchase and distribution of all paper, books and other articles of stationery of whatsoever kind, except books which are required for the use of the chaplains, libraries or schools in the penitentiaries which may be procured as heretofore;

"(c) The sale of all books or publications issued by order of either or both Houses of Parliament or by any Department of the Government;

"(d) The audit of all accounts for advertising.

"2. The aforesaid services shall be executed by or under the superintendence of the proper officers respectively of the Department."

While Section 16 of the same Act provides as follows:—

"A Government establishment shall be organized at Ottawa, and shall be under the management of the Superintendent of Printing, in which establishment all printing, electrotyping, stereotyping, lithographing and binding and other work of like nature required for the service of the Parliament and the several departments of the Government shall be executed."

On the 20th March, 1902, the Auditor General called the attention of the King's Printer to the provisions of Sections 5 and 16 quoted above, in view of the fact that for the six months ending the 31st December preceding, printing, lithographing, binding, etc., had been executed for the several Departments in outside offices, and payments had been made therefor amounting to \$20,728.32. In his reply Dr. Dawson pointed out that in regard to lithographing, no lithographic establishment had ever been supplied by Parliament to do the work; and that for many years he had called attention to the inadequacy of the facilities for the work committed to the Printing Bureau.

Up to the present day, no steps have been taken to remedy these conditions; and the payments by the King's Printer for lithographing, printing, etc., done outside of the Bureau amounted for the fiscal year ending 31st March, 1912, to \$292,219.11. This is equal to about thirty-three per cent of the value of the work done in the Bureau. There is nothing to show what proportion of this was for printing and what for lithographing, but an estimate places it at the ratio of ten for the former to twenty-three for the latter. The foregoing figures do not include the printing done for the Intercolonial and Prince Edward Island Railway, which amounts to about \$100,000 annually. This work should be done by the Bureau itself when there is sufficient accommodation. In addition to this, the Immigration Branch of the Department of the Interior, contracts for a large portion of its own work without reference to the King's Printer at all. During the year ended 31st March, 1911, nearly \$74,000 was paid by this Branch to one firm in the United States for work ordered from them without competition.

LACK OF SPACE IN PRESENT BUILDING.

Owing to the enormous increase in the demands of the Public Service during recent years, the present building has become utterly inadequate for the business required of it. There is insufficient accommodation for either the plant or the employees. The storage capacity is inadequate and the corridors are piled up with stores of all kinds. Not only does this add to the risk of fire, but should a fire occur during working hours it would be a serious obstacle in the way of getting the employees, male and female, safely out of the building.

The internal arrangements for supervision, and for facilitating co-operation and communication between the various Branches, and for economy in the cost of handling, are all defective from the lack of space.

In 1839 the number of hands employed was two hundred and eighty-seven, with forty additional men during the session. This year they number about eight hundred and seventy-five.

To provide adequate space for the business now carried on in the Bureau itself, there should be fifty per cent more floor room; and to this should be added the space which would be required for the printing which the officials of the Bureau now find themselves compelled to give to outside firms. Added to this also should be the additional accommodation required for a lithographing establishment as well as provision for electrotyping and other processes, which, in the opinion of the Commission, should be included in order to comply with the requirements of Parliament as embodied in the Act. It will thus be seen that in order to carry out conveniently all the printing and lithographing work of the present day, the floor space of the present building should be nearly doubled. This increase, however, will only provide for present day requirements. The business transacted in the Department has grown enormously since the Bureau was built; and the King's Printer in his last annual report quotes figures to show that it practically doubles itself every ten years. By the time any possible extensions to the present building could be completed, there would again be

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the necessity for further space. The mistake made in 1886 of providing only for the business as it existed at the moment should not be repeated.

It should be pointed out, too, that the present overcrowded and inconvenient conditions at the Bureau form a serious obstacle to efficient and economical production. If space permitted of a more convenient arrangement of the different branches in their relation to each other, there would not only be a saving in cost, but the work could be turned out more expeditiously. While defective organization has in the past been probably mainly responsible for the criticisms levelled at the Department, the difficult conditions from lack of space and modern conveniences are also contributing factors.

NEW BUREAU SHOULD BE BUILT.

The Commissioners have considered the question of enlarging the present building and have come to the conclusion that such a course would not meet the situation. At present the whole arrangement of the building is so inconvenient that in order to fit it with modern conveniences an immense sum would have to be spent on reconstruction. In addition to this no possible extensions would be adequate to meet the requirements of even five years hence and give an efficient and economical service.

It was the intention of Parliament that all lithographing and other work of like nature required for the Government should be executed at the Bureau. This has never been carried out because no plant was provided for the purpose.

Moreover, in addition to the ordinary work of this nature, which has up to the present been executed for the Bureau by commercial establishments, we are of the opinion that the time has now come when all Dominion bank notes, postage and inland revenue stamps, postal notes, etc., should be printed in a Government establishment, as they are in the United States and other countries. At present this work is done under contract by the American Bank Note Company, who for the year ending 31st March, 1911, were paid a sum of \$343,779.40 for this service. A building to accommodate the necessary establishment for such a purpose in the future would have to be capable of far greater expansion than the present Bureau. The Commissioners, therefore, recommend that, in view of the recent and prospective development of the business of the country, in order to carry out the provisions of the Act respecting Public Printing, a new building should be provided at the earliest possible date. It should have three times the floor space of the present one, and careful consideration should be given to the question of sanitation, light, ventilation and the comfort and convenience of the employees, which are notably deficient in the present edifice.

Two leading officials of the Bureau have been good enough to submit to the Commissioners plans for a new Printing Bureau which appear to have been carefully thought out with a view to convenience and economy of administration; but the Commission are of opinion that the services of experts familiar with the largest printing establishments in Canada, England and the United States, should be obtained to advise in such a matter, and their views taken into consideration in conjunction with those of the officials above mentioned who have the practical experience of conditions as they exist at Ottawa. The Commission did not, however, think that they would be warranted in going to the expense of obtaining such expert opinion until the Government had decided on their policy in regard to the whole question.

We would point out, however, that there is urgency for an early decision in regard to this matter. At the present time, the Act is being disregarded in what must be accepted as its most important feature, viz.:—that all printing lithographing, electrotyping, stereotyping and binding and other work of like nature should be executed in a Government establishment.

It is of course open to Parliament to change the present Act and to carry on the existing practice under which part of the work is done in the Bureau and part by private establishments. The Commissioners would not, however, favour such a

policy. The difficulties and troubles which existed under the system prevailing before the establishment of the Bureau would probably reappear. Besides which the giving out of printing and lithographing work to private firms from its very nature is and must be open to abuse. The methods of doing this in the past have been open to serious criticism; and it seems impossible to devise others that will not allow some loopholes.

The present establishment performs valuable services which could not be done by private offices as efficiently or conveniently as the Bureau should be able to perform them under proper conditions. It must always be borne in mind that Government establishments, being regulated by specific Acts of Parliament and subject to the more rigorous and complex system of accounting and checking which is demanded in the safe-guarding of public money, is at a great disadvantage as compared with an ordinary commercial undertaking, in the production of financial profits. The hands of the Departmental Head are tied. He cannot introduce improvements or effect economies like the manager of a commercial institution. In addition to this, he is liable at any time to be called upon for a variety of returns and information which would never be asked for in a private establishment.

It may not be out of place here to recall the fact that under the old contract system the printing for the Government was most unsatisfactory, both as regards quality and price. Mr. J. Blackburn, of London, Ontario, employed as an expert to look into the question in 1885, reported that it was notorious that the Parliamentary and Departmental printing of Canada was of a very inferior kind; and Mr. Chamberlin, the King's Printer, stated that it had never been first class since before Confederation. During their inquiry the Commission have had no complaints regarding the quality of the work turned out by the Bureau. It appears to be generally conceded that it is first class; and in this respect at least, the present system must be regarded as a great improvement upon the old.

CONSTITUTION AND MANAGEMENT.

It has already been pointed out that the provisions of the Public Printing and Stationery Act are not being complied with in so far as having all printing, lithographing, etc., for the Government performed in the Printing Bureau. The same statement can be made in regard to the provisions for constitution and management, and especially in connection with the status and duties of several of the leading officials.

During the year 1910 an investigation into the affairs of the Department of Public Printing and Stationery was carried out; and during its course two experts, Messrs. John Hyde and E. G. O'Connor, were employed. Their report was a valuable one and a number of their recommendations have been carried into effect. In his report to Council, dated the 8th November, 1910, the then Secretary of State announced his intention to introduce a Bill to amend the present Act. This was necessary if some of the changes in management which he made were to have the authority of the law behind them. Mr. Murphy's intention, however, was never carried out, and in consequence more than one of the present leading officials are holding offices and performing functions not contemplated by Parliament. While Messrs. Hyde and O'Connor's report, as has been said already, was a valuable one, it did not in the opinion of the Commission go deeply enough into questions of internal check and accounting; nor did it offer a sufficiently comprehensive plan for efficient administration and strict control of expenditures. The Commission, therefore, decided to request Messrs. Price, Waterhouse & Company to make an inquiry into the Bureau and report to them, with especial attention to the question of management and accounting. We append their very complete and valuable report, and concur gener-

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ally in their findings and recommendations. An earnest effort should be made to have their proposals carried out, especially in regard to accounting and auditing, and the checking of goods received and issued by the Stationery Branch.

MANAGEMENT.

From the first there appear to have been difficulties and friction in the Bureau owing to indefiniteness in the Act as to the relative status and duties of the Superintendent of Printing and the Superintendent of Stationery in their relationship to the King's Printer. The Act should be amended so as to provide:—

(a) That the King's Printer, as Deputy Head of the Department, should be responsible for its proper administration to the Secretary of State; that all the officials of the Department should be subordinate to him; that all official correspondence should be carried on through his office; and

(b) That the duties of the Heads of the Branches under him should be clearly set forth.

It may be pointed out, that while the Minister has and must always have absolute authority over the Bureau, that authority should always be exercised through the King's Printer. Departure from this principle has been most detrimental to the discipline of the Service. The King's Printer should be freed from all routine work and minor and unimportant details. As head of a great establishment he should be able to devote his whole time to the larger questions of policy and general supervision.

ADMINISTRATION.

For administrative purposes, the Bureau should be divided into five branches, each of which should be under a head official directly responsible to the King's Printer. These branches and their official heads should be as follows:—

- Accountants' Branch—Chief Accountant.
- Printing Branch—Superintendent of Printing.
- Stores Branch—Superintendent of Stores and Distribution.
- Secretary's Branch—Secretary of the Department.
- Purchasing Branch—Purchasing Agent.

The duties to be assigned to each Branch are briefly as follows:—

ACCOUNTANTS' BRANCH.

The Chief Accountant should have complete control of all the accounting, stock and cost records of the Bureau. The audit of the printing for the Intercolonial and Prince Edward Island Railways should come under his jurisdiction; and he should keep all records in connection with time-keeping and the preparation of the pay-roll. He should also be in charge of the preparation of statistics; which should be kept constantly up to date and be of such a complete nature that he can at all times keep the Advisory Board—which it is hereinafter proposed to create—informed as to the condition of business at the Bureau. He should be freed from all detail work and thus enabled to devote the whole of his time to supervision.

A Cashier should be appointed in this Branch who would relieve the Accountant of all duties connected with the receipt and disbursement of cash.

PRINTING BRANCH.

The Superintendent of Printing should be in charge of all printing, stereotyping, electrotyping, lithographing, engraving, binding and all the processes necessary for

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the production of the completed work in the Department. He should also be in charge of the mechanical staff.

He should, however, be relieved of the supervision of the cost accounting system though he should furnish the necessary data, and be constantly in touch with it, and be regularly informed as to its results. He should have nothing to do with contracting for work to be done outside of the Bureau, the arrangements for which, when approved by the King's Printer, should come within the duties of the Purchasing Agent. He should have another Assistant, in addition to the Controller of Composition, who would relieve him of ordinary routine work and enable him to exercise a more direct personal supervision over the Composition, Press, Bindery and other Branches of his Department. It is essential that one of his Assistants at least should be thoroughly proficient in both the English and French language.

STORES BRANCH.

The Superintendent of Stores and Distribution should be in charge of the receipt, care and distribution of all printing stores, stationery, and office supplies required either for the Printing Bureau itself, or for the other Departments of the Government. He should be relieved by the Purchasing Agent of all work in connection with the actual ordering or purchasing of the same. He should, however, be responsible for the proper specification of all supplies required, and for ensuring that the goods received from the contractors are up to the specifications, both as regards quality and quantity. He should also have charge of the distribution of printed documents.

SECRETARY'S BRANCH.

The Secretary should have general charge of the correspondence of the Bureau and act as Secretary to the Board. The preparation of the *Canada Gazette* and the office for the revision of the voters' lists should also come under his control. The official in charge of this latter office informs us that except at election times, his work is not sufficient to occupy his whole time. The duties of the office are, however, of a very responsible nature and should continue to receive the direct supervision of a senior official. The gentleman at present in charge might be able to take over the duties of Secretary and at the same time continue his personal oversight of the Franchise Room.

PURCHASING AGENT.

The Purchasing Agent was appointed to his position without any instructions being issued as to what his duties were to be. These should be clearly defined. He should have charge of the entire purchasing of all goods required by the Department of Public Printing and Stationery in the execution of its duties. This should be understood to include also miscellaneous supplies, and the contracting for outside printing and lithographing work. The latter should include work of this character now done in the United States for the Immigration Branch of the Department of the Interior which appears to have been given without competition to a single firm in Chicago for many years past. His purchases should, except in the case of trivial amounts, be by contract after public competition. Tenders for Stationery Stores or for Printing should be opened in the presence of the Superintendent of Stationery or the Superintendent of Printing, as the case may be, as well as of the King's Printer. He should also contract for all the advertising for all the Departments, including that of the Immigration Branch, which last year expended about \$150,000 through its own officials on this service.

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ADVISORY BOARD.

With the object in view of encouraging the sense of unity and the necessity for combined action and co-operation for the successful carrying out of the work of the Bureau, the Commissioners recommend that a Board should be constituted under the Chairmanship of the King's Printer, which should meet at least once a week and whose minutes should be recorded.

This Board should consist as follows:—

The King's Printer, President.
Chief Accountant,
Superintendent of Printing.
Superintendent of Stores,
Secretary,
Purchasing Agent.

The Secretary should act as Secretary to the Board. Periodical statements regarding the state of business in each Branch, of accounts, and generally of such information as is required for the Annual Report to Parliament should be laid each week before the Board; and all questions of importance, having a bearing upon the policy of the Department as a whole, should be the subject of discussion. In addition, it should be the duty of every member to bring before the Board any question of importance respecting his own Branch. The decision of the King's Printer should be final on all questions, but any dissenting member should be entitled to have his opinion recorded in writing upon the minutes. A copy of the minutes should be forwarded each week to the Secretary of State.

In making the foregoing proposals for the distribution of work the Commission have had in mind the necessity which exists in all well regulated establishments for a complete internal check upon all transactions. Experience in the past has shown that the most trusted officials may be imperceptibly led, by the absence of such checks, first into irregularities, and later into actual frauds. It has been proposed that certain duties should be taken from the Superintendents of Printing and of Stationery, and assigned to the Purchasing Agent, solely on the principle that the person who in the first instance advises as to what work is to be given outside or what goods are to be purchased, and later has to certify that the order has been properly filled and the goods received, should not be the same person whose duty it is to decide to whom the work should be given and the price that is to be paid for it.

The heads of the different branches should, in our opinion, be given equal rank and as early as possible advanced to the same position as regards pay. They should each of them be held personally responsible for the efficiency of their various branches, and only hold their positions so long as their branches are producing results satisfactory to the Minister.

The Minister should specify which member of the Board is to act for the King's Printer should the latter be absent at any time.

BINDERY.

It has already been stated in this report that very little criticism was heard in regard to the quality of the work done by the Printing Bureau. There was, however, considerable complaint in regard to delays in the filling of requisitions; and this was especially marked in regard to work which has to pass through the Bindery, where it is stated great congestion exists. It has been contended that the facilities for handling the work in that Branch are not equal to those that exist in either the Composition or Press rooms; that the spout through which it has to go becomes

more restricted as the work proceeds. While it is true that the crowded condition of the Bindery, owing to lack of space, must be a serious handicap, there has been some evidence of a lack of good management. This ought not to be attributed entirely to the persons in charge of the Branch. Although it would appear that at least the same amount of supervision should be exercised over the employees of the Bindery as over the other rooms, there are fewer foremen in this part of the Bureau than are allowed on the average in the composition, press and other rooms in the Printing Branch. This should be remedied. The Commission have recommended elsewhere that there should be a second Assistant to the Superintendent of Printing which would enable the Superintendent, when relieved of the supervision of the cost accounting system and of contracting for the printing and lithographing done outside of the Bureau, to devote more of his time to general supervision and more especially to the Bindery.

COMPOSITION.

Some criticism has been made of the small output of the composition rooms as compared with what would be done in a private establishment. The Superintendent of Printing stated that he had conducted special tests in regard to work on the monotypes; but that while there was some improvement he was unable to get really satisfactory results from his men. We would suggest that as vacancies occur for monotype operators, they should be filled by those who show the greatest skill in the operation of these machines. The same suggestion applies also to the linotype operators. There should be little difficulty in examining applicants for appointment to these rooms and in this way the best and quickest workmen would be selected.

In their report dated October 19th, 1910, Messrs. Hyde and O'Connor condemned the excessive amount of hand composition done at the Bureau. They stated that one hundred and sixty men were so employed, on salaries aggregating \$133,120 annually, and that it was a fair estimate that half of this amount might be saved by machine composition. They proposed that monotype machines should be introduced as fast as they could be assimilated, that the most capable of the present hand compositors be taught to use them, and that no new ones be taken on for a considerable period.

Since that report, the number of monotype machines has been considerably increased, but no effort appears to have been made to decrease the number of hand compositors. The reverse seems to have been the case; and we noticed in a return furnished to us that ten additional compositors were taken on in July, August and the early part of September, 1911. The principal reason advanced for the number of men on hand composition is that additional machine operators are always required during sessions, and the only way to be certain of having them when required is to give them employment on hand work during the slack season. It is obvious that there is a point where such a policy involves expense altogether out of proportion to its usefulness. The increase in the number of machines must render it possible to reduce the number of employees on hand work.

THE QUESTION OF SUPERANNUATION.

Any contemplated reduction of employees necessarily brings up the question of what is to be done with faithful employees who have grown old in the Service of the Government. The solution of this problem becomes more and more urgent each year. Mr. Secretary Norton is responsible for the statement that in the United States probably twenty-five per cent of the Servants have become incompetent from age or other reasons, and that "Administrators cannot and will not thrust out of the Civil Service old and faithful employees when they have worn themselves out and are no longer efficient." This will apply shortly with equal force to the Canadian Civil

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Service. We are even now reminded of it by the Printing Bureau. Twenty-five years ago the Government took over the printing establishment of Messrs. Maclean & Roger together with their working staff. The majority of these men, then probably in the prime of life, are gradually getting beyond the age at which the retention of their services can be considered profitable. Among the hand compositors we hear of several men of sixty-five and seventy or more who are of very little use. In some cases, they are a hindrance to the employment of younger men, and their presence reduces the standard of efficiency of the whole Bureau to a greater or less extent. We are convinced that some equitable arrangement must be made whereby a living allowance can be assured to old Servants who have passed the age of usefulness and whose retention in the Service is no longer desirable.

STEADY EMPLOYMENT.

During the earlier existence of the Bureau, it was the custom to take on a number of additional men during the Session, when the work was particularly pressing, and to dismiss them when the pressure was relieved. On account of the great amount of business now always on hand, this practice has for some years been discontinued; and the principle seems to prevail that once a man is appointed to the Bureau, his position is permanent so long as he continues to behave himself. It should be possible under existing circumstances to arrange that the printing of all matter not of an urgent nature, should be delayed till the House is not in Session. Efforts are now being made to do this and with a more cordial co-operation on the part of the various Departments, it should be possible to keep all hands steadily employed throughout the year. This is not altogether the case at present, however, and we observed that some of the employees in different parts of the Bureau did not appear to be very busy.

PROOFREADERS.

This was specially noticable in the proofreading branch, where during the Session a double staff has to be employed, half for night work and half for day work. Evidence has been given to us that the proofreaders do not get through the amount of work that they did formerly and that some of the appointees of recent years are not of so high a standard of education. We believe that in future nobody should be appointed a proofreader unless he has passed a qualifying examination for the position. Messrs. Hyde and O'Connor in their report stated that there were at that time thirty-five proofreaders, and recommended that there should be more copyholders in proportion to the proof-readers; and that if this were done and certain arrangements which they suggested carried out, the staff might easily be reduced. As a matter of fact, the staff was not long after gradually increased to fifty. We are glad to learn, however, that since this inquiry was started this number has been decreased. We are of opinion that a reduction of thirty per cent in the number employed might be easily made when Parliament is not in session. One of the staff stated that in his opinion the number could be reduced to fifteen. Any reduction might first take place among the copyholders for whom special experience or qualifications beyond that of a good education are not so necessary as in the case of proofreaders, and who could be easily replaced when the Session recommences. In the meantime, proofreaders could hold copy for each other where assistance in that line is necessary.

COST ACCOUNTING.

In order to arrive as near as possible at the proper charge to be made for work performed, as well as for the purpose of making the Bureau self supporting, it has been the practice in the Printing Branch to calculate the direct and indirect cost of

manufacture and certain of the overhead charges upon each individual job, and charge it against the Department for which the work is done. In the Stationery Branch, the practice is to charge a percentage on the actual cost of handling. The object is that the King's Printer's advance account, which forms the working capital of the Bureau, should show neither profit nor loss; but come out even after the accounts with the various Departments of the Government are settled.

This procedure would have a certain value if it were fully carried out, and were on a fixed and definite basis. It might prove a useful check to ensure that Printing and Stationery, when executed by, or obtained through the Bureau, were not more costly than if obtained through private establishments. In practice, however, it is of little use for this purpose as many of the usual overhead charges are omitted. The salaries of those officials who are paid out of the appropriations for Civil Government, for instance, are not reckoned in as part of the cost; nor are depreciation and renewals of buildings, plant, and equipment, interest on capital, light, heat and power, etc., calculated. It is, therefore, clear that the amounts charged do not represent the whole cost of production. We should not, however, be prepared to take such serious exception to this were we not of opinion that the method of reckoning the percentage to be charged, over and above the actual cost, is unsatisfactory. Especially is this the case with the Stationery Branch, where the percentage is fixed arbitrarily and varies according to the nature of the goods. For example, the percentage charged on printing paper varies from ten per cent to twenty per cent on its cost value; while on small stock such as pencils, etc., it is five per cent, and on such articles as typewriters, no percentage is charged. The great objection to the present system is that it would be possible under certain circumstances by its means to cover up shortages or shrinkages in the stock. According to the Auditor General, stock taking under existing conditions is very unsatisfactory. Stock is now taken of the goods at the prices marked on them for distribution, i.e., with the percentages added. In his opinion, to cover up shortages or peculation, "all that would be necessary would be to mark a higher percentage on the goods." It tends also to make the system of accounting more complicated.

The new system of cost accounting installed in the Printing Branch by the present Superintendent is undoubtedly an improvement on that previously in force. That the rates chargeable under it for the various processes are still somewhat arbitrary will be easily seen by a reference to page 360 and Exhibit VIII. of Messrs. Price, Waterhouse & Company's report. It will be seen that four revisions of the rates took place between 1st April, 1911, when the new system was put in force, and the 18th March, 1912. Still another revision was made on the 24th August last. The tendency of these revisions would appear to be to gradually increase the rate chargeable for hand composition above, and to reduce the rate chargeable for machine composition below, the cost of the actual processes. Since the 31st March, 1911, the rate chargeable for hand composition has been increased from forty-five cents an hour to seventy-five cents an hour. The magnitude of this change will be realized when it is pointed out that the hours employed on hand composition are two and a half times as many as those employed on machine composition.

One of the chief reasons for the recommendation that the cost accounting system should be placed under the control of the chief accountant, apart from the general principle that all accounting work should be under him, is that the calculation and working out of the results of the various processes would be of greater value when done by a second party than when done by the person who is responsible for the processes themselves. The one acts as a check upon the other and their value to the Superintendent of Printing for the purpose of following the efficiency of the various operations under his charge should be enhanced thereby.

It appears to us that, as in the case of the Stationery Branch, so also in the Printing Branch the practice of calculating a percentage to be added to the actual

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cost for the purpose of covering overhead charges is unsatisfactory and should be discontinued. In lieu thereof we recommend that in the case of printing, only the actual cost, direct and indirect, of the labour actually employed upon any particular job, as closely as it can be ascertained by the cost accounting system, without regard to overhead expenses, as well as the actual cost of the paper and ink used, should be charged for work executed for Parliament or for any Department of the Government; and that in the case of stationery and stores the actual invoice price only of the goods should be charged.

The overhead expenses and the cost of carrying on the Department generally could be met either, (1) by an appropriation by Parliament for the purpose, or (2) by a pro rata charge against Parliament and the various Government Departments, to be calculated proportionately to the amounts charged against them for the printing and stationery supplied to them.

It may be pointed out that as the Government has in the end to pay for everything whether it is charged to the Departments in the first instance or not, no additional cost whatever would be incurred by making either of these changes.

Their sole effect would be to simplify the accounts and to enable a better check to be kept on the proper administration of the Department.

STATUS OF OFFICIALS.

A fruitful source of trouble is due to the fact that some of the employees are members of the permanent Civil Service and others are not. Men working side by side at the same work serve under different conditions. Some can come later and leave earlier than others and some are docked their pay if they are five minutes late, while others are not. Some have three weeks holidays with full pay and some only two weeks. One clerk is granted certain privileges which his fellow worker at his side does not enjoy. There appears to be no good reason why all should not be upon the same footing. We are of opinion that all who perform what may be classed as administrative and accounting work should be made members of the permanent Civil Service. The present situation conduces to jealousy and lack of united work. Moreover, the Bureau has many cases of men doing important duties who are worse paid than those who have less important ones to perform. Routine work should be assigned to the junior officials while the more important and responsible work should be done by their seniors.

Considerable comment also is current in regard to the fact that two persons are borne on the pay-sheets, credited with full time, and receive pay regularly without ever coming near the Bureau. We understand these cases are of long standing and one of them may be considered in the nature of a pension. If that is so, it should appear as such and be sanctioned by Parliament; the man should not appear as a wage-earner. The moral effect upon other employees is bad. Besides which the Timekeeper now has to certify as correct time-sheets which in this respect are incorrect.

POLITICAL INFLUENCE.

There appears to be a very general feeling throughout the Bureau that party politics enter largely into the running of the institution. New employees are taken on in the first instance rather on account of their party affiliations than of their fitness to fill the situation to which they are assigned. Once in the Bureau, they practically become permanent employees, and have a disposition to look to political influence outside to gain them preferment, rather than to their own efficiency. We have had various complaints as to the difficulty of maintaining discipline among such men. One foreman described a certain occasion when, after having suspended an employee for constant drunkenness, in spite of innumerable warnings, he was

threatened by the Party organization, and even advised by the Superintendent of his Branch, that he would probably lose his own job if he did not take him back. The man was, however, drunk again on the day he was to be reinstated and the King's Printer dismissed him.

It is impossible to speak too strongly as to the necessity of keeping politics out of the Printing Bureau. The majority of the work is technical, and new appointees should be selected solely on account of their fitness for the position. There should not be any great difficulty in examining persons in advance as to their qualifications for filling most of the vacancies in the Bureau. Once in the Bureau, promotion should be entirely by merit, and a man who endeavours to bring political influence to bear should be thereby disqualified.

Nothing will more certainly destroy the efficiency and usefulness of the Bureau than political interference. A statement which was drawn up for us showed a total of seventy-nine new appointments made for the four months ending 1st November, 1911, of which there were no less than seventy-two who were taken in between the 31st July and the 21st September, that is between the dissolution of Parliament and the General Election.

It is impossible to speak too strongly as to the necessity of keeping politics out of additional help being required for the preparation of Voters Lists. The positions which most of these new employees were appointed precludes such an assumption, especially as they were all kept on after the Voters Lists were completed. During the month of September a large number of employees were away on vacation and on the Election Day there were one hundred and twelve absentees.

Again, we cannot help thinking that it was with a pretty good idea as to its political effect in their minds that the deputation waited on the then Secretary of State, when the General Election was imminent last year, and pressed their request for the grant of an annual vacation for all employees. In spite of the fact that only a few months previously he had proposed to abolish the five minutes grace granted on arriving at and leaving the Bureau, on the ground that it involved a loss to the country of some \$10,000 annually, Mr. Murphy not only took no action in this respect, but he granted two weeks additional holidays which, according to a calculation based on the same grounds, would involve a further loss to the country of \$20,000 annually. This vacation was in addition to the sixteen Statutory and special holidays the employees were already receiving, and made an aggregate of twenty-eight holidays without loss of pay.

It may be mentioned that a number of the employees of the Bureau were constituents of the then Secretary of State, and that more than one of them took an active part in the Election. The caretaker testified to us that he was more than once summoned to the Liberal Committee Rooms during office hours where he had consultation with Mr. Murphy.

OUTPUT NOT EQUAL TO PRIVATE ESTABLISHMENTS.

While it may be true that in all Government establishments, the employees have a tendency to feel that they are not called upon to work as hard for the Government as they would for a private employer, it would appear that matters are even worse in this respect at the Bureau than they are in other Government establishments. The Superintendent of Printing has expressed the opinion that "a commercial institution with the same number of people, not the same people," and with the same staff, would do twenty per cent more work than the Bureau. One reason advanced for this opinion was that the Bureau is restricted in the wages it is permitted to pay to the employees, to the scale fixed by the Printers Unions for similar work in Toronto, Montreal and other centres and cannot, as is the custom in private establishments, pay higher wages to exceptionally competent workmen; and that this

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takes away from the employee the incentive to increase his output. It may be pointed out, however, that the larger amount of holidays that are granted to the employees of the Bureau than would be granted to those of a private establishment, is equivalent to an increase of nearly nine per cent of their wages, and should be sufficient when permanency of employment is reckoned to attract the highest grade of workmen to the Government Service.

We noticed also that the cleaning of the Bureau is costing over \$15,000 a year, which is paid partly out of Civil Government Contingencies and partly out of the King's Printer's advance account. This appears to be an extravagant charge and is, in proportion to the floor space, about double the cost of the cleaning of other Government establishments. If a new Bureau is built vacuum cleaners should be installed as the elimination of dust is especially desirable in a printing establishment.

The cost of the Bureau has been increasing rapidly of late years. The salaries and wages paid on the 31st March, 1910, amounted to \$523,360.24. On the 31st March, 1912, they had increased to \$645,872.52, or about twenty-nine per cent in two years. The reasons given are the increase in the work and in the wages of mechanics which took place in June, 1911. Another contributory reason advanced was the additional holidays to the employees granted in August, 1911. We scarcely think, however, that the reasons given are sufficient.

LIST OF EMPLOYEES.

A permanent record should be kept by the Secretary of all persons employed in the Bureau, showing the date of their first employment, age, services, wages, etc. The King's Printer should also be supplied periodically with a confidential report as to the efficiency of all the employees, whether in the Civil Service or not, with a note of any cases of misconduct. A statement should be drawn up monthly for the information of the Minister, showing the number of employees and wages paid in each branch and section to enable him to keep a better check on what is going on in the Bureau.

A definite age limit should be fixed beyond which no person should be eligible to enter the service of the Department.

DEPARTMENTAL REPORTS.

We are informed that the lack of system in some of the Departments in the preparation of their Reports for publication is such as to cause a great deal of unnecessary expense and loss of time at the Bureau. In some instances, Reports or portions of Reports have been sent in to be printed before the officials who edit them have apparently made up their minds as to the form in which they are finally to appear. It is doubtless an advantage to have copy sent in from time to time as it is prepared without having to wait for the completion of the whole report; but every effort should be made to have it in such shape that the Compositors can set it up in the form in which it will ultimately appear without the necessity for extensive revision. We are informed that the penmanship in some cases is poor and difficult to read; and not only causes the Compositor to make more mistakes than he would if it were thoroughly legible or typewritten, but occasions him great loss of time in trying to decipher it. The routine through which a Report has to go before it finally appears in print is as follows:—The copy on receipt is set up in type and a proof taken which is read in the Proofreaders' room. The type is then corrected and a further proof taken, which is sent to the Department concerned, who correct and revise the proof. It is then returned to the Bureau and the type again corrected. A proof is then taken and read again in the Bureau, after which it is sent to the Department for final approval. It will readily be seen, therefore, that should the

Editor change his mind as to the material to be printed or make many additions or alterations, a great loss of time and money takes place. Unfortunately, we are informed that this not infrequently happens and that alterations are sometimes so extensive that the work has practically to be set up afresh, and there is no end to the number of revises asked for. In cases of rush orders, the Bureau officials complain that no special efforts are made in the Departments to correct and return the proofs to them without delay and by special messenger. No order should be marked "rush" by the officials of a Department unless they themselves are ready to deal expeditiously with it when it again comes into their hands.

Copy which is difficult to decipher is responsible for far greater expense and loss of time than is generally realized. Especially is this the case with machine composition. Not only is the Compositor forced to work slowly, but in the case of the linotype machine for instance, the one most commonly in use, the misplacing of a single letter involves the resetting and recasting of a whole line. Then if the alterations to the proof are such as to overrun even one line, it may be necessary to reset whole paragraphs and overrun paragraphs and pages. Moreover, as the alteration of a single letter in the linotype involves the recasting of a whole line, there is always danger of another mistake not previously made appearing in another part of the line, where there is a possibility of its being overlooked by the Proofreader.

Most of the Departmental Reports have to be presented to Parliament within the first few weeks after the opening of each session. This, if properly observed, would result in having them printed between the sessions, when other work is not so pressing, and would be of great assistance to the Bureau. Efforts have been frequently made in the past to have the Reports sent to the Bureau as early as possible, but they have not been as successful as they might have been. There should be greater co-operation between the Bureau and the Departments, both in regard to this matter and in regard to the way in which the Reports are sent in. It must be borne in mind that poor copy is not only a cause of expense and delay to the Department which sends it in, but takes up valuable time in the Bureau, and restricts the volume of work they might otherwise be able to do; thereby creating an excuse to give work to outside firms which should be done in the Bureau. In both cases the Government is a loser.

FRENCH TRANSLATION.

The delay which takes place in the production of the French version of some of the Departmental Reports ordered by Parliament is the cause of great dissatisfaction. With the exception of some six or eight Departments which have recently shown great improvement in this respect, the ordinary course pursued at the present time is as follows:—

The Report is prepared in the Department in English and forwarded to the Bureau, where after the final revision takes place, it goes to press. Ordinarily copies of the "signatures" (sheets containing sixteen pages at a time, which are ultimately bound together to make the completed volume), as soon as they are printed are sent to the Translation Staff in the House of Commons who proceed to translate them into French. If the Translators are pressed for time, part or whole of the Report may be sent by them outside to be translated by parties designated by the Speaker for such employment. The translation is then sent to the Bureau, where delay is again liable to take place, as the signatures sometimes arrive irregularly and out of order and the Bureau does not print the French translation while Parliament is in session, the excuse being no doubt, that other pressing demands for printing should have precedence over Reports which have already appeared in one language.

The Translators blame the Bureau for the delay and the Bureau blames the Translators. The Chief Translator testifies that he sometimes cannot get any portion of the Report until the whole thing is printed and bound; that if he could get the

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"signatures" regularly as soon as they are struck off, he could keep the translation going *pari passu* with the printing, and have the whole French version ready for the printer by the time the English edition is printed.

The Bureau officials on the other hand complain that the French copy, which they receive from the Translators, is generally in such shape when it arrives at the Bureau that it causes a great deal of delay and annoyance to the Compositors. It is frequently badly edited, and often so badly prepared as to be almost undecipherable.

Then again, after it has been set up in type and a proof sent to the Chief Translator, it is often returned, not only with typographical corrections, but with corrections to the translation itself. The Chief Translator's remark in regard to this was that in reading the manuscript they were more likely to overlook faults and poor translation than in reading the printed form. In these days of typewriting there is no excuse for having copy put into print before it is edited and corrected.

The Confederation agreement, crystallized into law in the British North America Act, makes the use of the French language obligatory in the records and journals of the Houses of Parliament; and Parliament has provided that official publications ordered by it shall be printed in both languages. It is not a proper compliance with this provision to delay the French version of these official publications for more than a year before they are printed. Some of the French versions of Departmental Reports for the year ending 31st March, 1911, have not yet been published. Sooner or later the French edition must appear and it will be not only more economical and useful, but much more in keeping with the spirit and letter of the law as it now exists, if publications were issued as nearly as possible simultaneously in both languages.

We strongly recommend that the translation into French of Departmental Reports be made in the Department itself while the English copy is in course of preparation and before it is sent to the Printer. The six or eight Departments referred to above as being an exception to the rule, already pursue this course; and they send the English and French versions of their Reports to the Bureau at the same time and in good shape of printing. For the purpose of translation and especially for the better translation of technical expressions, the Department should employ one of its own officials; or failing one qualified in every way for the work, employ one of the official translators, the Department being held responsible for the correctness of the translation, and for keeping it up to time. In Reports in which technical expressions appear, the necessity for this is obvious. Both English and French versions should be corrected and typewritten, and carefully punctuated and edited before being sent to the Bureau. Correcting translation or editing after the copy has been put in print is not only extravagant and costly, but the cause of annoying delays. In the matter of Reports composed mostly of tabular matter, the bilingual method adopted in such Reports as "Criminal Statistics" and "Unclaimed Balances" could be extended to other Reports with advantage. This can best be done when the translation is made in the Department of origin itself. One Report with the headlines printed in both languages is an economy over two, both in time and money.

FRENCH HANSARD.

In the matter of Hansard, there is not so much cause for complaint of delay or discrimination between the two languages. Indeed here, the French language is granted greater privileges than the English. Speeches made in the House are taken down as delivered, whether in English or French, and are printed and distributed as "Unrevised Hansard" the following morning. We have made inquiries into the feasibility of having the French translation of the English portion of Hansard reports printed concurrently with Unrevised Hansard; but if it were attempted, it would necessarily for various reasons be so imperfect that we do not recommend it. After

the original Unrevised Hansard is in print, a translation into French is made of all speeches delivered in English and this is printed and distributed the following day as the French Unrevised Edition. No similar service is performed for the English reader by the translation of speeches delivered in French into English at this stage. and the English speaking public do not get a translation of the French portion until considerably later on when the revised edition appears. Moreover, a fortnightly index is issued of the French unrevised version, while no similar index is issued in English, although it could be compiled with very great advantage to Members of Parliament at a very slight additional expense. Later on, after corrections of their speeches have been made by the Members themselves, "Revised Hansard" is prepared and translated into both languages, and indexed, and distributed. As a general rule the French Unrevised Hansard is distributed within thirty-six hours of the delivery of the speeches. Delays, however, occasionally take place which are sometimes attributable to delay in sending the translation to the Bureau and sometimes to carelessness among the distribution officials, either at the Bureau or in the House of Commons. There is no good reason why the French Unrevised Hansard should not be distributed at the House of Commons before noon on the second day after the debate has taken place.

It may be well to mention at this point that the staff which translates Hansard is entirely separate and distinct from that which translates the Departmental reports and other Parliamentary publications. The former, composed of a Chief Translator and eleven other translators, have offices in Sussex Street; two of their number being permanently stationed at the Bureau for the purpose of proofreading and correcting translation. The latter, composed of a Chief Translator and nine translators, have their offices in the House of Commons. Just as in the case of the French copy supplied by the Parliamentary translators, the officials of the Bureau complain of the poor copy supplied by the Hansard translators. The chief cause of complaint is that after the type is set up the proof is amended, not only for typographical errors, but for the purpose of improving the translation itself. It has been admitted by the Chief Translator of Hansard that this is true in some cases; and his explanation is that some members of the staff are incompetent and others do not attend to their duties. He himself is at a serious disadvantage; for though styled Chief Translator and under the Rules of the House having special duties assigned to him, he is in the same grade of the Civil Service and receives the same salary as all but one of the other translators. This condition renders the exercise of efficient control by him a matter of great difficulty. His office should carry with it a higher position in the Service and a better salary than that of the other translators in the Debates Branch, who should be definitely placed under him; and he should be made in fact, as he is now in name, the head of the branch.

Five typewriting machines have been supplied to the Hansard Translators; but they are only used in cases of great pressure, as the translators have to pay for the services of the persons who operate them out of their own pockets. We consider that persons to operate these typewriting machines should be employed and paid for by the Government and that all copy should be sent to the Bureau in typewriting, properly edited and with the translation properly corrected in advance. If typewriter assistants were employed and inefficient and careless translators dismissed, there is no doubt that better results could be obtained and a saving effected, not only in the Printing account, but also in respect of the staff of translators.

The whole matter of the French version of official publications demands serious attention. We satisfied ourselves by personal inspection that the complaints of the officers of the Printing Bureau regarding the copy are well founded. The same condition existed at the time of the investigation of 1910 and Messrs. Hyde and O'Connor called attention to it in strong terms. When they are face to face with the

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conditions complained of and no effort is made to remedy them, there is no wonder that the Bureau officials become discouraged and take little interest in turning out the French Edition in good condition and up to time.

PARLIAMENTARY BLUE BOOKS.

There can be little question that a great improvement could be effected in the character and material of the Annual Departmental Reports printed by Order of Parliament. Not only is there in some instances, duplication and overlapping in the reports printed by different Departments, but in some reports the material is ill-arranged. Some of it, we would consider unnecessary and apparently inserted for the purpose of filling. We would not wish it to be understood that these remarks apply generally—some of the Blue Books are excellent compilations.

In both England and the United States, the question has received much attention and different methods have been employed to deal with it. Neither of these methods, in our opinion, quite meet the situation in Canada. The Civil Service Commission in 1907 recommended that the Blue Books should be reviewed by some authoritative body with a view to their simplification and co-ordination, and suggested a joint Committee of the two Houses. Later on, the then Secretary of State in his report of November 8th, 1910, spoke of the importance of the question and the saving to be effected by a satisfactory solution and recommended another method of dealing with it. The late Government, however, took no action. Pending the creation of some authoritative body which could go thoroughly into the matter, we beg to offer some suggestions regarding the handling and distribution of the Blue Books in their present form, which we hope may prevent much of the waste which now takes place.

DISTRIBUTION OF OFFICIAL DOCUMENTS.

The free distribution is carried out from two separate mailing lists—Parliamentary and Departmental. The Parliamentary distribution is done direct from the Bureau, while the Departmental is done by the Departments themselves, with the exception of the *Labour Gazette* and the Exchequer Court Reports, which are distributed by the Bureau. For the Parliamentary distribution, two lists are supplied—one by the Joint Committee on Printing and the other by the Debates Committee. The former list is never revised, while the latter is corrected each year. No comparison is ever made between these lists and the Departmental lists. The official in charge of the Distribution Room at the Bureau has only held the office for a short time. He gave it as his opinion that not only are there cases of duplication of names, but even of triplication, when the distribution by Members of Parliament is taken into consideration. In looking over the lists, he had found the names of men who had been dead for years and of Clubs and other institutions that to his knowledge had gone out of existence, to whom reports of all kinds, including bound copies of Hansard, etc., were being sent. Strange as it may seem, even in the Bureau itself, there is a second branch sending out mailing matter, including the *Canada Gazette*, *Labour Gazette* and Court Reports. The mailing list of the *Canada Gazette* a few weeks ago showed amongst other such instances, that the *Gazette* was still being sent out addressed to a Judge who had been dead for more than ten years. The Distribution Branch has been working short-handed for some time. It should be strengthened at once and the official in charge given an opportunity to go thoroughly into this question.

Each Department has its own mailing list also; and some of them which send out a large quantity of printed matter have a considerable staff constantly engaged in the work of mailing.

EXTRA COPIES.

That there is a great deal of waste cannot be doubted. A reference to the annual report of the Department of Printing and Stationery for 1911 shows that some 12,500 copies of various Annual Reports were that year printed at the Bureau over and above those that were distributed or taken into stock. On inquiring as to what became of these we were told that there was nearly always a surplus of each Departmental Report after the distribution was made, and that these were thrown into the waste-paper basket. If these figures are correctly given, they show that on the average two hundred and forty more copies of every annual report, both English and French, are printed than are required and that the surplus copies are immediately thrown away—a condition that seems almost incredible. The head of the Distribution Branch gave us a list of some fourteen hundred and sixty volumes of Blue Books just printed that, within the last two or three weeks, he had had to consign to the waste-paper basket as the Departments refused to take any more and he had no place to keep them. Waste paper is collected from the Houses of Parliament, Government Departments, and the Printing Bureau, by a contractor who pays so much for the privilege; collects perhaps from three hundred to four hundred tons a year of paper of all descriptions, including bound books; and sells it to various paper manufacturing companies. One of the companies informed us that in a single year they had themselves received fifty-seven and a half tons of books alone from this source. And it must be remembered that this only accounts for a portion of the waste in Ottawa. Outside of Ottawa, the waste is probably as bad or worse. People have a fancy that they would like a certain Blue Book and by some means get on the mailing list. Once there, the book is regularly sent; although the person to whom it is addressed may long have got over his fancy and may throw the book away as soon as received. Two copies of every Departmental report, as well as large numbers of the reports of Standing Committees are sent to every Member of Parliament, whether they want them or not. To many Members they are simply a nuisance, and after encumbering the mail, are consigned to the waste-paper basket. Certain of the Blue Books are of special interest to certain Members and are the only ones they look at; while other Blue Books are of interest to other Members. Why should not a Member select what books he wants and have those only sent to him? Nor does the only waste occur when the books arrive at their destination. As we have already pointed out, thousands more are printed than can be disposed of or even kept in stock; and within a few hours of completion are consigned to the waste-paper basket without ever leaving the Bureau. We have little doubt also that there are more sent to some Departments than are wanted there.

DISTRIBUTION DIRECT FROM THE BUREAU.

We would urge most strongly that the distribution of all printed documents be carried out direct from the Bureau. Each Department should send its regular mailing list there, as the Department of Labour already does in respect of the *Labour Gazette*. These lists should be scrutinized carefully and compared with the Parliamentary lists to see that there is no duplication, and one general mailing list for the free distribution of documents should be made out. Copies of the list should be sent to the various Departments, and revisions thereof forwarded monthly by them to the Bureau, where there should be an official regularly charged with keeping the mailing lists up to date. This official should keep in close touch with all Departments for mutual assistance with this end in view. He should also communicate from time to time with private individuals, institutions, and newspapers who are on the list, with a view to ascertain whether they make use of the reports, and desire any or all of them continued. We believe that by the use of care and discretion, it would be found possible to reduce the free mailing list to an enormous extent, and to do so

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without preventing any one entitled to receive official publications from obtaining all reports that he is able to make use of. These latter proposals would not, of course, apply to documents such as those issued by the Agriculture, Immigration or other Departments for educational and like purposes, which are printed at the expense of the Departments themselves. The distribution of these would still be at the discretion of the Departmental officials, though the actual work of despatching would be done direct by the Bureau; nor would they prevent each Department receiving a supply for casual distribution or for its own use.

DISTRIBUTION TO MEMBERS.

In regard to distribution to Members of Parliament, we would suggest that a printed list of all documents, as published, be sent to each Member weekly, with a requisition attached, in convenient form for mailing, whereon he could indicate which of them he desires to have sent to him.

METHOD OF DISTRIBUTION.

If the foregoing proposals are carried out, we are satisfied that they will result in an enormous annual saving to the Government, both in respect of the number of documents required and also in respect of the cost of folding, addressing and mailing those which are sent out. The Printing of Parliament last year cost \$314,053.41. The substantial reduction which may be looked for in the number of copies printed and sent out, would mean a considerable diminution in this sum, as well as a considerable saving to the mail service.

The saving which can be brought about by centralizing the distribution of documents at the Bureau will mount up into many thousands of dollars. There are many millions of documents distributed annually by the Departments as well as those sent out direct from the Bureau. Several of the Departments have addressing machines, but the Bureau, although it has an addressing machine, still in the main adheres to the old method of sticking on a printed address by hand. None of them have wrapping machinery and a very large number of publications are sent out in envelopes. The saving in envelopes alone by the use of a modern mailing machine should amount to some \$6,000 or \$8,000 annually. For instance, envelopes to the value of nearly \$5,600 are used yearly for this purpose by the Departments of Agriculture, Trade and Commerce and the Post Office alone.

A mailing machine such as is in use in many establishments in the United States, not only addresses, but wraps and pastes the documents ready for mailing and delivers them into mail bags ready for despatch direct to the mail car.

The amount of matter which would be daily despatched from the Bureau would justify the creation of a Sub-Post Office there and the documents could be sorted into the bags for the different points on the spot. This would be done by the machine automatically. The expense of handling many times over would be saved.

At present, the usual process that a single document has to go through is as follows:—It is tied up roughly into a bundle with others, at the Bureau and delivered to the carter who drives it to the Department. There it has to be carried in and deposited in the office where it is to be prepared for mailing. Then it is separated from its companions, wrapped and pasted by hand and passed through the addressing machine. Or, it may be, it is placed in an envelope already addressed. It is then again carried to a mail cart, which takes it to the Post Office where it is sorted into its proper bag and conveyed from the Post Office to the train.

The plan we propose saves all this. The book as it comes from the printer passes direct to the distribution room where it is put through the mailing machine, which in turn delivers it into the mail bag, which is conveyed direct to the train.

The saving effected by one of these large mailing machines is very great. The makers claim that the machine worked by one man and two girls will handle from 3,000 to 5,000 publications per hour. That is, it will wrap, paste, address and deliver them into the mail bags. We believe that the salaries of probably some fifteen men at least now employed throughout the Service, on this work alone, could be saved; the number of carters necessitated by the double handling reduced; and the Post Office work greatly facilitated. Further, by having documents sent out direct from the Bureau, the official in charge there could be able to see that no larger number of copies of each document were printed than were actually necessary. Let us reiterate that in making these recommendations we are referring only to documents sent out on regular mailing lists. The Departments will still keep in their own hands what may be termed "casual" distribution.

STANDARDIZATION OF STATIONERY.

The question of the Standardization of Stationery and office Supplies is one of long standing. In the year 1910, the Under Secretary of State held a conference with the Deputy Heads of the various Departments, at which this question among others was the subject of discussion. Mr. Mulvey reported that the project was highly approved of by all, and that there was no reason why it should not be brought about when the then surplus stock of stationery at the Bureau was disposed of. In addition to corresponding with the Deputies, the Commissioners took evidence from the officials in charge of stationery in various Departments, in order to learn their views from a practical standpoint. There was a general consensus of opinion in its favour, and the Commissioners recommend that standardization be undertaken without delay, with a view to having regular standard sizes and qualities of stationery definitely established, and the present very large variety of articles which may be requisitioned for greatly reduced. The Superintendent of Stationery informed us that he had for some time been at work on this subject, but while we do not wish to minimize in any way the great value his experience must be in such a matter, we feel that any individual who sets out by himself to draw up a list of articles to the use of which the various Departments are to be restricted, would work under a serious handicap. We would, therefore, propose that a Committee be formed composed of Mr. Patenaude and the Clerks in charge of Stationery in three or four of the largest Departments. In addition to standardization in the ordinary sense, they might consider the question of uniformity in size and style of Government cheques, pay-lists, invoices, etc. They should also take into special consideration the qualities of paper, ink, and carbon paper with a view to ensuring the permanency of official documents. We are of opinion that one of the aims of the Committee should be to reduce the number of the various grades, qualities and sizes of stationery supplies to the lowest figure, consistent with efficiency. Concentration in a smaller list of articles would mean a saving both in the Bureau and the Departments. By reason of the larger quantity of each article that would be required, it would also enable tenders to be more easily called for their supply; and by bringing in competition, reduce the prices paid. There would also be less probability of articles deteriorating, or getting out of date, and the stock on hand as a whole need not be so large as at present. As far as possible all paper supplies should be watermarked and other articles stamped "Government of Canada."

As soon as the work of the Committee is completed and a revised stock list has been approved of by the Governor-in-Council, a distinguishing number, or letter, or both should be assigned to each and every item for the purpose of identification and of facilitating requisitions. These distinguishing numbers or letters should be arranged in series in such a way as in themselves to indicate the nature of the item.

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A stock book should be kept in the stores branch in which should be assigned to each item, in regular order, sufficient space to keep a continuous record of the quantities received and issued and the balance on hand after each entry.

In regard to each separate item a certain quantity should be established as the minimum to which the stock may be reduced before being replenished. This minimum quantity should be entered against each item so that a report can be made instantly to the Superintendent when the stock falls below it.

This procedure would enable a comparison to be made at any moment of the quantity of any goods actually in stock with the quantity appearing in the books.

TYPEWRITER MACHINES.

In regard to typewriters we have made special inquiries. There are a number of different makes in use, and the prices paid for them are little if anything lower than those for which they can be purchased individually by the public. A large number of typewriters are purchased each year, some for renewal of worn out stock, and some on account of increasing business. Last year the number of new typewriters bought was four hundred and thirty for a sum of nearly \$58,000 or an average price of \$130 each. A report on the subject shows that eighty-eight worn typewriters replaced by new ones during that time were allowed for by the agents at an average of \$25 apiece. It is open to question whether many of these could not have been made serviceable at small cost. A typewriter was purchased in 1910 for \$145 and was allowed for on a new purchase nineteen months later at \$15. The Commissioners are of opinion in view of the fact that the single keyboard is now coming almost universally into use, there would be little inconvenience if in future one make of typewriter were supplied for the whole Service. There is no doubt but that like some of the large commercial establishments, the Government would be able to obtain their typewriters at a greatly reduced price, by advertising for tenders for the whole Government supply for one or more years, and having the different manufacturers compete with each other for the order. Tenders might be asked for the supply of say four or five hundred machines, to be delivered from time to time as required and, as regards the Outside Service, at any points where they might be wanted. Most firms are prepared to deliver machines at about the same price in any part of the Dominion. It has been currently reported in the Press that the prices quoted to the Western Union Telegraph Company for the filling of a large contract by the makers of the best known machines ranged from \$42 to \$65. Similarly the Government should be able to make a contract which would save half of the large sum at present annually expended.

The Commissioners believe that, in addition to the apparently excessive number of old machines being discarded, there is some loss to the Government in the repairing of typewriters. There should either be an expert specially engaged to keep all Government typewriters in order; or an Inspector to look at machines to which repairs are required, estimate the nature and value of such repairs, and check the amount chargeable for the same. In either case, such official should be borne on the staff of the Superintendent of Stores.

STATIONERY STOCK ON HAND.

The inventory of stock on hand in the Stationery Branch on the 8th August, 1910, given in the report of Messrs. Hyde and O'Connor, showed a valuation of \$283,424.80. The present Superintendent has been able to reduce this until in the inventory taken in the present year the stock amounted to only \$174,423. The former valuation, however, was at the "issue" price, while the latter was at "cost" price.

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On the other hand Bureau supplies to the value of \$13,492.35, which have not previously been calculated, have now been included in the valuation. It has been pointed out to us, that this inventory still includes typewriter ribbons to the value of about \$21,000.00, which have now become useless, in so far as the Government Service is concerned, and carbon paper to the value of about \$5,000.00, which is also now of no value. We are of opinion that this useless stock should not appear year after year as an asset, but that it should now be disposed of by auction. This is an exceptional case and its treatment should not be taken as a precedent. With proper precautions a recurrence of the trouble should be impossible.

WEIGHING GOODS IN.

We are not satisfied that the checking of goods received into store is thoroughly and accurately carried out. Messrs. Hyde and O'Connor called attention to the fact that in the case of heavy weight papers, only a few rolls were weighed, and if they scaled right the balance were assumed to be correct. We could not find that any additional precautions had since been taken to protect the interests of the Bureau. Further than that, having noticed that one of the scales appeared to be out of order, we requested an inspection by the proper authorities, with the result that it was found that of the five scales in the Bureau ranging from fifty-five pounds capacity to two thousand five hundred pounds, three were incorrect, including the largest, which had not been tested since 1898. One of the scales had not been tested for thirty-five years.

REQUISITIONS FOR STATIONERY STORES.

We find that many of the Departments requisition for stores in small quantities from day to day just as they happen to need them, without attempting to calculate in advance the amount that they will require and making periodical requisitions therefor. Some of the Departments require this latter procedure from their Outside Service, and we recommend that it should be done as much as possible by the Departments themselves in their dealings with the Bureau.

STORES FOR THE OUTSIDE SERVICE.

It has been brought to our notice that considerable waste of stationery supplies takes place in some offices in the Outside Service. In making requisitions officials should give a statement of all supplies expended and still on hand, and these should be closely checked up. Requisitions for stores required for the Outside Service should be filled at the Bureau and the goods packed and distributed direct from there. This is done to a small extent now, and should be carried out universally in the future. It would save the double handling from the Bureau to the Department and from the Department to the Post or Express Office. This, of course, does not apply to such things as typewriters and typewriter desks for distant points, which it may be found more economical to purchase locally. If our recommendations in regard to the direct distribution of documents is carried out, all parcels for mail would be handed to the Post Office at the Bureau.

GENERAL REMARKS.

One official after another has called our attention to the difficulty they labour under owing to the excessive noise in the large general office of the Bureau. After the investigation of 1910, partitions were torn down and a number of separate offices were merged into one large room, where from thirty-five to forty clerks are now employed. In this room, business is also done with the public and six separate

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telephones are constantly in use, as well as numerous typewriters, adding machines, etc. The clerical staff of three different Branches are seated side by side and the noise and bustle all round must be most distracting. We are informed by officials engaged in calculations and figuring that it is almost impossible for them to do their work. We hesitate to recommend partitioning up the whole office again in its original form, but we think that something must be done to deaden the present babel of noise. Possibly the different branches now all in the same room might be partitioned off from each other, or at least some of the noisiest portions of the room should be partitioned off. This is a matter of detail which could be well left to the proposed Board to agree upon. It is possible some of the old partitions may be still in existence or glass partitions might be used with advantage.

There is now only one system of lighting at the Bureau—electricity—and on two occasions within a single week this was cut off for a period, putting a stop to work until the wires were repaired. In an establishment employing so many hands every stoppage, whether of long or short duration, is a matter of considerable loss; but in addition to this there might be considerable danger in such numbers of men and women having to leave the building in the dark. Gas is already supplied to the Bureau for manufacturing purposes and gas lights might at least be supplied at the time clocks and in the passages and on the stairways for use in an emergency.

We are glad to find that in several respects changes and reforms which were suggested and discussed during our examination of some of the leading officers have already been carried out. We have, therefore, considered it unnecessary to mention them in this report. We desire to thank the officials who gave us so much assistance during our enquiries. We were impressed generally by the zeal for their own particular work which was apparent in most of the officers with whom we came in contact. If any changes in organization made in consequence of this report result in closer co-operation of the various branches, we are confident that the spirit we have observed will result in greatly enhancing the value of the whole Department.

All of which is respectfully submitted.

G. N. DUCHARME,

R. S. LAKE,

Commissioners.

OTTAWA, 8th November, 1912.

SUB-REPORT RE DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.

By Messrs. Price, Waterhouse & Co.

MONTREAL, June 26, 1912.

The Public Service Commission,
Ottawa, Canada.

DEAR SIRS,—Acting under your instructions we have made an investigation of the business methods of the Department of Public Printing and Stationery, and now have the honour to submit the following report on the results of our examination.

The scope of our enquiry, which was in the main determined upon as a result of conferences with your Commission, called for an investigation of the entire business system, including the methods of accounting in force, with a view to determining what changes or improvements could be instituted in the organization and conduct thereof; but it has not been extended to cover a detailed audit of the transactions of the Department.

Many of the recommendations made herein must be considered as tentative, as we have not had an opportunity to fully consider the relationship of this Department to other branches of the service; and more particularly to the Departments of the Auditor General and of Finance.

We would wish to make it clear that our criticisms are directed at methods and not at individuals and that we are impressed by the fact that a general desire for improvement appears to pervade the Department, and that several important reforms have been recently instituted.

In making recommendations in this report we have not considered the limitations of the existing laws and it is possible that in order to carry into effect some of the suggestions, it may be necessary to revise the present statutes.

ORGANIZATION OF THE DEPARTMENT.

The Department was established in 1886 by Act of Parliament entitled "An Act respecting the Department of Public Printing and Stationery" (49 Victoria, Chap. 22), which has been amended from time to time. The revised Act under which the Department is operating at present is set forth in Chap. 80 of the Revised Statutes, 1906.

The Department is presided over by the Secretary of State and the service is directly administered by the King's Printer and Controller of Stationery, who is the Deputy Head of the Department.

The King's Printer is appointed by the Governor in Council by commission under the Great Seal. The position is filled at present by Mr. C. H. Parmelee, who has held office since February 1, 1909. His duties, as set forth in Section 5 of the Act, are as follows:—

- (a) The execution and audit of all printing, stereotyping, lithographing, binding work, or work of a like nature, and the procuring of the material therefor.
- (b) The purchase and distribution of all paper, books, and other articles of stationery of whatsoever kind.

- (c) The sale of all books or publications issued by Parliament or other Departments.
- (d) The audit of all accounts for advertising.

Under Sections 20 and 29 of the Act referred to it is provided that printing and stationery for the use of the Intercolonial Railway and the Prince Edward Island Railway do not require to be obtained from the Department, but all accounts therefor must be examined and certified by the King's Printer before payment.

We note that the King's Printer audits the accounts for advertising of the various Departments with the exception of those of the Immigration Branch. As our investigation has not included an inquiry into the operations of that Branch, we are unable to express an opinion as to whether or not it would be preferable to place its accounts under the audit of the King's Printer, but theoretically it would appear better to do so.

At the present time the work of the Department is divided into the following four main sections, viz.: Purchasing, Stationery Stores and Distribution, Printing, and Accounting. No clear line of demarcation is drawn between the work of these divisions, but for the sake of convenient reference and in order that you may more clearly follow out the work of the Department as a whole, we would report upon the work and methods of each in the order named.

PURCHASING.

The work of purchasing is one of the most important divisions of the Department. During the year ended March 31, 1912, the purchases aggregated over one million dollars, of which about one-third represented the value of the printing and lithographic work placed outside.

The officials of the Bureau who are now in charge of the purchasing, subject to the approval of the King's Printer, are:

- (a) The Purchasing Agent.
- (b) The Superintendent of Printing.

(a) *Purchasing Agent.*

The present Purchasing Agent, Mr. S. P. Grant, was appointed by the Secretary of State in February, 1911, without an Order in Council, presumably with a view to affording a check on the purchases of the entire organization. His duties appear, however, to be limited to the purchase of supplies for the Stationery Department and miscellaneous supplies for the Printing Bureau.

We are informed that about forty orders on an average pass through the Purchasing Agent's office each day, or, say, 12,000 orders a year and about twenty or thirty letters each day.

The methods of ordering and purchasing which are followed differ according to the quantities and nature of the supplies required, but they may be considered under the following classifications:—

- (a) Orders for supplies in large quantities which are filled by formal tenders received in response to request by the Purchasing Agent.
- (b) Orders for supplies which are filled by quotations received by letter upon request of the Purchasing Agent.
- (c) Orders for small supplies under \$100 in value, made by Purchasing Agent upon his own authority.

Tenders are invited by letters addressed to dealers and not by advertisement; a list of dealers is kept in the Department but invitations to tender are not necessarily limited to names appearing on this list.

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In the case of the larger purchases tenders are received by registered mail and are opened on a given date by the King's Printer in the presence of two witnesses, who initial them. The award is made by the King's Printer and it is claimed that the lowest bid is accepted, provided conditions as to quality and delivery, etc., are complied with. We examined the tenders for a period approximating two years and so far as we could determine the rules regarding their award had been complied with, excepting in some instances of minor importance.

In the case of purchase of supplies by quotations, the letters from dealers quoting prices are received by the Purchasing Agent and he decides which quotation is to be accepted. As a general rule the lowest quotation is accepted, as appears from the test examination which we made of the quotation letters.

We note that in the purchase of Stationery Supplies the Purchasing Agent is assisted by the Superintendent of Stores and that the latter interviews dealers and issues orders. The practice of permitting the Superintendent of Stores, who is responsible for the custody and issue of stores, to take part in their purchase is to be condemned. The creation of the office of Purchasing Agent was presumably intended largely as a check upon the Superintendent of Stores, who in turn acts as a check upon the former. To combine, even to a limited extent, the duties of the two offices is in effect to render the check entirely ineffective.

(b) *Superintendent of Printing:*

This office is at present held by Mr. F. Boardman. Formerly the Superintendent of Printing purchased all supplies required for the Printing Department, but this is now done by the Purchasing Agent and the duties of the Superintendent, so far as purchasing goes, are confined to the placing of orders for outside lithographic and printing work.

In the case of lithographing work, quotations, and sometimes tenders are called for; these, however, are not received by registered mail. In the case of outside printing, a fixed schedule of rates drawn up by the Department is in force and the work is given out without advertisement or tender.

In our opinion the Superintendent of Printing should not be permitted to place orders with outside firms without some check, and we would suggest that all his requisitions for such work should be made to, and passed by, the Purchasing Agent as to price and other general conditions.

All supplies are purchased on requisition of the Superintendent of Stores or the Superintendent of Printing. Orders given by the Purchasing Agent are made out in triplicate, the first copy going to the dealer, the second being retained on file by the Purchasing Agent after approval by the King's Printer, and the third copy being filed in the office of the Superintendent of Stores.

The unfilled orders are kept on a special file arranged according to dealers. When we examined the files towards the middle of May about 500 orders were apparently open, but it was found that a number of these had already been filled and that the orders had not been removed from the files. Greater care should be given to keeping the files up to date, and we think that information in regard to unfilled orders would more readily be obtained if contract orders were kept on a separate file, and if orders remaining unfilled for an unusual length of time were transferred to a special inquiry file.

STATIONERY STORES AND DISTRIBUTION.

The law constituting this division of the Public Printing and Stationery Office is set forth in the Revised Statutes 1906, Sections 21-29, which provide for the appointment of a Superintendent of Stationery.

The work of the division is at present in charge of Mr. J. O. Patenaude, who was appointed by Order in Council, and who has the title of Superintendent of Stores and Distribution.

We append hereto Exhibit 3, a comparative statement of the expenditures of this division for the past five years.

The following statement of stocks and issues will give an idea of the volume of the transactions of the department:—

March 31st		Stocks carried.	ISSUES.		Total.
			To Depart-ments.	To Printing Bureau.	
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
1908	Issue price..	201,368 09	363,534 02	216,493 73	580,027 75
1909	"	243,258 43	388,008 22	225,508 23	613,516 45
1910	"	256,697, 41	300,459 93	222,442, 62	612,902 55
1911	Cost price..	194,690 66	362,171 85	258,877 63	621,049 48
1912	"	174,423 29	452,905 49	321,586 81	774,492 40

RECEIPT OF SUPPLIES AND APPROVAL OF INVOICES

All supplies received are inspected by the Superintendent of Stores, and in the case of paper special tests of both samples and deliveries are made by an assistant.

Paper undergoes a mechanical test for strength and a chemical test for the purpose of ascertaining whether ground wood, which causes deterioration, has been used in its manufacture.

The invoices covering purchases are handed to the 'checker' or receiving clerk, who is responsible to the Superintendent of Stores, and are certified as to the receipt of the goods by two individuals. The Purchasing Agent then verifies the prices on the invoices by two assistants, who certify that the prices charged are correct and that they are fair and just. The invoice is also stamped by the Purchasing Agent and Superintendent of Stores as to the date the invoice was received in the respective Departments.

One copy of the invoice is retained by the Superintendent of Stores so that the Stock Register may be written up therefrom. The Purchasing Agent also retains a copy and two copies are forwarded to the Accountant, whose department certifies as to the correctness of the extensions and additions.

The invoice is retained in the Accountant's Department until the end of the month, when particulars are entered in a register or purchase day-book and also on to a "backing" or "voucher" for payment, and the total of the "backing" is posted to the credit of the merchant in a purchase ledger. At the end of the month the backing, with the invoices attached, is forwarded to the Auditor General after being stamped "paid" and the number of the cheque noted.

STOCK RECORDS.

A stock register is kept, part of it being represented by loose leaf records and part, containing miscellaneous supplies, by card records. Little practical use, however, appears to be made of these records, as will be apparent from a consideration of the following points:—

- (a) The Stock Ledger is not kept up to date.
- (b) The Ledger is not added up until the end of the year.
- (c) The balances as shown by the Stock Ledger are not compared with the quantities as shown in the physical inventory until a considerable time after the

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close of the year and then little attention appears to be given to the averages and shortages. It is claimed that they about offset but the results should be most carefully looked into.

(d) No balances are taken at any time during the year.

(e) From a comparison of the book with the physical quantities on hand at the end of March 1911, it is evident that either there are numerous errors in posting or the physical inventory at that date was incorrect.

If the expense of maintaining a Stock Register is incurred, this Register should be kept up to date and with reasonable accuracy so that the Superintendent of Stores would be in a position to furnish the Purchasing Agent with the Stock on hand of any article at any given date as well as the consumption. It is obvious that unless the balances as shown by the Stock Register are frequently compared with the physical quantities on hand, no explanation of the shrinkage in the stock can be given at the end of the year and there is no means of detecting leakages or mistakes in weight or quantities delivered.

Inventories of Supplies on hand are taken at the end of the fiscal year, the Department being closed, so far as regards issues of Stock, for about ten days. The work of counting and listing supplies is performed by the Stationery Office employees under the supervision of three clerks from the staff of the Auditor General. The prices are entered by one of the clerks of the Stationery Office from his price register and checked by a representative of the Auditor General. The extensions are made in the Stationery Office and checked by the staff of the Auditor General.

The inventory at March 31, 1912, has been valued at cost. It would appear, however, that it includes a number of articles which have been on hand for some considerable time and which are not now worth the amount originally paid for them; as for example, large purchases of typewriter ribbons and carbons were made some years ago and, as the styles of machines have changed in the meantime, it is not possible to use this stock. The Superintendent of Stores has estimated that stock which is more or less obsolete is included in the inventory of March 31, 1912, at values aggregating at least \$18,982.68.

We would emphasize the importance of standardizing the supplies which can, however, only properly be done by the co-operation of the various Government Departments. Grades should be established, and, in the catalogue of stock which is furnished to the Departments, grades only should be referred to.

In this connection we would mention that in the course of our work we have noticed that the forms used for identical purposes differ in design, quality of paper, form of type, etc., not only in this but in other departments. We would recommend that steps be taken to standardize these forms. For instance, all cheques, pay sheets, invoices and vouchers should be uniform in style and size. There can be no doubt economies could be effected in this way, especially if the Printing and Stationery Offices had the co-operation of all the Departments.

At the present time no controlling account is carried on the General Ledger to show the value of the Supplies on hand. We would suggest that the Supplies should be divided into a number of classes and that each class should be controlled by an account in the General Ledger, or on a ledger subsidiary thereto kept in the Accountant's Department. The Stock Records would be kept in the Stationery Department as at present in quantities only, but each account should be periodically checked up by physical inventory. At the end of each quarter or half year the quantities shown on stock records should be priced and their value extended and grouped according to the classes controlled by the General Ledger. This would enable the Accountant to keep a strict check over the correctness of the store records, as the value of each class of Supplies should approximately agree with the balance on the ledger account carried by him. This system would also obviate the necessity of closing the department at the

end of the fiscal year for stock taking purposes, as physical inventories of the various supplies would be taken throughout the year when the stocks were lowest or at such times as were most convenient.

ISSUES OF SUPPLIES.

Issues from stores are made according to the requisitions from the Departments. These requisitions are copied into the Entry Sales Book and the issues of the various articles are posted daily from that book to stock issue sheets. These sheets are tallied weekly and the total posted to the credit of the Stock Ledger accounts.

We are informed that considerable delays occur in posting the total weekly issues to the credit of the Stock Ledger. The reason given is that goods are constantly being returned and the present practice is to alter the original entry in respect of returns before posting. We would consider it better to issue credit notes for returns as is usually done in the case of private corporations.

We notice that the method of requisitioning varies according to the Departments. Some make frequent requisitions for small quantities and others appear to requisition to supply stock, which they evidently carry in their own departments. In this connection it would be desirable to ascertain precisely what methods are employed in the various departments with regard to stationery, more particularly in estimating requirements. It would appear that under Section 35 of the Stationery Act the Minister may require the departments to submit detailed estimates of the quantities, varieties, qualities and values of both the printing and stationery required. Such estimates, if properly used, would undoubtedly be of material assistance to the Superintendent of Stationery in ordering supplies for stock.

Requisitions for the issue of supplies are received in duplicate, the original being retained on file and the duplicate being returned with the goods. The department receiving the goods is supposed to return the duplicate requisition, stamped as to the receipt of the supplies, but this practice does not appear to be always carried out.

At the end of each month the original requisition is priced and extended and is checked with the Sales Entry Book (or Shipment Book) and attached to a "backing", which is sent to the Auditor General as evidence of having supplied the goods to the departments. Where the requisition is not completely filled, a transfer slip is made out in duplicate and the missing items on the requisition marked "later on" or "ordered". When these delayed items are filled the transfer is attached to the backing and forwarded to the Auditor General as evidence of delivery.

The present system in regard to the requisition and issue of goods could be improved upon, but without a knowledge of the systems in force in the various departments of the Government and the individual requirements of each, and of the Auditor General, it is not possible to come to a conclusion as to the best method to be adopted.

DISTRIBUTION OF STATIONERY DEPARTMENT EXPENSE.

In order to cover the expense of operating the Stationery Office arbitrary percentages are added to the cost value of the stationery sold to the departments from stock (no percentages being added to supplies which do not pass through the stock), which are as follows:—

Blue Book paper	20%	on cost value.
Tender paper	15%	"
Ledger paper	10%	"
Sundry small stock	5%	"

These rates have not been changed for some years; they were originally fixed by the Superintendent of Stationery, as being sufficient to absorb the proportion of the expenses of the Stationery Office which are actually charged.

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Under the present system it is not possible to say definitely whether the percentages added to the cost of goods issued in the aggregate fairly represent the total expense of the Stationery Department.

The danger in present methods is that under certain conditions too large percentages might be added for the purpose of covering up shortages or shrinkages in the stock. We think that it is desirable to instal some system whereby the total amount of overhead added during the year could be ascertained and compared with the total expenses of the Stationery Department.

The question as to whether the percentages added to the different classes of stock are *inter se* fair and equitable is a matter which should be carefully considered from a practical operating standpoint.

The percentages added to the cost of goods issued do not include any provision for the proportion of the following indirect or overhead expenses:—

- (a) Accounting Division.
- (b) General cost of administration, such as King's Printer's salary, etc.
- (c) Rent, telephone, furniture, etc.
- (d) Part of the cost of cleaning.
- (e) Depreciation of equipment and provision for renewals.

PRINTING.

The Superintendent of Printing, Mr. F. Boardman, exercises a general supervision of the operation of the department, and has control and direction of the accounts relating to cost, in addition to placing orders for outside work already noted herein under the head of Purchasing. We append (Exhibit 3) a comparative statement of the expenditures of the past five years for the Printing Bureau.

We are submitting a statement of the value of the work placed outside during the past five years (Exhibit 4), but it is not practicable to make a separation between printing work and lithographic work. Broadly speaking, the printing work given out is said to be about fifty per cent of the entire outside work.

We find that the ratio between the value of the printing and lithographic work done outside and inside the Printing Bureau is as follows:—

	Total.	Work in Printing Bureau.	% of Total.	Outside.	% of Total.
	\$ cts.	\$ cts.		\$ cts.	
1907-08.....	880,252 28	639,248 75	72	241,003 53	28
1908-09.....	987,814 94	677,250 08	69	310,564 86	31
1909-10.....	988,929 58	688,316 32	70	300,613 26	30
1910-11.....	1,130,610 56	870,949 18	77	259,670 38	23
1911-12.....	1,165,455 03	873,235 92	75	292,219 11	25

A comparison of the value of work in progress at the beginning and end of the fiscal year ending March 31, 1912, may perhaps be of interest, and we therefore submit a statement herewith (Exhibit 7). We would direct attention to the fact that the inventory is not checked in any way by the Auditor General's Department as in the case of the Stationery stock.

It would appear that no proper sorting of type has been done for some years, and we are informed that a considerable quantity of old type is still in use. We would suggest that inventory records of the standing type be kept by the Controller of Composition and submitted periodically to the Superintendent of Printing.

COST SYSTEM.

As a result of the investigation made about a year and a half ago the present cost system was installed.

The system adopted and now in force is designed on the lines of the standard system adopted by the American Printers' Cost Commission in 1910. The system is fully described in a pamphlet issued by the Montreal Printers' Board of Trade, but for your information we outline below the principles upon which the cost is determined.

The elements entering into the cost of each piece of work are:—

Direct—

1. The cost of material used.
2. The cost of work done on the job outside.
3. The cost of the labour engaged directly on the job.

Indirect—

4. The proportion of the cost of the labour and shop burden in each process which is not chargeable to any particular job.
5. The proportion of the general burden or overhead expense.

The first three items of cost are known factors and are charged directly to the job.

The remaining items have necessarily to be distributed to each job on some common basis. The unit adopted is the 'chargeable' or 'productive' hour worked in each process or shop through which the job passes during the course of manufacture, excepting that in the case of monotype casters and presses the machine hour is used.

Each workman is required to fill in a time ticket showing the hours worked which are chargeable directly to jobs and the hours which are not chargeable to jobs. The chargeable hours are posted daily to the debit of the job, on a job record sheet, and the total chargeable and non-chargeable hours are compiled each day, according to the various processes.

It follows that when a job is completed the total hours spent in each process of manufacture will be shown on the individual job record sheet or cost ledger. Each month the cost of each process is ascertained; this includes the total labour expended and the proportion of the overhead expense or burden, the latter being distributed, over the various processes, as will be shown later, on the basis of the direct labour and expense.

The total chargeable hours of each process are then divided into the cost of the process and the result is the cost per chargeable hour for the process. This cost per hour is used in pricing the hours, which have already been entered on the job record sheet, thus giving the labour cost of the job in each process.

The material cost is entered from a requisition slip, details of which are entered by the Stationery Office, which supplies the material as requisitioned, and if there is any cost for outside work, say for half-tones, it is posted direct from the invoice to the job record sheet. The total cost of the job is thus completed, and the Accountant charges the Department for which the work has been done.

Having shown in a general way how the cost is arrived at, it will be as well to consider the question of overhead burden.

As already pointed out overhead burden is divided into two groups, viz., the labour cost of each process which is not directly chargeable to a job and the general expense, which is not charged to any process.

Under the system recently installed, the number of non-chargeable hours is ascertained and although the figures are not obtainable for a complete year, those for 34 weeks compare as follows:—

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	Chargeable Hours.	Non-Chargeable Hours.	% of Total.
Hand Composition.....	204,677	47,208	18
Linotype.....	84,424	5,463	6
Monotype keyboard.....	15,379	820	5
Monotype casters.....	9,339	4,772	34
Stereotype Foundry.....	7,114	432	5.7
Bindery "A".....	98,265	2,585	2.5
Bindery "B".....	42,042	296	.07
Bindery "C".....	163,487	1,691	1
Map Engraving.....	5,581	404	6
Press Room.....	53,767	2,977	7

In order to maintain a better check on the work of the press room, the hours are further subdivided as "make ready" and "running time" of each press. In the case of the linotype and monotype machines the chargeable and non-chargeable machine hours are recorded, and further, the output of each monotype keyboard in "ems" is prepared. Such statistical information will be of great value in enabling the management to follow in the future the efficiency of the various operations.

The proportion of overhead which may be described as general expense is made up as follows:—

- (a) The salaries of the Superintendent of Printing and his office staff (excepting Civil Servants).
- (b) 90% of the wages of the mechanical staff.
- (c) 50% of the carters, shippers and messengers.
- (d) 90% of the cleaning expense, except that which is provided out of the Contingencies Vote.
- (e) Stationery, Postage, if any, and sundry expenses.
- (f) Spoiled work.
- (g) Engine room oil, waste, etc.

This overhead is apportioned to the various processes on the basis of the direct expense, and it amounts to about 15% at present. Whilst the items which are of a general character should be so divided, it would appear that the charge for the mechanics' wages should more properly be distributed to those processes where machines are used.

The overhead charges added to the printing work are not complete, however, in that several items of expense are not included. These are as follows:—

- (a) Salaries paid to Civil Servants, including proportion of the accounting and administrative staff.
- (b) Expenses defrayed by Public Works Department, including heat, light, power and telephone.
- (c) Part of the cost of cleaning.
- (d) Depreciation and renewals of buildings, plant and equipment, and interest on money invested by the Government in the land, buildings and plant.
- (e) Insurance.
- (f) Proportion of expense of the Auditor General's Office and Post Office Department.

We submit (Exhibit 8) a comparative statement of the cost per hour for each process showing the rates formerly in use and those which have been used in the past year. It will be seen that the rates per hour have been changed and that they have, in some instances, been considerably increased. It would appear that the rates were

first revised on April 1, 1911, and further revised on August 17, 1911, and again revised March 1, 1912, the tendency being to increase the rates on each revision. From calculations we have made it would appear that the rates charged in the past year have been too low, and it is also open to question whether the present rates are not still too low.

We are informed that under the old cost system the time worked on each job was largely a matter of estimate, if not guess work, and the method of adding a percentage to cover overhead was a purely arbitrary one.

In order to illustrate the present method of obtaining the costs we give below a table of some of the process costs for the two weeks ending April 24, 1912, showing the various ratio of each to the total per hour cost of the process.

STATEMENT SHOWING ELEMENTS ENTERING INTO COSTS OF COMPOSITION
APRIL 24, 1912.

	HAND.		LINO TYPE.		MONO TYPE KEY-BOARD.		MONO TYPE CASTER.	
	Cents per chargeable hour	Percentage of Cost	Cents per chargeable hour	Percentage of Cost	Cents per chargeable hour	Percentage of Cost	Cents per chargeable hour Machine Hour	Percentage of Cost
Time charged direct to jobs.....	36.51	59.42	40.50	43.34	50.28	36.82	22.24	43.84
Shop Burden:—								
Non-chargeable time.....	8.04	13.08	2.71	2.90	.88	.64	8.97	17.68
Foremen and machinists.....	2.46	4.00	11.50	12.30	15.18	11.12	8.42	16.61
Machine men transferred to hand composition at machine rates—Difference between machine and hand rates.....	1.35	2.20						
Total Shop Burden.....	11.85	19.28	14.21	15.20	16.06	11.76	17.39	34.29
Total composing cost.....	48.36	78.70	54.71	58.54	66.34	48.58	39.63	78.13
Proofreading.....	4.40	7.16	23.12	24.74	48.44	35.47		
Sundry.....	.05	.10	2.47	2.64	2.62	1.92	3.97	7.83
General Overhead expense.....	8.63	14.04	13.16	14.08	19.17	14.03	7.12	14.04
Total cost per chargeable Hour.....	61.44	100.00	93.46	100.00	136.57	100.00	50.72	100.00
Rates actually charged (per hour).....	65 cts.		\$ 1.00		90 cts.		90 cts.	

The cost system has only been in operation a short time and it is hardly fair at the present time to offer any criticism on the rates used in the past year. We consider the fact that so much statistical information is available reflects credit on the new management.

The costs are compiled every two weeks, but as the labour and material charges are only supplied by the Accountant monthly, apportionments have to be made between months. It would appear that the cost records agree substantially with the charges made by the Accountant against the Printing Department.

A manufacturing account is kept by the Accountant, but there is no corresponding account in the Cost Department, and there is no systematic attempt to agree the charges in the manufacturing account with the charges made to individual jobs.

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This should be done in order to prove that the hours charged to the jobs agree with the hours actually paid for, and the materials charged on the job sheets should be tested, if not actually agreed with the total charged to the controlling account on the general ledger.

In the course of our inquiry several suggestions for improving the cost records were brought to our notice which should be carefully considered. The more important of them are as follows:—

The practice of recording particulars of each requisition in a register has been discontinued, and the register is replaced by a card which is ultimately filed away with the job bag. It is claimed that delays in answering inquiries are occasioned by this change and further, that the work of compiling some of the tables required for the annual report is much increased and results in delay.

It is stated that errors occur in posting the hours from the time-ticket to the job record sheets by reason of the fact that mistakes occur in entering the number of the job, as the time-tickets do not contain sufficient information to ensure correct posting. This could probably be remedied by a revision of the form of time-ticket.

The method of filing job bags is unsatisfactory and could be improved, and the filing accommodation is inadequate.

The form of job-record-sheet at present in use is unnecessarily cumbersome and could be improved with advantage.

Generally speaking, we are of the opinion that the cost system, if properly carried out, should give reliable results and form a correct basis for the Departmental charge. From the information we can obtain it would appear that the present system is greatly superior to that superseded, but, as has already been pointed out, the cost of work performed does not include all overhead expense properly chargeable thereto.

In our opinion it is desirable that the true cost of service be shown, as unless this is done any comparison between the cost of work performed by the Department and the cost at which the same work could be executed outside is impossible. In making any such comparison the following considerations must be borne in mind:—

1. That no profit is added to the cost of the work.
2. That a large quantity of the work is confidential in character and requires special supervision on this account.
3. That 'rush' conditions which disturb the routine prevail at certain seasons.
4. The delays caused by Departments issuing orders to hold presses for copy, the time for which is not charged to the job.
5. The large proportion of paid holiday time.
6. No charge is made for type kept standing.

ACCOUNTING.

Under the terms of the Public Printing and Stationery Act, R.S., Chap. 80, Sec. 30, the Accountant is authorized to carry out the following duties, under the direction of the Minister and the King's Printer:—

- (a) Audit all accounts for any of the services under the control of the Department.
- (b) Keep accounts of the Department.
- (c) Receive and deposit all cash paid in.
- (d) Render statements of accounts to the Clerks of the Houses of Parliament and Deputy Heads of the several Departments.

At the present time the position is filled by Mr. J. A. Frigon, who is assisted by a head bookkeeper, Mr. F. G. Bronskill.

It would appear from the Act that it was the intention that the Accountant should fill the position of auditor of all accounts of the establishment, be responsible

for all the bookkeeping, carry out the duties of receiving cashier, and also act as paying cashier and paymaster. At the present time, however, the duties and authority of the Accountant are limited in scope, and it is open to question whether the provisions of the Act are being strictly complied with.

CASH RECEIPTS AND DISBURSEMENTS.

Under the present system of organization the Accountant collects and disburses cash and has charge of the records thereof. We would strongly recommend the appointment of a cashier to relieve the Accountant of all duties connected with the receiving and disbursing of cash, as the present plan of organization is in our opinion unsound in this respect.

Under Sec. 42, Chap. 80, of the Revised Statutes, it is provided that the Minister of Finance may from time to time authorize the advance out of the Consolidated Revenue Fund of Canada of such sum, not exceeding at any time \$200,000, as the King's Printer requires, to enable him to purchase material, or for payment of wages before orders are completed and paid for.

When the Accountant requires money he makes out a requisition on the Auditor General for the amount required, usually \$100,000 at one time, and in the case of sterling exchange he requisitions separately. With regard to foreign exchange fixed rates are used, any profit or loss resulting being taken up by the Finance Department.

The following information in regard to the handling of cash may perhaps be of interest to you:—

All payments are made by cheque, excepting in the case of a few petty disbursements, which are made through a Petty Cash Fund. The expenditures are not paid out of the cash receipts of the Department, but funds are provided chiefly by means of letters of credit and also by means of appropriations.

Three different forms of cheques are used, viz.:

- (a) Expenses cheques,
- (b) Wages cheques,
- (c) Civil List cheques.

Expense cheques are signed by the King's Printer or Superintendent of Printing and countersigned by the Accountant or Chief Bookkeeper.

Wages cheques are signed by the Chief Bookkeeper and countersigned by a clerk representing the King's Printer.

Cheques for payment of Civil List salaries are signed by the King's Printer only. All cheques, excepting those on the Civil List and on foreign accounts, are paid out of the letters of credit. At the end of each month a detailed list certified by the Accountant and King's Printer is sent to the Auditor General, this being made up from the expenditure cash book; and in addition a recapitulation of all the cash transactions is also forwarded monthly.

The balance on the Accountant's cash book at any given date represents the difference between the letters of credit authorized and the cheques drawn, and at the end of the fiscal year any such balance is paid over to the credit of the Receiver General. As a matter of fact the cash book is held open until some weeks after the close of the fiscal year, this period varying from year to year, according to an Order in Council made under Sec. 50, Chap. 24, R.S.

The Accountant does not make any reconciliation between his cash book and the bank account as to outstanding cheques and the paid cheques returned by the bank are not examined by him. We understand that this work is carried out in the Finance Department, but we do not know how frequently reconciliations are made and how the method of check is carried out.

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GENERAL DUTIES OF ACCOUNTANT.

An analysis of expenditure is made according to appropriations and is also classified as between expenditures of the Printing Bureau and Stationery Office, but no adequate sub-division of the two latter accounts is made.

In addition to the expenditure distribution records the Accountant keeps an analysis of the pay roll, so far as it relates to the Printing Bureau, and this, together with a statement of miscellaneous charges, is handed to the representative of the Superintendent of Printing monthly. From this information the fortnightly summarized cost sheets are prepared.

The Accountant checks all invoices for goods purchased by the Stationery Department, but he does not check invoices for "outside work", this being done under the direction of the Superintendent of Printing. All purchase invoices should be handled by the Accountant's Department.

As already mentioned no controlling accounts for Supplies, etc., are now carried in the general ledger, which would enable the Accountant to furnish the King's Printer with the amount of stock on hand each month, and no attempt has hitherto been made to ascertain the amount of shrinkage in the stationery stock account. The purchase and sundry sales ledgers should also be controlled from the general ledger.

Such statistics as are kept are prepared by the various heads of Departments, and apparently the work of preparing the totals required for the annual report is left until the end of the year with the result that unnecessary delay occurs in getting out the annual statements. For instance, the annual report for the year ended March 31, 1911, was not published until January 26, 1912.

As has been pointed out the Superintendent of Stores has his own accounting staff, which is entirely independent of the Accountant, and the same remarks apply to the Superintendent of Printing, who is entirely responsible for the costing and manufacturing records, the Accountant accepting no responsibility therefor.

In our opinion the Accountant should have more scope and have complete control of all Accounting and Cost records of the Department, and he should be freed from all detail work, so that he may be in a position to personally see that the accounting work is being effectively and expeditiously carried out throughout the organization. He should furnish the King's Printer and Department Superintendents with monthly and periodical reports and be in a position to explain increases or decreases.

PAY ROLL.

Salaries and wages may be divided into two sections, the Civil List and the Temporary List.

Appointments to the Civil List are made either by examination or from the Temporary List without examination, under Sec. 37 of the Civil Service Act, Chap. 16, or by Order in Council. Dismissals from the Civil List are made by Order in Council.

With regard to the appointment of temporary employees, this is governed by Secs. 17 and 27 of the Public Printing and Stationery Act, Chap. 80. Employees are appointed to the Printing Establishment by the Superintendent of Printing with the approval of the King's Printer, and in the case of the Stationery Office by the Superintendent of Stationery with the approval of the Secretary of State. We are informed, however, as a matter of fact, that all appointments are made by the King's Printer.

The employees on the Civil List are paid out of the Civil Government appropriation and the remainder of the employees are paid from letters of credit provided by the Receiver General out of the Consolidated Revenue Fund of Canada (Sec. 42, Chap. 80).

At May 22, 1912, there were 875 employees, an approximate classification of which is as follows:—

	Total	Civil List Males	TEMPORARY LIST	
			Males	Females
Administrative and Accounting.....	21	18	3	
Printing Bureau:—				
Administrative and Accounting.....	24	8	16	
Manufacture.....	585		508	177
Stationary Office:—				
Administrative, Purchasing and Accounting.....	45	18	27	
Packing and shipping.....	21	9	12	
General utility.....	79		35	41
Total.....	875	53	604	218

During the fiscal year ended March 31, 1912, the salaries and wages paid were as follows:—

Civil List.....	\$ 64,712 41
Contingencies.....	2,634 97
Temporary List.....	578,525 14
Total.....	\$645,872 52

We append hereto schedules setting forth the number of employees in each division of the work, with particulars as to the rates of wages paid (Exhibits 5 and 6).

We are informed that there is no record of the ages of the employees, excepting those on the Civil List, and further that there is no age limit either for engaging or superannuation of these employees. In our opinion a statement should be prepared each year showing the number of employees between 20 and 30, 30 and 40, and so forth. It would also be desirable to report the number of employees and the total wages paid in each division of the Department, so that those responsible for its efficiency may know how the staff has been increased or decreased.

Upon entering the service, temporary employees are required to fill in a card giving name, address, date of appointment and division in which employed. This information is registered in an employees' address book, which appears to be the only permanent record on file. Each employee is given a number by the timekeeper, which is used as a means of identification during the term of his employment. In the case of Civil Servants an efficiency record is kept by the Accountant as required by Sec. 40, 7-8 Edward VII., Chap. 15.

A record is kept of all misconduct reported by the foremen. The King's Printer imposes penalties where necessary, which usually take the form of suspension, the duration of which is determined by the gravity of the offence.

The office staff is required to work 36½ hours a week and the regular force 48 hours a week, the hours being as follows:—

	MORNING		AFTERNOON	
	In	Out	In	Out
Clerks and Proofreaders.....	9	12	1.30	5.00
Others.....	8	12	1.00	5.30

All overtime is stated to be authorized by the King's Printer.

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We are informed that the Civil Servants are allowed 15 minutes grace within which to register in the morning, and in the summer months, June 1st-September 1st, they are permitted to leave at 4 p.m. (by Order in Council, May 4, 1910). Clerks and some other assistants on the temporary list are also permitted to avail themselves of this latter privilege.

Employees on the Civil List are allowed three weeks' vacation in each year and the temporary staff two weeks' leave with pay. This vacation is in addition to the statutory holidays to which all employees are entitled. A record book is kept showing the holidays and the number of days each employee is absent by reason of sickness or otherwise.

Under the present regulations of the King's Printer all employees are required to ring in on the time clock on entering and leaving the Bureau. Under Sec. 105 of the Civil Service Act, Civil Servants are required to sign an attendance book, which has been replaced by the time clock.

There are fourteen time clocks located in the different divisions of the Department, and it is the duty of the foremen or their assistants to see that each employee rings up his proper number. The time clock slips are taken off daily by the timekeeper and his assistant and the hours worked posted to the credit of the employee on a time sheet. At the end of the pay period the total hours worked by each employee are extended and transferred to a pay sheet. The pay sheet is completed by the timekeeper, who is under the direction of the Accountant, and then handed by him to the Paymaster, who fills the position of Assistant Accountant.

The Paymaster checks the clerical accuracy of the pay sheet. The pay cheques are then made out and are signed by a clerk, Mr. Ardouin, for the King's Printer, and by Mr. Bronskill, the Paymaster, for the Accountant, both of the persons signing being under the direction of the Accountant. The cheques are then distributed by the Paymaster without any witness.

After the wages are paid, the pay sheets are forwarded to the Auditor General, who checks and certifies them. Only one copy of the pay list is made and this is retained in the Auditor General's Office. The paid pay list cheques are returned by the bank direct to the Finance Department and are not examined by the Accountant.

We would submit for your consideration the following recommendations covering the more important points in connection with the pay-roll system and methods:—

(1) Sufficient importance is not given to the matter of registering employees when first engaged, or of keeping records of the efficiency of the individual service.

(2) A confidential record should be kept by the King's Printer, in which should be entered the usual particulars as to term of service, address, age, etc., and this record should also contain information as to efficiency and general conduct of each employee.

(3) As a check on the accuracy of the daily time recorded on the time list, we would recommend that the individual time sheets of each employee, which are certified by the foremen, be compared with the totals as shown on the time sheet.

(4) At the present time there is no check on the work performed by the timekeeper; and there is no proper system of internal check, as both the timekeeper and paymaster report to the Accountant.

The timekeeper should be under the direction of the Accountant as at present, and should certify as to the correctness of the time and rates. The Accountant should verify and certify to the clerical correctness of the rolls.

The Paymaster should have nothing to do with the preparation of the pay roll but should be responsible for its due payment, to the cashier, who we have suggested should be appointed to handle cash receipts and disbursements.

(5) The present method of paying wages can be improved upon. The cheques should be drawn by the Paymaster as at present, and countersigned by the cashier. The payment by cheque to the employees should be made in the presence of a witness,

who should certify to the payment of the amount entered in the pay roll against each individual.

(6) No proper certification of the pay-rolls has been made in recent years and we would recommend in this connection that all pay lists should be made in duplicate, one copy being forwarded to the Auditor General and the second copy remaining on file in the office. These lists should be certified by each person responsible and a description of the work done by each signatory should be made on the roll in spaces provided by rubber stamp.

(7) To facilitate checking the time sheets, the pay sheets should be made out by departments, and the total amount of pay-roll for each department clearly shown on the roll, these totals should be carried forward to a grand total, which would agree with the total amount of checks for the pay period. We would suggest for consideration the advisability of using the time list for the pay list and so avoiding duplication of work.

We have been informed by the officers in the Bureau that so far as they are aware the Auditor General's staff only check the clerical accuracy, but there is nothing to show on the face of the list what is the extent of the audit made.

(8) Generally speaking we find that the lists are not well kept, there being numerous alterations and erasures.

SUBSIDIARY DIVISIONS OF THE DEPARTMENT.

In addition to the work carried out in the Printing and Stationery divisions of the Department with which we have already dealt, the duties of the King's Printer include a supervision of the following subsidiary offices, viz.:—

- Distribution Office of Government Publications.
- Audit Office for Intercolonial Railway Printing.
- Advertising Audit Office.
- Office for the Revision of Voters Lists.

For your information we would deal briefly with the work carried out in each of these divisions:—

DISTRIBUTION OFFICE OF GOVERNMENT PUBLICATIONS.

This division of the work is in charge of a chief distributor, Mr. N. LaRochelle, who reports to the Superintendent of Stores.

The chief distributor is assisted by seven employees, who are permanently attached to this division and two temporary assistants loaned by the Bindery.

We submit a statement (Exhibit 9) showing the publications issued during the four years ending March 31, 1911, the corresponding figures for 1911-12 not yet being available.

As other Government Departments also issue copies of the same publications which are sent out from this office, it would be well to periodically compare the mailing lists in order to avoid duplication. We would also suggest that unused copies of official publications be returned to the King's Printer each year and a record kept of those destroyed.

It is intended that the stock of publications on hand should be kept in the basement, but owing to lack of space the greater part is stored on the sixth floor. It is stated that the first physical inventory was taken in August 1910 and stock books were opened with the balances on hand at that date. No inventory has since been taken and the stock books are considerably in arrear at the present time.

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AUDIT OFFICE FOR INTERCOLONIAL RAILWAY PRINTING.

For the purpose of maintaining a check on the cost of printing for the International Railway the verification of the King's Printer or his representative is required on all bills paid.

This audit work is in charge of Mr. F. J. Farrell who receives copies of the bills rendered to the Intercolonial Railway together with a description of the work and samples of the paper. He passes upon the charges made for the work and in this respect he is guided by a schedule of prices, which we are informed was fixed in 1908 by the King's Printer.

ADVERTISING AUDIT OFFICE.

This division of the work is in charge of Mr. L. A. Grison, whose official title is Auditor of Advertising, and he is assisted by Mr. V. Braceland, clerk, and by a temporary assistant.

The duties of this division are (a) to place contracts for the advertising required by all Government Departments with newspapers and magazines and determine the rates to be paid; (b) to requisition the Printing Bureau to print copies of the advertisements as required; (c) to receive the bills for advertising and audit them before they are passed to the various departments for payment.

Particulars as to the work done for the various Departments by Province will be found in the annual reports of the Printing Bureau, Table F.

OFFICE FOR THE REVISION OF VOTERS' LISTS.

This division of the King's Printer's work is carried on under the provisions of The Dominion elections Act, 1908, Revised Statutes, Chap. 6, Secs. 15, 16, 17 and 18.

The work is in charge of Mr. H. T. Smith, his duties being to see that the lists are printed in accordance with the copies received from the clerk of the Crown in Chancery. Blank ballot papers are distributed from this office as required.

The entire time of the clerk in charge does not at present appear to be employed, and we would suggest for consideration the advisability of merging the work of this division with that of some other division or of carrying out the work at the office of the Clerk of the Crown in Chancery.

OPERATING CONDITIONS.

Under this head it may be well to bring to your attention some of the conditions which prevent the Department from being operated as economically as if it were in the hands of a private corporation. Some of the considerations put forward have, we are aware, been frequently discussed, but we believe that opinions formed after a detailed study of the Department may be of interest to your Commission.

In the first place the direction of the work of the Department is in the hands of the King's Printer, who acts under the instructions of the Secretary of State, and, whilst he is given some discretion this is necessarily limited by Acts of Parliament and Orders in Council, and he has not the power to introduce improvements or effect economies which would be held by the managing director or executive board of commercial undertakings. We might mention in this connection that the machines in the press room are claimed to be inefficient, and the frequent delays which occur in the bindery are attributed to the want of modern machinery. Further, it does not appear that the press room is sufficiently well equipped to take care of the composing rooms, and the situation is also aggravated by the reason that the bindery is unable to take care of the press room.

Another serious handicap under which the Department is working from a commercial standpoint, is that of political influences, and this brings us to a considera-

tion of the present staff arrangements. The insinuation has been constantly made to us that those in charge of the operations are not able to employ such help as they would wish, but are virtually obliged to accept such persons as are recommended, regardless of their age or qualifications. The service is also undoubtedly handicapped by reason of the sentiment which surrounds the retention of the older employees, there being no pension or superannuation allowance for employees other than Civil Servants.

In a well administered commercial concern promotion is usually attained by merit alone, without consideration of other influences, and the different departments of the business are entrusted to men thoroughly familiar with the routine work, who are given a free hand in the selection, promotion and retention of their subordinates. The employment and retention of persons who are incompetent cannot but be detrimental to the efficiency of the Department as a whole.

Another question which requires careful consideration is that of the employment in the Department of both Civil Servants and others who are not on the Civil List. Civil Servants have greater privileges in respect of holidays and attendance, and on this account a considerable amount of dissatisfaction appears to have been created. One advantage which would be gained by operating the Department with Civil Servants only would be the removal of political influences in regard to the appointment of employees. On the other hand it is questionable whether the same standard of experience and efficiency could be expected from those on the Civil List as compared with those who might be obtained from outside manufacturing establishments. As a greater part of the work carried out in the Department is of a highly technical nature, this is an important consideration. A solution of the problem might possibly be obtained by filling the purely clerical positions with Civil Servants only, while the operating divisions could be carried on by both classes of employees, provided all were accorded equal privileges. As those on the Temporary List are not entitled to pensions, it might be well to consider the advisability of establishing a separate fund for their benefit.

ANNUAL STATEMENTS OF ACCOUNTS.

The annual report of the King's Printer is supplemented by reports from the Accountant and the Superintendents of Printing and Stationery. These contain much valuable information in considerable detail and illustrate the rapid growth of the various services rendered to the Departments. It does not appear, however, that the annual accounts of the Department are drawn up in a sufficiently clear and intelligible form. In connection with this subject the first point for consideration is, we think, whether the main account of the operations of the year should be based on the actual receipts and disbursements, or whether it should be based upon the income attributable to the year, whether received or not, and the expenditures incurred regardless of the date of the actual payment. The latter basis is of course the one generally adopted in commercial usage, but there is considerable difference of opinion as to its application to the operations of the Government, where the considerations involved are of an entirely different character. The argument in favour of the revenue and expenditure account is largely based upon the physical impossibility to collect or pay within the year all amounts properly receivable and payable in respect of the operations for that period, but in the present case this objection is fully met by the provision of the law under which appropriations do not lapse for two or three months after the expiration of the fiscal year. On the other hand, an income and expenditure account, is necessarily more complicated than a receipts and expenditure account, inasmuch as to be complete it must take cognizance of the accrued depreciation, interest charges and similar items arising out of past capital expenditures, and in the case of a Government it would seem to be particularly desirable to reduce the annual

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statements to the simplest terms, so that they may be as fully understood by the public as possible.

The statement of receipts and payments or the cash statement is the simplest form of statement and is also undoubtedly the most generally used and understood, and for this reason we think that in Government accounts it should be adhered to unless there are weighty considerations in favour of the revenue and expenditure form of account. Undoubtedly the considerations in favour of the revenue and expenditure account are stronger in the case of departments which are more or less of a commercial character and where comparisons with the results attained by commercial enterprises constitute a measure of the efficiency of the Government department. In order, however, to institute effective comparisons between Government departments and commercial houses engaged in similar industries it is of course not only necessary to obtain figures of cost on the same basis, and therefore fairly comparable, but also to have comparative statements of output or services rendered. This latter may be in the form either of a comparison of the number of units of service rendered or of a comparative statement of the commercial value of the output. The former method is, of course, applicable in the case of such industries as gas and water departments, and in such cases it may well be desirable to keep the accounts so as to facilitate comparison with commercial enterprises.

In the Printing Bureau, however, while much of the simple printing is capable of reduction to a fixed unit there is much of a special character of which it is impossible to express the total output in a number of units. On account of this special work it seems to us impracticable to obtain reliable figures as to the commercial value of the total output. If the policy were adopted of awarding contracts to the Department or to outside parties impartially and according to the prices quoted the determination of the value of the output would of course be practicable, but even then there would be a considerable amount of confidential work which could not be sent outside the Department and it would be necessary to assign a commercial value to this output, which would afford opportunities for concealing or misrepresenting the results of the Department's operations. You will readily realize that the costs of operation in a department such as the one now under consideration could be so calculated as to show a low cost on the work open to competitive bid while the cost of work which of necessity had to be executed by the Department could be correspondingly inflated. To guard against any such concealment or misrepresentation we would consider it desirable that the cost accounts of the Department should be periodically audited and careful consideration given from time to time to the apportionment of the general overhead expense as between the different classes of work performed.

We submit herewith (Exhibits 1 and 2) forms of statements which we would consider best fitted to clearly set forth the results of the annual operations of the Department. These statements should be supported by subsidiary statements showing such further detail as to the various classes of supplies purchased, wages, expenses and costs as may be considered desirable.

The adoption of the form of account suggested would not entail any radical revision of the accounting system. The books would be kept open as at present after the close of the fiscal year in order that the balances outstanding on accounts receivable and payable might be collected and paid. We would suggest that any balances outstanding when the books are finally closed (which should be small and unimportant) be transferred to the operating account of the year, an entry at the same time being made reinstating the amounts in the accounts of the succeeding year. We might mention that at the end of May the following liabilities affecting the accounts to March 31, 1912, were outstanding, but these are of an exceptional nature,

viz. :—

(a) Goods ordered by the late Superintendent of Stationery and taken into stock; payment has been stopped pending a settlement.	\$10,513 36
(b) Payment made by the Department of Agriculture to the Printing Bureau for work done outside. A dispute with the outside firm occurred and settlement has been deferred.	5,576 12

CONCLUSION.

In concluding this report it may be well to briefly summarize the recommendations which we have made, and to again refer to the various points which are submitted for your further consideration:—

(1) The Purchasing Agent should have entire charge of all purchases of Stationery Supplies, and orders for outside printing and lithographic work should be passed by him. The Superintendent of Stores should not be allowed to make purchases of stationery supplies and interview dealers, and the Superintendent of Printing should not give orders for work done outside his department (see page 353).

(2) Greater care should be exercised in keeping the files of the Purchasing Agent up to date. Contract orders should be separately filed, and orders remaining unfilled for an unusual length of time should be transferred to a special inquiry file (see page 353).

(3) The Stationery Supplies kept in stock should be standardized, as far as possible (see page 355).

(4) The stock records are not kept up to date. The stock ledger should be divided into sections, each of which would be controlled by an account on the general ledger. The stock records should be placed under supervision of the Accountant (see page 355).

(5) Where goods are returned to stock, credit notes should be issued. The system of requisitioning could be improved upon, but we are not in a position to make recommendations without knowledge of the requirements of the various Government Departments (see pages 356 and 357).

(6) Stationery expense is now apportioned on the basis of arbitrary percentages, which should be carefully considered from a practical operating standpoint. The system should be changed so that the total overhead expense added to the cost of the work may be ascertained. The overhead expense now distributed does not include all expenses properly chargeable against this division of the Department (see pages 356 and 357).

(7) Inventory records should be kept of standing type, copper plates and engravings. An inventory should be taken of all machinery and the various machines entered individually on records at cost or present value. Depreciation should be calculated on each machine and the amounts expended on renewals shown, so that it would be possible at any time to determine the value of the Department's investment in machinery.

(8) The overhead charges added to the cost of printing do not include all expense and cannot therefore be considered true costs (see page 359). The cost records should be placed under supervision of the Accountant.

(9) A Cashier should be appointed to relieve the Accountant of all duties connected with the receiving and disbursing of cash (see page 362).

(10) The present pay-roll system requires revision (see pages 365-366).

(11) Mailing lists should be periodically compared with those of other Government Departments. Copies of official publications should be returned to the Department if not required, and a record should be kept of those destroyed (see page 366).

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(12) The entire time of the clerk in charge of the Revision of Voters Lists is not now employed, and we submit for your consideration the advisability of merging this office with some other division.

(13) The question of the employment in the Department of both Civil Servants and those on the Temporary List is one that requires careful consideration (see page 368).

(14) It does not appear that the annual accounts of the Department are drawn up in a sufficiently clear and intelligible form. A suggested form is submitted (see pages 368 to 370).

(15) With regard to the revision of the organization and management of the Department, we are of the opinion that the King's Printer requires to be relieved of certain administrative routine duties. As far as possible he should avoid the perfunctory signing of documents, and the power and authority should be deputed to the superintendents to settle routine transactions and sign all the necessary papers relating thereto.

In conclusion we have pleasure in stating that the officials of the Department have afforded us every facility in our investigation.

Respectfully submitted.

PRICE, WATERHOUSE & CO.

EXHIBIT 1.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.

STATEMENT OF REVENUE AND EXPENDITURES FOR THE YEAR ENDING MARCH 31, 1912

Balance April 1, 1911, being the value of the Assets in the hands of the Department at that date as follows—			
Inventory of Stationery Supplies.....		134,690 66	
Inventory of Printing Work in progress.....		179,567 70	
			\$ 374,258 45
Expenditures:—			
(a) On Advance Account:—			
Stationery and other Supplies.....	\$	702,035 95	
Wages and Salaries (Exhibit V)....		573,525 14	
Miscellaneous Expenses.....		8,159 22	
Printing and Lithographic Work outside (Exhibit IV).....		290,617 35	
	\$		1,579,337 66
(b) On Appropriation Account (see contra):—			
Expenses—			
Civil Government Salaries....	\$	64,712 41	
Contingencies—cleaning Wages		2,634 97	
Sundries.....		4,013 60	
Plant Repairs.....		6,988 10	
		78,349 08	
			1,657,686 74
Capital Expenditures:—			
Additions to Plant.....			34,972 50
Balance on Revenue Account, Transferred to Consolidated Revenue Fund—			
Surplus on operations of Stationery Office.....	\$	7,133 19	
Miscellaneous Income, per contra..		37,178 74	
	\$	44,311 93	
Less—Deficit on operations of Printing Bureau.....		42,818 66	
			1,498 27
			\$2,068,415 92

Receipts:—			
(a) On Advance Account:—			
From Printing charged to other departments...	\$965,927 68		
Stationery Supplies charged.....	452,905 49		
Miscellaneous—Sales of Dress, Refunds, etc.....	1,234 89		
			\$1,418,068 06
(b) On Appropriation Account (Exhibit VI) For Special Printing—			
Canada Gazette.....	\$	12,082 15	
Distribution of Documents.....		1,475 58	
Miscellaneous Printing.....		99,968 63	
Printing and Distributing Statutes.....		9,003 66	
Voters' Lists.....		75,720 50	
			199,149 98
			78,349 08
			34,972 46
(c) For Expenses, per contra.....			
For Capital Expenditures.....			
From Miscellaneous Sources:—			
Proceeds of Sales of Waste Paper.....	\$	1,029 80	
Canada Gazette.....		22,056 28	
Parliamentary Publications.....		12,323 60	
Voters' Lists.....		869 08	
			37,178 74
Balance March 31, 1912, being the value of the Assets in the hands of the Department at that date as follows:—			
Inventory of Stationery and other Supplies.....	\$	174,423 29	
Inventory of Printing Work in progress.....		123,828 04	
Sundry Accounts due by departments.....		2,446 27	
			300,627 60
			\$2,068,415 92

PUBLIC SERVICE COMMISSION

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EXHIBIT 2.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.

STATEMENT SHOWING THE APPROPRIATIONS AND THE EXPENDITURE CHARGED IN THE YEAR ENDING MARCH 31, 1912.

	Amount of Vote.	Expenditure Charged.	Balance Unexpended.
	\$	\$	\$
Appropriations for Special Printing—			
Vote 316 Canada Gazette—Cost of printing paper, &c....	13,000 00	12,982 15	17 85
Vote 319 Distribution of Parliamentary documents.....	1,500 00	1,475 58	24 42
Vote 320 Miscellaneous Printing—Printing annual reports.	100,000 00	99,968 63	31 37
Vote 40 Printing and distributing Statutes.....	10,000 00	9,003 06	996 94
Vote 40 (and Supplementary Vote)—Voter's Lists.....	82,000 00	75,720 56	6,279 44
Total.....	206,500 00	199,149 98	7,350 02
Appropriations for Expenses of the Department—			
Vote 7 Civil Government Salaries.....	88,187 50	64,712 41	23,475 09
Vote 7 Contingencies.....	7,300 00	6,648 57	651 43
Vote 317 Miscellaneous—Repairs and renewals.....	7,000 00	6,983 10	11 90
Total.....	102,487 50	78,349 08	24,138 42
Appropriation for Additions to Plant—			
Vote 318 Miscellaneous—New Plant.....	35,000 00	34,972 46	27 54
Grand Total.....	343,987 50	312,471 52	31,515 98

EXHIBIT 3.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.

COMPARATIVE STATEMENT OF EXPENDITURES ON "ADVANCE ACCOUNT" FOR THE FIVE YEARS ENDING MARCH 31, 1912, SHOWING THE PERCENTAGE OF THE EXPENDITURE EACH YEAR TO THOSE OF THE YEAR 1907-1908.

	1907-8.	1908-9.	1909-10	1910-11.	1911-12.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Printing Bureau—					
Wages and salaries (exclusive of Civil List).....	351,409 31	395,959 76	434,173 24	465,623 81	548,237 95
Percentage.....	100	113	124	132	156
Material and supplies, freight, &c.....	28,225 38	30,181 57	31,470 11	28,620 99	
Materials supplied by Stationery Department.....	215,093 73	225,506 23	222,442 62	258,877 63	326,221 47
Materials for own use.....	5,032 08	6,746 45	5,102 46	4,605 63	
Printing done for own account.....	3,582 58	2,523 93	3,722 51	3,997 01	
Total material.....	252,733 77	264,960 13	262,737 70	295,901 38	326,221 47
Percentage.....	100	105	104	117	129
Lithographing and Printing done by outside firms.....	250,733 51	326,274 21	289,822 32	230,557 70	290,617 35
Percentage.....	100	130	116	92	115
Percentage.....	354,876 59	987,194 15	986,738 26	991,982 39	1,165,076 77
Percentage.....	100	115	115	116	136
Stationery Office—					
Purchases in Canada.....	447,586 84	416,460 72	449,955 50	454,508 83	672,306 19
Purchases in United States.....	69,552 68	159,632 15	120,947 95	59,524 14	
Purchases in Europe.....	56,010 01	41,963 53	23,739 80	21,215 15	36,973 84
Purchases from King's Printer.....	9,106 12	8,653 33	6,739 40		
Percentage.....	582,255 65	626,710 03	592,382 68	535,248 12	709,280 03
Percentage.....	100	108	102	92	122
Freight, express, telegrams, &c.....	6,531 22	9,631 17	6,632 12	6,118 62	8,159 22
Legal expenses.....			262 00		
Wages of clerks, packers, carters, etc. (Exclusive of Civil List).....	15,512 64	7,743 75	*2,150 00	*2,450 00	30,287 19
Percentage.....	604,329 51	643,084 95	601,436 50	543,766 74	747,726 44
Percentage.....	100	106	99	90	124

*Indirect wages charged to Printing Account.

EXHIBIT 4.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.

LITHOGRAPHING AND PRINTING WORK GIVEN TO OUTSIDE FIRMS.

COMPARATIVE STATEMENT OF PAYMENTS FOR THE FIVE YEARS ENDED MARCH 31, 1912.

Name.	Address.	1907-08	1908-09	1909-10.	1910-11	1911-12.
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Alexander Engraving Co.	Toronto	1,342 04	1,748 67	2,418 06	1,194 45	697 00
Business Systems Ltd.	"	36 71	4,327 52		05 14	140 21
Central Press Agency	"	228 90	250 45	201 12	819 28	201 32
Copeland Chatterson	"	3,425 62	2,703 48	22,703 08	7,115 63	
R. L. Crain	Ottawa	13,508 53	16,122 91	911 32	361 30	3,991 76
Crown Lithographing Co.	"	14,895 09	8,784 71	7,906 68	6,319 80	4,725 70
Fotheringham & Popham	"	863 74	305 45		191 01	692 50
German Printing & Publishing Co.	Waterloo	15 00				359 27
Grip, Limited	Toronto	977 95	1,600 00	1,825 78	559 50	12,932 44
Herald Publishing Co.	Montreal	18,659 34	52,039 20	5,945 87	19,741 98	
J. Hope & Sons	Ottawa	4,181 61	2,471 18	1,250 94	590 93	
Librairie Beauchemin	Montreal	6,372 06	4,188 81	3,994 05	6,158 44	2,384 17
Mortimer Company	Ottawa	35,933 24	71,394 22	59,213 13	33,825 79	48,816 75
Office Specialty Co.	Toronto	1,345 68	1,769 04	624 40	510 44	9,261 48
Free Press	Ottawa	20,334 53	22,282 72	28,724 90	20,603 35	14,065 23
Ottawa Printing Company	"	1,010 69	627 61			5,565 98
Pritchard & Andrews	"	182 15		283 50	320 50	132 50
R. J. Taylor	"	1,556 59	1,433 00	1,401 75	942 25	864 50
Toronto Engraving Co.	Toronto	1,093 16	2,371 90	1,884 99	524 56	
Toronto Litho. Co. (Stone, Ltd.)	"	69,645 05	53,668 25	76,915 74	34,883 90	55,509 68
Warwick Bros. & Rutter	"	5,274 45	1,456 92	387 50	237 62	634 06
Esdale & Martin	Ottawa	995 50	1,377 35	1,642 69	1,513 90	2,292 99
Perrault Printing Co.	Montreal	11,455 73	11,181 37	10,935 20	15,154 45	11,474 49
Brown Brothers	Toronto	5,352 12	4,95 32	871 62		
Canada Eng. and Litho. Co.	Montreal	592 65	635 10			
Copp, Clark & Company	Toronto	9,199 44	5,571 26	9,400 76	5,870 13	4,344 40
Rolph & Clark & Co.	"	7,471 73	27,955 70	15,001 65	28,864 83	34,133 47
Murray Printing Company	"	402 60				
Central Electric and School Supply Company	"	1,685 60	2,534 60	2,241 35	1,299 00	1,076 30
P. McGregor	Ottawa	664 50	780 00	855 30	3,317 70	4,552 00
Patterson & Heward	Toronto	118 00	167 00			
Recorder Printing Co.	Brockville	440 47				205 40
Decharats & Company	Montreal	73 75		33 75		
'Le Soleil'	Quebec	117 50				626 09
Canadian Office Supply Co.	Montreal	212 41				
E. Farwood & Company	Toronto	2,009 60				
Davis & Henderson	"	950 20	591 92			
Ross & Ross	"	3,817 57	1,476 74	1,378 00	792 70	
Sundries small amounts	"	324 03	975 25	681 58	1,493 32	1,390 53
Freight cartage and services at Ottawa	"	1,898 59	2,102 96	2,271 12	2,214 82	
Times Printing Company	Hamilton	670 36				713 31
Caswell Company	Toronto	1,400 00				
King & Mitchell	Ottawa		6,145 78	2,697 78		
Painter, Fortier & Co.	"		279 29			
Reid Press	Hamilton		50 00			
Rittinger & Metz	Berlin		123 31		198 95	
W. J. Rochester	Ottawa		5,797 25	7,725 61	4,332 79	1,516 94
A. Talbot & Company	London		323 05			
Library Bureau	Toronto		64 90	2,392 40	2,051 81	1,535 55
Miller & Richard	"		799 09	284 03		
Victoria Foundry Company	Ottawa		25 50			251 00
American Bank Note Co.	"		430 00	1,119 75		1,935 56
Wm. Briggs	Toronto		1,075 60	100 00	1,181 00	13 40
G. M. Hendry	"		274 60	25 20		
Canada Publishing Co.	Montreal		857 38		649 77	1,038 50
Consolidated Litho. Co.	"		136 75	287 25	444 19	1,778 24
Murray Printing Company	Toronto		90 50			

Carried forward.....

EXHIBIT 4—Continued.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY—Continued.

LITHOGRAPHING AND PRINTING WORK GIVEN TO OUTSIDE FIRMS—Continued.

COMPARATIVE STATEMENT OF PAYMENTS FOR THE FIVE YEARS ENDED MARCH 31, 1912—Continued.

Name.	Address.	1907-08	1908-09	1909-10	1910-11.	1911-12.
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Brought forward.....						
Chatham Daily News.....	Chatham.....			1,810 42		
E. A. Mitchell.....	Ottawa.....			3,108 75	4,440 15	
F. N. Burt.....	Toronto.....			178 86		
Capital Press Limited.....	Ottawa.....			1,209 05	7,980 40	9,379 44
Ganoque 'Reporter'.....	Ganoque.....			1,150 00		
G. F. McKim.....	Smith's Falls.....			260 00		
J. L. Morrison.....	Toronto.....			473 00		
Rand, Mc Nally.....	Chicago, U.S.A.....			250 00	610 00	
'Sentinel Review'.....	Woodstock.....			1,380 00	500 00	1,066 54
St. Lawrence Press.....	Montreal.....			621 54	742 04	321 44
Buntin, Gillies & Company.....	Hamilton.....			2,208 60	1,054 60	
J. Ogilvy.....	Ottawa.....			114 25		
Jackson Press.....	Kingston.....			125 00	136 00	150 50
Beal Engraving Company.....	London.....			67 50		
Burr Index Company.....	Hartford, Conn.....			125 00		
E. R. McNeil.....	Ottawa.....			181 00		
L. P. Bouvier.....	Toronto.....				63 50	21 00
Brigleas Limited.....	".....				624 55	1,139 98
Ottawa Paper Box Company.....	Ottawa.....				280 00	328 80
Montreal Litho. Company.....	Montreal.....				175 00	5,835 00
'Chronicle Publishing Co'.....	Halifax.....				582 90	519 00
Eagle Publishing Co.....	Montreal.....				1,014 50	
Globe Publishing Co.....	Toronto.....				324 38	
Low, Martin & Company.....	Ottawa.....				3,997 48	2,456 40
Nord West Publishingz Company.....	Winnipeg.....				1,199 35	804 60
Observer Publishing Co.....	Coaticook.....			220 00		
S. H. Preston.....	Brantford.....			716 46		
'Rideau Record'.....	Smith's Falls.....			260 00		
Capital Office Supply Co.....	Ottawa.....			270 00		
American Peat Society.....	New York.....			400 00		
Helio-type Printing Co.....	Boston.....			940 00		
Ottawa White & Blue Print Co.....	Ottawa.....			114 44		19 27
Smeaton & Company.....	Montreal.....			435 25		
Free Press.....	Winnipeg.....			235 00		
British American B. N. Co.....	Ottawa.....			325 00		1,113 50
Addison & Mainprice.....						148 00
Atwell, Fleming & Company.....						611 60
Acton Publishing Company.....						472 60
Bryant Press, Limited.....						384 36
Barnes & Company, Limited.....						164 00
Canadian Freeman.....						154 62
Chapman, T. E., & Company.....						254 35
Cornell, C. R., Limited.....						2,248 36
Canadian Pacific Railway.....						399 33
Compagnie d'Imprimerie Com- merciale.....						1,962 65
Dominion Express Company.....						131 29
Dougall, John, & Son.....						597 56
Daily News.....						91 95
Griffin & Richmond Co., Ltd.....						178 64
Gazette Printing Company.....						3,800 50
Hunter, Rose Company, Ltd.....						1,012 60
Harley Printing Company.....						247 28
Herald Printing Company.....	Hamilton.....					306 32
Harcourt, E. H., & Co., Ltd.....						336 75
Journal St. Catharines, Limited.....						112 00
Le Soleil de l'Ouest.....						740 50
Carried forward.....						

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EXHIBIT 4—Continued.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY—Concluded.

LITHOGRAPHING AND PRINTING WORK GIVEN TO OUTSIDE FIRMS—Concluded.

COMPARATIVE STATEMENT OF PAYMENTS FOR THE FIVE YEARS ENDED MARCH 31, 1912—Concluded.

Name.	Address.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Brought forward.....						
Lovell, J., & Sen, Ltd.....						733 80
Low, H. S.....						178 40
La Vieille.....	Quebec.....					607 02
La Presse.....						442 08
London Advertiser Company.....						2,247 96
Le Canada.....						119 36
Le Temps.....						639 64
Mercantile Printing Company.....						130 96
Miln, Bingham Printing Co.....						172 80
McLennan, Wm.....						310 20
McLean, R. G.....						332 33
Ottawa Photo Engraving Co.....						125 05
Ottawa Typewriter Co., Ltd.....						491 08
Pigeon, A. P.....						310 88
Quebec Daily Telegraph.....						156 00
Robinson, D. H.....						2,579 33
Reid & Doidge.....						1,764 24
Southam Press, Limited.....						647 28
Standard Photo Engraving Co.....						2,264 90
Stovel Company.....						742 15
Sun Printing Company.....						157 20
Sault Job Printing & Litho. Co.....						275 99
Telegraph Printing Company.....						2,839 18
Toronto Typesetting Co.....						1,652 59
Tribune Publishing Company.....						168 85
Thicke, W. H.....						
Total for the year.....		250,733 51	326,274 21	289,822 32	230,557 70	290,617 35

EXHIBIT 4—Concluded.

PRINTING DEPARTMENT.

WORK DONE—1910-1911.

(See Annual Report—Tables A and C.)

	Done in the Bureau.	Done by Outside Firms.	Total.
	\$ cts.	\$ cts.	\$ cts.
Agriculture Department	60,030 02	1,367 37	71,398 29
Auditor General	1,138 80	567 13	1,705 93
Civil Service Commission	1,765 63	227 62	1,993 25
Clerk of Crown in Chancery	155 29	12 00	167 29
Commission of Conservation	64 56	21 50	86 06
Customs	30,451 12	5,576 86	36,027 98
Departments generally	88 80	37 25	126 05
Exchequer Court	1,959 63	1,959 63
Experimental Farm	9,318 99	620 46	9,939 45
External Affairs	1,911 57	66 04	1,978 61
Finance	3,871 70	747 23	4,618 93
Governor General's Secretary	1,599 78	460 35	2,060 11
House of Commons	300,319 45	36,057 20	336,376 65
Indian Affairs	4,558 71	827 07	5,385 78
Inland Revenue	13,113 77	704 26	13,818 03
Insurance	5,074 57	180 04	6,154 61
Intercolonial Railway	5,088 60	639 01	5,727 61
Interior	63,301 69	02,033 44	155,335 13
Justice	1,984 84	146 20	2,131 04
Labour	7,447 96	21,541 07	28,989 03
Library of Parliament	2,746 30	71 84	2,818 14
Marine and Fisheries	20,854 73	10,595 83	31,450 56
Militia and Defence	35,774 20	3,724 81	39,499 01
Mines	13,168 97	22,298 58	35,467 55
Miscellaneous Printing	101,093 58	11,312 68	112,406 26
Naval Service	3,244 52	9,151 65	12,396 17
Penitentiaries	1,476 12	171 20	1,647 32
Post Office	82,724 02	21,222 89	133,946 91
Privy Council	683 73	104 64	788 37
Public Printing and Stationery	36,327 29	836 30	37,163 89
Public Works	16,906 03	2,114 66	19,020 69
Railways and Canals	5,003 72	2,830 43	7,834 15
Railway Commission	2,022 14	566 37	2,588 51
Royal Mint	343 62	343 62
Royal Northwest Mounted Police	4,824 43	265 27	5,089 70
Secretary of State	2,510 22	58 48	2,568 70
Senate of Canada	12,821 35	12,821 33
Supreme Court	874 04	20 50	894 54
Trade and Commerce	13,276 06	2,487 95	15,764 01
Transcontinental Railway	118 77	3 00	121 77
Total	870,940 18	259,670 38	1,130,610 56

EXHIBIT 5.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.

COMPARATIVE STATEMENT OF SALARIES AND WAGES OF THE DEPARTMENT FOR THE FIVE YEARS ENDING MARCH 31, 1912.

	1907-8	1908-9	1909-10	1910-11	1911-12
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Charged against Advance Account—					
Hand Composition.....	113,370 28	112,867 50	123,401 59	125,788 02	110,770 24
Linotype Composition.....	65,118 17	88,483 76	85,782 83	84,213 69	108,972 43*
Monotype Composition.....	8,252 97	10,760 28	13,335 20	13,856 41	33,886 39*
Proof Reading.....	17,203 77	18,857 81	25,676 68	30,270 06	34,041 97
Press Room.....	39,470 01	47,316 91	53,205 75	50,402 97	62,745 51
Stereotype Room.....	6,080 82	6,488 27	6,002 31	6,619 46	7,578 37
Bindery, Men.....	44,453 69	51,575 31	57,120 89	64,092 45	72,080 22
Girls.....	30,199 56	32,187 66	35,035 59	37,553 54	45,053 03
Officers and Clerks. (See also Civil List Salaries below).....	7,905 00	6,883 51		5,056 19	17,521 35
Carters, Charwomen and Labourers.....	7,676 00	6,156 70	7,741 50	9,148 75	9,239 63
Miscellaneous, including Mechanical Staff, Caretakers, Shipping Room, &c.....	12,678 04	14,612 03	26,875 95	32,627 27	40,191 79
Map Engraving.....					6,057 02
	351,409 31	395,959 76	434,178 24	465,628 81	548,237 95
Stationery Office.....	15,542 64	7,743 75	2,160 00	2,400 00	30,287 19
	366,951 95	403,703 51	436,338 24	468,028 81	578,525 14
Charged against Appropriations—					
Civil Government:—					
Salaries.....	43,141 66	66,895 72	83,522 34	75,451 49	64,712 41
Cleaning Wages (additional).....	3,126 91	3,075 16	3,489 67	3,277 87	2,634 97
Total Salaries and Wages of Department	415,220 52	473,674 39	523,360 25	546,758 17	645,872 52
Percentage.....	100	115	127	132	155

*A proportion of the Linotype and Monotype wages for 1911-12 are chargeable to Hand Composition at machine rates.

EXHIBIT 6.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.

LIST OF EMPLOYEES AT MAY 22, 1912.

Department and Name.	Occupation.	Total Number Employed.	Salaries.
Office—Civil List—			
King's Printer's Dept. including K. P.		6	For details of salaries, see Civil Service List.
Accounting Staff		10	
Printers		3	
Supplies & Dist.		16	
Purchasing		1	
Packers		9	
Messengers		2	
		53	
Temporary List—			
Printing Division—		16	\$
F. Boardman	Superintendent		3,200 00 per annum
W. J. McCarthy	Lower Level Supt.		2,000 00 "
E. A. McGrath	Supt. of Litho. & Eng.		2,400 00 "
Jas. Rossan	Chief Lithographer		35 00 per week.
W. J. Kane	Audit Cost Clerk		20 00 "
J. J. Fox	"		13 00 "
J. H. Lanthier	Entry Clerk		20 00 "
Fred Heasley	"		20 00 "
R. H. Ingram	"		15 00 "
W. H. Kelly	Requisition Clerk		20 00 "
E. J. Armstrong	Enquiry Clerk		1,200 00 per annum
H. M. McClary	Requisition Clerk		22 00 per week.
R. McKeil	Entry Clerk		20 00 "
Thos. Casey	Clerk		13 00 "
T. E. D. Lewis	Paper Order Clerk		20 00 "
E. M. Keane	Secy. to Supt. of Prt.		15 40 "
		3	
Accounting Division—			
G. P. Ward	Timekeeper		1,200 00 per annum.
M. J. Murphy	Assistant Timekeeper		20 00 per week.
Henri Giroux	Clerk		12 00 "
		3	
Purchasing Division—			
S. P. Grant	Purchasing Agent		2,500 00 per annum.
J. H. Pelton	Assistant Pur. Agent		1,500 00 "
Thos Gerand	Clerk		10 58 per week.
		3	
Stationery Division—			
J. O. Patenaude	Superintendent		\$2,500 00 per annum.
E. Ryder	Ass't Superintendent		2,400 00 "
C. H. McMorrow	Shipping Clerk		15 00 per week.
C. W. Close	Storekeeper		1,300 00 per annum.
W. Hull	"		17 00 per week.
E. Seguin	"		14 00 "
G. F. Lamb	"		16 00 "
J. J. Bolger	"		14 00 "
M. McEvoy	"		14 00 "
J. C. Reynolds	Receiving Clerk		22 00 "
J. E. Boyd	Shipping Clerk		17 00 "
J. Vaughan	"		15 00 "
W. J. McCoy	Ass't in Distr. Room		19 25 "
W. R. Craig	Entry Clerk		15 00 "
Jas. Ryan	Filing Clerk		15 00 "
W. O'Macra	Packer		14 00 "
R. Patterson	"		12 00 "
C. McGovern	"		10 00 "
		25	
	Carried forward	160	

EXHIBIT 2—Continued.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY

LIST OF EMPLOYEES AT MAY 22, 1912.

Department and Name.	Occupation.	Total Number Employed.	Salaries.
	Brought forward.....	160	
Temporary List—Con. Stationery Division—Con.			
E. Bullis.....	Packer.....		12 00 per week.
Ed McKay.....	".....		12 00 "
L. Vincent.....	".....		12 00 "
O. Daigneault.....	".....		12 00 "
Jas. Thomas.....	".....		12 00 "
M. T. Conway.....	".....		13 00 "
Wm. Bambrick.....	Elevator Hand.....		
		70	
Parliamentary No 1—			
1.....	Foreman.....		30 00 "
1.....	Assistant Foreman.....		22 00 "
63.....	Hand Compositors.....		17 00 "
		53	
Parliamentary No. 2—			
1.....	Foreman.....		30 00 "
1.....	Assistant Foreman.....		22 00 "
59.....	Hand Compositors.....		17 00 "
1.....	Apprentice.....		12 00 "
		33	
Job Room—			
1.....	Foreman.....		30 00 "
1.....	Assistant Foreman.....		22 00 "
28.....	Hand Compositors.....		17 00 "
1.....	Proofreader.....		20 00 "
1.....	Copyholder.....		12 00 "
1.....	Handyman.....		13 00 "
		45	
Monotype—			
1.....	Foreman.....		30 00 "
1.....	Assistant Foreman.....		22 00 "
32.....	Keyboard Operators.....		19 50 "
5.....	Casters.....		10 00 to 22 00
5.....	Floormen.....		17 00 "
1.....	Machinist.....		24 00 "
	Carried forward.....	301	

EXHIBIT 6—Continued.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY—Continued.

LIST OF EMPLOYEES AT MAY 22, 1912—Continued.

Department and Occupation.	Male.	Female.	Total Number Employed.	Salaries.
Brought forward.....	501		301	
Linotype—			71	
Foreman.....	1			\$ 30 00 per week.
Assistant Foreman.....	2			22 00 " "
Machinists.....	2			23 00 to 24 00
Ass't Machinists.....	2			22 00 per week.
Operators.....	64			19 50 " "
	71			
Map Engraving—			7	
Foreman.....	1			35 00 " "
Engravers.....	6			15 00 to 25 00
	7			
Press Room—			87	
Foreman.....	1			30 00 per week.
Assistant Foreman.....	2			22 00 " "
Pressmen.....	25			18 50 " "
Feeders.....	46			11 00 to 12 25
Cutters.....	2			12 25 to 15 00
Helpers.....	2			10 00 to 12 25
Women.....		9		6 50 per week.
	78	9		
Proof Readers—			48	
Foreman.....	1			30 00 per week.
Assistant Foreman.....	1			30 00 " "
Proof readers.....	25			20 00 to 22 00
Copy holders.....	20			12 00 to 13 00
Woman.....		1		14 00 per week.
	47	1		
Bindery "A"—			167	
Foreman.....	1			30 00 per week.
Assistant Foreman.....	3			22 00 " "
Rulers.....	8			9 50 to 17 00
Finishers.....	7			9 50 " "
Bookbinders.....	55			4 00 " "
Helpers.....	3			12 00 to 14 00
Forewoman.....		1		14 00 per week.
Clerk.....		1		9 00 " "
Women.....		88		3 00 to 6 50
	77	90		
Bindery "B"—			87	
Foreman.....	1			30 00 per week.
Assistant Foreman.....	1			21 00 " "
Binders.....	2			6 50 to 17 00
Cutters.....	2			6 50 " "
Carried forward.....	581	103	788	

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EXHIBIT 6—Concluded.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY—Continued.

LIST OF EMPLOYEES AT MAY 22, 1912—Concluded.

Department and Occupation.	Male.	Female.	Total Number Employed.	Salaries.
Brought forward.....	581	100	763	
Bindery "B"— <i>Con.</i>				
Machine Operators.....	7			6 50 per week.
Truckers.....	5			6 50 "
Apprentice.....	1			6 50 "
Forewoman.....		1		14 00 "
Women.....		67		3 00 to 6 50
	19	68		
			9	
Embossing Room—				
Forewoman.....		1		15 00 per week.
Assistant Forewoman.....		1		10 00 "
Embossers.....		2		
Stamping.....		1		4 00 to 6 50
Envelopes.....		4		
		9		
			8	
Stereotype—				
Foreman.....	1			30 00 per week.
Typers.....	6			17 00 "
Handyman.....	1			12 00 "
	8			
			10	
Engineering Department—				
Chief Engineer.....	1			30 00 "
Assistant Engineer.....	1			22 00 "
Firemen.....	6			10 50 to 13 50.
Elevator Operators.....	2			13 00 per week.
	10			
			2	
Electricians—				
Chief Electrician.....	1			1,300 00 per annum.
Assistant Electrician.....	1			1,200 00 "
	2			
			11	
Shipping Department—				
Clerks.....	5			18 00 to 22 00.
Carters.....	6			75 00 per month.
	11			
			5	
Messengers—				
	5			13 00 per week.
			62	
Miscellaneous—				
Carpenters.....	2			14 00 to 19 00.
Plumbers.....	2			14 00 "
Caretaker.....	1			1,000 00 per annum.
Clock Attendants.....	2			14 00 to 15 00
Charwomen.....		41		1 00 per day.
Labourers.....	14			11 00 per week
	21	41		
Grand Total.....	657	218	875	

EXHIBIT 7.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.
 COMPARATIVE STATEMENT OF INVENTORIES OF PRINTING WORK IN PROCESS OF MANUFACTURE.

	Mar 31, 1911	Mar. 31, 1912
	\$ cts.	\$ cts.
Linotype room.....	45,790 74	10,649 75
Monotype room.....	5,436 78	4,699 80
Hand composition.....	39,041,60	16,620 33
Stereotype.....	991 02	1,139 43
Web press.....		1,180 50
Large cylinder.....		6,432 50
Pony press.....	8,285 29	1,294 44
Harris press.....		519 30
Platen press.....		128 89
Bindery "A".....	12,833 62	11,343 50
Bindery "B".....	7,602 48	1,857 35
Bindery "C".....		4,032 00
Map engraving.....		6,559 88
Value of plates.....		327 39
Paper, etc.....	35,521 46	39,528 62
Bindery Stock.....	4,905 28	1,685 27
Press room ink.....		453 29
Stereotype material.....	7,280 83	379 85
Lithograph and outside charges.....	11,878 64	6,511 96
Material in printing Branch (transferred to Stationery Office).....		17 40
Menotype room.....		175 35
Pamphlet room.....		281 89
Stamping room.....		350 11
Lithograph Engraving.....		1,941 77
Book Bindery.....		59 35
Stereotype room.....		1,044 63
Press room.....		4,673 49
Loose-leaf room.....		
	179,567 79	123,828 04

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EXHIBIT 8.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.

STATEMENT SHOWING THE COMPARATIVE COSTS PER HOUR ADOPTED AS A BASIS FOR PRINTING CHARGES.

	Mar. 22, 1907 to Apr. 1, 1911	Apr. 1, 1911 to Aug. 17, 1911	Aug. 17, 1911 to Dec. 6, 1911	Dec. 6, 1911 to Mar. 1, 1912	Rates Adopted Mar. 1, 1912
	cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Hand composition.....	45	55	55	60	65
Linotype.....	75	75	1 00	1 00	1 00
Monotype keyboard.....	80	50	90	90	90
Monotype caster.....	80	50	90	90	90
Stereotype.....	45	50	85	85	85
Cylinder book.....	50	90	90	90	1 00
Pony press.....	70	75	75	75	75
Web press.....	50	3 00	3 00	3 00	3 00
Harris press.....	51	75	1 20	1 20	1 20
Platen press.....	50	35	60	60	70
Bindery "A".....	45	45	55	55	65
Bindery "B".....	15	20	22	22	22
Bindery "C".....	15	15	16	15	16
Map engraving.....				75	85
Authors alterations:—					
Hand.....		55	55	60	55
Linotype.....		75	1 00	1 00	1 00

EXHIBIT 9.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.

COMPARATIVE SUMMARIZED STATEMENT OF WORK EXECUTED FOR PARLIAMENT AND GOVERNMENT DEPARTMENTS FOR THE FOUR YEARS ENDING MARCH 31, 1911, AS STATED IN THE ANNUAL REPORTS; SHOWING THE PERCENTAGE OF THE VOLUME OF WORK IN EACH YEAR TO THAT FOR THE YEAR 1907-1908.

	Report Table No.	SESSION OF							
		1907-1908.	Percentage.	1908-1909.	Percentage.	1909-1910.	Percentage.	1910-1911.	Percentage.
Annual Reports to Parliament—	1								
Copies.....		242,977	100	232,850	96	210,320	87	222,155	91
Pages.....		24,563	100	29,369	120	24,208	99	24,908	101
Supplementary Report to Parliament—	2								
Copies.....		545,990	100	321,268	59	274,355	50	297,935	55
Pages.....		12,562	100	16,554	132	12,596	100	11,960	95
Routine of Parliament Work—	3								
Copies.....		57,501	100	110,051	191	81,098	141	50,009	87
Pages.....		18,673	100	10,658	57	17,935	96	9,728	52
House of Commons and Senate Debates—	4								
Copies.....		419,085	100	130,527	31	432,968	103	131,305	31
Pages.....		30,635	100	16,051	52	24,212	79	17,033	56
Statutes—	5								
Copies.....		68,200	100	59,000	87	61,150	90	69,550	102
Pages.....		2,428	100	2,800	115	1,962	81	2,984	123
Pamphlets and Miscellaneous Book Work—	6								
Copies.....		1,363,982	100	2,456,878	180	2,523,368	185	2,433,623	178
Pages.....		28,414	100	28,306	100	36,904	130	34,774	122
Canada Gazette—	7								
Annual Issue.....		102,400	100	130,805	128	159,775	156	172,625	169
Number of pages in volume.....		3,030	100	2,614	86	4,712	156	5,078	168
Voters' Lists—	8								
Copies.....		1,620	100	26,754	1,651	1,080	67	90	6
Pages.....		750	100	6,431	857	41	5	65	9

Letter Press Departmental Work—	9 and 10										
Envelopes.....		5,503,686	100	14,293,664	260	14,583,478	265	18,892,365	343		
Copies.....		50,047,952	100	64,482,080	129	84,000,650	168	75,259,367	150		
Plates in Annual and Supplementary Reports—	11										
Plates in each Copy.....		99	100	117	118	94	95	80	81		
Number of Copies E. & F.....		128,595	100	136,925	106	45,315	35	138,325	108		
Total Number of Plates.....		1,326,915	100	2,155,565	162	818,375	62	1,985,045	150		
Books Bound—	12 and 13										
Calf.....		8,969	100	8,198	91	8,657	97	9,334	104		
Roan.....		5,872	100	8,301	141	6,805	116	17,838	304		
Sheep.....		7,965	100	8,238	103	2,914	37	3,409	43		
Skiver.....		15,884	100	13,771	87	21,526	136	30,566	192		
Cloth.....		62,025	100	53,855	87	89,137	144	80,815	130		
Perforating.....	14	2,836,450	100	5,755,600	203	5,505,670	194	5,582,258	197		
Numbering.....	"	5,431,300	100	7,963,150	147	6,466,760	119	7,725,600	142		
Packing.....	"	77,663	100	130,508	168	146,283	188	163,628	211		
Number of Maps and Plans Mounted.....	"	1,691	100	2,927	173	8,021	474	3,196	189		
Number of Pads Made—	15 and 16	27,770	100	34,993	126	62,853	226	125,997	454		
Prepaid Post-Office Envelopes—											
Making, Printing and Stamping—	17										
Quantity made and stamped 1c.....		451,000	100	1,075,500	238	1,152,000	255	1,930,000	428		
" " " 2c.....		2,554,000	100	2,377,000	93	2,844,000	111	3,138,000	123		
Die Stamping of Note and Letter Headings and Envelopes—	18										
Number of Impressions.....		1,401,020	100	1,463,385	104	1,485,135	106	1,765,031	126		
Number of Envelopes.....		539,185	100	519,720	96	678,056	125	676,457	125		