

2131. In all other respects you have nothing to complain of?—No. I file with my evidence a statement coming from our clerks, packers, and sorters in the printing and supply branch, giving their views of their work and salaries. It is as follows:

"POST OFFICE DEPARTMENT, CANADA,

"PRINTING AND SUPPLY BRANCH,

"OTTAWA, 2nd January, 1892.

"The clerks and packers and sorters of the printing and supply branch of the Post Office Department having in meeting assembled very fully and carefully considered the questions for the most part affecting them in their official capacity,—the clerks in this branch, aside from the suggestions submitted by their delegate embodied in the joint report of the Civil Service representatives, having no grievance which they desire to bring to your notice, and having decided in this instance to waive their right of special representation in favour of the lower grade employees of this branch of the department, have selected the undersigned as their representative, and desire to submit for the information and favourable action of your honourable body the following observations and suggestions:—

"The printing and supply branch of this Department carries a working staff of, exclusive of the superintendent, 11 clerks and 22 packers.

"By far the largest proportion of these packers are such in name and rank only, the duties performed by them being of a purely clerical nature, embracing the keeping of ledgers and registers, the checking of all accounts—amounting in 1890-91 to over \$100,000—the receiving and issue of supplies, the making out of invoices, the translation into English of communications touching supplies for French postmasters, the compiling of the annual and incidental statements of the cost and volume of printing, stationery, and stores generally, work necessitating care and intelligence, and requiring practical knowledge acquired only by years of actual experience, and carrying with it responsibilities not intended to be borne by packers or sorters.

"Others again are called upon to perform what may almost be termed technical work, such as is involved in the separating of mail bags for repair or destruction, i. e., the decision of the point as to when a bag is so far deteriorated and worn out as not to justify the incurring of further expense for the repair of the same, or vice versa.

"As a special case also it may be mentioned that one of the packers is required, through his experience as a practical shoemaker, in addition to his routine work, to perform the duties of inspector of all boots manufactured by the different makers for the letter carriers in the Dominion, covering an average of about 800 pairs yearly.

"Of the men in question performing clerical work, eight have qualified themselves for promotion by successfully passing the upper grade examination.

"The above conveys only poorly the peculiar position of the packers of this branch, but a close examination will reveal the fact that the work performed by them is of an entirely different class, and a higher grade than that required from men of a similar rank in the other branches of this department, or in any of the other departments of the service, and the packers in question therefore most humbly lay the following before you, and pray that the same may receive your earnest and kind consideration.

"I. That those packers in this branch who are now performing, and have for years past been engaged in clerical and higher grade work—within the meaning of the Civil Service Act,—and who have passed the qualifying examination, be given promotion to the 3rd class clerks.

"II. That in view of the responsibility arising from the special nature of the work performed by the packers of this branch, other than those referred to in the preceding paragraph, an intermediate class be created between the lower and upper grade, or, if this be impracticable, that the present maximum salary of these packers be raised to at least \$600 per annum—the maximum salary now paid to the lower grade employees of the outside service.

"III. That the temporary packers who have been employed in work of a permanent nature for a number of years at a salary of \$25.00 per month, whose services

are absolutely necessary, and whose qualifications fit them for appointment, should be put on the permanent list.

"In closing this report we deem it our pleasing duty, arising from a sense of appreciation of the fair and impartial treatment received at all times at the hands of the superintendent of this branch, to here record the good feeling existing between the employees of this branch and their immediate chief officer.

"All of which is most respectfully submitted.

J. H. LEWIS,

Printing and Supply Branch, Post Office Department.

2132. With regard to the salaries of deputies, do you think they should all be paid alike?—No; I do not. I do not think those who are professional men should be paid the same as those who are not. I think they are all insufficiently paid. There is another wrong thing which I will mention, for instance, in my own case—There are two post-masters, at Toronto and at Montreal, who get a larger salary than I do. Either they get too much or I get too little.

2133. Would you care to express an opinion with regard to what the minimum and the maximum salaries of the deputies should be? As you are a deputy yourself we will not press you for an answer?—Personally, I think that in a case like my own I should be perfectly satisfied with \$4,000. The Civil Service Act provides for that now. But I do not think that would be sufficient in the case of men who require special qualifications, for instance, the control of railways and canals.

2134. Your view would be, then, that there should be one general salary of \$4,000 for deputy heads, but in case a banker was taken into the Finance Department, or a barrister into the Justice Department, they should be paid more?—According to their special qualifications.

2135. Or an architect or an engineer in the Public Works or Railways, that they should have a sum in addition to that on account of their professional qualifications?—Certainly. I think that would be a very fair solution of the inequality.

2136. Do you think a deputy should have the power to suspend an employee in his department while the Minister is at Ottawa?—I do not see any occasion for the use of that power when the Minister is here, because the deputy could see him in five minutes. I have never done it of myself, and no Minister has ever refused to do it for me. Personally, my relations with my Minister have always been very pleasant. I do not think a deputy should act independently of his Minister; and if the Minister is here the deputy had better consult him before he does a thing which the Minister only can undo. The Act says distinctly that the head of the department only can remove suspension.

2137. What is your opinion of the statement made by the clerks and packers and sorters of the Printing and Supply Branch of your department?—I think what they ask for is very reasonable, because the work they do is very responsible work, and it will simply promote those only who are qualified. They only ask that those of them who are qualified may be classified as clerks.

2138. The service is open to them now, is it not?—Yes; but there is no use of disguising the fact that appointments are not always made because we think they are required by the service.

2139. But if there is a change so that there would be limited competition such as you suggest, they would have some chance of advancement?—Yes. I think that those temporary packers should be made permanent. There are five vacancies now. The maximum for the packers is \$500 and they ask that it should be made \$600, the same as the outside service. I do not think that is unreasonable either.

2140. Your permanent staff has increased from 112 to 204 in nine years?—Yes.

2141. All these new appointments have been made under the provisions of the Civil Service Act?—All of them.

2142. Have any of the persons appointed since the passing of the Act had more than one trial at the examinations?—Yes; I think so.

2143. Many?—No; probably not more than three or four.

2144. Have you 44 extra clerks just now?—Yes.

2145. Did you ever take steps to see whether there is a redundancy of clerks in your department?—I have never done so yet, because the appointment has always rested entirely with the Minister, and I have never undertaken to interfere in any way.

2146. Has political pressure ever been placed on the department to take on extra clerks?—Oh, yes.

2147. When they are not needed?—No, I do not think so: I mean the appointees have been chosen on political recommendation.

2148. You have read the duty report of the Superintendent of the Savings Bank?—Yes.

2149. In which you see there is a redundancy of the staff there. Has that been reported before?—Yes, frequently. He wants to get rid of those three men. In the first place they are all more or less indifferent; he can do very well without them because he has taken temporary clerks, and he prefers to retain those temporary clerks.

2150. Could you not reduce your temporary clerks by getting rid of these three men? I would rather reduce some of the permanent clerks. Many of the temporary clerks are amongst the best we have. We pay them \$400 a year.

2151. You are not in favour of a boy copyist class?—We have no work for them, that is the only reason.

2152. Are you aware that in the Receiver and Accountant General's Office in London there are 60 of them employed and in the Savings Bank Branch there are 112?—I would not like to say much about that without knowing what they are doing. I know pretty well what the business of the Money Order Office is at home. These boys may simply be employed in filling up forms of which they sent off an immense number when I was home. If they are simply employed in that way it may be all very well.

2153. These boys apparently begin at 14 shillings a week, increasing by a shilling a week for a year, and they work till the age of 18 when they cease employment?—Yes.

2154. They do sorting and work of that kind?—We might probably so employ them, but it would be rather doubtful.

2155. One of your officers, it may be mentioned, rather favours the suggestion?—Mr. Matheson has been in England quite recently and he may possibly have seen something of the work done by them in the Savings Bank Branch. In the Savings Bank Branch there is an immense number of notices and things of that kind sent out, and they may find these boys do very well.

2156. If they were useful in that way it would effect a great saving in time?—No doubt it would. In olden times I suppose 60 or 70 per cent of all the men who went into the English service went in between the ages of 16 and 20; very few went in over 20. I joined the service at 16.

2157. Probably you have not read the recent regulations with respect to the boy copyist class at home?—No. I went into the matter a little when I was in England in 1884; I have not seen anything about it since.

2158. As a matter of fact they are now the nucleus of a permanent civil service staff afterwards; they go up for examination, and from their training as boys they are very successful?—No doubt they would be. We have several instances of that in the service here. We had one who has been transferred to the Justice Department, a lad who came to us as a message boy, and Mr. Stewart took hold of him and gave him a little better work than the messengers to do. Gradually he made a clerk of him, he qualified, and now he is in the Justice Department and studying for the bar. That is a case in point.

2159. Considering the number of officials in your department, would it not be worth a while to see how this system has worked in England?—Yes, I think it would. I would be quite willing to try it.

2160. The tendency in your department is to make all officials permanent—letter carriers, railway mail clerks, &c.?—The service increases from year to year; we cannot hope for any reduction; we must expect that it will increase.

2161. The tendency is to make them permanent rather than temporary?—Yes.
2162. Or rather than being paid by the week?—Yes.

2163. What do they call railway mail clerks in England? Railway sorters?—They used to call them railway mail clerks, perhaps they call them sorters now.

2164. Can you tell under whose control they are?—Under the surveyors. The surveyors are equivalent to our inspectors. We call them inspectors, they call them surveyors.

2165. The Surveyor General in Edinburgh, for instance, besides himself has 18 clerks and a store keeper, all the rest are paid by the week?—Well, you see their system is altogether different from ours. If a large post office becomes vacant they always put a clerk in charge.

2166. Coming back to these mail clerks that are constantly going backwards and forwards on the railways: are they not paid by the week instead of by the year as here?—They were not in my time; they were paid a fixed salary, a small salary. They usually got about half a guinea a night, as far as I remember, from London to Birmingham.

2167. Do you call sorting clerks those who sort the letters in the post office?—Yes. I do not think the two systems can be made quite the same, because in England everything is immediately under your eye, you can put your hand upon anything at once.

2168. You do not think there is any objection to the present system of having mail clerks employed by the year?—No.

2169. A railway mail clerk, on appointment with us, receives \$480, and in addition to his salary he has an allowance of half a cent a mile for every mile travelled?—Yes, half a cent in the day time and a cent at night.

2170. Is there any limit of age governing their appointment?—There is no limit of age in the outside service, but I think there ought to be. Practically we take them at any age.

2171. Generally railway mail clerks on appointment are aged about 20? They should be at first. Most of the men we get are older than that.

2172. Are they too old?—I think they are. I do not think any man ought to enter the service as a profession who is over 25. His habits of life become formed, and the chances are that he has tried something else and failed. I think we ought to try to get our employées as soon as possible after they leave their school or college.

2173. All your officials should have an age limit on appointment?—All of them, without exception.

2174. Practically, with the allowance and all that, a young man of 18 as a railway mail clerk makes when he begins life about \$800 a year?—No, about \$600 to \$650.

2175. Has it not happened in many instances that your railway mail clerks have gone to the penitentiary?—I am sorry to say a good many of them have.

2176. Is not that in a great measure owing to the abnormal pay they receive on appointment?—No; I do not think so, because our experience has been that men who have been a long time in the service have got into trouble as frequently as the young men. The last man we caught in Montreal has been 18 years in the service. I may say in connection with these post office robberies that there are things I cannot understand. What I mean is this, the absence of a reasonable motive. I have never known an instance in which a man stole to meet his necessities. We have had the most extraordinary cases. One man in Montreal, for instance, accumulated between \$4,000 and \$5,000 by his robberies, and we were never able to ascertain where it came from. Another most extraordinary case was that of a man who took to repairing organs in country churches with the proceeds of his thefts. Another man that I remember used to steal a dollar or two at a time and go down and drink it up; but I never knew a man to steal who applied the money to any useful purpose or to meet his necessities. Almost invariably the money has been squandered in some improper way.

2177. You had three men from this district, all young men, that were convicted of embezzlement and went to Kingston?—Yes; those three were comparatively young men.

2178. When those cases came before the Treasury Board was not your attention called to the abnormal pay which these railway mail clerks received who entered the service?—I do not remember.

2179. It has gone out of your memory?—Yes.

2180. The department took no notice of the matter?—No.

2181. What means do you take to get rid of inefficient clerks when you find them to be such?—We find it very difficult to get rid of a man. I remember one case in which a man was removed simply on the ground that it was in the public interest to do so. That was the case of a railway mail clerk who had been a long time in the service. We could not get evidence against him, but wherever he went losses occurred, and finally the Postmaster General for the time being took the unusual step of recommending his removal on the ground that it was not in the public interest to retain him, and we got him dismissed by Order in Council on that ground.

2182. Now, if there are some who are retained against the public interest, by what influence are they so retained?—I may say by the influence of their friends—there is no use disguising it.

2183. Do you ever report against them?—Yes.

2184. Recurring to the letter carriers, in England they are paid by the week?—Yes.

2185. They have rewards through stripes, and an extra shilling a week for efficiency?—Yes.

2186. The efficiency is tested by speedy, accurate and rapid delivery of letters?—Yes.

2187. It is shown also by the small number of letters they bring back to the post office?—Yes; they pride themselves on never bringing back a letter they can possibly deliver. They all do that.

2188. Your men here all become permanent?—Yes; the letter carriers.

2189. It does not matter to any letter carrier whether he delivers or brings back his letters, if he simply walks the round?—I would not like to say that, because I think that in every city post office a letter carrier would very soon be reported if he did that.

2190. What would happen if you reported him?—That is another question.

2191. Do you ever take a holiday?—I have not for eight years.

2192. Do you think that is right in the interest of the State or in your own interest?—No, I do not, but I really cannot spare the time.

2193. Have you no one to take your place in case of accident?—Yes, the secretary; but there is so much work to do that the secretary has all he can do now, he has his hands full.

2194. You say the Secretary of the Post Office Department usually takes two months in England?—In England the work is very different. In the first place every man in the post office there has served an apprenticeship, he is not appointed for political reasons like the postmasters for instance in Montreal, Toronto and Quebec. There they would be men who had served their lives in the business. If the postmastership of Birmingham, for instance, fell vacant, it would be given to one of the senior clerks in the post office service a man who would take just as good care of the post office probably as any other man in the service. Therefore you can decentralize the work there; you can have a number of independent groups all over the country, superintended by these men which relieves the headquarters staff very much.

2195. They have perfect machinery there for administering the department?—Exactly. You have men in charge there who have been learning their work all their lives.

2196. Your inability to take a holiday arises largely from the fact of the outside service being filled with inexperienced political appointees?—No doubt; my work and that of the secretary is very greatly increased by that fact.

2197. What are the perquisites of your letter carriers?—Their salaries are from \$360 to \$600, with an annual increase of \$30.

2198. What are the perquisites?—None that we know of, no recognised perquisite.

2199. You dress them; probably you do not call that a perquisite?—We uniform them, but there are no recognised gratuities. We provide them with a summer and a winter uniform and with boots. In point of fact we clothe them.

2200. Have you other defalcations such as took place at Kingston?—Sometimes. Mr. Burns was in the Kingston Post Office for years.

2201. He never took a holiday?—No, I do not think he did.

2202. In fact it was discovered by his being obliged to be away?—It came to light through one of the depositors, I forget exactly how. He selected in almost all his cases depositors who were ignorant of the regulations and therefore he did just what he pleased.

2203. You are decidedly of opinion that wherever money is handled leave of absence should be compulsory?—Certainly, and the work should be handed over to somebody else, wherever money is concerned.

2204. In your written statement you were asked, "Have any persons found their way into the service in your department who, either from defects existing at the time of their appointment, or from advance of age, or from bad habits, are ineligible for retention in the service". And you answered, Yes. Can you amplify that answer?—We have several men whom I would be very glad to get rid of.

2205. Men of bad habits who since the passing of the Act have found their way into the service?—I would not say so much through bad habits as incompetency and indifference. If you refer to these three men in Mr. Matheson's branch, their habits are not bad but they are indifferent and careless, and there is not a temporary clerk in Mr. Matheson's office, who would not do his work better than either of those three men. That is why he has selected these three as men he would be glad to get rid of.

2206. Then you do not refer to any of your clerks in the inside service as having bad habits?—Oh, no.

2207. What rate of travelling expenses do you pay to your post office inspectors?—\$3.50 per diem.

2208. In a district like the Ottawa district, for example, there is no larger town than Cornwall where they would have to put up?—I think Cornwall and Pembroke are the two largest places.

2209. There is no place where the hotel charges would be \$3.50?—No, I think not.

2210. Virtually that is a large addition to the post office inspector's salary?—Yes, it must be in several divisions.

2211. Nevertheless you consider it a matter of policy?—The policy in the Imperial Department was always to pay small salaries and large travelling allowances so that a man's duty might run side by side with his interest. When Mr. Griffin was inspector his salary was only about £200 sterling a year but his travelling allowances were \$5 a day. The inspectors should be kept constantly on the road. I may say further that in England the inspectors have no offices for that reason. Their office is in their pocket, they are supposed to be on the road travelling about from one place to another inspecting, superintending the service in fact. In Canada our inspectors all have the tendency to make separate offices, to create office work rather than travelling work. The scale of salaries in England by a recent number of the *Civilian* is £150 to £350 a year and 15 shillings per diem in addition to actual travelling expenses.

2212. In fact some times you have to order your inspectors out?—Yes, we have had to do so.

2213. Do you think the fact that they can make a \$1 a day or so is an incentive to going out?—I think if they made more they certainly would be induced to go out more.

2214. Some inspectors desire comfort at home rather than going out?—No question about that.

2215. But others may travel to add to their remuneration?—I would hardly like to say that there is no doubt they do not travel as much as they should, with one or two exceptions.

2216. In the secretary's branch of your department there are 40 permanent men and five extras. As compared with 1882, can you tell whether the number has doubled?—No, I do not think it has. I do not think the increase has been so much in that branch as in some of the others.

2217. That is more of a permanent character?—Yes, it is more of a directing and controlling branch.

2218. The accountant's branch which has 46 permanent and seven extra clerks, has largely increased?—Yes.

2219. For printing and supplies you appear to have a very large staff, 25 permanent and nine extra employees. They only look after stores, do they not?—Yes, but the stores are simply enormous. Some times we have a million of forms of one kind. We ordered a million of one form yesterday. We send forms quarterly and to the city offices almost every day. If you will come over and see it you will see the enormous amount of work to be done. There are letter carriers' uniforms, scales and weights, mail bags, &c. It is a well managed branch and it will stand any inspection.

2220. You do not think the staff is too large?—I do not think so.

2221. Do you think it is desirable to have so large a proportion of extra clerks in your department?—Yes; as a matter of economy, but I do not think it is fair to the men themselves.

2222. Have you extra clerks receiving extra pay?—None, either extra or permanent, with the exception of those in the savings bank.

2223. Under what heading do you charge the salary of your extra clerks?—They are paid out of departmental contingencies.

2224. And no extra clerk is employed in the head office here that is charged to the outside vote? Yes; I think we have one or two charged to the office of the chief inspector. His office is in our building.

2225. Last year you paid about three-quarters of a million dollars for conveyance of mails all round.—\$757,000. Those are the ordinary contracts.

2226. When a railway is opened are steps taken to see whether it can be utilized? On the opening of a new railway we require the inspector of the district to report as to whether it can be used with advantage for post office purposes, and if it can be used to advantage authority is given; such use involves a readjustment of all the mail service in the vicinity.

2227. When Mr. McLelean was Postmaster General he had an idea of calling the post office inspectors to Ottawa and going over each county to see whether these mail services could not be readjusted; do you think that might be desirable still?—No; we tried it. We notified each inspector, and the result practically amounted to nothing. I do not think we were able to abolish half a dozen routes.

2228. From Ottawa to the railway station you paid over \$3,000 last year for carrying the mails?—How were these contracts let?—They were all originally let by tender. Some times we continue a contract from term to term when we get a good contractor, that we can do under the authority of the statute. We are allowed to renew contracts when they are reasonable. But the amount of mail matter in Ottawa is something enormous and some times we take out a ton or a ton and a half from the Commons in one day when parliament is in session, parliamentary papers and things of that kind. Then latterly we send all the stores from the stationery office by mail, and an immense mass of material from the Department of Agriculture.

2229. In almost every Gazette there is a list of new post offices opened; what steps are taken to establish a new post office?—An application is sent to the post office inspector, who either visits the place or obtains necessary information by correspondence, and he furnishes the Postmaster General with a report giving the probable cost and the probable revenue. The Postmaster General with the information before him decides whether it is desirable to establish the office or not.

2230. What do you mean by the application?—A post office is generally established on the petition of the inhabitants personally interested; almost invariably that is the case.

2231. Are not new offices some times opened in the Dominion where they are not necessary?—Very rarely. The present Postmaster General is very particular about that. He has refused many a time.

2232. Are there new offices some times established through political pressure that are unnecessary?—No, I do not think we have suffered much from political pressure in that way.

2233. Judging from the small revenue received from some of those post offices one would be inclined to ask what was the object of their establishment?—No doubt, the revenue derived from some of the offices is very trifling. But still it would be a great inconvenience to the people if you took the office away from them. They have no other means of communications with the outside world. Take some of those places in Nova Scotia and New Brunswick, places difficult to get at. There may be only a few families to be served, but that is the only way they can communicate with the rest of the world. As a rule the petitions are fully enquired into.

2234. What is the cost to the State when a new post office is established?—We pay the postmaster \$10 a year.

2235. And that covers everything?—Yes, except blank forms and the cost of carrying the mails to and from the office; that requires a service by stage sometimes, services on horseback or on foot. After that, the postmaster gets an increase according to the revenue; he gets a commission of 40 per cent on the first \$800, above that the commission is only 25 per cent.

2236. He is entrusted with the sale of stamps?—No, not now. In all small post offices we gave a credit supply to start with, say \$10 or \$20 in stamps, and they are supposed to keep that credit supply intact. We do not ask them to pay for it so long as they remain in office. It is a sort of capital to trade upon. As soon as he sells \$10 worth, he must get some more, and he can only get those from the larger offices.

2237. Are these little balances of stamps on hand checked?—They are checked periodically.

2238. It would cost a good deal to go all over the country to check them?—The only real check we have in the majority of cases is the certainty of complaint from the public if they do not get them.

2239. You say you give \$10 or \$20 worth of stamps?—Yes, whenever an inspector goes to one of these offices that is one of the things he is supposed to enquire into, whether they have the proper amount of stamps on hand.

2240. Occasionally, when the district gets big enough a public building is erected for the post office?—Yes.

2241. In the country the postmasters are usually storekeepers?—Yes.

2242. If, as you state, the country postmaster is usually a storekeeper, and a public building is erected, how do you arrange about his salary then?—That is a very difficult question. It is a difficulty that is cropping up now. We can only give the postmaster the ordinary salary based on revenue, and how they are going to live in some of these small places I do not know. We cannot allow them to carry on another business in a Government building. It has been proposed on two or three occasions to limit the erection of new post offices to places where the revenue amounts to a certain sum, so that the revenue might produce a salary sufficient to enable the postmaster to live. I think that should be done.

2243. That is a matter that has been discussed in Parliament for a long time?—Yes, but the erection of post offices depends rather upon the Minister of Public Works than upon the Postmaster General. It has been so in the past at any rate.

2244. It embarrasses your department at times?—Undoubtedly. It induces pressure for increased allowances in order to enable the postmaster to live. The postmaster generally gets fuel and light and presumably a caretaker. As a matter of fact we have little or no responsibility in the matter, we have had none in the past.

2245. Is there a fixed rate at which railways are paid for the conveyance of mails by railways?—There is a fixed rate under the General Railway Act, at least by Order in Council passed under the General Railway Act, of eight cents per mile for an ordinary passenger train with a post office.

2246. Some times four cents?—Four cents is for through bags, we pay from two to four for through bags sent in charge of the company's servants. We had a rate of six cents for slow trains, but that has almost ceased.

2247. Occasionally you have to give increased compensation for the conveyance of mail?—Yes, with the larger railways we have special agreements which are simply in addition to that. With the Grand Trunk we pay them a mileage rate.

2248. In the post office mail service for Ontario the compensation for the conveyance of mails was \$76,560, which included \$25,000 for increased accommodation between Montreal and Toronto?—Yes, they gave us a special car between Montreal and Toronto.

2249. That is for special services rendered?—Yes. We found that the mails were so heavy that they could not carry them in an ordinary post office car.

2250. Then generally you pay fixed rates upon the railways?—Usually fixed rates.

2251. You pay the Intercolonial for what mails they carry?—Yes, we pay them a fixed rate of \$150 a mile.

2252. Does the Intercolonial pay you for carrying their letters?—No.

2253. How does the franking system affect you in the matter of loss of revenue?—Very largely no doubt. We carry all the Government correspondence free, we carry all the materials of the Department of Agriculture free, we carry all the supplies from the Queen's Printer free.

2254. And you carry the correspondence of the Intercolonial free?—Yes, that all goes free, to and from Ottawa.

2255. And yet they charge you for carrying the mails?—Yes.

2256. Then the accounts do not fairly represent the actual state of things?—No. I think we ought to have an allowance in some in some shape or form. Of course it all comes from the same pocket.

2257. There is a special section of the Post Office Act that deals with the franking and free mail business?—Yes.

2258. Franking and free mails are confined to the Government departments at Ottawa, to the Library of Parliament and to the members of the Senate and House of Commons during recess for all papers printed here?—Yes. Anything printed here can be sent free during recess.

2259. But it only applies to any thing sent to or from the seat of Government to or from places in Canada?—That is all, except Parliamentary papers mailed by the members during recess.

2260. Is it not contemplated to make a new regulation concerning this franking privilege to the heads of departments?—Yes.

2261. And it is referred to you to prepare regulations?—Yes.

2262. For the present it will be confined to the departments at Ottawa?—Yes.

2263. Will it be surrounded with difficulties considering the mandatory terms of the Act?—I do not think so.

2264. It would be easier if this section of the Act were repealed?—I think it would have to be repealed or altered, although it does not appear to me to cover private correspondence.

2265. How are you to judge when a letter is addressed to an officer of the department, whether it is of a private or a public nature?—I think all correspondence of an official character should be addressed, either to the head of the department or to the deputy head, I do not think it should be addressed to anybody else. That would be the best safeguard. Then I think all correspondence going from the department should be franked, either in the name of the head or the deputy head. That is the practice in England, and the practice in the United States, and in every British Colony that I am aware of.

2266. Perhaps it would be better to repeal this section, and have a clause for penalty envelopes?—As in the States. You might do that, or do as they do in England. In England, if a man did anything of that kind he would be suspended or dismissed. When I was serving in England, we had no franking and no difficulty whatever. All official correspondence came addressed to the Head of the Department, not by name but by office. It was not addressed to him by name, as a rule, but by office.

2267. Are your mail contracts submitted to Council?—No; only contracts for railway mail service or steamboat service, exceeding an annual cost of \$1,000 a year; those are submitted to Council.

2268. Since when?—Within the last year or two only. There is a statutory provision to that effect, but it was overlooked in some way or other until quite recently.

2269. The practice in your department is to take bonds from postmasters?—Yes.

2269½. Do you ever collect anything on the way of bonds from defaulting postmasters?—Yes; we are collecting one now from the London Guarantee Company, on account of the postmaster at Banff. We will probably prosecute him, if we can. In all cases of money order offices, we exact bonds from Guarantee Companies where it is possible; but there are some cases where we cannot, where there is strong objection to it, we have allowed the postmasters to give private bonds. But that has been entirely the exception.

2270. Where private bonds are given you rarely recover?—We have in some cases.

2271. Do you mean to say, that in the case of a little post office, where you give a man \$10 a year, you take bonds from him? We take bonds from him for \$400, as a rule. We have in several cases reduced it to \$200.

2272. Who pays the premium on that bond?—The postmaster. That is why we have taken private bonds in some cases, because the postmaster has urged that the premium was a very heavy tax upon him.

2273. The danger in private bonds is that there is always a difficulty in collecting?—Always. There is a certain amount of hardship about it too. A man puts his name to a bond of that kind, and he does not realise what he is doing. Ten or twelve years afterwards he is suddenly confronted with the fact, that the man for whom he gave bonds is a defaulter.

2274. Do you not send a notice to the bondsmen every year?—Not to the bondsmen but to the postmaster, requiring them to furnish sureties, or to state whether their sureties are solvent or not. We notify those who give bonds, but not the bondsmen.

2275. Would it not be advisable to notify the bondsmen yearly of their responsibilities? I think it would be better.

2276. Does your city delivery in Ottawa, include New Edinburgh, for instance?—It takes in the whole city.

2277. Is there a distinct post office at New-Edinburgh now?—There is a post office for the reception of letters, you can mail letters there, we have not broken that up yet. There is also one at Stewarton. But they will gradually die away and will probably be replaced by letter boxes or branch offices.

2278. Will that arrangement apply elsewhere, Toronto, for instance?—In Toronto and Montreal we find the business so large that we have to have branch offices for money orders, registration, &c. We still have a post office in Yorkville, but it is simply a place for the deposit of letters. We do not deliver letters there.

2279. Are these men paid at the same rate as they were when these post offices, were independent delivery offices?—At Yorkville we do, but in the other places we pay a fixed sum. We have left Yorkville as we found it. But the branch offices, some of them, have a salary of \$300 or \$400 a year, enough to compensate the keeper for the time he has given to it.

2280. You have lately renewed a contract with the British American Bank Note Co. for making stamps?—Yes.

2281. In England they have a combined stamp for postage and inland revenue?—Yes.

2282. Do you think that it could be introduced into this country?—Well, what does the inland revenue represent? In England every receipt has to have a stamp on it, and there is an immense consumption of stamps of small denominations for revenue purposes, which I do not think there is here.

2283. Who supplies the uniforms?—The Rosamond Woollen Co., of Almonte, under contract.

2284. You previously got them from England, did you not?—We got them from England for some time. For a time it was impossible to get the clothing in Canada, there was some difficulty about the dyeing.

2285. Referring to the franking system once more, the charge that is made to the department by the postmaster at Ottawa is for money that he pays for stamps on mail

matter sent to the United States, to England, or to foreign countries?—Yes, correspondence sent out of the country must be prepaid by postage stamps if prepaid at all; therefore the Ottawa post office has to affix postage stamps, otherwise the correspondence would be charged double rates on delivery.

2286. The item of contingencies in postage fees does not at all represent the cost?—It simply represents the cost to Canada of foreign postage. It has nothing whatever to do with domestic postage.

2287. Under the present system, there is no means of showing to the public what the post office business of any department is?—No.

MONTHLY RETURN of the Conduct and Service of the Clerks and other persons employed in the Printing and Supply Branch of the Post Office Department, during the month of September, 1891.

Name.	Rank or Class.	In what Duty Employed during the Month.	Whether absent from duty during the Month, and if so, for how long, and for what cause.	Statement by Supr. whether conduct has been good or otherwise—if there has been misconduct in any case, the nature of it is to be fully stated for the information of the Postmaster General.
J. O. Fortier.....	1st.....		Not absent.....	Conduct generally satisfactory.
W. D. O'Brien.....	2nd.....		do.....	
J. R. Greenfield.....	do.....		2 days. 1 sick and 1 special.....	
H. H. Gray.....	do.....		Temporarily employed in Postmaster General's Office.....	
R. Greenfield.....	3rd.....		2 days special.....	
D. H. Goulden.....	do.....		1 day do.....	
W. Ferguson.....	do.....		2 days annual.....	
J. Briggs.....	do.....		3 do.....	
M. J. Mahon.....	do.....		1 day special.....	
H. Bossé.....	Temporary.....		As per attendance book.....	
W. Cooh.....	Packer, &c.....		5 days annual.....	
M. Galvin.....	do.....		2 days— $\frac{1}{2}$ annual, $\frac{1}{2}$ special.....	
T. Hartnedy.....	do.....		1 day special.....	
G. Elbourne.....	do.....		1 $\frac{1}{2}$ day annual, $\frac{1}{2}$ day special.....	
J. Barrett.....	do.....		$\frac{1}{2}$ day special, 1 day annual.....	
J. H. Elliott.....	do.....		8 $\frac{1}{2}$ days annual.....	
J. B. Laurie.....	do.....		Not absent.....	
J. Bell.....	do.....		6 days annual.....	
W. H. Cheney.....	do.....		1 day special.....	
P. Kehoe.....	do.....		1 day— $\frac{1}{2}$ annual, $\frac{1}{2}$ special.....	
J. H. Lewis.....	do.....		1 day special.....	
J. L. Spence.....	do.....		1 do 2 $\frac{1}{2}$ weeks annual.....	
Jos. Marier.....	do.....		1 do 1 day, $\frac{1}{2}$ hour, annual.....	
T. J. Nolan.....	Temporary.....		1 day sick.....	
W. H. Pearce.....	Packer, &c.....		$\frac{1}{2}$ day special, 2 weeks annual.....	
L. Durocker.....	Temporary.....		Not absent.....	
E. T. Edwards.....	Packer, &c.....		1 day special.....	
L. Grant.....	do Temporary.....		Not absent.....	
A. Watson.....	do do.....		do.....	
N. Taylor.....	do do.....		1 hour special.....	
E. H. Morse.....	do do.....		Not absent.....	
M. Conway.....	do do.....		do.....	

NOTE.—Superintendent absent on annual leave to 21st September.

Date of Return, 8th October, 1891.

SIDNEY SMITH,
Superintendent.

Date of receipt by Deputy Postmaster General, 9th October, 1891.

MONTHLY RETURN of the Conduct and Service of the Clerks and other persons employed in the Savings Bank Branch of the Post Office Department, during the month of October, 1891.

Name.	Rank or Class.	In what Duty Employed during the Month.	Whether absent from duty during the Month, and if so, for how long, and for what cause.	Statement by Supt. whether conduct has been good or otherwise—if there has been misconduct in any case, the nature of it is to be fully stated for the information of the Postmaster General.
1. W. H. Harrington	1st Class.	When on duty has charge of ledger division of staff.	On special leave, granted by Order in Council, for 3 mos. 22 days annual leave.	
2. J. R. Smith.....	2nd Class.	Correspondence forms relating to deceased cases, &c.	Not absent.....	
3. W. H. Eagleson.	do	In charge of ledger division in Mr. Harrington's Branch.	Not absent.....	
4. J. H. Fairweather	do	Assisting with general correspondence.	6 days, part annual leave.	
5. E. B. Bell.	do	Registering and scheduling cheques issued.	12 days, sickness in family.	
6. W. H. Kreps.....	do	Registering and proving cheques delivered to depositors.	Not absent.....	
7. A. K. Devine...	do	Writing, examining and scheduling acknowledgements.	12 days, part annual leave.	
8. W. H. McCuaig.	do	Examining deposits, withdrawals and depositors' books.	Not absent.....	
9. J. W. Bolland..	3rd Class.	Signing withdrawal cheques and proving deposits.	do	
10. P. B. Taylor.....	do	Examining and registering Postmaster General's daily accounts and registering deposits.	15 days ill, medical certificate.	
11. E. F. Taylor ...	do	Examining deposits, withdrawals and depositors' books.	Not absent.....	
12. H. N. Chesley...	do	Shorthand, typewriting and correspondence.	19 days, part annual leave.	
13. J. H. Scott.....	do	Preparing daily proof-sheets and distributing acknowledgements.	Not absent.....	
14. E. F. Heming...	do	Addressing and registering examined pass books.	16 days, part annual leave.	Good
15. E. F. Jarvis.	do	Examining deposits, withdrawals and depositors' books.	Not absent.....	
16. W. C. Stewart...	do	Examining Postmaster's cash accounts, receipts, &c.	do	
17. A. F. Geddes....	do	Examining deposits, withdrawals and depositor's books.	3 days, part annual leave.	
18. H. McGillivray..	do	Registering and proving cheques delivered.	Not absent.....	
19. A. W. Breadner.	do	Registering correspondence and undelivered cheques.	do	
20. J. A. Jackson...	do	Posting deposits and issuing withdrawals.	16 days, part annual leave.	
21. P. Regan.....	do	do do	21 days, annual leave.	
22. W. J. Adams....	do	do do	Not absent.....	
23. G. A. Hunt.....	do	do do	3 days, part annual leave.	
24. J. R. Hooper....	do	do do	12 days, sickness in his family.	
25. A. W. Campbell.	do	do do	Not absent.....	
26. J. F. Scribner...	do	do do	do	
27. P. Kiernan.....	do	Writing, examining and scheduling deposits and acknowledgements.	do	
28. A. P. Campbell..	do	Posting deposits and issuing withdrawals.	do	
29. M. Collins.....	do	do do	do	
30. P. Jamieson.....	do	do do	do	

MONTHLY RETURN of the Conduct of and Service of the Clerks and other persons employed in the Savings Bank Branch of the Post Office Department, during the month of October, 1891.

Name.	Rank or Class.	In what Duty Employed during the Month.	Whether absent from duty during the Month, and if so, for how long, and for what cause.	Statement by Supt. whether conduct has been good or otherwise: if there has been misconduct in any case, the nature of it is to be fully stated for the information of the Postmaster-General.
31. A. E. Meighan	3rd Class.	Posting deposits and registering forms.	Not absent	
32. W. Balderson	do	Posting deposits and issuing withdrawals.	do	
33. P. J. Lally	do	do	do	
34. S. Graham	Messenger	Sorting of mails, folding documents and general duties.	do	
35. W. J. Bell	Packer	Sorting of mails, special clerk of forms.	do	
<i>Persons employed Temporarily.</i>				
36. J. G. Poston	Copyist	Writing, examining and scheduling acknowledgements.	Not absent	
37. Mrs. R. Waddell	do and sorter	Sorting receipts, books, forms, &c., and writing acknowledgements.	do	Good.
38. Mrs. A. Hinds	Copyist	Writing acknowledgements, &c., for withdrawing and registering examined books.	do	
39. Mrs. A. Stevens	do	Writing acknowledgements, &c., and preparing renewed books.	do	
40. Miss McArthur	do	Writing, examining and scheduling acknowledgements.	do	
41. L. C. Fraser	do	Registering forms, lists of cheques dispatched.	do	
42. F. Oliver	Packer	Folding acknowledgements, sorting mails, &c.	do	

NOTE. See accompanying memo. to Postmaster General, suggesting the reduction of staff and transfer of certain clerks to other branches of the service.

Date of Return, 4th November, 1891.

D. MATHESON,
Superintendent.

Date of receipt by Deputy Postmaster General, 5th November, 1891.

MONTHLY RETURN of the conduct and service of the Clerks and other persons employed in the Money Order Branch of the Post Office Department during the month of October, 1891.

Name.	Rank or Class.	In what Duty Employed during the Month.	Whether absent from duty during the Month, and if so, for how long, and for what cause.	Statement by Sup't. M. O. Branch whether conduct has been good or otherwise — if there has been misconduct in any case, the nature of it is to be fully stated for the information of the Postmaster General.
1. S. S. Thorne	1st.	Miscellaneous	15 holidays.	
2. J. F. Wall	2nd	Balancing ledgers by registers.	Not	
3. J. C. Bonner	3rd.	Checking cash and money order accounts and registering.	do	
4. A. W. Wall	do	do	3 holidays.	
5. J. H. Spencer	do	Outstanding and lapsed orders and registering.	Not	
6. F. H. F. Mercer	do	Ill nearly all month; doctors certificate.	3 holidays; 20 days ill.	
7. F. M. F. Jenkins	do	Checking cash and money order accounts and registering.	Not	
8. F. E. S. Grout	do	In charge British and Foreign money order business.	do	
9. W. R. Hanley	do	In charge United States and Australian money order business.	12 holidays.	
10. W. T. Wilson	do	Supervision of registration clerks.	Not	
11. J. L. Olivier	do	Ill-health; leave by Order in Council.	Absent all month.	
12. E. R. Leatoyd	do	Error register and error notices.	3 days ill	
13. G. H. Hayes	do	Opening, copying and dispatching correspondence duplicate orders.	$\frac{1}{2}$ day's leave	
14. S. Short	do	Checking cash and money order accounts and registering.	12 holidays	
15. F. O. O. Seguin	do	Assisting in United States money order business.	1 day's leave.	
16. J. S. Hall	do	Domestic correspondence and indexing.	Not	
17. H. McGuire	do	Checking cash and money order accounts and registering.	do	Good.
18. J. Buckley	do	do	1 day's leave.	
19. E. J. Cousineau	do	do	3 holidays	
20. T. Ainsborough	do	Sorting paid orders and dockets.	Not	
21. A. M. Hicks, Miss	do	Assisting in registration duties.	do	
22. W. A. Jones	do	Checking cash and money order accounts and registering.	18 holidays; $\frac{1}{2}$ day's leave.	
23. E. R. Brooks	do	Balancing ledgers by registers.	$\frac{1}{2}$ day's leave	
24. A. Laudor, Miss	do	Sorting paid orders and dockets.	1 day ill	
25. J. Pelton	do	Checking cash and money order accounts and registering.	1 day; family ill.	
26. C. A. Clark	Packer	Packing orders and filing Postmaster's accounts.	Not	
27. A. Wheatley	do	do	$\frac{1}{2}$ day's leave.	
<i>Persons employed Temporarily.</i>				
28. L. P. Charlebois	Clerk	Checking cash and money order accounts and registering.	Not	
29. A. Milne	Messenger	Messenger's duties and packing civil service orders.	3 days annual leave.	
30. J. Clarke	Clerk	Absent all month with exception 2 days.	25 days leave by P. M.G.	
31. G. A. Bell	do	Assisting in checking accounts and registering.	Not	
32. L. J. Wilson, Miss	do	Marking off United States orders paid.	do	

MONTHLY RETURN of the conduct and service of the Clerks and other persons employed in the Money Order Branch of the Post Office Department during the month of October, 1891.

Name.	Rank or Class.	In what Duty Employed during the Month.	Whether absent from duty during the Month, and if so, for how long, and for what cause.	Statement by Supt. M. O. Branch whether conduct has been good or otherwise —if there has been misconduct in any case, the nature of it is to be fully stated for the information of the Postmaster General.
33. E. W. Swinyard, Clerk.		Assisting in checking accounts and registering.	Not.....	Good.
34. E. F. Macdonell.	do	Balancing ledgers by registers.	do	
35. J. G. Hayes.	do	Checking cash and money order accounts and registering.	do	

(Sgd.)

G. F. EVERETT,

Superintendent.

Date of Return 6th November, 1891.

MONTHLY RETURN of the conduct and service of the Clerks and other persons employed in the Accountant's (Revenue) Branch of the Post Office Department during the month of October, 1891.

Name.	Rank or Class.	In what Duty Employed during the Month.	Whether absent from duty during the Month, and if so, for how long, and for what cause.	Statement by Accountant whether conduct has been good or otherwise— if there has been misconduct in any case, the nature of it is to be fully stated for the information of the Postmaster-General.
Barrett, D. A.	2nd	Ledgers	12 days annual leave.	
Barrett, W. J.	1st	In charge of revenue branch	6 do	
Beatty, J. C.	3rd	Lists of cash deposited	1 day ill	
Benjamin, E. H.	2nd	Revenue balance 30th June, 1888, and lists cash deposited.	9 days annual leave.	
Blanchet, L.	do	Salary warrants	9 days ill	
Brophy, J. P.	do	Registration of Postmasters' and Inspectors' cheques.	12 days annual leave.	
Buell, Miss M. C.	3rd	Salary warrants	1 day ill	
Champagne, N.	do	Ledgers	24 days annual leave.	
Conroy, J. M.	do	Commission to stamp vendors and postage paid in cash.	Not	
D'Autewil, N. G.	2nd	Ledgers	1 day's leave	
Doucet, C. O.	3rd	Salary warrants	Not	
Dunlevie, M. K.	2nd	do	do	
Ferguson, R. C.	3rd	Ledgers	do	
Fortier, jun., J. G.	do	Correspondence, transfers, &c.	do	
Gibson, Miss N.	do	Revenue non-accounting offices	1 day ill	
Greaves, W.	2nd	Correspondence and Inspector's Reports.	Not	
Gray, Mrs. M. D.	3rd	Revenue non-accounting offices	3 days annual leave, 1 day ill.	
Howard, J. P.	do	Salary warrants	Not	
Johnstone, W. J.	1st	General book-keeper.	25 days annual leave.	
Leahy, P. T.	3rd	Requisitions for stamps, &c.	14 days ill	
McCarthy, D. F.	2nd	Ledgers	2 days leave, 1 day ill.	
McFarrill, T.	do	Lists of cash deposited	12 days annual leave.	
McLennan, A. H.	do	Re-payment to banks and credits.	Not	
Martin, J. C.	3rd	Assisting general book-keeper	do	
Plunkett, G. L.	do	Acting Private Secretary to Minister Public Works.		
Pouliot, L. H.	2nd	Copying and despatching letters and error notices.	12 days annual leave.	
Robillard, B. E.	3rd	Ledgers	6 days annual leave, 12 days ill.	
Rowan, W.	2nd	Assisting general book-keeper and transit postage.	1 day's leave	
Shaw, R. J.	do	Balancing and proving cash	9 days annual leave.	
Shaw, H. S.	3rd	Lists of cash deposited	Not	
Taylor, Miss E. H.	do	Salary warrants	do	
Visser, T. E.	do	Checking cash in Postmasters' accounts.	do	
Webb, Vincent.	do	Ledgers	15 days annual leave.	
Cherry, W.	do	do	3 days annual leave, 1 day ill.	
<i>Persons employed Temporarily.</i>				
Bunelle, G.		Despatching letters, &c., and quarterly balancing.	Not	
Drummond, Miss M.		Salary warrants	4 days annual leave.	
Lyon, Miss M. C.		Salary warrant register.	3 days ill	
Simpson, Miss G.		Ill during whole of month	Not	
Smith, B.		Messenger	Not	

(Sgd.)

W. H. SMITHSON, Accountant.

MONTHLY RETURN of the Conduct and Service of the Clerks and other persons employed in the Accountant's (Expenditure) Branch of the Post Office Department during the month of October 1891.

Name.	Rank or Class.	In what Duty Employed during the Month.	Whether absent from duty during the Month, and if so, for how long, and for what cause.	Statement by Accountant whether conduct has been good or otherwise—if there has been misconduct in any case, the nature of it is to be fully stated for the information of the Postmaster General.
G. C. Anderson	2nd Class.	In charge.....	1½ days leave.....	
E. B. Wood	do	Salary journal.....		
J. G. Fortier	3rd Class.	Bank books.....		
F. X. Lemieux.....	do	Compiling accounts.....		
T. M. Oliver	do	General work.....		
F. K. Rochester	do	Examining accounts.....	2 do do	
H. S. Campbell.....	do	Mail service registered.....		
C. R. Robertson	do	Cheques and miscellaneous journal.....	1½ do do	
W. J. Glover	do	Compiling accounts		
<i>Persons employed Temporarily.</i>				
Miss J. G. Bucke.....		Vouchers and statements.....		
H. S. Ferguson.....		Mail service journal.....		

W. H. SMITHSON,

Accountant.

Date of Return, 3rd November, 1891.

Date of Receipt by Deputy Postmaster General, 4th November, 1891.

MONTHLY RETURN of the Conduct and Service of the Clerks and other persons employed
in the Dead Letter Branch of the Post Office Department during the month of
October, 1891.

Name.	Rank or Class.	In what Duty Employed during the Month.	Whether absent from duty during the Month, and if so, for how long, and for what cause.	Statement by Superintendent whether conduct has been good or otherwise—if there has been misconduct in any case, the nature of it is to be fully stated for the in- formation of the Postmaster General.
G. R. White.....	1st Class..	Checking registered books, returns books of daily work.	12 days annual leave	Good.
G. J. Binks.....	2nd do ..	Charge of long room, checking registered books, &c.		
A. J. MacDermid....	3rd Class.	Recording dead value letters.....		
J. A. Macdonald....	do ..	Checking ordinary special letter returns.	12 do do	
W. J. Frechette ...	do ..	Checking dead letter returns (in charge.)		
G. Rance.....	do ..	Returning dead letters (in charge.)		
H. H. Morton.....	do ..	Checking dead letter returns.....	13 do do	
J. Carter.....	do ..	Opening dead letters (in charge.)	7 do do	
H. Knauf.....	do ..	Checking dead letter returns and registering German letters.		
W. C. Little.....	do ..	Preparing sheets for annual re- port, &c.	2 do leave..... 1 do sick.....	
G. A. Mailleux....	do ..	Recording special ordinary par- cels.	9 do annual leave	Good.
T. Roy.....	do ..	Recording dead registered letters (cities, &c.) special value.	1 do without leave	
N. W. Curtis.....	do ..	Opening dead letters.....		
J. Prendergast ..	do ..	Returning dead letters.....	12 do annual leave	
A. Samuels.....	do ..	Opening and returning dead letters	1 do leave.....	
E. M. Walker.....	do ..	Recording dead registered letters (villages, &c.) special reg. letters		
T. J. D. Moffatt ...	do ..	Recording ordinary dead parcels..		
M. J. May.....	do ..	Checking dead letter returns.....		
E. Ballantine....	do ..	Returning dead letters.....	9 do annual leave 1 do sick.....	
C. B. Graham.....	do ..	Preparing enquiries and charge of letter book.		
E. D. Jones ..	do ..	Examining and destroying return- ed dead letters.		
<i>Persons employed Temporarily.</i>				
S. A. Webber.....	Tempor'y.	Returning dead letters.....		Good.
R. E. Spencer.....	do ..	Entering dead letter returns.....		
B. M. Corcoran....	do ..	Correspondence clerk.....		
M. A. G. Clarke....	do ..	Returning dead letters.....		
A. Martin.....	do ..	Returning special letters and assisting Mr Macdonald.		
A. Graham.....	do ..	Returning dead letters.....	late 2 days this month	
D. Conway.....	do ..	Returning dead letters.....		
J. Green.....	Messenger	Collecting mails, opening and dis- posing of contents of newspaper sacks, &c.	3 days annual leave, but fined 3 days..	

JOHN WALSH,
Superintendent.

Date of Return, Dead Letter Branch, Ottawa, 2nd November, 1891.

Date of Receipt by Deputy Postmaster General, 3rd November, 1891.

MONTHLY RETURN of the Conduct and Service of the Clerks and other persons employed in the Mail Contract Branch of the Post Office Department during the month of October, 1891.

Name.	Rank or Class.	In what Duty Employed during the Month.	Whether absent from duty during the Month, and if so, for how long, and for what cause.	Statement by the Superintendent whether the conduct has been good or otherwise, if there has been misconduct in any case, the nature of it is to be fully stated for the information of the Postmaster General.
A. Lindsay.....	Supt.....		23rd to 31st.....	Good.
H. W. Griffin.....	2nd Class.	Examining and registering Mail Contracts—checking railway mail clerks reports and pay-lists. Registering alterations in mail services.		
W. Smith.....	2nd do	General correspondence.....	1st to 22nd.....	
G. C. Wood.....	3rd do	Checking returns and time-tables.	12th to 31st.....	
H. Brenot.....	3rd do	French correspondence and correspondence connected with Inspector's Report, &c. Checking variation returns and railway accounts. Compiling statistic returns generally.	1st to 3rd and on 17th.	
W. A. Code.....	3rd do	Keeping register of correspondence. Endorsing and sending off tenders.	Not absent.....	Good.
		<i>Persons employed Temporarily.</i>		
H. H. McDonnell.....	Temporarily do	Copying and indexing.....	Not absent.....	
Miss Q. G. Hopkirk.....	do	Type-writer.....	21st to 24th.....	

ARTHUR LINDSAY,
Superintendent, Mail Contract Branch.

Date of Return, 24th November, 1891.

Date of Receipt by Deputy Postmaster General, 25th November, 1891.

MONTHLY RETURN of the Conduct and Service of the Clerks and other persons employed in the Secretary's Office Branch of the Post Office Department during the month of October, 1891.

Name.	Rank or Class.	In what Duty Employed during the Month.	Whether absent from duty during the Month, and if so, for how long, and for what cause.	Statement by the Secretary whether conduct has been good or otherwise—if there has been misconduct in any case, the nature of it is to be fully stated for the information of the Postmaster General.
<i>Correspondence and Establishment.</i>				
C. Falconer.....	1st Class..	In charge of principal correspondence.	15th to 22nd on duty.	Conduct of the whole staff good.
A. W. Throop.....	do ..	In charge of miss. letters, records and car. br. of correspondence.	24th, 3rd, 16th to 31st on leave.	
G. H. Hargrave.....	do ..	Establishment of new post offices.	1st to 11th, ill; 12th to 27th on leave.	
J. H. O'Leary.....	2nd Class.	Endorsing general letters and assists in correspondence.	Not absent.	
E. P. Stanton.....	do ..	Shorthand writer to Deputy Postmaster General.	1st to 6th on leave.	
C. Pope.....	do ..	Appointments to vacant postmaster-ships.	21st to 31st on leave.	
F. G. Moon.....	do ..	Registry of P. O. letters reports of amounts in correspondence.	1st to 3rd on leave.	
J. H. Brown.....	do ..	Appointments to staff of the Dept.	Not absent	
B. M. Northrop.....	do ..	In charge of bonds and enumeration returns.	do	
A. Lampman.....	3rd Class..	Correspondence	31st on leave.	
E. Buel.....	do ..	Assisting M. Brown	16th to 21st on leave.	
K. Merrick, Miss.....	do ..	In charge of vacancy papers pending new appointments, correspondence connected herewith.	14th on leave.	
L. Robinson, Miss.....	do ..	Copying enumeration returns.	1st to 4th on leave.	
J. Seymour, Miss.....	do ..	Copying and endorsing.	Not absent	
F. C. Anderson.....	do ..	Assisting Mr. Throop	5th to 10th on leave.	
K. T. Waddell, Miss.....	do ..	Register of general letters and assists in correspondence.	Not absent	
H. S. Stewart, Miss.....	do ..	Assists Mr. Brown.	27th ill.	
W. J. Beatty.....	do ..	Assisting with missing letter enquiries.	Not absent	
E. Taché, Miss.....	do ..	Copying, endorsing, assisting Mr. Throop.	1st to 27th on leave.	
M. T. Duhamel, Miss.....	do ..	Press copying and despatch of correspondence.	2nd ill.	
E. Holmes, Miss.....	do ..	Postmasters' bonds	Not absent	
M. Bennet.....	Messenger	Chief messenger.		
T. Dodd.....	do ..	Messenger.		
D. Courtney.....	do ..	do		
S. Greenfield.....	Packer.....	In charge of store room.		
<i>Persons employed Temporarily.</i>				
B. M. Munro, Miss.....	Tp. Clerk.	Assists Mr. Brown—enter; letter carriers delivery returns.	Not absent	
L. Merrick, Miss.....	do ..	Enumeration returns.	do	
D. Courtney.....	Tp. Mess.	Messenger.		
T. Chandler.....	do ..	do		
<i>Stamp Branch.</i>				
J. Plunkett.....	1st Class..	Superintending all the work of the Stamp Branch.	12th to 13th on leave	

MONTHLY RETURN of the Conduct and Service of the Clerks and other persons employed in the Secretary's Office Branch of the Post Office Department during the month of October, 1891.

Name.	Rank or Class.	In what Duty Employed during the Month.	Whether absent from duty during the Month, and if so, for how long, and for what cause.	Statement by the Secretary whether conduct has been good or otherwise—if there has been misconduct in any case, the nature of it is to be fully stated for the information of the Postmaster General.
<i>Stamp Branch—Continued.</i>				
H. G. Dunlevie.....	2nd Class.	Assists in general work	Not absent	
C. J. Higgins.....	do	Stamp licenses.....	do	
E. Daubney.....	do	Compilation of stamps issued and ordinary correspondence.	13th on leave	
E. A. D. Jones.....	3rd Class.	Miscellaneous	1st to 14th on leave..	
D. A. C. McDonald..	do	Keeping register of stamps issued (3rd and 4th Div.)	Not absent	
E. L. Taylor.....	do	Keeping register of stamps issued (5th and 6th Div.)	26th to 31st on leave.	
W. Alford.....	do	Keeping register of stamps issued (1st Div.)	Not absent	
G. H. Parish.....	do	Keeping register of stamps issued (2nd Div.)	do	
P. D. Bentley.....	do	Keeping register of stamps issued (7th Div.)	do	
M. J. Flinn.....	do	Keeping register of stamps issued (3rd to 4th Div.)	16th to 24th ill	
T. A. Caffaratti.....	Packer.	Packing.....		
J. Bradley.....	do	do		
W. H. Pearce.....	do	do		
<i>Persons employed Temporarily.</i>				
G. T. Sagala.....	Tp. Packer.	Packing.....		Conduct of the whole staff good.

W. D. LESUEUR, *Secretary.*

Date of Return Post Office Department, 3rd November, 1891.

EXHIBIT No. 9.

SAVINGS BANK BRANCH, 4th November, 1891.

Memo. for the Postmaster General.

In submitting the conduct return of the savings bank branch for the month of October, the undersigned respectfully desires to state, that the continued reduction of the business of the bank makes it necessary for him to suggest that a corresponding reduction in the staff be made. Two years ago the numerical strength of the office was 40, now it is 43, notwithstanding a general decrease in its business of over 7 per cent.

In October, 1889, the fractional rate— $3\frac{1}{2}$ instead of 4—of interest was introduced, and in view of the then office accommodations and the extra labour which that change would necessarily involve, three additional junior clerks were brought in, practically making the staff up to its present number. Since that date, however, two changes have taken place within the office itself, causing a decrease of work—one the transfer of the issuing of Savings Bank forms to postmasters to the printing and supply branch of the department, the other, the plan—suggested by the Auditor General and adopted by the Treasury Board—of making all repayments to depositors by cheques on the Bank of Montreal. The latter had the effect of removing the work connected with the treatment of paid cheques from the Savings Bank to the Bank of Montreal and the Audit Office.

There seem to be no indications of any immediate increase in the business of the bank, such as would justify any longer the retention of so many clerks on the staff, and I have therefore to request that the following gentlemen who were transferred to this office be returned to the respective branches from which they originally came, or placed in other divisions of the service, where they can be profitably employed—Mr. Albert E. Heming, Mr. P. Kiernan, and Mr. A. F. Devine.

D. MATHESON,
Superintendent.

EXHIBIT No 10.

DUTY LIST.

PRINTING AND SUPPLY BRANCH,
POST OFFICE DEPARTMENT.

Accompanying monthly conduct return, September, 1891.

J. O. Fortier, 1st class clerk.—Prepares requisitions to Printing Bureau and Stationery Offices for printing, stationery and publications, and in charge of records of the same. Assumes supervision of the branch in superintendent's absence.

W. D. O'Brien, 2nd class clerk.—Proof-reading, keeps stock ledgers of money order and savings bank stores, and prepares requisitions for the same.

J. R. Greenfield, 2nd class clerk.—Supervises division of letter carriers' uniforms, mail bags, scales and weights, &c., does correspondence and checks accounts relating thereto.

H. H. Gray, 2nd class clerk.—Temporarily employed in the Postmaster-General's office.

R. Greenfield, 3rd class clerk.—Supervises general distribution room, and issue of stores to outside service generally, correspondence, &c., connected therewith.

D. H. Goulden, 3rd class clerk.—Keeps daily register of issues to provinces, and assists in proof-reading.

W. Ferguson, 3rd class clerk.—Keeps stock register of departmental, post office inspectors', and postmaster's stores—supervises issue of departmental stores.

J. Briggs, 3rd class clerk.—Corresponding clerk, shorthand, typewriter—checks all accounts for printing, stationery and publications.

M. J. Mahon, 3rd class clerk.—Issues savings bank stores and equipments for new non-accounting offices—charge of general distribution room in absence of R. Greenfield.

- W. Cooch, packer.—Duties of messenger—attends to telephone calls from Printing Bureau and Stationery Office.
- M. Galvin, packer.—Issues stores to country offices in New Brunswick, Nova Scotia, Prince Edward Island and British Columbia.
- T. Hartnedy, packer.—Duty of packing stores generally.
- G. Elbourne, packer.—Issues money orders stores and equipments to Accounting Offices.
- J. Barrett, packer.—Issues stores for offices in Ontario, and checks addressed envelopes for departmental orders, circulars, &c.
- J. H. Elliott, packer.—Receives, checks, examines and issues new and repaired mail bags for post office inspectors and postmasters.
- J. B. Laurie, packer.—Addresses envelopes for departmental orders, circulars, &c., and engaged in duty of packing stores generally.
- T. Bell, packer.—Addresses envelopes for departmental orders, circulars, &c., and engaged in duty of packing stores generally.
- W. H. Cheney, packer.—Receives and checks all stores from Printing Bureau and Stationery Office, and issues receipts therefor—also money order books from Burland Lithographing Co., Montreal.
- P. Kehoe, packer.—Issues stores to post office inspectors, city postmasters, and banks—sends out receipts therefor.
- J. H. Lewis, packer.—Assists J. R. Greenfield in connection with carriers' uniforms, mail bags, scales and weights, etc., keeps stock books and record of issues to inspectors and postmasters—assumes charge in J. R. Greenfield's absence.
- J. L. Spence, packer.—Keeps daily and monthly register of books of issues, and issues date stamping type to country post offices.
- Jos. Marier, packer.—Issues stores to country post offices in Quebec and a portion of Ontario.
- T. J. Nolan, temporary packer.—Checks receipts for mail bags for repair, and packs supplies and carriers' uniforms.
- W. H. Pearce, packer.—Examines money order books received, and engaged in packing stores.
- L. Durocher, temporary packer.—Keeps daily register of stores and mails going to Ottawa post office, and files away requisition when completed.
- E. T. Edwards, packer.—Packs stores for post office inspectors and city postmasters.
- P. Grant, temporary packer.—Assists in receipts of, and in checking, examining and issuing mail bags.
- W. Watson, temporary packer.—Assists in messenger's duties and delivering departmental stores, keeps a record of articles of printing and stationery issued.
- N. Taylor, temporary.—Engaged in packing stores generally.
- E. H. Morse, temporary packer.—Packing and assisting generally,
- M. Conway, temporary packer.—Engaged in checking returns of receipts for carriers' uniforms, mail bags, scales and weights, &c., and in packing supplies. Transferred from Dead Letter Branch, 5th October, 1891.
- N. Mitchell, temporary 3rd class clerk.—Writing out and booking receipts for stores issued to accounting offices, and checking off return of receipts for same.
- SIDNEY SMITH,
Superintendent.
- 12th October, 1891.

EXHIBIT No. 11.

A.

NUMBER AND COST of Permanent Staff for year ending 30th June, 1891. *Vide*
Estimates.

Total number of permanent employees.....	204
Total cost do do	\$191,210 00

TOTAL COST of Extra Service—Temporary Employees.

For year ending 30th June, 1891, about.....	\$16,000 00
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B.

PRESENT Staff of the Inside Service of the Post Office Department on the 30th
December, 1891.

PERMANENTLY EMPLOYED.

	Deputy Head.	Chief Clerks.	1st Class Clerks.	2nd Class Clerks.	3rd Class Clerks.	Mess- engers.	Pack- ers.	Total.
Deputy Head.....	1							1
Secretary's Branch.....		1	5	9	19	3	3	40
Accountant's Branch (Revenue.....)		1	2	15	18	1		37
(Expenditure.....)				2	7			9
Money Order Branch.....		1	1	1	24		2	29
Savings Bank Branch.....		1	1	7	24	1	1	35
Printing and Supply Branch.....		1	1	3	5	1	14	25
Dead Letter Branch.....		1	1	1	19			22
Mail Contract Branch.....		1		2	3			6
Totals.....	1	7	11	40	119	6	20	204

TEMPORARILY EMPLOYED.

	Clerks.	Copy- ists.	Messen- gers.	Packers	Total.
Secretary's Branch.....	1	1	2	1	5
Accountant's Branch (Revenue.....)	4		1		5
(Expenditure.....)	2				2
Money Order Branch.....	4	2	1		7
Savings Bank Branch.....	2	3			5
Printing and Supply Branch.....	1		1	7	9
Dead Letter Branch.....	4	3	1		8
Mail Contract Branch.....	2				2
Totals.....	20	9	6	9	44

RECAPITULATION.

	Perman- ently Employed.	Temporarily Employed.	Total.
Deputy Head.....	1		1
Secretary's Branch.....	40	5	45
Accountant's Branch (Revenue.....)	37	5	42
(Expenditure.....)	9	2	11
Money Order Branch.....	29	7	36
Savings Bank Branch.....	35	6	41
Printing and Supply Branch.....	25	9	34
Dead Letter Branch.....	22	8	30
Mail Contract Branch.....	6	2	8
Totals.....	204	44	248

C.

POST OFFICE DEPARTMENT, CANADA,
OTTAWA, 4th January, 1892.

Inside Service.

Number and cost of permanent staff for year ending 30th June, 1882.

Total number of permanent employees	112
Total cost (vide Auditor General's report, 1882).....	\$104,647 02
Total cost of extra services.—Temporary employes for 1882.	10,620 20

Mr. JAMES JOHNSON, Commissioner of Customs, was examined.

I have been Commissioner of Customs since 1st January, 1875. I have been connected with the Customs Department of Canada since 1867, and before Confederation, was accountant of construction of the European and North American Railway built by the Government in the Province of New Brunswick where I was afterwards chief clerk in the Audit Office and Auditor General of New Brunswick.

I have taken communication of the questions sent out by the Commission and have prepared answers to the same.

2288. Give the number and cost of the permanent staff at Ottawa, of the department of which you are deputy, in 1882, and 1891, respectively. Also number and cost of extra clerks or other officials in all its branches, whether paid out of Civil Government funds or otherwise, in 1882, and also in 1891?—In answer to this question I submit the following statements:

CUSTOMS DEPARTMENT.

Permanent Staff.

Number.	Fiscal Year.	Salaries.
28	1881-82	\$31,856 97
31	1890-91	36,169 71

Extra clerks.

None	1881-82 .....	.....
2	1890-91	\$429 00

Extra Messengers.

None	1881-82 .....	.....
1	1890-91	\$184 00

These extras were only employed for short periods.

STATEMENT of persons employed in the department and paid from outside appropriations.

Number.	Fiscal Year.	Salaries.
3	1881-82	\$3,600 00
4	1890-91	3,974 13

This amount includes salary of \$800 paid to Commissioner as chairman of Board of Customs, and \$400 to Assistant Commissioner as comptroller of Chinese Immigration.

2289. How should the Board of Civil Service Examiners be constituted, and what should be their powers?—I could suggest no better constitution for a Board of Civil Service Examiners than that now in force, unless the whole system of appointments should be changed, and under the several following questions I will endeavour to indicate such changes as in my judgment, are desirable, and owing to my strong impression on this subject, I cannot help trenching upon ground which may lay me open to the charge of presumption, and if so, the Royal Commission can, of course, rule my suggestions out of

order. With the greatest respect for the members of the House of Commons, I cannot but say that the recognition of the right of patronage claimed and exercised by them is detrimental in a high degree to the efficiency of the Civil Service, and constitutes the basis of a very large portion of the difficulties experienced by the Government in the appointing and governing of the same. I may say here that many members of Parliament to whom I have expressed these views, have generally coincided therein, and in some instances they have expressed a strong desire that they might be relieved of its exercise, which they felt to be a burden rather than a privilege. If this change could be effected I would suggest that the Board be discontinued and that another plan be adopted.

2290. Should all appointments be the result of competitive examinations? What, if any, appointments should be made without examination? Should there be an age limit in the case of all appointments; and state what, in your opinion, the maximum and minimum ages should be?—I do not think competitive examinations practicable, but I think no appointments should be made without examination. Such examination, however, should be required only at the time when an appointment is necessary, and in such cases the department in which the vacancy occurs, should call upon some competent person, an official thereof if possible, whose location is as near as possible to the residence of the applicant, and the subjects for such examination should be furnished by the Minister or Chief Officer of the department, the answers to be given in a similar way to that required by the present board to be always in writing and submitted to the Minister or chief officer for valuation. There certainly should be "an age limit in the case of all appointments," and I think the present limit is not open to serious objection.

2291. Should deputies be appointed during pleasure or during good behaviour? Should their responsibilities and powers be extended, and if so, in what direction?—I think deputies should be appointed during good behaviour, and their powers and responsibilities should be clearly defined. I do not say *extended*, because at present it is not possible to understand what their responsibilities or powers are, except to a very limited extent, and differing in different departments. In several departments, as for instance in the Customs, the deputy holds two official positions. He is first named "Commissioner of Customs" and as such there are certain duties assigned to him by the Customs Act; but as deputy there is no other definition than that he "is to perform such duties as may be assigned him by the Minister or the Governor in Council," and deputies generally are under the latter rule. I think perhaps the term "deputy" is not altogether the best title that could be applied to a permanent officer at the head of a department; but, if retained, and whether retained or not, such officer should be vested with well defined powers and responsibilities, for the right exercise of which he should be, as now, accountable directly to the Minister of his department.

2292. Should there be any third class clerks at all? If so, what should be their limitation as to salary? Is the present maximum—\$1,000—too high? Should there be an intermediate class, ranking lower than second and higher than a third?—The classification of clerks as third, second, and first class, is, in my opinion, a very faulty arrangement, and coupled with the limitation as to salary and the annual increment of \$50, has the effect of causing the anomaly of several men performing the same duties at very different salaries. It is not uncommon to find a third class clerk with \$500 salary doing the same work, and often quite as efficiently that a first class clerk is doing at more than double his pay. There are many other evils inseparable from the system. I am of opinion that there should be a minimum and maximum salary for all clerks, and authority giving the appointing power to apportion the amount according to the nature of the duties and the capacity and character of the appointee, &c.

2293. In adding for optional subjects, should there not be some understanding that the optional subjects were necessary in the duties of the office to which the appointment is made?—I think not. We have some who have passed optional subjects in our department, but they have not been appointed on that ground.

2294. Is it desirable to have an annual fixed date at which all increases of salary should take effect?—It would be very much more convenient.

2295. And a proper adjustment made at the beginning, of the amount coming to any one?—Certainly.

2296. How and by whom is the selection made from the list of qualified candidates in your department?—By the Minister.

2297. Did you ever report against an official during the term of probation, and was another trial allowed, as provided in section 36, subsection 2?—No.

2298. What is the practice in your department in regard to the appointment of persons having professional or technical qualifications, and have you ever had an examination held in any such case?—No.

2299. Is it desirable to have promotion examinations, or if not, what would you recommend to be substituted?—I think it is desirable to have the examinations for promotion, but I could not say very well in what form it would be best.

2300. Have promotions in your department been made only when vacancies were to be filled, or has it happened that an officer has, while continuing in effect to perform the same duties, been promoted to a higher class?—That is the effect of the system; they remain performing the same duties, there is no such thing as change of duty, in such promotions.

2301. Do you change their class?—Yes, they are promoted from the third to the second class, on the ground of length of service.

2302. Have you a theoretical organization to see how many chief clerks and how many of the first and second class you should have?—Yes, the theoretical organization has never been exceeded; but men have been promoted who have remained at the same duties as they were performing previously, except in the case of chief clerk. We have had no promotions to chief clerkship for a good many years.

2303. Men, when they get to the top of one class, go into another?—Yes, and they had no higher duties to perform afterwards. We have third class clerks at \$500 salary, and sometimes less, performing precisely the same duties as they will perform under our system when they get up to \$1,200 in the second class.

2304. Is it desirable to make to the Civil Service Board a yearly estimate of the vacancies likely to occur during the year?—I do not think it is worth while to continue that section. It is impracticable to act upon, as vacancies generally cannot be foreseen.

2305. If promotion examinations are deemed desirable, should the officer earning the higher number of marks be the successful candidate, or should the promotions be made on the report of the head of the department, based on the recommendation of the deputy head?—Such examinations are useful and desirable, and should be acted upon as indicated in the question.

2306. Should not promotions be made by Order in Council?—Yes.

2306½. Did the head of the department ever reject any man who has been promoted?—I do not think so.

2307. Has any officer in your department after being promoted turned out to be incapable, and was the attention of the head of the department called to the case, and was such promotion cancelled?—I think not.

2308. Have you at any time by your certificate in the promotion examinations, enabled a candidate to pass whom you deemed unfit?—No.

2309. Did you ever, in respect to the efficiency marks, give a less per centage than 30 per cent in the case of any candidate in your department seeking promotion?—Yes, in several cases.

2310. Should not exchanges of positions be made on the report of deputy heads, of the departments concerned?—Yes.

2311. Are exchanges ever made for the convenience of officers and not for the benefit of the departments concerned?—I think not. I cannot positively say whether such a case has happened.

2312. Should the temporary clerk or writer class be extended, or limited or abolished?—I have been unable to form any opinion about that. My impression is that it should not be abolished. There are circumstances under which it is very convenient, but it is so hampered now with the rules about selecting from the list of examined candidates, and one thing and another, that we have great difficulty of availing ourselves of it. I think the employment of temporary clerks should be left open to the Minister of the department upon which to exercise his judgment on report of the deputy.

2313. Have you given any thought as to the desirability of having a junior division or boy copyist class?—I do not think it would be useful. I would not favour that in our department.

2314. Do you recommend the creation of such a class?—No.

2315. State generally your views as to the expediency of having a high grade permanent staff and lower grade writer and boy copyist classes?—I can only speak for the Department of Customs in which there is no room for the employment of "a boy copyist class". All employees therein should be high grade and permanent.

2316. Under the present system, under what manner do you ascertain the necessity of employment of extra clerks?—The employment of extra clerks in the Customs department is a very rare occurrence, and the deputy ascertains the necessity for the employment of such clerks by the report of the chief clerk in the branch concerned.

2317. Do you invariably select from the list of passed candidates; if not, are enquiries made as to the fitness of persons who are on such lists?—I know of only one case in which an extra clerk was selected outside the list of passed candidates, and in that case a superior man was required and could not be found available without too much delay, the case was provided for by an Order in Council, and a special grant was placed in the estimates for his pay.

2318. Have you any women clerks employed in your department? Are they generally efficient, and are there any branches in your department in which women clerks could be exclusively employed. There are four women clerks in the Customs Department, and they are among the most efficient and faithful of the staff. The laboratory, or sugar and wine testing room, is a branch in which women could be exclusively employed, it only requires two at present.

2319. Should there be a general provision for equal leave of absence, or should not length of service, nature of appointment and responsibility of office be factors in considering the extent of leave to be given?—Leave of absence should be as it is now by law, but with power vested in the Minister or Governor in Council to extend and add conditions in special cases.

2320. Should not leave of absence be compulsory?—Compulsory leave should only be necessary where it is required to check the work of the clerks for discovery of fraud. I do not think it is required in this department.

2321. Should there be a limit, and if so, what in the case of leave on account of sickness?—A limit might be useful but should be under very guarded conditions.

2322. Has the business of your department suffered, and to what extent, through the granting of leave of absence to officers on account of sickness or otherwise?—I could not very well answer the question, as special leave of absence has been generally granted by the Minister for causes unknown to the deputy and any inconvenience in the department may be compensated by other services.

2323. Should there be a system of fines for small offences?—Fines for small offences might be useful in many cases if enforced. The trouble with all penal systems in the working of our departments is the enforcing of them, and if enforced for a time such enforcement will often have to be abandoned. I have spoken pretty strongly on this subject to members of the House of Commons having the patronage, and I find in connection with our staff, as well as in many other things, it becomes impossible to carry out the rules and regulations in many cases.

2324. Is it advisable to reinstate an official who has resigned his appointment without the recommendation of the deputy head?—I think not.

2325. Should any test of competency to perform the required duties be shown, and is it necessary to appoint at the same salary?—I think the deputy would know in such a case whether the party was competent, and the salary should be fixed *de novo*.

2326. Do you strictly observe the law regarding the attendance book? Do all your officers sign the book? How do you deal with those who are late in attendance?—Recently I have commenced to require a very strict observance of the law regarding the attendance book, and it is now more correctly kept than formerly. Those late in attendance are noted in the margin and require to account for laxity. Such cases are generally justifiable.

2327. Have you any suggestion to offer as to the Civil Service Act in general, or as to your own department in particular in connection therewith?—Many of my suggestions in answer to other questions would require changes in the Act if adopted.

2328. Have any difficulties arisen in the conduct of the business of your department arising out of the provisions of the Civil Service Act?—Difficulties have arisen but none of a serious nature coming under the notice of the deputy. The administration of the Act is not in the hands of the deputy to any great extent.

2329. Have any changes in the character and extent of the services required in your department, occurred since the passage of the Civil Service Act, and as a consequence have the duties in your department, or any branch or any office of your department, been varied?—I do not think the Act and the changes therein have been attended with any of the consequences named to any appreciable extent.

2330. Have any persons found their way into the service of your department who, either from defects existing at the time of their appointment, or from advanced age, or from bad habits, are ineligible for retention in the service?—None from advanced age that I know of. There have always been a number, more or less, who acquired the bad habit of excess in the use of spirituous liquors, but it is hard to say that they "are ineligible for retention in the service," as there is always the hope of reform. There is a great and favourable change in this respect since the date of Confederation.

2331. Are the number of persons employed in your department out of proportion to the increase of work?—Not too many.

2332. Has the work of your department increased beyond the capacity of the permanent staff, and if so has it led to the employment for lengthened periods of temporary clerks and has the rate of remuneration of these temporary clerks been increased from time to time?—No. I say no, but I suppose that ought to be modified to some extent, because the staff of the department should be increased in order to make it more efficient.

2333. You think you should have a stronger staff than at present?—A stronger staff and more work done, and we should have a more thorough audit of the customs receipts and the working of the force. For instance, we now get only one copy of every entry made at the ports and an examination of these takes place, or is supposed to take place. But in order to make the examination thorough we should have all the invoices, we should have the ship's manifest and we should have a sufficient staff to thoroughly examine the whole from the inception of the transaction to its close.

2334. You do not think your staff is sufficient thoroughly to inspect the receipts from revenue?—No.

2335. Or compile the statistics?—We could not compile the statistics any further than we do now. The compilation now is merely an aggregation of the statements furnished by the port. In case of the extension I speak of, the whole aggregation would be made in the department from the original documents, and not from statements furnished that are made up at the ports. But it is a very serious question, and one that has often been debated, whether that should be carried out. If we carried it out we would be required to treble our present staff in Ottawa, but it would leave room for a large decrease in the respective ports.

2336. In fact the work of compilation is done at Montreal and those other ports instead of in the department?—Yes, I do not think that ultimately it would involve an increase of expenditure.

2337. But it would give you a great deal better grasp and control of the work?—Yes.

2338. Is it desirable for officials to sign the attendance book when leaving the department for any purpose?—I attach little importance to the attendance book for the Customs Department and do not think requiring the clerks to sign it on leaving, could be carried out efficiently. It may have a better effect in some other departments.

2339. In your department are the office hours, 9.30 a.m. to 4 p.m. sufficiently long, or could they be extended in your department with advantage.—I am strongly of the opinion that the office hours from 9.30 a.m. to 4 p.m., are sufficiently long. In this

department most of the clerks cheerfully work after hours when necessary and without extra pay.

2340. Have any abuses prevailed in your department as to the length of the working hours?—I do not know of any abuse prevailing as to the length of working hours.

2341. Is it desirable that the officials should leave the department for luncheon?—No, but every effort to prevent it heretofore has failed, because of so many exceptions being allowed, and such exceptions are inevitable. I may say that on two or three different occasions I endeavoured to enforce the rule and for a few days kept the men in steadily. And then some one who is high up in the department would come in and say "It is impossible for me to refrain going home to luncheon. The doctor says it is absolutely necessary for my health." He brings in a medical certificate to that effect and I say "Well, I have no authority in the matter; I cannot give you leave." Notwithstanding which, by representations to the Minister he gets leave, and in a few days afterwards one half the staff are on the sick list, after producing similar medical certificates that it is absolutely necessary for them to go home for lunch. If one higher in office, if a chief clerk, for instance, is permitted on that account to break the rules it is hardly possible to deny the privilege to a junior clerk. That has been my experience from beginning to end.

2342. Do all your officers leave for luncheon at the same time; if that is the practice is an arrangement made whereby the business of the department does not suffer through their absence? What length of time is given for luncheon?—The clerks and officers of my department do not leave for luncheon at the same time, and the business of the department does not suffer through their absence. It is an unwritten rule that the time spent shall not exceed one hour.

2343. Do you take care to ascertain that the length of service recorded in the Civil Service list is correct in the case of the officials attached to your department, and that in a case of those officials who come under the provisions of the Superannuation Act such service is only entered as would be counted for superannuation?—The date of entry into the service and all changes or discontinuances of service in every case is carefully recorded in the establishment book, and services entitling the employee to superannuation are taken from the record.

2344. In your department are the officials generally aware of the Treasury Board Minute of the 28th of January, 1879, respecting the use of political influence; is its spirit generally observed; and in case of infraction, has the attention of the head of the department been called thereto?—The officials in the department are aware of the Treasury Board Minute of the 28th of January, 1879, respecting the use of political influence, but such influence if used, comes first under the notice of the head of the department, so that he is never ignorant of it. I cannot see how the violation of the order can be prevented, so long as the patronage remains with members of Parliament.

2345. Is it desirable that a fixed daily allowance should be given for travelling expenses, or would it, in your opinion, be preferable to reimburse the actual outlay incurred?—I think a fixed daily allowance for travelling expenses would be the most economical, provided it could be so guarded as to prevent charges for time not necessary to the public business, but the facilities for excessive charges are about equal under every system.

2346. Do you make in your department the same allowance for travelling expenses to all classes of officials and for all services, or do you discriminate and to what extent?—The same allowances are made in this department for all classes of officials, viz.:—\$3.50 per diem and actual moving expenses.

2347. In your opinion is a Superannuation Act necessary in the interest of the public service?—If you deem it necessary, do you consider it advisable to restrict the operations to certain classes of officials having distinctive duties or otherwise? What changes, if any, would you propose as regards the officials of your department?—I think the Superannuation Act or an Act equivalent thereto, is necessary in the interest of the public service. And I do not think it advisable to restrict its operations beyond those now in force, with exceptions which will appear in answers to other questions.

2348. Do you consider the ten years sufficient, or would you increase the number of years to be served, before an annuity be granted?—As to the ten year term I have no very definite opinion, but incline to raising it to fifteen.

2349. Do you consider as a rule the age of sixty years a proper age for retirement? I think sixty years the most proper term, or least objectionable.

2350. Would you deem it advisable to have all officials retired at a certain age, and what would be your view as to that age?—I do not think compulsory retirement should be a rule at any age. Men are often more efficient after sixty years than they were at an earlier age.

2351. Would you grant the option of retirement to any official who wishes to retire from the service, and at what age should this option be fixed?—I would give the option of retirement to any official at the age of sixty provided he had served efficiently for thirty-five years.

2352. Should any term, in your opinion, be added to the actual term of service of any official to be superannuated, however he may have been appointed? If a term be added do you consider it advisable to regulate such additions by confining it to certain officers designated, and by requiring a certain length of service before such addition can be made? I think the addition of ten years to the actual term of service should be confined to persons entering the service at the age of thirty-five years or over, and who have paid the superannuation tax for ten years or over. Others might be left to the discretionary option of the Governor General in Council.

2353. In your department has the additional term or portion of additional term been granted solely to officials appointed to high offices for technical qualifications, to officials whose office has either been abolished or who have been retired for reasons of economy; or has the additional term been granted in any case to officials who entered the service after the age of thirty years, and who never did anything but clerical work? The practice in this department has been different at different periods as to the addition of ten years, the tendency being to restrict its application more and more, but I cannot say that it has always been confined solely to officials appointed to high offices for technical qualifications. I think there have been a few cases, long since, in which the addition has been allowed to persons who never did any thing but clerical work.

2354. Do you consider it proper that abatement for superannuation purposes be deducted from the salaries? If so, do you consider the present percentage sufficient, or do you consider that it would be desirable in the interest of the public service to increase the percentage in order to provide (a) that, if no superannuation takes place through death or any other cause, the official, or his representatives, should be reimbursed for the abatements deducted from the salary; or (b) that the officials who are superannuated might have the alternative of accepting a commutation in lieu of superannuation to the extent of the abatements paid by them?—I think that abatement for superannuation purposes should be deducted from the salaries as at present. I consider the present percentage sufficient, and I do not think the amount paid should be reimbursed under any circumstances. I think an equitable system of commutation in lieu of superannuation would be useful and economical when desired by the retiring officer.

2355. Would it be desirable to have a system of insurance in connection with superannuation?—It is my opinion that a system of life insurance could be beneficially adopted which would be in the interest of the public service, and also of the officials of the Government. Such a system might be based upon the table of the actuaries of life insurance companies, and at half rates, in view of the fact that the whole work could be performed within the Civil Service without materially increasing the expenditure. The insurance should be compulsory upon all persons entering the service after the passing of the Act, and those then in the service might have the option of transferring their claims upon the Superannuation Act to the new system, upon equitable terms. The latter Act would thus expire in course of time. I also think the officials might have the option of insuring members of their respective families under proper conditions. Such an Act might be constructed as to promote the efficiency and correct moral conduct of the staff.

2356. In case of dismissal or resignation, in your opinion should the abatement deducted from salaries for superannuation purposes be refunded? -No.

2357. In your department has it ever been recommended that a diminution of the allowance should be made on account of the service of an official having been considered unsatisfactory? -Yes.

2358. Do you deem it advisable to allow any extra term of service to any officer removed to promote efficiency or economy, or for any reason at all? -I think the Governor General in Council should be allowed discretion in such cases.

2359. When once a superannuation is effected, do you consider it desirable to retain the power to call back to the service the person superannuated, and at what age would you place the limit? -I am of opinion that the present rule is sufficient for all practical purposes.

2360. Is your department divided into branches; give particulars, including the name of the person in charge of each branch, the number of officials in the same, grading them, and describing generally how the duties are allotted in each branch? What is the method employed in your department for the collection and deposit of public money? -I produce the following statement in answer to this question.

Statement of Employees of the Customs Department.

J. Johnson, Commissioner of Customs.

W. G. Parmelee, Assistant Commissioner of Customs.

E. L. Sanders, Private Secretary.

Miss J. B. Christie, Secretary to Assistant Commissioner.

Correspondence Branch.

This branch is under the direction of the Commissioner of Customs, and consists of two clerks, Messrs. T. A. D. Bliss and A. Morin, whose duties are to record all correspondence. This branch has always had three clerks, but one of them resigned in the month of December last, and his place has not yet been filled.

Statistical Branch.

Chief Clerk—James Barry, who has under him eight clerks: Messrs. G. V. Ince, F. Bennett, C. E. McKeil, James Campbell, J. Ackers, S. Dunlevie, W. H. Grafton and S. L. T. Frost, who are charged with the examination, aggregating and recording of all returns referring to the shipping trade, and the imports and exports of the Dominion, and to prepare all tables for publication in the annual report of trade and navigation.

Accountant's Branch.

T. J. Watters, accountant. This branch is under the direction of Mr. Watters, and under him are the following clerks: Messrs. A. C. Bleakney, R. R. Farrow, T. J. Code and Miss A. Frazer, whose duties are as follows: A. C. Bleakney, charge of revenue accounts. Messrs. Farrow and Code are the clerks in charge of the expenditure books of the department, and Miss Frazer is in charge of the correspondence of the accountant, and is a typewriter.

Board of Customs.

This branch is under direction of the Commissioner of Customs, as chairman of the Board. Mr. G. W. Jessop is assistant dominion appraiser, and attached to it are the following clerks: Messrs. J. R. K. Bristol, appraiser's clerk; W. C. Baker, W. Russell, G. S. Robertson, J. Courtney and A. Lacert, whose duties are to check all entries received from the ports and report any errors found therein. The duties of the assistant dominion appraiser are to attend to all correspondence relative to tariff matters: to supervise the work of the check clerks and to examine all invoices submitted as to values and such other work as is necessary to secure uniformity in the operation of the tariff.

Mr. Bristol is correspondence clerk of the Board. The duties of the remaining members of the branch are to check all entries as above and to see that the proper rate of

duty is levied; that the reduction to currency of foreign coins is correctly made, and that the calculations and additions are correct. They have also to verify all claims for refund or drawback of custom duties by the entries, and perform such other duties as the Customs and Tariff Act require.

Supply Branch.

Clerk of Supplies.—E. W. Fawcett, whose duties are to attend to printing and supplies, and to superintend the forwarding of supplies to the various ports throughout the Dominion. W. H. Carleton, packer, and assistant to Mr. Fawcett.

Sugar Laboratory.

In this branch there are three employees: Misses L. Christie, E. Belford, and D. Parlow, whose duties are to test all samples of sugar, liquors, molasses, vinegar, etc., forwarded to the department.

This Branch is under the direction of the Assistant Commissioner of Customs.

Messengers.—John Carleton, W. D. Bales.

All public money collected by this department is accounted for by deposit in some accredited chartered bank for credit of the Receiver General of Canada. The bank accredits the duplicate receipts, one for the depositor, one for the Receiver General and one for the department. Collectors of customs in large ports are required to make their deposits every day, and in the small ports as frequently as possible, but they are not allowed to keep on hand for one day any sum of \$50 or upwards.

2361. What system of purchase is adopted in your department?—The articles required by the customs are chiefly books and stationery, which are invariably procured by requisition from the Stationery Department. The only other expenditures are postage, express and telegraph, and petty expenses such as towels, soap, etc., for use of the clerks. The first three are paid by cheque when accounts are rendered monthly by the respective departments or company. The latter is provided and paid for by the chief messenger, to do which he receives a small accountable advance on the first of each month.

2362. What is the system followed in the issue and receipt of stores?—Stores are received and issued by the stationery clerk who keeps a book or books, in which the whole is carefully accounted for in detail.

2363. How are contracts generally awarded in your department?—This department makes no contracts.

2364. In addition to his salary is any official in your department in receipt of any additional allowance or perquisite, and if so, please state particulars?—The only official in this department who is in receipt of additional allowance or perquisite is Mr. Thomas J. Watters, the accountant, who has been allowed to act as a seizing officer and receives the usual share of the net proceeds of such seizures as he may be instrumental in making or having made.

2365. Is it possible, in your opinion, to reduce the expenditure on account of the services under the control of your department without impairing their efficiency, and if so, state in what way?—I do not think it possible to reduce the expenditure of this department without impairing the efficiency of the staff. The Honourable the Minister is rigidly pursued the most economical practice possible.

2366. In your department have any abuses prevailed in connection with the supervision of payments?—I find it difficult to answer that question. It is hard to expect one officer to supervise all the details of the very numerous payments made monthly by this department, yet the law makes the deputy auditor and so accountable for their accuracy. The utmost a deputy can do in the matter is to investigate such cases as may be brought to his notice, and I have no knowledge of any abuses having actually occurred.

2367. Have you any suggestions to make with a view to possible amendment to the Audit Act?—Should the views before given be accepted in whole or in part, I think it would involve some necessary changes in the Audit Act, but on the whole I regard that Act as one of the best relating to the government of the service.

2368. Is it desirable that inspectors, collectors and preventive officers should be exempt from examinations?—Inspectors are invariably chosen from the Customs staff, and from their usual long experience in customs work and procedure, should be fully efficient and need not undergo further examination. The office of collector, I think, should be classed as one of the great prizes open to deserving officers long in the service, and if the promotion examination is continued, it might be desirable that such officer be required to pass the same.

2369. Are not appraisers always appointed for special qualifications?—Appraisers are nearly always appointed for special qualifications.

2370. Would you add any other case to the exempted list?—I would not recommend any change in the exempted list of those required to be examined, but would here repeat my former remarks on the subject of examinations generally.

2371. What are the rules and practices of your department with respect to the distribution of fines and forfeitures? What officers share in such distribution, and to what extent? Do you think any modification of the present rule and practice desirable, and if so, what?—I have the honour to file herewith a copy of the regulations for the disposal and distribution of seizures, as follows:—

Regulations respecting Seizures.

For the disposal and distribution of the proceeds and penalties, forfeitures and seizures, approved by an order of His Excellency the Governor General in Council, bearing date 4th June, 1876, under authority of the Customs Law.

The net proceeds of the sales of all seizures and forfeitures, and the whole amount of all fines or penalties shall, immediately after being realised, be paid over, in the same manner as all other revenues to the Honourable the Receiver General, and the duplicate bank receipts, triplicate receipts and drafts, with account sales and vouchers for expenses, sent by first mail to the Customs Department, the same to form part of the Consolidated Revenue of Canada.

A separate and distinct account shall be kept in the books of the Department of Customs of all moneys received on account of the above, and each collector of customs shall make a quarterly return showing the names of all officers entitled to participate in the proceeds of each seizure made at his post, with the nature of the service rendered by each in connection therewith, and stating whether the seizure was made by information from a party or parties, not connected with the customs or otherwise; when, if there be no legal difficulty, a cheque will be forwarded to such collector for the amount necessary to pay the proportion allotted to each officer or officers, and also to the informer, if any, according to the following scale, namely:—

In case of seizure of goods or chattels which have been condemned and sold according to law, an allowance of not more than one-third of the net proceeds of each shall be awarded to the seizing officer, and not more than one-third to the informer, if any. In cases of seizure made without information, and which have resulted from special vigilance on the part of an officer, the informer's share, or a proportion thereof, may be awarded to such officer at the discretion of the Minister of Customs.

When seizures of goods or chattels have been made and released by order of the Minister of Customs on the condition of the payment of a fine or penalty, where such a fine or penalty is of the amount of \$100 or over, it may be considered as the net proceeds of the seizure, and dealt with in the same manner as if the goods had been condemned and sold.

When the fine or penalty is under \$100, the Minister of Customs may, at his discretion, award the whole or any portion thereof, to the officers and informer, if any, as a reward for vigilance.

In respect of fines or penalties recovered for violation of the revenue law, in cases where there has been no seizure of goods or chattels, the Minister may, in his discretion, award such portion thereof to the officers concerned and informer, if any, as may appear to be equitable and judicious under the circumstances of each case.

Collectors of Customs whose salaries are under \$2,000 per annum, shall be entitled to an allowance of 5 per cent upon the gross proceeds of seizure, in all cases in which the seizure is not made by themselves, but if made by themselves they will not be allowed any percentage, but may participate in the allotment of the net proceeds in the same manner as any other officer of customs.

Collectors whose salaries are over \$2,000 per annum will not be entitled to any percentage or share of seizure.

Section 10 of the regulations of 30th March, 1850, is repealed, and these regulations shall take effect and be enforced on and from the 1st July, 1876.

While admitting the great difficulty of devising a system that could be regarded as equitable and not open to abuse, I will say that I think the present regulations are not at all suitable to the present condition of the service, especially in the relation to the articles subject to very high duties, such as spirituous liquors and tobacco, the duties on which are immensely greater than their original cost.

The rule of two-thirds allotted to the seizing officer and informer was supposed to leave a balance in the treasury equivalent, at least, to the duties payable on the goods seized, but in the case of the above and numerous other goods, the balance now remaining often but a mere fraction of the duties, and in the case of spirituous liquors especially, the smuggler very often experiences no loss, as he can generally contrive to purchase the seized goods at a price which practically leaves him a margin below the cost of the duty-paid article, and the revenue in all such cases loses very heavily. In my opinion, it would be better to provide that all such articles when seized should be destroyed, and the seizing officer rewarded according to his merits in connection with each case of seizure and confiscation. By some such plan the revenue would lose much less and the honest importer and manufacturer would be much better protected.

I think it very desirable that the rules and practice of this department relating to seizures should be changed. The present rule is that all or any officers of customs may make seizures, and this leads to many irregularities, and it is an inducement to clerks and officers employed for indoor service to leave their proper duties for the purpose of making seizures, in the hope of sharing in the net proceeds, and thus neglecting for the time being the work for the performance of which they were employed.

I am of opinion that no officer or clerk should have the right to seize unless authorized to do so by his commission, and the Governor in Council might in his appointments add to the duty of a landing waiter, preventive officer or other official, the words and seizing officer. All collectors of Customs should, however, be recognised seizing officers.

Any clerk or official not included in the list of seizing officers, should consider it his duty to give any information which he might obtain in the course of his duties to his collector or superior officer so that proper action could be taken.

The Commissioner of Customs should not be charged with the duty of adjudicating in cases of seizure, unless he is also invested with magisterial powers. At present he can only decide cases upon written evidence, and experience has shown clearly that such evidence is utterly unreliable, and often very misleading even in the form of affidavit or statutory declaration.

2372. On the question of seizure, it is felt by the honest traders in the country that injustice is done to them in some cases. Now it has happened that the informer for some petty reason or other, has given wrong information about very respectable firms, which information, when investigated, was not acted upon by the department, but still the harm has been done. Do you not think that if the informer was to be made responsible and subject to a severe penalty for giving false information, it would put a check to the evil complained of?—I think so. I think that would be an excellent idea.

2373. Sometimes these informers are not men of very high character. An informer may have some little vengeance to gratify and he lays information, and whether he succeeds or fails in his case he goes harmless while the merchant suffers wrong. Do you not think that if the informer was subject to a severe penalty for giving wrong informa-

tion, it would be a protection to the trade?—I think so, I quite agree with your opinion on that subject. I might say, however, that I think there is more made of that danger than is justified by the facts. I think it is a very rare occurrence for an honest merchant to be injured in that way; yet I admit the liability is there.

2374. But when you employ informers, are you responsible for using the information?—Yes, we have to do that.

2375. Then the Government takes the responsibility in case of injury to the honest trader?—Yes.

2376. If the informer knew that he had to act on his own responsibility and prove his case at his own expense, the race of informers would die out?—I would only put a penalty where there is evidence of malice. I think it is often done through malice. But I may say this, that we have very little information given to us except from the greatest rascals in the country; very little information comes to us under which seizures could be made, which does not come from the worst characters.

2377. Is it always true?—Well, it is not often that they give information in which there is not a basis of truth.

2378. You have to be sure of your ground before you use this information?—We are extremely cautious before the information is used. We do not take information in the department as a rule.

2379. The collectors use it?—Any official, any preventive officer, any tide waiter or other official may receive information and act upon it; he does it on his own responsibility.

2380. And if he does not act with discretion he may do himself great harm?—He lays himself liable. It is provided that he shall suffer pains and penalties if he does anything through malice. It does not always follow however that when the department gives up a case, it is on the ground of its having been entirely disproved. Great numbers of cases are given up from other causes altogether.

2381. We are merely trying to protect the honest trader?—I entirely approve of your suggestion about visiting with heavy penalties an informer who makes information that is found to be incorrect and is manifestly malicious.

2382. Should not some of those smugglers be punished by imprisonment as well as by fine and confiscation?—Yes, they should, and there is a provision for it in the act, but it is not often carried out.

2383. You have given up criminal procedures under that act because jurors will not convict?—The act has fallen into disuse because we scarcely ever get a conviction. But we have tried. We had a small case up in Ontario, which illustrates what we have had to contend with. A party imported and smuggled a small quantity of some kind of liquor. An officer made a seizure of the liquor and the smuggler openly offered him a bribe to release it and let him go with his liquor. The officer, instead of taking the bribe gave information to his collector, the collector reporting it to the department; and the department ordered a prosecution. The case was brought before a Justice of Peace who tried it and the man was convicted. In fact, he did not deny it, the evidence was as clear as the noon day sun, and he was let off with a half hour's imprisonment and fifty cents fine.

2384. Do you pay the informers their share in all cases, or do you pay the seizing officers who distribute to the informers?—We send a cheque to the collector of the port or the chief officer who has charge of the seizure, or the special agents, for the whole amount and he distributes it, and we could not distribute to the informer because we do not know him. Except in a few cases we do not know the informer.

2385. The information comes to the department through one of your officials who is informed of such and such a thing?—The first we know of any seizure is the report of the collector or officer. Every report must come to us after the seizure, through the collector of a port or the special agent. We have only one special agent now.

2386. Then it is possible the seizing officer may get a large part of the informers share in addition to his own third?—No, that is not very likely because the officials look out too sharply for their own interest.

2387. Suppose a man who makes a seizure on his own knowledge and he reports that he made it on his own knowledge of facts, without the information being furnished by an informer, then he gets only one share?—One third.

2388. But suppose he reports falsely that the information is given by some one whose name he does not disclose. Then he gets two shares to distribute and what prevents him from keeping one of them?—The collector should see to that.

2389. Does not this man keep it a secret?—Not usually from the collector.

2390. Do you exercise any control over it at all?—No, not in that respect.

2391. You do not know anything about who the informers are or to whom the money goes?—No, except in rare cases.

2392. Then it is quite possible for the seizing officer to make a bargain with the informer?—Yes; I think it is done.

2393. The informer may get a few dollars and the seizing officer a large amount?—Yes; such a case may occur.

2394. Then when the Auditor General reports the amounts received by seizing officers from customs seizures in each case, the amount may be more than is represented?—Yes. In order to keep an account of these seizures we send out what we call a distribution sheet with the name of the officer, but the informer's line is blank, and in the columns we put down the seizing officer's share and the informer's share under it.

2395. And your collector ascertains who the informer is and gives him the money; or does he give it to the seizing officer?—The return that comes to us very seldom has the name of the informer attached to it; they will not sign it. But the seizing officer usually signs for the informer.

2396. You distribute a seizure by a cheque from Ottawa?—We send a cheque to the collector. In spite of all we can do, the plan is open to many abuses.

2397. There are very few checks on it, as it stands?—Very few, as it respects final payment of the award.

2398. You have said that one of your officials of the inside service here in Ottawa shared in the distribution of these seizures?—Yes.

2399. Only one?—Only one that I know of.

2400. You have told us that in all other cases these matters are dealt with by the collector; now who deals with them here in Ottawa?—I think the cheque has always been given to himself. I do not remember that I ever signed a cheque of that kind. Under the present arrangement the cheque must bear two signatures, and his may be one of them.

2401. He signs for himself?—He may sign the cheque for himself, he and the Assistant Commissioner together. The Assistant Commissioner is one who has to sign the cheques, or countersign them; and the Accountant is another. There is a young named Farrow in the Accountant's office who has also authority to do so.

2402. But he does not go out to make seizures himself?—He has done so.

2403. And when he makes a seizure does he hand it over to some collector, or some inspector?—No; when he makes a seizure himself he reported it to the department, I think. I know he did that in some cases.

2404. He never gets any share of this through the collectors, he does not act in concert with the collectors?—It must be all settled with himself.

2405. Do you know whether he gets the informer's share?—I do not know, I think perhaps he may have in some cases.

2406. You think the officer occupying the position of accountant of customs here, should not share in the distribution of the seizure money?—I have said frequently that he ought to be one thing or the other; he should either attend to his duties as accountant or let him go outside as a seizing officer. I would apply the same principle to every man in the service.

2407. We are speaking of the office; do you think that the man who happened to be accountant at the time, should share in this distribution?—I do not think that any man in the inside service should do so, but I see nothing in the regulations to prevent it.

2408. The Commissioner and the Assistant Commissioner have never shared?—Never, I defy any man to find that a cent of seizure proceeds ever went into my pocket.

2409. But you are strongly of opinion that the accountant ought not to be one of these officers who have a right to share?—No official of the inside service should share in seizure proceeds.

2410. The custom of giving a share of seizures to men making them was founded on the principle of rewarding men who run risks and expose themselves to danger in enforcing the customs law?—That was the original intention.

2411. That is the only principle upon which the system can be justified; it is a reward for police services?—They have done away with that sort of thing in England and the United States. In England they never sell seized goods. They keep them in a large store in Liverpool. I happened to be passing there one day in company with a gentleman and he pointed out to me that that was the store in which the Government kept its seized goods, and at the end of the year they burned or destroyed the whole.

2412. In these cases that are dealt with by the department, is there a percentage retained?—The regulations say that two-thirds go the seizing officer and informer, that is two-thirds of the net proceeds, all the expenses being deducted, and one-third remains to the credit of the Government.

2413. In certain cases you give 5 per cent to the collector?—Well; that is the deduction made from the gross proceeds; that is the first thing with which the seizure is chargeable.

2414. In the cases that are dealt with by the department, where no collector intervenes, is there 5 per cent deducted for departmental expenses?—Oh, no; it would be an irregularity to do it that way.

2415. Coming to this question of the revenue, your department collects a large part of the revenue that the country depends upon for its service?—Yes.

2416. Would you give us briefly an idea of the checks that are enforced to assure that all moneys paid for customs duties come into the treasury?—I think the checks are all that could be devised. In the first place, where the money is collected in the large port—I take the large port, because that is where the principle leakage might arise—the money is collected by a clerk in the long room. The entry under which he collects it passes through three or four hands before it comes to him. There is one who checks the invoice, and checks the entry with the invoice. It is supposed to be brought in by the importer, or his broker or agent. Then it goes to the chief clerk in the long room, who examines it and takes the affidavit of the importer or his agent. Then it comes back, initialed or signed by the parties who have checked it, to the cashier, and he receives the money according to the entry and enters it in the cash book provided for the purpose. In the large ports they usually keep a blotter. Then there is another cash book that is kept and made up at the close of the day by the surveyor, which is a counter part of what we call the collectors cash book, that is the one kept by the cashier; the one is kept as a check upon the other, and both are written up from entries and not copied one from another.

2417. And when the cashier receives an amount of money upon a given entry he has to mark upon the entry paper that he has received the money?—I do not think the cashier initials it; he makes the entry immediately in his book.

2418. But does he not put some mark upon it to show that he is paid?—Yes; he puts the customs stamp upon it.

2419. That becomes a document by which you can tell how much money is received?—Yes.

2420. And the surveyor makes up his cash from the papers?—Yes; the surveyor's cash book is decidedly a check upon the collector.

2421. Do you take bonds from everyone who receives money for the Crown?—We do now. We sent out a notification a short time ago to all the ports to send in the names of every officer who had the handling of money to any extent, and who had not given bonds. We got in a large number of them, and we made them all give bonds.

2422. Do you take personal bonds or bonds from companies?—Bonds and sureties, we take them either way, there are very few from companies.

2423. Have you ever had to fall back on the bonds to make losses good?—Yes, in a few cases, not very many. We had a case a short time ago, the last one I remember,

at Bridgetown, Nova Scotia. A sub-collector there ran away to the States who was found to be a defaulter to the extent of \$1,000 or \$1,200.

2424. In that case did you recover your \$1,200?—I do not know whether we recovered the whole of it or not. There was some difficulty about one of the sureties, and I could not say now from memory whether it was brought to a successful issue or not. I know we got half of it from one of the sureties.

2425. Do you advise yearly the bondsmen of their liability?—No, we are not required to do that.

2426. In the Savings Bank system the bondsmen are yearly advised to the extent of their sureties?—We do not do that, we have no law requiring it.

2427. Don't you think it would be a good precaution to take?—It would add a good deal to the work of the department, our bonds are so very numerous.

2428. That would be the greater reason why you should look after them all?—I think it would require a clerk especially to attend to that and nothing else. If he had to notify them every year.

2429. One defalcation would pay a clerk's salary?—Yes.

2430. Coming back to the country collectors, what check have you on them?—Where there is only one officer in the port the check is necessarily deficient. All the check we can have is that they are obliged to send their entries and their papers to the chief port, and to send the money with the papers. The collector of the port under which they are serving of course, has that check upon them; but there are small ports in which there is no inside office, no official in the custom house, but the collector himself. The only safeguard in such a case is first of all, the honesty of the men, and in the next place the risk they would run in suppressing papers. For instance, one of my first experiences after coming to Ottawa was with a collector of customs at Sarnia. Some merchants in Petrolia made application for a refund of duties, which they said they had paid improperly upon oil barrels. When the application first came to me—I was at that time assistant commissioner—I examined the books which were kept in the department; the record was very imperfect, but still it gave me a clue. It was simply a list with the number of each entry and the account of the duty in two columns, and I could not find any such numbers or amounts in this book. I brought the case before the Minister, at that time Sir Leonard Tilley and Mr. Bouchette, who was then commissioner. Mr. Bouchette did not believe at first that the collector had been guilty of fraud; he said this man was too honest to do anything of the sort. It happened two or three days afterwards that other similar applications came in and I went through the same examination and found there was no account of them, and no entry.

2431. You caught him by means of this refund?—Yes. I was then sent up there to examine him. I have related this incident to illustrate the danger of suppressing papers.

2432. It was dangerous in this case because people had to ask for a refund?—Yes.

2433. It would be an entirely irregular system that would depend upon the chance of some one requesting a refund of duties to check the collectors generally?—Yes. We found on examination of his books and papers, which were very badly kept, that the books would check one another, they corresponded and were critically correct. There was no discrepancy between them. Then I fell back upon his invoices, and he brought me a deep box, with his invoices thrown into it in a heap. In selecting out these invoices and tracing the entries made for them, I found one after another for which no entry had been made. I discovered in the course of a few hours invoices representing five or six hundred dollars' worth of duty which he had never put through his books.

2434. And that would never have been discovered had it not been for the people asking for a refund?—No. That was 20 years ago. We had only one inspector in the whole of Canada at that time; we have now six inspectors, one in Quebec and part of Ontario, another in the other parts of Ontario, one for New Brunswick and Prince Edward Island, one for Nova Scotia, one for Manitoba and the North-West Territories, and one for British Columbia, who is also collector of the port of New Westminster.

2435. It is the duty of these inspectors to visit the outports?—To visit every port and outport and to examine the books and papers. I do not see how you can devise any means in which there will not be a loop hole for dishonest men to commit fraud.

2436. You had a defalcation in Montreal the other day?—Yes, one Campbell.

2437. The collector paid that up?—He paid part of it, for which he felt himself responsible, and the other part is not yet paid. We got a mortgage on some property.

2438. Did Campbell ever get leave of absence?—Not that I am aware of.

2439. Should not all your officers at the big ports who handle money have compulsory leave of absence?—Well, if you can have a system of putting in a man temporarily who is a stranger to the port, say an officer from another port, to fill his place during his absence, with the understanding that he shall examine his books so far as he can, I think in some cases it would be useful.

2440. How did this defalcation occur in Montreal?—It was a very singular thing. This young man was charged with collecting irregular revenues, such as warehouse fees, storage and matters of that kind, and he was supposed to transfer and pay over all his collections with a list of the sources from which they came, to the collector or chief clerk in the Customs, or whoever was charged with the cash, at regular intervals. He neglected to do so and appropriated the money to his own use, and, of course, he could not have carried it out if a proper check had been kept over him as it should have been. That was a case of fraud in which the absence of proper supervision was the whole cause.

2441. You could have all your collectors in all parts of Canada report to you every day the amount of their collections, the same as they do in the money order office, and send you a nil in case they collected nothing; then if you had a proper staff here would you not have an absolute check?—In the large ports, as I have mentioned in my former statement, they deposit their money in the bank every day and send the receipts by the first mail, and we know the amount they have collected from the entries and monthly accounts current.

2442. But what is to hinder the collector in a small port from suppressing an invoice and the entry and all and putting it in the fire, if there is no officer there but himself, and unless something turns up to bring that to the knowledge of the department he goes scot free. Taking Ottawa as an example, everything that comes here comes from some other port first, Montreal or Toronto?—No; if it is an independent port it comes direct, and if an outport it is sent to the collector of the chief port, and is incorporated in the accounts of the same.

2443. Goods from England are transhipped at Montreal in bond for Ottawa?—In transit under bond and manifest for Ottawa.

2444. But does not Montreal send you a notice that there are so many entries in bond for Ottawa?—Merely a manifest of the package.

2445. Ought not there to be some means in the department of ascertaining that all these packages were entered in some way and the duty paid on them?—These papers give no idea of the contents. The contents may be worth \$10 or \$10,000, the package only is named but on arrival entry must be made under invoice and the goods submitted for examination.

2446. Are the manifests entered at the custom house as loose sheets filled up any how, or are they taken from the books?—The entries are on loose sheets of course, and they are all filled in next with a description of the goods. In the large ports each entry is numbered consecutively and the number is entered in the cash book, as well as on the face of the manifest. There is very little likelihood of any man suppressing the duties collected, or not accounting for them properly where they come to him in that way, because there is the ships' manifest containing an account of all the packages, with the importers name and address and other particulars which is the basis of the whole future proceedings. When the entry is made, the number of that entry is inserted on that manifest as well as on the entry itself, so that any one can trace the whole transaction through the subsequent papers and books. That manifest is kept open until every package that it contains is accounted for by the entry. Then if it is a manifest that has gone in transit to another port, the receiving port must send back a receipted copy

to the port from which it came, or a certificate that he has received the goods. But the leakage would be in smaller matters which are continually occurring, I mean that persons bring in small quantities of goods and sometimes valuable goods for which there is no manifest. The collector may take the importer's invoice if he has one, and allow him to make his entry and pay the duty accordingly, and if there is no other officer there to check it, he may put both these papers in the fire. There is nothing else to fall back on.

2447. Unless you were to examine every parcel of goods?—But the collector in that case is the man to examine them. Then there is a small description of petty business that goes on outside the custom house. When passengers come in from the United States by railway, their baggage is examined and very often they bring small quantities of goods with them which are dutiable. The landing waiter who has charge of the examination, gets a statement from the party of their value, or if he cannot do that he appraises them and estimates the value himself. He takes the duty and gives the passenger a receipt. We have a blank form with stubs, counterfoils, on which he gives the passenger a receipt for the money he has paid, stating the value of the goods and the duty collected on them.

2448. These are numbered consecutively?—Yes, and there is a memorandum printed on the back of each asking the importer or passenger, if he has any reason to complain, or has any suspicion that he is not accounting for the money to the proper authorities, to communicate with the collector of customs. We had a case at Niagara Falls a short time ago at the port there. He was a young man, a drunken fellow. One party from whom he collected duty on the condition of its being refunded. The articles were guns or fishing rods, or some thing that he was bringing in on which we refunded the duty when exported. The party went back to the States carrying the articles with him and then made application to the collector for a refund. We found on examination that he had never paid over that money to the collector; and it turned out when the inspector went to the port to make further investigation, that there was quite a number of similar cases. In the course of time we got applications from three or four other parties. It so happened that this was found out before the end of the month when he should have got his month's pay, which was stopped and he was immediately dismissed.

2449. Could you compel your collectors, where there is only one of them, to use these numbered receipt books? Would not that be some check on them?—It amounts to the same thing. The receipt book is only a substitute for the entries.

2450. But this would be numbered and he would have to show what he did with his number?—The entry is numbered and the importer takes one copy away with him with the stamp of the Custom House, which is equivalent to a receipt, or a certificate that he has paid the duty, and that number is extended in the cash book.

2451. Your system of inspection now is much more careful?—Yes, but it is very imperfect as the number of inspectors is insufficient. The whole system involves more or less expense. In order to get an efficient check by means of inspection the expense must be greatly increased. If the Minister should appoint half a dozen inspectors—and that would be but a small number in addition to what we have—it would involve a large additional expense, say \$14,000 or \$15,000 a year, and when this comes before Parliament the men who are most indignant when they discover a case of defalcation in the customs, will be more dissatisfied with this additional expenditure.

2452. Do you think that you get most of the money that the Treasury should get under the law?—I think we get ninety-nine hundredths of what is actually collected.

2453. We have heard that there is another danger, that goods are entered in a smaller port at a lower price than they would be in a larger one?—Yes, that is a difficulty we have to contend with everywhere. It is a matter for the appraisers, or the collectors where there are no appraisers.

2454. What do you think about the salaries of deputies? Should they all be paid alike?—No, I do not think so.

2455. At your age your views on this question may be taken to be entirely without personal interest; do you think the deputies as a whole are paid sufficiently?—No, I do not.

2456. What do you think should be a fair minimum salary?—I think none of them should be under \$4,000, but I think they should be placed on a different basis than what they are now.

2457. On what basis do you think they should be?—I do not think they should be deputies at all. The word "Deputy" is not applicable to a position like mine or that of Mr. Courtney, the Deputy Minister of Finance. As deputy we have no responsibility whatever. If we do our duty as deputies we have not the slightest responsibility. We only carry out the Minister's instructions and the Minister is the responsible man, and he might make our position very unpleasant. I am obliged to do certain things for which I could show no authority or else let the business of the department stand still, and I never know whether the Minister will approve of what I do, and may decide I had no authority for my action. For instance, the correspondence of our department is very heavy and if I had to send all that correspondence on routine business to the Minister to get his instructions on every letter before I answered it, I would have my hands full of unanswered letters before six months were over. The Minister's Executive and Parliamentary duties forbid his close attention to departmental details.

2458. So you think the salary of no deputy should be less than \$4,000 or \$5,000 up to a fair maximum?—I think so.

2459. Would you be good enough to make up and send to the Commission a statement showing what, in your opinion, would be a good theoretical organization for your inside department, dividing it up into the branches of the Commissioner, Assistant Commissioner, Chief Clerk and so on, with the Minister?—I will.

(See end of M. Johnson's evidence).

2460. We want from you an ideal theoretical organization for the Department of Customs just as if you had a clean sheet to organize with the department *de novo*?—Yes.

2461. Do you think that deputy heads should have power to suspend when the Minister is here in Ottawa?—Yes, I think so.

2462. All the officers of the Customs, inside and outside, are scheduled under the Civil Service Act?—Yes.

2463. That brings them under the Superannuation Act?—Yes, if you take out temporary officers and those who have a yearly salary without paying the Superannuation tax.

2464. Is there any limit of age for your outside officers on appointment?—I think the Civil Service Act provides that for both inside and outside.

2465. All collectors of customs may be appointed at any age?—A collector may be.

2466. And everybody else in the outside service?—I know at one time there was a limit of age under the Civil Service Act for officers of the outside service, but I do not think there is now.

2467. Do you think it would lessen the cost if the compilation of statistics was removed from the outside to the inside service?—It would lessen the cost in the outside service, but it would increase it to a similar extent in the inside.

2468. Not necessarily to a similar extent?—Well, I think we could do it cheaper in the inside.

2469. It would necessitate the submission to you of the original papers and in that way facilitate your checking the correctness of the returns of the revenue?—Yes.

2470. Practically it would add to the efficiency of the service?—Yes.

2471. You have stated that you are of opinion that the collectorships should be kept as prizes for the service?—Yes.

2472. It often happens that the collectorships are vacant for a considerable period of time?—Very often.

2473. And there is no hope for an able officer in the outside service to get on?—None at all in the larger ports. At least he has no prospect of rising higher than the grade of second officer.

2474. Are your outside men taken on probation?—I do not think so.

2475. Has a man appointed on the outdoor business in the customs, to undergo a term of probation before he is taken on permanently?—I think so; I think every official is appointed on probation.

2476. Do you exact any physical requirements in appointing an outside officer?—No, not practically.

2477. The English regulations say that no man shall be less than five feet and four inches in height, with certain number of inches around the chest; the idea of that is to have a healthy set of outdoor officials?—Yes, undoubtedly.

2478. Do you think it would be advisable to have similar regulations here?—Modified regulations of the kind might be useful.

2479. What is the daily work of an outdoor officer?—I would be obliged to go through the different positions which they occupy to answer that question.

2480. Tide waiters and men of that class?—The whole business of tide waiting is to check the cargoes of ships and railway trains as they are landed, to see they are taken care of until entered. The landing waiter has the same duties. The tide surveyor has to supervise their work.

2481. The hours of attendance in England, except when boarding vessels, are usually from 8 a.m. to 4 p.m., and in some cases 6 p.m.; what are the hours of attendance for your outdoor officers on board ships?—They are about the same; I think it is from 7 a.m. until 6 p.m. The hours are governed by the law which requires that all vessels shall be loaded and unloaded between sun-rise and sun-set. During that time we are bound to provide officers to attend to them. Any work done by that officer before or after sun-rise and sun-set is regarded as extra work for which the owners of the vessels or the agents or the railway company are obliged to pay them extra.

2482. In Montreal it is stated by the annual returns that the extra pay for tide waiters amount to about \$40,000 a year; is that for payments for over hours and Sundays?—No. Extra pay for over hours and Sundays is not an expenditure of the customs, however; it comes from the railways and vessels. The extras paid by the railways and the ships do not go into that amount. That \$40,000 is paid out of the Treasury.

2483. For what extra service then is it paid?—They are extra officers; they are just the same as an inside extra clerk.

2484. How do you provide for one of Allan's steamers when it comes in on a Sunday?—The collector or the tide surveyor details the number of tide waiters necessary to attend upon that vessel as soon as she comes in, and if it is on Sunday, the Allan Line or the Dominion Line, or whatever line it is, has got to pay them for that day. They are not paid by the customs for that day. If during the unloading of that vessel a tide waiter has to go on duty at night or is on duty all night long, he has to be paid by the company for that, the customs do not pay for this extra work. These payments you mention are for extra men required during certain seasons. It has been customary in Quebec and in Montreal, for long years, ever since customs began to be collected there to keep on hand a number of extra tide waiters and extra watchmen, &c., who are granted, say, fifty cents a day, and when actually employed they get fifty cents more.

2485. Would it not be better to charge the steamboat company and railway for these services, and the Government to pay for this extra charge rather than have the tide waiters paid by them?—That is practically the way it is now. The collector collects a certain amount from the companies, and distributes it to the men.

2486. The men are under no obligation to the steamship companies or to the railways?—Not at all. Some of the railways in various places compromise by paying so much a year to the collector of customs and he divides this money among the men entitled to it.

APPENDIX.

PROJECTED PLANS FOR THE RE-ORGANIZATION OF THE STAFF OF THE CUSTOMS
DEPARTMENT—INSIDE SERVICE.

Under present laws and regulations—except that the annual increase of \$50 should not be recognized.

MINISTER OF CUSTOMS—POLITICAL HEAD.

	Salaries.
Commissioner of Customs, — administrative head.—Appointed during good behaviour, with clearly defined powers and responsibilities	\$4,000
Assistant Commissioner—whose duties should be in all respects the same as those of the Commissioner, but in subordination to him	\$3,000

Board of Customs.

Chairman, ex-officio, Commissioner	\$1,000
Dominion Appraiser	2,000
Assistant Dominion Appraiser	1,200
Clerk, one	1,000
Checkers, five, from \$600 to \$1,200	4,500

Correspondence Branch.

One Clerk, Commissioner's Secretary	\$1,000
Two Clerks, Registration Clerks, \$700 to \$1,200	1,900

Statistical Branch.

Chief Clerk, Statistician	\$2,400
Clerks, eight, from \$600 to \$1,500	8,400

Accountant's Branch.

Accountant, one Chief Clerk	\$2,400
Clerks, four, from \$600 to \$1,500	4,200

Supply Branch.

Clerk, one	\$1,200
Packer, one	500

Messengers.

Two Messengers, \$500 and \$600	\$1,100
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The above is on the principle of a general minimum and maximum salary for all clerks, minimum \$500, maximum \$1,500, increases to be based upon merit and capability.

Should it be deemed advisable to remove the compilation of statistics entirely from the ports to the department, I estimate it would be necessary to provide larger and more extensive office room and would render necessary the employment of an additional chief clerk, and from thirty to thirty-five clerks, involving for salaries about \$30,000 and other expenses \$5,000, but all those officers could be removed from the ports and the whole arrangement so carried out as to effect a saving of expenditure in a short time instead of an increase, with attainment of greater accuracy in the statements and a more complete check upon the collection of the revenue.

THURSDAY, 7th January, 1892.

Mr. EDWARD MIALI, Commissioner of Inland Revenue, was examined.

2487. You are the Commissioner of Inland Revenue and also the Deputy Minister of Inland Revenue?—Yes.

2488. Since when?—Since 1883.

2489. Before that, what position did you hold?—I was Assistant Commissioner of Inland Revenue.

2490. How long have you been in the service?—Since June, 1870.

2491. You have had communication of the questions which the Commissioners sent to the deputy heads of departments?—Yes.

2492. And you have prepared a statement?—Yes.

2493. Give the number and cost of permanent staff at Ottawa of the department of which you are deputy, in 1882 and 1891, respectively. Also, number and cost of extra clerks or other officials in all its branches, whether paid out of Civil Government funds or otherwise, in 1882, and also in 1891.

1881-82.		Salaries.
Permanent staff.....	26	\$31,319.72
Less Canal Branch since transferred to Department of Railways and Canals..	4	3,712.50
	22	27,607.22
Temporary.....	4	2,571.50
	26	\$30,178.72
1890-91.		
Permanent.....	25	\$37,094.96
Temporary, (say) 651 days.....	2	795.20
	27	\$37,890.16

The increased cost is due to the annual increase under the Civil Service Act. The Excise Revenue has increased about 17 per cent.

2494. How should the Board of Civil Service Examiners be constituted, and what should be their powers?—Here, on the very threshold of the subject, I find a difficulty which repeats itself with nearly every question that is propounded. This and subsequent question—all assume that existing legislation is all right in principle, but possibly requires amendment in matters of detail. My difficulty in dealing with the details arises from conviction that the basic principles of the Civil Service Act are erroneous. We have some 13 departments each having distinctive duties of its own—requiring in their administration widely different talent. Some of the duties call for an ordinary commercial knowledge of accounts, perhaps, in all this kind of knowledge may be desirable. But in some familiarity with some one branch of technical science is indispensable, in others literary ability, while in others judicative turn of mind would be the highest qualification. The attempt to classify these widely different forces with fixed grades—of first, second or third class clerks—must to my mind result in putting many square men in round holes and *vice versa*. I would venture (with some hesitancy—not having given the matter very much thought) to suggest that the Act constituting each department should be practically the Civil Service Act as regards such department, *i.e.*, that the organization of each department should be statutory.

The Revenue Departments might possibly be governed by a general Act because their administrative duties are similar, but an Act framed to suit their requirements would hardly meet the wants of the Departments of Railways or Public Works. The duties of each are distinctive and the frame work and constitution should, to reach the fullest effectiveness, be as distinctive and individual as the duties.

2495. Having ventured to submit the above views, I would say in reply to the specific question asked: That I believe the board should be more than a board of examiners. There should be a Civil Service Board composed of men of broad commercial experience, whose tenure of office should be similar to that of the Auditor General, who should have authority to employ experts to draft examination papers and value candidates' replies, and to whom, as a court of appeal, any serious differences between deputy heads and their subordinates, or between Ministers and their deputies, or between one department and another, should any arise, might be referred, in order that when reported to His Excellency in Council all the facts might be presented before a final decision on the case were arrived at. Such a board should be non-political in its composition.

2496. Do you propose that this board should be a permanent one?—Yes.

2497. Their whole time should be devoted to the service of the Government for that purpose?—Yes; and they should be only liable to removal in the same way as the Auditor General.

2498. Does not the present Act provide for probation as well as examination?—Yes.

2499. Is that probation carried out? Are men really proved and tried before they are settled in their places?—If a man passes the examination, he expects, and his friends expect that he will find his bearing there somewhere. I cannot say exactly what they expect, but the tendency is that, if a man has passed the examination, and has been appointed to any office, there is little question of his being permanently placed in the department.

2500. Then the probation is not practically carried out?—It is not, because in a number of cases there might be out of ten men on probation (after passing the Civil Service examination) nine who might be rejected until you got one who suited your department, but if a man comes near it at all, the deputy prefers to take him and make the best of him to having any further trouble. I have not myself experienced any trouble, because, fortunately, our department was organized before the Civil Service Act came into force and I had the choice of my own material, but I know what the forces are which are used. If the board of examiners were permanent and had no political instincts, then a man who was sent to a department might be rejected after six months' probation.

2501. In your opinion would that make it much easier to enforce probation?—I think it would be the proper way of manning the service.

2502. Should deputies be appointed during pleasure or during good behaviour? Should their responsibilities and powers be extended, and if so, in what direction?—I have always understood appointments during pleasure to mean "during good behaviour." The Crown must have the means of ridding itself on equitable terms of deputies who have from age, ill-health or otherwise, become a burden, and if some court of appeal existed, before whom differences between Ministers and their deputies might be impartially weighed, I do not see any sufficient reason to change the presently existing status. I hardly think a deputy head is the proper person to offer an opinion as to what responsibilities or powers he should have; but I have no hesitation in stating that as the law now exists the deputy head is simply the *alter ego* of the Minister, and, I think, cannot be said to have any responsibility except to the Minister. If Parliament should see fit to extend his responsibilities then he should have his powers extended in a commensurate degree.

2503. Do we understand that practically the status of a deputy now is as good as if he were in the position of the Auditor General?—Decidedly not, practically; theoretically, under the usages in England and Canada, it is the same, but there is nothing to prevent a Minister stepping in and using his individual influence to kill a deputy.

2504. Has it ever been done?—I prefer not to answer a question of that kind. I am merely stating what is possible.

2505. The deputy holds office on the same terms as a Lieutenant Governor of a province?—Yes. He holds office during pleasure, but, if he is removed, the reasons must be

communicated to Parliament; but in the case of Lieutenant Governor they must be communicated to him within a month after his removal.

2506. But the ordinary civil servant holds office during pleasure, and the deputy holds office during pleasure with the provision that the reasons for his removal shall be sent to Parliament?—Would it not be safer for the deputy if it were provided that, should he be removed or his emoluments reduced, the reasons should be communicated to Parliament?

2507. He might be starved out?—Yes.

2508. The Commissioner of Customs and the Commissioner of Inland Revenue have some distinctive duties?—They had, but in the consolidating of the statutes, this was put in the hands of the Minister. The deputy has no power whatever, at least so I read the existing law.

2509. Does this apply to the powers of the deputy over the men in his office or under his jurisdiction or control—has he the control of his staff?—He has not if the Minister chooses to take another view. If he knows he is flying in the face of the Minister by removing an unfit man in the inside or outside service, he would think twice before he would do it. If he takes advantage of the Minister's absence to suspend a man, he may do it, but when the Minister is present, the Minister will say, I will see about it, and that may be the end of it unless the Minister is as interested in the service as the deputy. I am answering these questions generally and I wish to guard against anything I may say reflecting on the present Minister. We have had 14 Ministers since 1870, and I am referring to the general trend of their administration.

2510. Is it the practice of your department for persons to go past the deputy to the head of the department?—That is frequently the case. I would not say so emphatically with regard to the staff in Ottawa. I am speaking of the general control of the entire service, outside and inside.

2511. But in the inside service, the deputy head has a practical and effective control over his staff in Ottawa?—He has a moral influence over those with whom he is constantly coming in contact, and I have always treated my officers as gentlemen and men of honour and have always had the assistance from them that I wanted at any time. It is purely a personal influence here, but outside the deputy does not come in contact with the men to the same extent and the personal influence is less felt.

2512. Should all appointments be the result of competitive examination?—What, if any, appointments should be made without examination? Should there be an age limit in the case of all appointments, and state what, in your opinion, the maximum and minimum ages should be?—If political influence in respect of appointments could be got rid of, I would prefer a term of probation to mere competition. I look upon competitive examinations as the least of two evils. That class of acquired knowledge measurable by examination papers may result by mere docility of mind. They are quite incapable for determining those higher mental and moral qualities which in most situations are of still greater importance (provided the education has been a liberal one). As to age limits, I have no opinion; the fewer the restrictions as a rule the better.

2513. Should there be any third class clerks at all? If so, what should be the limitation as to salary? Is the present maximum (\$1,000) too high? Should there be an intermediate class, ranking lower than second and higher than a third?—If the service were now being created I should say "No" not on the staff. I think the permanent staff of the various departments (if the vested interests of those who have come in under another system could be fairly provided for) should and could be reduced by more than half. Namely, to those having the direction of the several branches of the various departments and their more immediate assistants. The lower grade should be appointed by competitive examination upon a limited number of subjects, and should be available on requisition to all departments requiring assistance of an ordinary character, but I do not see exactly how that system can be grafted upon the existing one without working an injustice to many who have entered into the service in good faith believing the highest positions to be open to honest industry and ordinary ability. I do not think \$1,000 is too high as a maximum. My idea would

be that, outside of the skeleton staff of the department, the whole of the ordinary business might be managed by men of very ordinary ability, men accustomed to add up figures quickly and to write a good hand. Six or eight men of that kind might be affiliated to our department for some few years, as long as we required them, and that might be a subject of special legislation. I do not know how far it would be advisable to go in the way of superannuation and matters of that kind in regard to them, but their attainments would be ordinary attainments and would be just as serviceable in one department as in another.

2514. Would it be your idea to make the whole civil service employment so that men could be transferred from one department to another?—Below a certain grade, yes. There should be a long room for men of that class, and, supposing the Civil Service Board had some one in charge of that room and received a requisition for twelve men for three months for census work or something of that kind, the men could be sent down and charged to the department, and as soon as the work was through they would get rid of them and they would be available for some other department.

2515. In adding for optional subjects should there not be some understanding that the optional subjects were necessary in the duties of the office to which the appointment is made?—Certainly.

2516. Are the recommendations for increases of salary always made with due consideration, or are they in a very large measure perfunctory?—Very largely perfunctory unless a clerk has acted in a way to call for his being overlooked—as a punitive measure. If a man has not done anything that is considered blameworthy, and a sufficient cause for withholding his increase, he has a right to go on to the maximum of his class.

2517. The rule is that the increment is only withheld as a punishment?—I have withheld it, but only for a time.

2518. Are the increases not simply automatic?—When a man gets into a certain class, he gets \$50 a year increase until he gets to the top of his class unless there is something objectionable in his way.

2519. A respectable dullard will get it?—As a rule he will.

2520. In the course of time, he will receive \$1,000 for the same labour he performed when he commenced at \$400?—No doubt that is the tendency.

2521. Whether there is merit or not, whether his labour is worth more or not, he gets \$1,000 and does exactly the same work that he did for \$500?—Yes, of course, if he did not begin at \$400 and go on to \$1,000, he would probably receive \$700 or \$800 at the commencement.

2522. We have asked if you think that the maximum of \$1,000 is too high?—I do not think it is. You cannot say what services are worth \$800 and what are worth \$1,000; it depends upon how it is done. You cannot say, it is your business to attend to this and yours to attend to that. There is a pressure of work in the office, and they have to do what is necessary. It might be different if the deputy had the power to resist any political influence brought to bear on the Minister. But even here my remarks are more applicable to the outside than inside staff.

2523. Two boys from the Collegiate Institute may enter the service at the same time, and one may stay after hours and do everything he can, and the other may simply stay from 10 to 4 and do as little as he can, and they would both get their statutory increases?—Unless there was some reason against it.

2524. Supposing there was no misconduct on the part of either but each did his tale of work?—I would not go so far as that, but there is no doubt that the more enterprising and obliging officer does not get the advance he should as compared with the other class of men. Except in so far as he is fitting himself for promotion to a higher class.

2525. Is there any inducement in your department for men to do their work as well as possible, knowing that it will tell by and by?—Oh yes, I think they feel that the deputy's turn will come some time or other, that is, that changes of administration from time to time will permit the permanent interests of the department to be safe-

guarded. I have nothing to complain of in regard to our inside staff except one or two who are a little careless.

2526. Is it desirable to have an annual fixed date at which all increases of salary should take effect?—I think so.

2527. Do you think there should be a readjustment at the next date?—Yes, I think it should be made fair for all, but everything should start from the 1st July.

2528. Should there be general preliminary examinations for all departments, or should there be special preliminary examinations for each department?—I should say a general examination would suffice. Other departments might view it differently. I think a departmental excise examination should be added in respect of the excise outside appointments.

2529. You have no objection to a general qualifying examination and then a special examination for the duties of the office?—No, if the general examination is made a broad one.

2530. What is your idea of the kind of examination for the preliminary?—It has to cover a good many other departments besides mine.

2531. Yours is a technical department outside, requiring special ability?—Yes, to a considerable extent.

2532. But, referring to the men you have in Ottawa, what sort of preliminary examination would you want if you were the sole employer of all this labour?—I should want them to have a fairly good general and liberal education, and an aptitude for figures, and the power to write a letter that you would not be ashamed of, which is not very often found even among those who pass examinations.

2533. How and by whom is the selection made from the list of qualified candidates in your department? Did you ever report against an official during the term of probation, and was another trial allowed, as provided in section 36, sub-section 2?—By the Minister. The Department of Inland Revenue was largely organized before the Civil Service Act came into force, and as Assistant Commissioner, I had very largely the choice of instruments. During that time I have on several occasions rejected officers sent on probation, and for that reason I think mainly we have a very good efficient staff.

2534. You say the selection is made by the Minister—is it made by him directly or on your recommendation?—Directly.

2535. Or through your intervention?—I never have anything to do with it. I take this to refer to temporary employment. I never made a recommendation that I know of for temporary employment.

2536. You ask the Minister when you require anybody?—Yes.

2537. He does not appoint anybody unless you name him?—An Order in Council is passed naming the person. The outside service is ruled in the same way.

2538. No, the outside service can be appointed without reference to you at all. Have you not anything to do with the selection of the men employed in your office?—I suppose if I insisted I would.

2539. What is the practice?—Practically the selection is made by the Minister.

2540. The initial report comes from you as to the necessity of the employment?—I generally say, we want another man here.

2541. But the selection of the man?—Is made by the Minister directly. I fancy, if there was a very important office to be filled, requiring special knowledge in a particular direction, he would give the opportunity of suggesting the man. If it were of sufficient importance to get out of the political rut, he would say: "All right, you may find your man." I do not, however, recall a case in point.

2542. Did you ever report against an official during the time of probation, and was another trial allowed?—Yes, I have, but it was twelve years ago. I have not under this Act.

2543. Have you ever had any reason to do so?—No, I think that the class we have had in the inside service has been such that there has been no reason to do so. We have got on very well.

2544. Has the head of the department ever gone outside of the list of qualified candidates to give you an employee?—No, I do not think he has for permanent employment.

2545. What is the practice in your department in regard to the appointments of persons having professional or technical qualifications, and have you ever had an examination held in any such case?—In the laboratory branch the assistant analyst, and public official analyst are submitted to a rigorous examination. I do not see why the same could not be done in all other technical branches.

2546. Is it desirable to have promotion examination, or if not, what would you recommend to be substituted? Have promotions in your department been made only when vacancies were to be filled, or has it happened that an officer has, while continuing in effect to perform the same duties, been promoted to a higher class?—No, I believe officers should be promoted when once on the staff, as such promotions take place in the commercial world, purely from fitness after having served a probationary term. Promotions have taken place in either way.

2547. Is it desirable to make to the Civil Service Board a yearly estimate of the vacancies likely to occur during the year?—I think that is the most absurd feature in the Civil Service Act. How can it be estimated how many will become sick or die.

2548. If promotion examinations are deemed desirable, should the officers earning the higher number of marks be the successful candidates, or should the promotions be made on the report of the head of the department, based on the recommendation of the deputy head?—Not believing in promotion examinations, my answer would naturally be that they should be based on the report of the superior officers, responsible for the work, concurred in by the chief and his deputy.

2549. Should not promotions be made by Order in Council?—Yes, but I think only after a term of probation, and a favourable report in respect of such probationary service.

2550. Did the head of the department ever reject any man who has been promoted?—No, I think not.

2551. Has any officer in your department after being promoted turned out to be incapable, and was the attention of the head of the department called to the case, and was such promotion cancelled?—No.

2552. Have you at any time by your certificate in the promotion examination enabled a candidate to pass whom you deemed unfit?—No.

2553. Did you ever in respect of the efficiency marks give a less percentage than 30 per cent. in the case of any candidate in your department seeking promotion?—No. Except in one case when I thought the officer had not been in the service long enough to enable me to form any judgment.

2554. Should not exchanges of position be made on the report of the deputy heads of the departments concerned?—I think so, if the deputy is to be held responsible for the proper administration of the department.

2555. Are exchanges ever made for the convenience of officers and not for the benefit of the departments concerned?—I cannot offer an opinion.

2556. Have not in your department frequent transfers taken place, from Railways to Inland Revenue, for instance, and vice versa?—Yes, we have had three or four transfers. Those however from Inland Revenue to Railways, made a year or two since simply followed their work.

2557. Have they ever been made, just to oblige somebody?—I do not know. I have not been consulted, I do not know what the object in view was.

2558. Neither deputy head was consulted and the transfers were made?—I do not know about the other deputy; I think he was consulted, but I was not. We had a case of a railway mail clerk who was transferred. I was not consulted, but I was told it was going to be done.

2559. But you had no power under the law in regard to it?—I never saw the man before.

2560. Did you lose or gain by the transfer?—I do not know.

2561. Have you, without your knowledge or concurrence, had men taken away from you who were efficient and doing their work well, and other men sent to you who were not as efficient, and did the service suffer in consequence?—Yes; I have, in the outside service. I do not know that I could measure the extent to which the service suffered. I would not wish to cast any reflections upon those who have been transferred.

2562. It amounts to this, that an inefficient clerk in one department is put off on some other department instead of being discharged?—The general understanding with the Minister is, that I have nothing whatever to do with appointments. That is the patronage of the Minister's friends, the members of Parliament. There is no question of that. This is an acknowledged fact; always provided, of course, that the requirements of the law are complied with. I refer mainly to the outside service. I think I should be informed of the Minister's intentions in respect of the inside staff, and have no doubt that if I made any serious objection as to fitness they would have proper weight.

2563. Should the temporary clerk or writer class be extended, or limited or abolished? Have you given any thought as to the desirability of having a junior division or boy copyist class? Do you recommend the creation of such a class. State generally your views as to the expediency of having a high grade permanent staff and lower grade writer and boy copyist classes? Under the present system, in what manner do you ascertain the necessity for the employment of extra clerks? Do you invariably select from the list of passed candidates; if not, are enquiries made as to the fitness of persons who are on such lists? Have you any women clerks employed in your department? Are they generally efficient, and are there any branches in your department in which women clerks could be exclusively employed?—I see. I have somewhat anticipated this question in replying to a previous one. I believe a high grade permanent staff, and a lower grade (but not necessarily boys) writer or copyist class would be a step in the right direction. There is but little need for extra clerks in our department. When required they are generally selected by the Minister. We have occasionally had lady clerks to do temporary work, copying, etc. Some of them are quite efficient.

2564. Necessarily there is a certain amount of scientific or technical knowledge required in your department?—Yes.

2565. You are not in favour of young lads entering the service, and going through a training?—Not in my department. I do not see anything good in it, for the boys or for the service. If you want really good men you can get them.

2566. If you had a temporary pressure of work, what is done?—I stated before that if there were a large room containing not boy copyists, but men, we could draw upon them when we required them.

2567. But what is the fact?—If we want an extra man for a month, or for two or three weeks, we tell the Minister and he sends us some one.

2568. At the end of that time what becomes of the man?—He goes.

2569. Should there be a general provision for equal leave of absence for all classes or should not length of service, nature of appointment and responsibility of office be factors in considering the extent of leave to be given? Should not leave of absence be compulsory? Should there be a limit, and if so what, in the case of leave on account of sickness? Has the business of your department suffered, and to what extent through the granting of leave to officers on account of sickness or otherwise?—In your department have any abuses prevailed as to the granting of leave of absence?—I think leave of absence should be graduated according to position, and it is probably desirable that it should be compulsory. The department has suffered by the lengthened leave granted to some of the officers, though I do not think it is open to the charge of permitting abuses to prevail under this head. I do not think the Government should be less humane in case of illness than commercial firms or corporations would be under like circumstances.

2570. Should there be a system of fines for small offences? Is it advisable to re-instate an official who has resigned his appointment, without the recommendation of the deputy head? Should any test of competency to perform the required duties

be shown, and is it necessary to appoint at the same salary?—I think if the deputy had power to inflict moderate fines, he could reach those who could be reached in no other way, but, with rare exceptions, I have found an appeal to the honour of the gentlemen under my supervision quite sufficient. As a rule I fancy an official, having resigned, would seldom be re-appointed except on consultation and with the approval of the deputy. His capabilities would probably be known, and he should be appointed if at all at a salary suited to the work he was required to perform.

2571. Do you strictly observe the law regarding the attendance book? Do all your officers sign the book? How do you deal with those who are late in attendance?—Yes. Officers are not in any case noticeably late. If arriving after ten, they have to come into my office to record their names. I have not found it necessary to reprimand officers on this score. Each day's work has to be finished each day or others dependent upon them would suffer. I have not found them attempting to shirk their work, hence if by accident a few minutes late, I should overlook it, unless it became habitual.

2572. Then a man could not come in and report himself and go into his room for half an hour and go out again?—Yes, he could.

2573. He could go away and not come back again?—No, because he would have to put down when he went away. In a small department like ours you know everybody. It is not like the Post Office Department with 200 men. I do not think practically anybody goes out of my department in that way. There are one or two men who are a little weak in that way, and probably will be as long as they live, but they are doing much better than formerly. There is no one who would go out as a rule without coming into the office and asking permission. These men drink more or less. Both have had a good education, but one has no application. The other is a good worker, in fact particularly so when not disabled.

2574. Your department is so small that you can practically have a supervision over your clerks at all times?—Yes, we have two or three branches, and each head of a branch has seven or eight men under his control, and he has the necessity to call for them or see them half a dozen times a day, and then one is dependent on the other. If a man in the financial branch misses his work for a day, the man in the statistical branch will say that he cannot finish his work because he cannot get the papers from the other branch.

2575. You have an efficient check upon irregular attendance?—The assistant book-keeper has to close his accounts with the collectors throughout the country every day, and all the remittances have to balance up to 1 o'clock on the previous day.

2576. Have you any suggestions to offer as to the Civil Service Act in general, or as to your own department in particular in connection therewith?—I have anticipated this in my open remarks. All I desire is to be freed from restrictions and regulations suggested in respect of other departments and made general irrespective of fitness. I find, wherever we turn, we are tripped up by some regulation, because the Department of Marine or some other department wanted a restriction imposed, and therefore the Auditor suggests that to the Treasury Board, and the Treasury Board make a minute which ties me down, when I should not be tied down in that direction. I previously said that I thought the Act constituting the Inland Revenue Department should be the Civil Service Act for that department. One of the reasons for that is that they are always making regulations which tread on our toes, and wherever we turn we find we have broken some regulation made on a representation of another department.

2577. You would have each department dealt with on its own merits?—Yes, then you could make the provisions more exact.

2578. The present system impedes and hinders you?—Yes.

2579. Have many changes in the character and extent of the service required in your department occurred since the passage of the Civil Service Act, and have, as a consequence, the duties in your department or of any branch or of any officer of your department been varied?—Since the first Civil Service Act was passed, we have added the Weights and Measures branch, and the Adulteration of Foods Act has led to the development of the scientific branch supervised by the chief analyst. On the other

hand, the collection of canal tolls has lately been transferred to the Department of Railways and Canals.

2580. Have any persons found their way into the service of your department who either from defects existing at the time of their appointment, or from advanced age or from bad habits, are ineligible for retention in the service?—We are not entirely free from the influence of bad habits in one or two cases. I believe, however, that in both cases a sincere effort is being made to overcome them with varying success.

2581. Are the number of persons employed in your department out of proportion to the increase of work?—I think not; the officers, one and all, are kept fairly busy. There is very little opportunity for idling.

2582. Has the work of your department increased beyond the capacity of the permanent staff, and if so, has it led to the employment for lengthened periods of temporary clerks, and has the rate of remuneration of these temporary clerks been increased from time to time?—No; the employment of extra clerks has only been occasional and for short periods.

2583. Have you any suggestions to make, more particularly in connection with any rules laid down under existing statutes that have been found inconvenient or impracticable and that would lead to irregularities?—This requires more time than as yet I have had to devote to the matter.

2584. Is it desirable for officials to sign the attendance book when leaving the department for any purpose?—Where the staff is large, I dare say some such check is indispensable. If there is a proper respect for the deputy, I do not think any officer would absent himself from his work without asking permission. The attendance book is kept in our department because it is required by regulation. I prefer to rely however on broader ground. I have seldom had occasion to repent of trusting largely to the honour of my subordinates. We have adopted the course suggested for some years.

2585. In your opinion are the office hours 9.30 a.m. to 4 p.m. sufficiently long, or could they be extended in your department with advantage?—There would be no great hardship in lengthening the hours of the deputies and higher officials, because they seldom get through their work by 4 p.m., but the lower grades who are occupied day after day doing the same monotonous work with nothing to challenge the fancy or to call for a thought beyond the mill horse work they are required to perform, do a good day's work if they work conscientiously from 9.30 to 4.

2586. Have any abuses prevailed in your department as to the length of the working hours?—No.

2587. Is it desirable that the officials should leave the department for luncheon?—Yes, in most cases, but the tendency to exceed the time actually required should be rigorously checked. I think a fine should be exacted if undue advantage is taken of the privilege. I do not see why an hour should be taken for a midday meal—in most cases half an hour would suffice.

2588. Do all your officers leave for luncheon at the same time; if that is the practice, is an arrangement made whereby the business of the department does not suffer through their absence. What length of time is given for luncheon?—No; half go from 12 to 1, and half from 1 to 2. We give them an hour.

2589. And the hours from 9.30 to 4 are with an hour for luncheon?—Yes. I think it should be half an hour for luncheon. I think the time should be prompt at 9.30, allowing the officer to go away practically at 4.30, if he is busy. We find our men do not as a rule get away till about 4.30.

2590. But if there is a pressure of work—an ordinary pressure of work?—Then they stay till 6 and come back after 6. We do not have any trouble about that.

2591. You do not give them extra pay?—Certainly not. At the close of the fiscal year several of them are always there for a month till 9 o'clock. We could not get along without it.

2592. Do you take care to ascertain that the length of service recorded in the Civil Service list is correct in the case of the officials attached to your department, and that in case of those officials who come under the provisions of the Superannuation Act such

service is only entered as would be counted for superannuation?—I never refer to the Civil Service list. Our departmental establishment book contains every information required for any purpose and any reports made to Council are based upon that book.

2593. In your department are the officials generally aware of the Treasury Board Minute of the 28th January, 1879, respecting the use of political influence; is its spirit generally observed; and in case of infraction has the attention of the head of the department been called thereto?—I do not think the members of the Civil Service generally look upon the Minute in question as seriously intended to be a rule of conduct, and are hardly likely to do so as long as political influence is the most potent factor in the advancement of many of their associates. Again in this I refer to the outside service rather than the inside.

2594. Is it desirable that a fixed daily allowance should be given for travelling expenses, or would it in your opinion be preferable to reimburse the actual outlay incurred?—I think a fixed allowance is preferable, but unless the maximum allowance is increased, a reimbursement of actual outlay would be only a matter of honesty. I do not believe the country desires its servants to supplement this allowance from their private purse when travelling on public business.

2595. Do you make in your department the same allowance for travelling expenses to all classes of officials and for all services, or do you discriminate and to what extent?—No; the allowance is graduated according to the rank of the office. The maximum allowance of \$3.50 per day determined by Order in Council is so far as the highest officers are concerned, a source of continuous private loss. I have never been able to keep within the maximum allowance. Officers of lower grade are allowed \$2, their travelling expenses being largely in rural parts and expenses less.

2596. In your opinion is a Superannuation Act necessary in the interest of the public service? If you deem it necessary, do you consider it advisable to restrict the operations to certain classes of officials having distinctive duties or otherwise? What change, if any, would you propose as regards the officials of your department?—Most certainly. It has doubtless retained in the service, many good men who but for the knowledge that in case of sickness their families would be in a measure provided for, would long ago have left. Many of the best men in the service have entered it after being wrecked in some financial storm, and have entered it merely as a temporary port of safety. The Superannuation Act alone has kept them there after the skies had cleared.

2597. Do you consider the ten-year term sufficient, or would you increase the number of years to be served before an annuity be granted?—I see no great need of any change.

2598. Do you consider as a rule the age of 60 years to be a proper age for retirement?—No. I do not think there is any proper age except that which brings with it incapacity. It may be 60 or it may be 75. In the interest of remaining members it might be well to fix a limit at the expense often of losing the service of able and efficient men.

2599. Would you deem it desirable to have all officials retired at a certain age, and what would be your view as to that age?—My last answer probably covers this.

2600. Would you grant the option of retirement to any official who wishes to retire from the service, and at what age should this option be fixed?—I think all officers having served 25 years should have the option of retiring. Even if in exercising that option they sacrifice something.

2601. Should any term, in your opinion, be added to the actual term of service of any official to be superannuated, however he may have been appointed?—Yes. If he has before entering the service acquired special qualifications. I do not think it is unfair that he should get the advantage of his acquirements, but the fact should be cited in the Order in Council appointing him and the Government should make good to the Superannuation Fund, the equivalent to the additional years allowed.

2602. If a term be added, do you consider it advisable to regulate such addition by confining it to certain offices designated, and by requiring a certain length of service

before such addition can be made?—I think it quite reasonable to require a certain length of service, before the privileges due to special qualifications are made available.

2603. In the Superannuation Act in England, the list of officers to whom the additional time shall be given is scheduled?—I would not ask for any special time to be stated for superannuation.

2604. In your department has the additional term or portion of additional term been granted solely to officials appointed to high offices for technical qualifications, to officials whose office has been either abolished or who have been retired for reasons of economy; or has the additional term been granted in any case to officials, who entered the service after the age of 30 years, and who never did anything but clerical work?—I cannot say that other influences have not at times been operative, but if it were imperative to state in the Order in Council appointing officers that they were appointed for special qualifications stating what they were and what additional service they carried with them, this difficulty would be overcome. In answering this question I had the outside service in view. The trouble in the outside service is that a man is getting up in years when he is appointed, perhaps within five years of the time when he could legally be superannuated. He has a considerable parliamentary backing, and he wants an opportunity to get into something which will suit him better, and he gets pressure brought to bear and he gets ten years added because when he came in he knew something about brewing or something else which was not at the time he came in considered a special qualification but is now. I do not think that was ever intended by the Act, but it has been done.

2605. Under the Order in Council appointing an under-secretary or deputy his special qualifications are stated, and he might when going out lose the ten years he counted upon?—I think the Governor in Council might say they would not allow it. In my own case it was stated in the Order in Council that appointed me that I was appointed for special qualifications, but it did not say the length of time that should be added. Mr. Morris, who was then the Minister stated that ten years would be added, but it is not in the Order in Council, and the Cabinet might cut it off.

2606. Do you consider it proper that abatement for superannuation purposes be deducted from the salaries. If so, do you consider the present percentage sufficient or do you consider that it would be desirable, in the interests of the public service, to increase the percentage, in order to provide (a) that, if no superannuation takes place through death or any other cause, the official, or his representatives, should be reimbursed for the abatements deducted from the salary: or (b) that the officials who are superannuated might have the alternative of accepting a commutation in lieu of superannuation to the extent of the abatements paid by them?—Yes. I consider the present abatement insufficient and think the fund should be self-supporting, also that it should be an absolute and inalienable right. I do not think any official would accept a commutation in lieu of superannuation if limited to the extent of abatements paid by him. If the fund were self-supporting he would have an absolute right to that in any case. In case of death I do not see why he should not get the abatement though some other allowance should perhaps be made for the family. If the abatements were to be paid back, the fund would not be self-sustaining. You would have to make the rate high enough to pay for the expectation of life after 65.

2607. It would be a matter of actuarial calculation?—Yes, I do not think it would be fair to put the rate so high as that.

2608. Would it be desirable to have a system of insurance in connection with superannuation?—I say no, but I find the feeling of the service is very strongly against me there, both inside and outside. It might be well, however, to require every employee to insure his life, but if this were associated with superannuation, the healthy would have to pay for the unhealthy. It might be philanthropic, but it is not business. I do not see why, if I insure my life I should be on a par with men who are brought in for political purposes, with broken down health, and that I should be rated at an amount which would pay for them. If it were voluntary, it might be a great benefit to some, and would doubtless be very popular, that is, if the Government would undertake to run an insurance company, and it might be made optional to a person to go in or to stay out.

2609. If it were voluntary the Government would be open to pressure to take all risks?—That is what they would practically do. They would take risks that the other insurance companies would not. I think it would be a very good plan to require that every body who went into the Civil Service should be properly insured.

2610. In cases of dismissal or resignation, in your opinion should the abatement deducted from salaries for superannuation purposes be refunded?—I think not, always supposing dismissal to be for sufficient cause in cases of resignation. There is something to be said on either side. My present impression is against it, because, while remaining in the service he has had the advantage of the provision of the Act, and they are resigning only because something better is in prospect. If I contribute for 20 years to the superannuation fund, I feel a sense of security during that time that in case of sickness I can fall back upon that, and it is worth my while to pay two or two and a half per cent for that feeling of security, and I can still continue to participate in that if I remain in the service, but if another opening occurs and I take advantage of it and leave the service, the money goes to the benefit of the fund.

2611. In your department has it ever been recommended that a diminution of the allowance should be made on account of the services of an official having been considered unsatisfactory?—No. Not that I recollect.

2612. Do you deem it advisable to allow any extra term of service to any officers removed to promote efficiency or economy, or for any reason at all?—Yes, certainly. If a man has given 15 years service he has got out of gear with the outside world and has to begin over again.

2613. When once a superannuation is effected, do you consider it desirable to retain the power to call back to the service the person superannuated, and at what age would you place the limit?—No. Why should a man be kept all his remaining days in suspense. Once he has severed his connection he should be entirely free.

2614. There is a limit in the Act, to the age of 60?—Yes.

2615. You mention "all the remaining days of his life." The Government can call a man back up to the age of 60?—I consider that an injustice. If it suits the purpose of the Government to superannuate him, he should thereafter be entirely free.

2616. Are there any suggestions you would like to offer with respect to the Superannuation Act, or the working thereof?—Nothing beyond what I have already said.

2617. Is your department divided into branches; give particulars, including the name of the person in charge of each branch? What is the method employed in your department for the collection and deposit of public money?—It is almost impossible to do this. The duties of about half the employees extend over the entire area, viz., the financial and secretarial branches. The remainder are statistical clerks, and may be ranked under the head of excise, weights and measures, and general revenue statistics.

2618. Could you not tell us what each man is doing in your department?—Yes.

2619. We want a statement showing the number of men and the work each man is doing. Will you give us a synopsis of the work now being done and the cost, and also your idea of a good theoretical organization of your department, if you had a clean slate, and could commence over again?—I will supply that.

2620. We want to know what checks you employ in your department to secure that all the money that ought to be paid for excise duties reaches the treasury?—The most important feature of our system is the determination of the duty, and not its collection, which is a very simple matter after we have determined it. We have eight or nine men at each of the large distilleries. In the first place we weigh the grain into the establishment; our men check all the weighings of grain and see the quantity recorded to the debit of the distillers' books. We weigh the ground grain into the mash, and we test the alcoholic strength of the mash after fermentation is completed, and we keep entire control over that until it comes out in the shape of finished spirits at the tail of the worm into a locked receiver. That receiver cannot be opened except when our two special class officers are present.

2621. Now, have you any check on those officers to see that they are always doing their duty?—They have to put a label on these locks and the labels are all numbered

consecutively. The key cannot open the lock without puncturing the label. These labels are taken from a book, the stub of which must show why the label was used and the result of any test made. The label must be initialed by the officer who used it, and must after use be attached to the stub from which taken. The label book, when all labels are used and attached, is forwarded to the department.

2622. What checks have you upon those officers to prevent them from coming under undue influences from the parties who carry on the business?—Well, there are several checks. The first check is that there must be collusion between the two officers. There is the officer in charge of the distillery proper and the officer in charge of the distillery warehouse, and it is their duty to be present and to initial all the weighing of spirits from the receiver; the distillery's representatives must also be present, so that there must be collusion between these and the officers in order that a fraud may be perpetrated. But we do not necessarily charge a duty upon spirit as it comes from the receiver; we can charge a duty on the grain brought into the distillery, at a certain rate fixed by the law, or we can charge duty if it does not come up to a certain alcoholic strength, as against the beer or worts that goes into the fermenting vats, we can charge duty on that.

2623. You know, that a certain amount of grain or a certain mixture of grain, ought to produce so much alcohol?—Yes; and the law provides that we may charge duty in either of four ways—either on the grain used in the distillery at the rate of 20 $\frac{1}{10}$ pounds per proof gallon, or on the beer or wash, fermented or made at the rate of one gallon of proof spirits for every fourteen gallons of beer or wash, or on the amount of spirits found in the close receiver or in the total amount of spirits turned out of the distillery. The duty is generally collected on spirits as determined in the closed spirit receivers, because that yields the largest revenue.

2624. But that does not give you a check that the amount of spirits on which the duty is paid is the proper amount of spirits on which duty ought to be paid?—(Of course, we have got to trust to a certain extent to the integrity of the men in charge of the distillery. Whenever a receiver is released to be charged with duty, our officers have all got to be present at a certain time at the examination. Then these spirits are released under the supervision of our officer, and are dropped into the weighing tank, where drafts of say, five thousand gallons each can be taken, and they are weighed and the duty is established by weight. The weighing officer keeps a record of every draft. They are also tested for strength, and there is a record made of every test, which is kept by the two officers in a book, provided for that purpose, where full details of weights of each draft, gravity, temperature, strength, gallons and proof gallons are recorded and computations shown in full.

2625. Have you ever known an instance, in your experience, of the officers not doing their duty?—No; we have had no such instance in the distilleries.

2626. Or the breweries?—We have not the same supervision over the breweries, because they pay duty on the malt—and not on the product—of so much per pound. Then the brewers make monthly returns, sworn to before our collector, showing the result in every brewery, how much malt used, and what the product was in ale or beer.

2627. In case of the distilleries do your clerks here check the returns?—There is a check right through, every item being compared with the distillers' and officers' books, and we can at any time assess the duty either upon grain or upon the wash, or in any other manner that the law allows. It seldom occurs that the charge for duty by any other than the "receiver" measurement is necessary, but a case did occur, I think, a couple of months ago, and we simply instructed the officer to collect excise duties, by that method yielding the greater revenue.

2628. What other duties do you collect, besides those you have mentioned?—We collect duty on tobacco, cigars, &c. I believe we get every dollar of our excise revenue.

2629. Do you take any bonds from men who handle money?—None of our men handle money, except collectors; all, however, give bonds.

2630. How are the duties paid?—As a rule, they are paid by marked cheque through the collector, and the collector is charged with all the accruals of revenue under the different heads, tobacco and so on, in his division. Every day every entry paper is charged up against him, both in his books and in our books at the department, so that we know how much has accrued. They close up their accounts every day at 1 p.m., and they have to bank all moneys that they have collected up to that hour, and their notification to us of a deposit mentions the last consecutive number of the entry paper on which the accrual is based, so that in our books we can just strike a column anywhere, and see whether the amount paid in, is the full payment of what has been collected; if not, an explanation is required. This, however, very rarely occurs.

2631. How do you follow all these quantities of spirit that are sent away in bond, as the greatest part of them are sent away from Toronto and Montreal and Prescott?—They give a removal bond; that bond is credited to that division and charged to another division.

2632. You have an account that shows the quantity of spirits that are in Prescott, and you charge the collector so much that he ought to collect there?—Yes.

2633. Now, he sends those spirits away down to Montreal and you credit him with the quantity sent?—Yes; and we debit the Montreal collector in the removal column, so that the aggregate removal credits in all the divisions always agree with the aggregate removal columns to the debit of all other divisions.

2634. Then you have an account against the collector in Montreal and you look to him to collect so much revenue for you from those spirits?—Yes; it becomes a liability the moment it is shipped from any other division to Montreal: it has got to be shipped by a removal entry and it is credited to one division and debited to the other.

2635. How do you keep track of it to know where it is?—It has got to be accompanied by a "permit." A railway company has no right to carry spirits at all unless they are accompanied by that "permit." Suppose there are a hundred barrels, each one has its own numbers and marks upon it. That "permit" goes forward with the shipping bill and is delivered to the consignee.

2636. Now, how do you follow it into the custody of the consignee?—When I say consignee I am not quite right. We have adopted the principle of having them billed to our collector instead of to the consignee.

2637. What we want to find out is, where does the barrel go to? A barrel of spirits leaves Toronto (from Gooderham and Worts, we will say), and goes down to Montreal or Quebec. You say the railway cannot carry that particular barrel without a "permit;" they cannot take a lot of a thousand barrels, we will say, without a "permit." Now, when these lot of barrels go to the railway station who is there to look after them on your behalf?—Well, there is no one, but we have got a bond in the meantime from the shippers for twice the amount of the value of the duties, and if it is not delivered in accordance with the undertaking they will be subject to double duties.

2638. That is the penalty?—Yes; and further the collector at the receiving division has his entry mailed from the sending division so that if not delivered within reasonable time enquiry would ensue.

2639. It is their business to look after it?—Yes. The shipping bill goes direct to our collector at the receiving division.

2640. Do you mean a bill of lading?—Yes.

2641. It is his business then to look after that lot of barrels?—Yes; he looks after it and he sends a notice to the consignee. Then as soon as the latter has paid freight on it, he will have delivery, and the moment the order for delivery is given it goes into bonded warehouses and is locked up with our own lock. They cannot open it without our key.

2642. You have actual possession of it?—Yes.

2643. Then it is just like a customs matter, if they want their goods they pay their duty?—Yes. It is only while it is in transit that it is out of our direct control.

2644. Do you have any trouble with leakage?—We make no allowance for leakage. The consignee and the consignor have got to settle that between themselves; we do not allow for any leakage.

2645. If the barrels turn out to be empty while they are in your warehouse, you still exact a duty of them?—Yes.

2646. And does the system work well?—It works like clock work.

2647. In England a merchant keeps it in bond in his own store: are you aware of the custom in England?—I am not.

2648. In almost every large wholesale store in Montreal ten years ago, it appeared that there was a bonded house in the store, particularly in the tobacco line?—It is the same still, but it is a felony to break the lock open.

2649. You have a bond covering these goods there too?—Yes.

2650. They do the same thing in the customs too?—They do. It must be understood that they pay a license for those bonds, and although those bonds are in their own warehouses, they are practically Government property on which they pay rent.

2651. Do they pay the Government rent?—They pay \$20 a year.

2652. That is in order to constitute the Government a sort of proprietor of that particular corner of the warehouse?—Yes, and it is a felony for them to break into it.

2653. In the case of spirits the duty is far more than the value of the articles?—Of course: we have got to test them from time to time to make sure they are not replacing them with water or diluting them. In our bonded factories we require them to have a double flooring above and below these stores as a greater protection.

2654. How many distilleries have you?—Nine.

2655. The number is decreasing, is it not?—It is about the same as it has been for the last nine or ten years.

2656. Has not the law respecting the maturity of spirit had the effect of consolidating the manufacture in fewer hands?—Well, it has kept it there. It has not rendered the establishment of additional distilleries any more easy.

2657. There are only five firms now who make it in any considerable quantities?—There is Gooderham & Worts, Walker, Seagram, Wiser, and Corby, and two purely malt distilleries. Those are the five main distilleries. There is also one in Halifax and one in Hamilton.

2658. You say that at a place like Gooderham & Worts you have two officers?—Two special class officers and several subordinates.

2659. To see after the manufacture of spirits?—Within the last two or three years we have changed the method of supervision very materially. We found that the entire supervision of the distillery and the warehouse was too much for one man and so we made the distillery and the warehouse two separate and distinct surveys. The debit of the distillery stock book of course shows the production at the close receiver; then, on the credit side is recorded the mode in which it is disposed of, which is chiefly by being turned over to the warehouse account, and the credits of that column will constitute the debits of the warehouse. Then the warehouse account is relieved by the spirits being removed in bond, or by being exported, or by being entered for consumption; so that these two surveys are practically distinct surveys, and the two officers only come together when, according to the departmental regulations, they attend together for the testing of spirits in the close receiver and for the transfer of spirits from the one survey to the other.

2660. When you speak of debiting and crediting, all that is done in Ottawa by your staff?—No, that is done in the distillery as well as in the office of the collector of the division and at the department. We have our own officers and accounts of the distillery and if the distiller wants to know how much they have in a certain lot of spirits, they often come to consult our books. We are practically running the distillery from the receiver onward, we get three-fourths of the proceeds and they get the balance.

2661. What do you pay those two officers at Gooderham & Worts?—I think they get about \$1,400 or \$1,600 each. I know we have had a very hard struggle to get their salary raised. They are men that do for the Government the same kind of work that the corresponding men in the distilleries are employed to do for the distillers, and those get \$3,000 or \$4,000 a year.

2662. It would pay Gooderham & Worts to give these two men a very handsome bonus?—No doubt; if there were any disposition to do so on their part. But I have not the slightest feeling of anxiety on that point, either on our behalf or on account of the class of men that we have to deal with as distillers. There is too much risk to run. They know that anything of that kind would be found out because we have got a counterpart of all their transactions at the department, and they could not carry on a system of fraud many weeks before it would be discovered. Besides they are men of good social standing; not that we abate anything on that account.

2663. Could there be any means of collusion between the distiller and the Government employees in the distillery?—Well, it would have to be concerted.

2664. You say they could not run it a week without being found out; but things are always found out sometime and the question is how long after the deed?—I would not say that there might not be discrepancies which might last perhaps until the end of the year, or until they took stock, but they would have to falsify their entries all through. Supposing at the close receiver they have ten thousand gallons, and by some means or other they only charge for an accrual of eight thousand gallons; in that case they have got to get away with two thousand gallons before it gets to the warehouse, and how are they going to do that? There are so many other checks that it would be practically impossible to commit a systematic fraud even if they wished to.

2665. They could not succeed by corrupting one man, they would have to corrupt two? They would practically have to go right through the whole routine. They would sell themselves to at least four of our officers and place themselves at the mercy of their own employees.

2666. It would only be necessary to corrupt both officers?—It would be necessary to pass a false entry charging the stock books, then they would have to get away with that two thousand gallons which would have to be moved surreptitiously as the only credit to the distillery is through the warehouse.

2667. In order to compute the quantity of spirits in the vat, or in what you call the close receiver, you have what you call a dipping rod?—Not now, that is done away with. All quantities are now determined by weight.

2668. What about the strength of this?—We take the strength by Sike's hydrometer and the gravity is also checked by a German instrument, (Westphal Balance), which is used a good deal and which is so accurate that you could not make a mistake of one gallon in ten thousand pounds.

2669. Under this law they have to accumulate tremendous masses of spirits either in tanks or barrels; how do you know that these tanks are not filled with water?—When they are filled and when delivered over for removal or duty they are tested, and they are always under lock.

2670. In Walker's establishment the whole warehouse is divided into little cells, a barrel in each cell; there are thousands of those barrels?—We took stock last year and found there was one barrel missing. We traced it up and found that they had shipped by mistake 501 barrels instead of 500 by a steamer, and the customer got the benefit of it. Our survey was the means of their locating and recovering that one barrel. They had about three million gallons in stock and that discrepancy was discovered through our officers taking stock at the end of the year. They had to identify probably 70,000 barrels.

2671. The trouble has been in the past in the use of the dipping rod that the greatest weight of the spirits to some extent falls to the bottom of the Receiver?—No; but we are liable to constant difficulties owing to the change in shape of the copper storage tanks, etc. Formerly we took merely the measurements, now we weigh everything.

2672. Is there a great difference between the weight of a gallon of spirits and a gallon of water?—About 20 per cent in high strength spirits.

2673. Is that your means of testing?—It is based on the specific gravity of water, we weigh them up to about three decimals. Then the difficulty that we found, until the present system was adopted, was that the bulk varied at different temperatures.

2674. You mean to say that a gallon would weigh eight pounds at 60 degrees with the barometer at 30, and that the weight would vary under other temperatures?—The weight would remain the same but the volume would be increased or decreased as the temperature was raised or lowered.

2675. So your present test leads to a certainty, while the old test of the dipping rod did not?—Yes; it is an absolute certainty.

2676. And this little army of men whom you employ outside you say are men who, in a commercial service, would have very much larger salaries?—I have no doubt of it in the world, in respect of many of them.

2677. That is, there are men of technical ability?—Yes, to some extent, especially the higher officers.

2678. Would it be worth while for Gooderham and Worts to say to one of these men: Come and serve us and we will give you 50 per cent more salary?—I have no doubt it would. But they are quite as much interested as the department in having good men as Government officers.

2679. Is it a wonder that they do not?—I do not consider they are paid what they are justly entitled to even now.

2680. You pay for professional skill?—Not only that, but you must have men who are out of the reach of corrupting influences.

2681. That is a great deal to expect of a man to whom you give only \$1,600 a year?—Yes; I may say that we have been very fortunate in the selection of our men. In the first place we have two men at the head of these important surveys who have passed a special class examination; they cannot be special class officers unless they pass a special examination, which is a great deal more technical and is really a difficult test to pass. Their salary has only been \$1,200 up to a recent period.

2682. Is not the professional skill involved such that almost any one could qualify himself without much trouble?—He would have to have a certain amount of practical experience; I do not know that it requires any unusually great natural ability or talent, but it is a matter that requires industry and integrity, and no man can attend properly to his duties in a distillery if he has his mind anywhere else.

2683. How long hours are they employed?—From seven in the morning till six at night. Their qualifications must be acquired by actual experience; it does not require a high classical education but they must have a liberal knowledge of mathematics with which they ought to be tolerably familiar in order to make correct computations in mensuration, and they must have good judgment—in effect their talents must be all available at any hour.

2684. An attempt to corrupt your men would lead to the seizure of the whole establishment?—Yes, and they would not like to take the risk of having two or three million dollars worth of stuff seized. Our regulations are most arbitrary; the only thing that make them tolerable is the fact that they are administered with fairness and justice and with due regard to practical commercial requirements.

2685. So that in addition to all the other checks you have special regulations against corrupting your officials?—Yes.

2686. Do you pay here all the salaries of those outside officers?—Yes, we pay them in this way: we issue a cheque to the collector for the whole amount of his division and then he has to put that to the credit of a special salary account and draw his own cheque.

2687. How do you know that the officer gets his salary?—We get the pay-list back signed by each officer.

2687½. Would it not be better to pay by cheque?—His cheque is payable to the officers and require endorsement.

2688. His cheques are returned to you?—No.

2689. You must get them to satisfy the Auditor General?—I do not recollect exactly. I know there have been two or three changes since I have had anything to do with the accounts. I think the return of the signed pay-list sufficient.

2690. You have no purchases in your department?—No, not to any extent.

2691. Who signs the cheques for the the salaries of all the outside officers?—I sign and the accountant signs. He always draws them out first and I sign. I never attempt to check them. I assume they are right: in fact, if not right the Auditor would not pass the pay-lists.

2692. They are all payable to order?—Yes, but to the inside service cheques are all made out directly to them.

2693. What system of purchase is adopted in your department?—There is but little need for purchases beyond what the stationery branch can supply. Furniture is procured by requisition on the Department of Public Works. I think if some of the restrictions as to purchasing supplies were removed the department could save time, annoyance and money.

2694. You collect revenue through stamps do you not?—We require that stamps should be placed on tobacco and cigars. We do not sell stamps. They are only *prima facie* evidence that the duty has been paid, but they are no absolute proof of duty.

2695. That is to say, the stamp is not money?—Well, it is practically, it represents money. For instance, we have coupon stamps running from twenty-five to thirty-five pounds, with a coupon for every pound additional, and when a man pays a duty on so many hundred pounds of tobacco he sends in a requisition saying what denomination of package he wants it for. Then we give him the stamps for those packages and they are supposed to be put on in the presence of our officers.

2696. But where does the actual money go?—Whenever he makes a requisition for these stamps and passes an entry, then the duty is paid on the tobacco described in that entry, the stamps are issued to cover the individual packages making up the amount on which duty is paid.

2697. You sell stamps, do you not?—No, we have always resisted that interpretation because sometimes they have lost stamps and we have refused to recognize our responsibility.

2698. Practically the tobacco dealer makes a requisition on you for a certain amount of stamps?—Yes, to cover the goods upon which he has paid duty and without which they cannot go on to the market.

2699. For which he pays at the time?—Yes.

2700. And when his packages are ready he puts them on?—Yes, and he pays the duty at the time he makes the requisition.

2701. Then who has the custody of those stamps which can be sold for money?—They are kept in a vault here, and there is a regular account kept of them. A number of each denomination is sent to each division, and they have to account every month for the disposition of those stamps, and our inspectors, from time to time, check over what remains in their hands and certify on their returns that the balance alleged to be outstanding and on hand has been counted over by them.

2702. As a rule the collectors have not more than a fortnight's supply on hand?—We can hardly tell. We do not know what demand may spring up at any time. They are not supposed to have on hand any more than would probably meet the requirements.

2703. Of course these stamps are not like postage stamps which everybody buys; they are only available to certain individuals?—That is all. Besides that they cannot put them on. Our supervision of each factory is such that we can control their use. All these stamps have numbers on them. Supposing we found a factory putting on stamps numbered with figures beginning at say 500,000, and we know that all that have been charged against them were in the 700,000. That would show that they had got stamps of a different series and it would be reported at once if the officer is well up to his work. We would enquire how they got those stamps, knowing that they did not come from our department.

2704. You say your collectors give bonds?—Yes.

2705. To cover any sums in their hands?—Yes.

2706. The general rule is that all officers of the Government who handle money give bonds?—Yes. The collectors do not handle much money, nine-tenths of the money

comes in the shape of cheques. But still you cannot insist upon a man giving a cheque if he chooses to pay in money.

2707. You encourage the public to deposit directly in a chartered bank, if they can, to the credit of the Receiver General? We encourage them in this way: We require all duties over a certain amount to be paid by certified cheque to the order of the Receiver General. I suppose nine-tenths of our revenue in large places is collected by means of cheques or drafts in favour of the Receiver General.

2708. In addition to his salary is any official in your department in receipt of any additional allowances or perquisites, and if so, please state the particulars?—No. I may add that there is an additional check on collectors that I have not mentioned. We have what we call an entry number book, and every transaction which goes through the Inland Revenue Office bears a consecutive number. It may be a removal in bond, or it may be an entry ex-warehouse for consumption; whatever it is it bears a consecutive number, and is entered in this entry number book, which is a wide book with many columns, and we state in the proper column whether it is for warehouse, for removal or otherwise. It would be almost impossible for a collector to collect money on a certain entry or withhold that entry, because it would be noticed. Supposing it were entered in the entry number book and forwarded to the department with a number which did not correspond with the dates and time when the entry was actually passed, that would call for enquiry at once in the department. It has to be entered when it is received in that entry number book, which book is kept by some officer other than the collector, and there is a fixed liability when it is once entered there.

2709. The system compels him to make evidence of each transaction as it occurs?—Yes.

2710. He cannot defer making his record?—No: before that entry can be acted upon, it has got to have its number and be entered in the entry number book.

2711. Is it possible, in your opinion, to reduce the expenditure on account of the services under the control of your department without impairing their efficiency, and, if so, state in what way?—No: if reference is made only to the inside service. If to the outside, some superannuations might be made. We might, however, do away with a couple of clerks and make others work harder, but the class of duties they would have to perform would be entirely dissimilar to those they would be doing the rest of the time. I doubt if any benefit would accrue.

2712. Are any of your officers in receipt of salaries other than their official salary?—No: not at present.

2713. But you do not think there could be any further economy by dismissing any of your men?—I think not to the general advantage of the department.

2714. In your department have any abuses prevailed in connection with the supervision of payments?—No.

2715. We want to know whether abuses have prevailed in connection with payments anywhere?—I do not think any abuses have occurred that I can call to mind. We have dismissed one officer for manipulating his contingent expenses or something of that sort, but that is the only case we have on record. This was in the outside service.

2716. Have you any suggestions to make with a view of possible amendment to the Audit Act?—I would prefer to reserve this for more careful consideration. I believe the Contingencies Act should be less cast-iron in its requirements. Deputies are required to sign this certificate in person: "I hereby certify that each item of this account has been incurred upon the requisite authority, and that the expenditure was necessary for the public service. I further certify that the articles and services charged for have been received and performed, and that the prices charged are in my opinion severally fair and just." In many cases they cannot conscientiously sign this. If I sign it in respect of a subscription to some remote country paper, I know it is incurred upon competent authority—probably by a general order in council—but I cannot state that the expenditure "was necessary for the public service," and ought not to be compelled to do so. Too many restrictions are far more dangerous than their entire absence.

2717. Have you any suggestions to offer respecting the rules and regulations governing the receipts and expenditures of your department?—I think they might be made

a little more liberal in regard to seizures of illicit manufactures. At present our collectors have no right to share in any penalty or seizures, and that is right enough in respect to licensed places. There might be a tendency on the part of the less scrupulous of them to make difficulties with manufacturers on mere matters of regulation, and to get them fined \$100 or \$200. I recommended, and the Minister concurred in the matter, that the salaries of collectors should be raised in lieu of their right to participate in seizures of all kinds, and the result has been that we have had less friction with that class. They are now generally disposed to tell a man: "That is not according to regulations, and if do you not comply more thoroughly with the regulations we shall have to bring you before the department," and that generally rectifies the matter; whereas before they had to wait till they had committed themselves to an extent, that the department could not overlook. Although there was no fraud, it brought them under the regulations, which are very arbitrary, and a fine had to be imposed. Then by increasing their salaries a little they consented to have their right to participate in the seizures taken away.

2718. Does that work as effectually for the protection of the revenue?—I think so. We do pretty much at headquarters. We have such a complete control and knowledge of all the details that I trust our statistical clerks here very largely to point out anything that is wrong.

2719. Have any of your officers at headquarters benefited through these seizures?—No.

2720. They do not share at all?—No, I think it would be better to allow collectors to share in illicit seizures. If they seize a distillery that is not working under the law or excisable goods which have escaped the duty, I think they should be entitled to a share of the seizure. Supposing they seize a cargo of spirits being smuggled in up the Gulf of St. Lawrence, why should they not participate.

2721. Does the intelligence come in from informers?—Yes, in general.

2722. Just as they do in the custom house?—Yes.

2723. Does it happen sometimes that the informer cannot make out his case to the injury of the credit of a respectable firm?—We do not receive any information about licensed houses.

2724. Your system is not vexatious and inquisitorial?—No, it would be very annoying to the trade if we did not exercise a little discretion and courtesy. The immense powers we take by law permit liberal treatment.

2725. If any of your officers had the right to share in the distribution of penalties and forfeitures, it would tend to weaken public confidence in your fairness? It might. I do not think it is all desirable, if you refer to the inside staff.

2726. In case seizures had been made, down the St. Lawrence, of spirits coming from Newfoundland and Miquelon, any of your men could share?—Yes, but in case where the collector is interested he could not share. In such a case I think he should.

2727. The subordinate officer would share, but not the collector?—I think in one or two cases, the collector himself set the man on the track, and was fairly entitled to a considerable share of the proceeds.

2728. What shares do you give to the Crown?—I think we give one-third.

2729. Just the same as the Customs?—We have got a long Order in Council differentiating the amount according to the extent of the seizure.

2730. None of your outside officers have benefited to any considerable extent in seizures?—No, it is a minor thing; they used to benefit very largely twenty years ago, but not now.

2731. These shipments of smuggled goods that have been seized lately in the St. Lawrence, were they seized under the present system?—That is outside my department; to a large extent they were Customs seizures.

2732. But your officers have been concerned to some extent in some seizures that have been made?—They have.

2733. But you also act in cases where manufactured spirits are seized?—Yes.

2734. Under the present system of selling seized goods, it militates against the honest trader?—Yes, and it displaces so much of duty paying spirits. So much is that

the case that spirits can be laid down in the Gulf at 60 cents a proof gallon. We will suppose that a man in Boston enters into collusion with a Customs officer in Quebec—I must not be understood to imply that such a case has happened—and he says: “I want to ship a cargo of spirits to Quebec. I do not want to transgress any of your laws. When it gets to Isle aux Coudres or some other place, I will wire you, and you go and seize those spirits. Thus you do not break any of your revenue laws.” In this way the spirits might be shipped with the intention of being seized. They cost 60 cents a gallon and they sell for \$3. It is a pretty good speculation. One-third goes to the informer. I would recommend the Government to give 50 cents a gallon as a penalty to the informers and seizing officers, and destroy the spirits, and they would then be gainers of over a dollar a gallon, as compared with the existing practice.

2735. But if you were to seize the steamer also, that might cure the evil?—They put it on board of old boats that are not worth seizing.

2736. The only cure is to empty them into the river!—Yes, destroy them. They would not repeat the operation very often if they only got 50 cents a gallon. The informer would get one part of that.

2737. Should the inspectors of weights and measures be exempt from examination?—The deputy inspectors of weights and measures should all be mechanics.

2738. Do you think the inspectors of weights and measures, the deputy collectors and preventive officers should be exempt from examination?—I do not think anybody should be exempt from examination where the examination would be any test of fitness. Our deputy collectors of Inland Revenue have become exempt, simply because the Minister consented soon after he came into the department, to do away with the political nomination of collectors, and that was a gain to us. We provided that collectors can only be promoted for efficiency, and the deputy collectors—class *b*—do not amount to much.

2739. How many deputy collectors have you?—We have two classes, in all there must be about fifty, of whom probably twenty-eight or thirty are class *b*.

2740. How many inspectors?—About eleven.

2741. Are they constantly employed outside?—Yes, they have a certain district. They make reports every quarter and they also check the collector's monthly statements of transactions.

2742. Do we understand that this system of exemption from examination for deputy collectors is to enable the department to get an efficient staff of collectors?—I do not know what the object of it is exactly. I suppose it is to make a loop-hole.

2743. You want your collectors to be efficient men?—Yes.

2744. And in order to throw a sprat to the whale you allow deputy collectors to be appointed without examination?—That is it. The minister yielded further to the extent that the deputy collector at headquarters of any division should belong to class *a* and that they should be subject to our examinations. But the deputy collectors appointed for subordinate stations were deputies of a different class altogether. And there is some reason in that, because a man who is stationed, we will say at Almonte a subdivision of Perth, has to collect duties there and do every thing that a collector would do if this occurred at headquarters, and yet the value of his services altogether may not be worth more than \$500 or \$600 a year, and they just appoint him without much regard to his qualifications. Of course not many qualifications are required. Generally speaking I do not think they run to \$600 a year. They are generally an untried class of men and get poor pay. There is no serious loss except in the multiplication of them: there is a tendency to increase their number, that is the chief danger.

2745. What is your opinion about deputies' salaries? Should they all be graded alike or should they vary according to circumstances of each department, length of service, &c.?—You are now referring to deputy ministers. I think there should be some distinction between a more and a less important department. But still perhaps not. They have all got to occupy certain positions and keep up the dignity of their department. It seems to me that they ought to enter at the minimum and go on increasing up to the maximum according to length of service. I think, perhaps, there ought to be

two grades. But I would not like to create the impression among my colleagues that I thought my position was any more important than theirs.

2746. What is the idea of the minimum of each grade? I think the present minimum is too low, but you cannot expect to get the salaries up as long as deputy ministers are so wretchedly paid. Of course it is worth something to a man to be in a position of permanence and security, and in a respectable employment. I do not expect to get the status of the deputy heads raised much beyond what it is now, at \$4,000. It might go to \$5,000 perhaps some time or other. I think it ought to go to \$5,000, but it is perhaps doubtful whether it will.

2747. You said something about two grades; what is the limit of your lower grade and upper grade? I should be satisfied with \$5,000 as the limit of the upper grade.

2748. Would you think it desirable to give a deputy an annual increment, or appoint him like a judge with a fixed salary?—I have not thought much on that subject, but I think length of service might fairly be taken into consideration.

2749. Are there any men in your department of the higher grade doing inferior work?—Well, there are men who have become first class clerks that are doing statistical work, which *per se* I should rank as second class work. But still they are industrious and capable of better work.

2750. Do you think that in all the departments there should be a distinctive line of duty for first class clerks?—It is very difficult to know just where to fix it. My impression is that the staff in all the departments, the fixed and permanent staff, ought not to be beyond twelve or fifteen. They can get all the assistance to do the mere routine work on better terms than now, that is if you can do it without sacrificing vested interests.

2751. In your department these men are all called first, second, and third class clerks. Would you make any difference in their titles if you were reorganizing your department? For example below the deputy head there may be a secretary, there may be an assistant secretary, there may be in some large departments a chief accountant or deputy accountant?—We practically have them arranged in that way now.

2752. They are all called clerks!—That is one of the cast iron regulations of the Civil Service Act that I would like to get rid of. I do not see how you can squeeze everybody down into a clerkship. I think beyond the chief statistical clerk that all the balance of the statistical work could be done by a permanent lower grade class of clerks.

2753. You have mentioned in your memorandum the method in which appointments are made. Should deputy heads have the power to suspend at all times?—I think so. If they are to be held responsible for the conduct of their department they should certainly have the means of bringing their men to book.

2754. But when the Minister is here at Ottawa, is it not as well to mention it to him before you suspend the man?—I suppose so.

2754½. If the Minister is in Ottawa, is it not better to have an understanding with him before you suspend?—The result might be this, that there might be some men that you would not suspend.

2755. But would it not be better to settle the question of suspension with the Minister if he is here, instead of acting on your own responsibility?—It depends upon whether my Minister would be willing to abandon his prerogative. I doubt very much if the Council would sustain a Minister in putting a man back that the deputy had for sufficient causes suspended, unless there was very good reason for it.

2756. But on the mere matter of suspension, the Minister would not have to go to Council?—I have been supposing all along that a reorganization would take place and that you would have some independent board to whom this matter would be referred.

2757. This question is being asked in view of the present system?—Under the present system I do not court any change in the matter of suspension. The question is one of far more importance to the outside than inside service.

2758. If the Minister is here you think it is not worth while to have the power, because you would not exercise it unless you consulted him first?—I do not see that anything would be gained if the status of the deputy head remains as at present.

2759. But if there was some appeal to an independent board you think it desirable that the deputies should have the power of suspension, whether the Minister is present or absent? I do; but I must say, in regard to that, that I never found my Minister standing in the way. I think the influence on the subordinate officers would be better if they felt they were in the hands of the deputy, because it is a more lasting influence.

2760. You spoke about a board of examiners, you have said nothing about salaries in that scheme?—I think it should be a substantial position, that is supposing the board were practically a Civil Service Board instead of a board of examiners. They would be charged with very important duties, in fact they would be a court of appeal in all cases of dispute. They should be first class men and should get good salaries.

2761. You would not attach other offices to them?—No.

2762. How many should there be?—Two or three would be quite enough, probably better than ten. Even one, if he had full powers, would be just as good as two or three.

2763. All your staff are scheduled under the Civil Service Act?—I think so.

2764. That is to say that all your outside officers as well as inside, are scheduled under the Act?—Yes. It results in bringing them under the Superannuation Act.

2765. Your outside officials are appointed without regard to age?—I think they are.

2766. And as a consequence, does it not add to the Superannuation expenditure?—I suppose it does to a certain extent, that is to say, theoretically it does. As a rule we get young men and they cannot enter until they have passed the qualifying examination; there are certain other requirements also. Then they cannot rise in the service unless they pass further excise examinations.

2767. But you must expect that from every young man?—Well, those that are too young and those that are too old fail some times; but the tendency we find with the qualifying examinations is to bring in a class of men that are proficient in such knowledge as is required for rural school teaching but are not particularly remarkable in business matters.

2768. You have not had many new appointments to your inside service since the act of 1882 came into force?—No.

2769. Are you aware whether, generally throughout the public service at Ottawa, any new appointments have been made since 1882, after repeated trials to pass? I do not know.

2770. One of your officials has died within the last two or three days?—Yes.

2771. Can you avail yourself of the opportunity to reduce the cost of the staff? We have already got somebody in the department who is practically doing part of his work now. But we are short-handed now. The Assistant Secretary is over-worked.

2772. Is this person now doing this work, on the staff; or is he temporary?—He was put on lately.

2773. And you will continue to let him do this work?—Probably we will in part, but the expense will be reduced as compared with the last two or three months. But it won't reduce it much less than it was before the other man became ill. This man has been taken on since he became ill. He is included in those two temporaries I have mentioned.

2774. Then if you made him permanent it would reduce the staff from 27 to 26?—Yes. That number has not changed within the last ten years.

2775. But your staff must be very much larger?—No, but they are much more efficient than they were ten years ago.

2776. In the concentration of work at the large distilleries is there not an opportunity of lessening the staff?—No, we have got room for every man who is there.

2777. Do you make your cashiers and collectors, who handle money, take leave of absence?—There are but few of them who handle money and I think it would be just as well to make them take compulsory leave of absence. I quite agree with the theory that they should vacate the office at times. I think there is no need to make it compulsory because they are glad enough to get their leave.

2778. But there is no compulsory rule?—No, I think it would be better if there were.

2779. Is there any obligation under any Act, for your department to pay the expenses of culling timber at Quebec and Montreal?—Yes, the Cullers Act.

2780. The Cullers' Act only applies to Ontario and Quebec?—The thing is an anomaly, there is no doubt about that.

2781. There is nothing in the constitution of the Dominion that enforces the Cullers' Act in any province?—Except the Cullers' Act itself.

2782. It involves an expenditure of \$20,000 or \$30,000 a year?—Yes, but a revenue of \$18,000 or \$20,000 is derived from it. The net expenditure is about \$12,000.

2783. Could it be done away with?—No doubt it could. I dare say it would be a benefit to do so, but some of the shippers would be sorry to see it done away with.

2784. Does it give character to the timber and lumber in the foreign markets?—Yes, it avoids complications in shipping.

2785. If it gives character to lumber in Montreal and in Quebec why should it not be extended to other provinces?—I drew up an Act to do that two or three years ago which was agreed to by the Chamber of Commerce at Quebec and the Board of Trade in Montreal. I think it was thrown out because the New Brunswick lumbermen did not concur in it.

2786. But it is quite in the line of duties devolving upon the Central Government in regard to the inspection of wheat, pork, pearl ash and such articles?—Yes. I wanted to make it one of the items under the Inspection Act and appoint a chief inspector and let him appoint his deputies.

2787. What services do the Dominion get for the \$30,000 a year?—We get a certain revenue but nothing like the expense. Still you must bear in mind that for a good many years after the inception of this Cullers' Office the Government got a considerably larger revenue than the expenditure.

2788. But as a charge to the Dominion the present system might be reduced or modified?—I think so. It is a question of fees altogether, and optional.

2789. Is there no recouping from the owners of lumber for this service performed by the Dominion?—There is a little revenue. The fact is it was a very good act when it was passed and was necessary to protect the producer against the shippers in Quebec. They swallowed up everything. This was an effort to remedy abuses and it was all right enough then. But now all that has passed away, and I fancy that the only reason why the act is retained is that there are a number of men holding the office of Cullers and the Government do not like to throw them out of employment. Then a routine has been established which shippers have become accustomed to.

2790. There was an expenditure last year of \$84,000 for methylated spirits?—But there is a revenue of over a hundred thousand dollars.

2791. How is that shown in the public accounts?—I do not think it was shown last year. I was overhauling my accountant the other day on that very point. This year you will find it brought into line. It was an experimental thing for some time and we got a vote of \$5,000. Last year we made a profit of about \$20,000 on it over and above expenses.

2792. It is a revenue producing thing?—Yes.

2793. Nevertheless the fact remains that it cost \$84,000 to make \$100,000?—Yes, we are bound by law to restrict our profits to about 15 per cent.

2794. Who has the management of that business?—We have an officer in charge. We receive all the orders here and send them down to be filled, and they are sent forward to the collectors in the different divisions.

2795. Where is it manufactured?—In Sparks street, Ottawa.

2796. Do you think the expense of making it could be reduced?—The whole establishment is only worth two or three thousand dollars.

2797. But how is it that it cost \$84,000?—That is for buying the wood naptha and the alcohol. It is not the cost; it is the outlay of capital in order to produce; it is the purchase of alcohol and wood naptha and working expenses in connection with the same which costs the \$84,000.

2798. The object of your undertaking to manufacture it was to prevent the danger which would accrue from allowing everybody to make it?—Exactly.

2799. There were two or three vinegar firms in Montreal that were making it?—Yes. It is simply a protection to our spirit revenue and the health of the community, because they used to use it for manufacturing a crude kind of spirits for the back country shebeens.

2800. What is the use of that methylated spirits? For dissolving gums and making varnishes. There is 20 to 25 per cent of refined wooden naptha in it, and 75 to 80 of alcohol.

2801. Do druggists sell it?—No; we grant permits to use it to manufacturers of varnishes and in other mechanical arts, but we take a bona from them that they will not sell it or use it for any other purpose than that specified in their application.

2802. How many gallons do you make during the year? I should think we make from 100,000 to 120,000 gallons.

2803. Do you import any?—At present we are getting nearly all our wood naptha made in Deseronto. When they first made it, it was such poor stuff that we could not use it, but we have been helping them along; now they are making a very good naptha, just as good as we usually get from New York. We did get some from France.

OFFICERS OF THE INLAND REVENUE DEPARTMENT.

Names.	Rank or Class.	Length of Service.		Salary.
		Years.	Months.	
				\$ cts.
E. Miall.....	Commissioner.....	21	and 8	3,200 00
W. J. Gerald.....	Assist. Commissioner and Inspector Tobacco Factory.....	24	do 10	3,000 00
P. M. Robins.....	Chief Accountant and Chief Clerk.....	24	.....	2,400 00
W. Himsworth.....	Secretary and Chief Clerk.....	23	and 11	2,150 00
F. R. E. Campeau.....	1st Class and Assist. Accountant.....	20	do 3	1,800 00
W. L. Heron.....	1st Class.....	19	do 4	1,800 00
J. E. Valin.....	do.....	17	do 8	1,800 00
C. R. Hall.....	do.....	15	.....	1,750 00
W. Carter.....	do.....	18	and 7	1,550 00
R. Nettle.....	do.....	34	do 7	1,450 00
F. K. Blatch.....	2nd Class.....	19	.....	1,400 00
M. J. Walsh.....	do.....	9	and 7	1,400 00
do.....	Private Secretary.....	.....	.....	600 00
J. F. Shaw.....	2nd Class.....	20	.....	1,400 00
J. A. Doyon.....	do.....	16	.....	1,400 00
J. Byrnes.....	do.....	9	.....	1,300 00
R. Quain.....	do.....	11	and 9	1,250 00
J. P. McCarthy.....	do.....	6	do 2	1,150 00
Geo. Fowler.....	do.....	22	do 7	1,150 00
J. P. Dunne.....	do.....	9	.....	1,100 00
Geo. Brunel.....	3rd Class.....	15	and 4	1,000 00
J. F. Brown.....	do.....	17	do 4	1,000 00
J. P. Flynn.....	do.....	5	do 4	1,000 00
R. Archambault.....	Messenger.....	16	do 9	500 00
A. McCullough.....	do.....	4	do 7	420 00
				36,970 00

(Sgd.)

P. M. ROBINS.

Inland Revenue Department,
2nd February, 1892.

The two branches into which the department is divided are the financial and the statistical branch, under supervision of Mr. P. M. Robins, chief accountant, and the

corresponding branch under the supervision of Mr. Hinsworth, the secretary of the department.

Here I beg to hand in a statement prepared by Mr. Robins (a) and a further one (b) by the secretary, setting forth the duties of each officer.

After careful consideration I do not see that the theoretical organization could be materially changed with any advantage. I find the statistical work requires considerable technical information, which has to be acquired, and that perhaps I have undervalued it in stating that it should not be rated as any higher than second class work.

DEPARTMENT OF INLAND REVENUE.

OTTAWA, 30th January, 1892.

DEAR SIR, In accordance with your instructions, I have the honour to submit the following statement of the duties of the clerks of the accountant's branch of this department.

Mr. NETTLE. His work is the opening and the distribution of the mail, except that relating to standards and bank receipts. The numerous entries and returns are recorded in appropriate books that the date of their arrival may be traced.

Mr. BROWN. He keeps the excise blotters, in which are entered all entries and returns of cash transactions, which form the debit of the collectors of Inland Revenue.

Mr. VALIN. He keeps the cash book of all services, checks the daily statement of receipts sent to the Auditor General, makes deposit of all receipts, which are in actual cash or post office money orders, and keeps the excise collector's ledger, which has to balance daily, and is ruled off monthly.

Mr. HERON. Has charge of all books relating to tobacco and cigars statistics, and the inspection of petroleum. There are twenty-nine manufactories of tobacco, snuff, cigarettes, and 147 manufactories of cigars. Every entry and return has to be checked, and the records comprise seven books, the largest containing 500 folios, and serving for one year only.

Mr. SHAW. He performs similar duties in regard to spirits and manufactures in bond to those of Mr. Heron in respect of tobacco, etc. Besides this he keeps a record of licensed warehouses and of claims for refund on beer exported.

Mr. BRUNEL. He performs similar duties in regard to malt and malt liquor as those of Mr. Shaw in respect of spirits.

Mr. HALL. Has charge of the appropriation book and of seizures books, the latter involving much troublesome detail. Also enters all contingent accounts of outside officers in the blotter, and fills up stubs of all cheques, except those for outside salaries.

Mr. BYRNES. Has charge of establishment book, which is a complete official record of each employee of the department. Fills out all cheques, except those for outside salaries, enters them in proper books, each cheque requiring record in at least two books, mails them, each cheque being accompanied by a form with the blanks properly filled, makes detailed monthly statements of these cheques for the Auditor General.

Mr. DOYON. Keeps the revenue and expenditure ledgers for weights and measures and gas services, and the register of pay-lists for the same. Records all changes of salaries in the outside service, and issues all *pro forma* pay-lists for them, and the cheques for the payment of these salaries. Prepares for the accountant a skeleton of the salary estimates, and also the annual statement to be published in the Civil Service list.

Mr. QUAIN. Has charge of the books relating to methylated spirits and the expenditure ledger for excise, preventive service and inspection of food. Also the register of pay-lists in regard to these services.

Mr. FOWLER. Checks all certificates issued by weights and measures inspectors for the whole Dominion, to see that the charges agree with the tariff, and that the proper stamps have been issued, and records the same. Where mistakes have been made he informs both the inspector and the party aggrieved.

Mr. DUNNE. Prepares daily statement of receipts for transmission to Auditor General, opens and registers mails relating to standards, keeps monthly record of statis-

ties relating to standards and staple articles which are subject to inspection. Also checks, records and distributes monthly the diaries of seventy-one inspectors.

MR. CAMPEAU.—Has charge of the general journal and ledger, which involves a monthly analysis and classification of all the financial transactions of the department in order that they may be brought into the ledger in compact form. Is also charged with the preparation of the financial returns for the annual report and the supervision of the printing.

Each clerk is also expected to prepare for the annual report those returns which are the natural result of his own records, and the system of book-keeping is designed to work as fully as possible towards this end during the year, that the necessary work for the completion of these returns may be reduced to a minimum when the year has actually closed.

It is not necessary for me to remind you that what I have written is but a bare summary of the duties of each individual. Your knowledge of the work will enable you to fill out the details to your own mind, but if my memorandum is intended for use by the "Commissioners," I respectfully submit that only a personal examination of the work of the gentlemen of the branch will enable them to form an intelligent opinion of what it involves.

I have the honour to be, Sir,

Your obedient servant,

P. M. ROBINS,

Chief Accountant.

E. MIALL, Esq.,

Commissioner of Inland Revenue,
Ottawa.

DEPARTMENT OF INLAND REVENUE.

OTTAWA, 3rd February, 1892

DEAR SIR, I beg to submit, as briefly as possible, the detail of the duties performed by the clerks under my supervision:

MR. CARTER has the making of the synopsis and backing all correspondence received; and answering, from dictation or otherwise, the same, and copying them in the letter book. Writing and copying all telegrams. Endorsing on the files a synopsis of the action taken—to be entered in the register, &c., &c.

MR. MCCARTHY has the keeping of the Register and entering therein a synopsis of all letters received and all letters sent, and indexing same book. Keeping record of all bonds given by officers to the department. Writing from dictation—submissions or reports made by the Honourable the Minister of Inland Revenue for submission to the Privy Council—and does all the type-writing for the department.

The above two gentlemen have, for the last ten months, been performing duties between them which belonged to the late Mr. Lusignan, entailing continuous overwork, which duties are as follows:—

Doing all necessary copying, issuing orders for methylated spirits, keeping the leave of absence book for the outside and inside services, keeping the staple articles register, and in indexing same, also keeping a record of all appointments, temporary or permanent.

MR. BLATCH looks after all printing (including proof-reading), binding and issuing of stationery for the outside service.

MR. FLYNN has charge of all inland revenue stamps, consisting of tobacco and cigars, petroleum labels, law stamps, weights and measures and gas stamps, and the issuing of the same on requisition. He has charge of all excise instruments, such as hydrometers, saccharometers, petroleumeters, &c., and testing of same. He has also charge of the excise locks, which are used throughout the Dominion.

I need scarcely say, as you are perfectly aware of the fact, that every gentleman of my staff has a full day's work to perform, and performs it. It is a difficult thing to give the minute details of each officer's work, but when the Civil Service Commissioners visit the department, as I understand they intend doing, personal explanations will enable them better to understand the nature of the work.

Respectfully yours,

WM. HIMSWORTH,

Secretary.

E. MIALL, Esq.,
Commissioner of Inland Revenue,
Ottawa.

With regard to the Audit Act, I think the provision authorizing the Treasury Board to call upon the Auditor to audit revenue accounts should be expunged.

The Commissioners will understand that the determination of the duties of excise requires an elaborate survey. An audit which began with the collector's cash book would be no audit at all, while any attempt to go beyond and behind that would be futile, unless our own staff were practically duplicated, and such a multiplicity of officials, while of no practical benefit would fearfully impede business. It is in fact, utterly impracticable.

Colonel C. E. PANET, Deputy Minister of Militia, was examined :

I was appointed to the position of Deputy Minister of Militia in 1875, and have held office continuously since then.

2804. Give the number and cost of permanent staff at Ottawa, of the department of which you are deputy, in 1882 and 1891 respectively. Also, number and cost of extra clerks or other officials in all its branches, whether paid out of Civil Government funds or otherwise, in 1882, and also in 1891?—I submit the following statement showing the number and cost of the permanent staff, Department of Militia and Defence, Ottawa, in 1882 and 1891, respectively, also number and cost of extra clerks or other officials in all its branches, whether paid out of Civil Government funds or otherwise in 1882 and in 1891.

SALARIES, DEPARTMENT OF MILITIA AND DEFENCE.

Rank.	Number of Employees.		Amounts paid for Salaries.		Charged to Vote.
	1882.	1891.	1881-82.	1890-91.	
			\$ cts.	\$ cts.	
Deputy Minister.....	1	1	Salaries, Civil Government, Department of Militia and Defence.
Chief Clerks.....	3	3	.....	.....
1st Class Clerks.....	5	6	34,924 89	42,212 50	
2nd do.....	7	11	.....	.....
3rd do.....	10	6	.....	.....
Messengers.....	4	4	Civil Government, Contingencies.
Extra Clerks.....	4	.....	.....	.....
do Messengers.....	1	.....	793 50	.....
do Clerks.....	.....	1	.....	670 00
do Messengers.....	.....	1	.....	456 25
Total.....	35	33	35,718 39	43,338 75	

INCREASED DUTIES, DEPARTMENT OF MILITIA AND DEFENCE SINCE 1882 UP TO 1891.

The office work and various responsibilities and duties of the Department of Militia and Defence have been increased since 1882 by the establishment of the following services, necessitating supervision, correspondence and special clerical work, viz. :—

By the establishment of the Cartridge Factory at Quebec : Infantry School at London : Infantry School at Toronto : Infantry School at St. John's, P.Q. : Infantry School at Fredericton, N. B. : Cavalry School at Quebec : Mounted Infantry School, Winnipeg : "C" Battery, Artillery School, Victoria, B. C. Also by the assumption of the duties in connection with construction and repairs of militia buildings formerly performed by the Department of Public Works, which necessitated the appointment of an architect and engineer branch in 1884.

The establishment of militia field forces, rebellion 1885, threw an enormous strain upon the department, and work in connection with that service has not yet ceased, time, labour and clerical duties being still required on the outstanding and unsettled claims yet before the department. My department is smaller than most of the others and the question of extra clerks is comparatively unimportant with us. We have one extra clerk now.

2805. How should the Board of Civil Service Examiners be constituted, and what should be their powers? The Board of Civil Service Examiners, as at present constituted, is not, in my opinion, satisfactory. If tolerated, its powers should be limited to the maintenance of the service at a proper standard; and there should be no promotion examinations. I would prefer an independent commission with competitive examinations in all cases. This would, to a certain extent, exclude outside and other influences which are very detrimental to the service. I would like to see a more independent board composed of men who are not in any way connected with the service. I do not think that the board should have anything to do with promotions. Deputy Ministers who are responsible for the work know exactly the intelligence and capacity of every clerk under them; and their recommendation for promotion, should be acted upon as a matter of course.

2806. What should be the power of the examiners? That depends entirely on the standard that you require for the public service. My impression is that the present examinations are sufficient to test the capacity of the young men who present themselves for examination for entrance into the service, and it has the effect of giving us a good set of men. I do not think that the examinations should be changed on that score; but I believe that great advantage would accrue from competitive examinations, and an independent board.

2807. Should all appointments be the result of competitive examinations? What appointments, if any, should be made without examination? Should there be an age limit in the case of all appointments; and state what, in your opinion, the maximum and minimum ages should be?—Competitive examinations do not always bring out the best men, but it has the effect of excluding pressure to obtain an appointment, which is a great deal in its favour. Except in very special cases, all appointments should, in my opinion, be made after examination. In my opinion eighteen years should be the minimum age for entrance into the Civil Service, and, except in special cases, forty years the maximum. Certain appointments impose themselves, so to speak, upon the Government in certain cases, although there are not many such cases. But there are men whom it is very important to have in a department on account of their special qualification. I do not think these men should be subjected to examination.

2808. Should deputies be appointed during pleasure or during good behaviour? Should their responsibilities and powers be extended, if so, in what direction?—Deputy heads should be appointed during good behaviour. Their responsibilities and powers should be increased. They should have the right of promoting, suspending and dismissing the subordinate staff under their control.

2809. Should there be any third class clerks at all? If so, what should be the limitation as to salary? Is the present maximum—\$1,000—too high? Should there be

an intermediate class ranking lower than second and higher than third?—There should be no third class clerks except as a probationary class. It is a dangerous experiment to introduce permanently into the service parties who are willing to serve for so small a salary. That man comes in at \$400 a year, and as it is to-day, he becomes a fixture and we cannot get rid of him. If he turns out to be a good man, of course, the service profits by him; but if on the contrary he turns out to be a very inferior man, you cannot get rid of him. A good man will very seldom accept such a paltry sum as \$400.

2810. You recommend a minimum age of 18?—A man of that age ought to be able to earn more than \$400. I would rather see that class wiped out, or maintained for probationary purposes only.

2811. You stated just now that they became fixtures. Now, do these fixtures reach \$1,000 by the ordinary process of annual increment? Yes, they generally do.

2812. Without any increase in their duty? Of course the statutory increase is only permissible and not absolute, it is not given them as a matter of course. But I think you will find from the evidence that will be given before you, that it was given in most cases as a matter of course. In some cases the statutory increase has been withheld. I do not mean to say that in every case they arrive at a thousand dollars, but they generally do.

2813. In adding for optional subjects, should there not be some understanding that the optional subjects were necessary in the duties of the office to which the appointment was made?—I think in adding for optional subjects full scope should be given, as the small increase in salary is fully compensated by increased usefulness, although proficiency in some of the optional subjects may not be a necessary qualification for the time being. If a man qualifies to pass on optional subjects he ought to have the advantage of it; it increases his usefulness for which he should be paid.

2814. If a man passes in typewriting, although there is no typewriting required in your department, you would pay him his additional \$50? I would, on the ground of general usefulness, which might be required and turned to account at any moment.

2815. Are the recommendations for increase of salary always made with due consideration, or are they in a very large measure perfunctory? Recommendations for increases of salary are not always satisfactory.

2816. Do you think that as a general rule these recommendations are perfunctory, or is there *à bono fide* enquiry and examination?—Well, I suppose that those who recommend them are satisfied that the increases should be made. There may be some cases where recommendations go as a matter of course.

2817. Is it desirable to have an annual fixed date at which all increases of salary should take effect?—Increases should, in all cases, be made from date of promotion, subject to payment from date of appointment, it would be an advantage to have them all at a fixed period.

2818. Should there be general preliminary examinations for all departments, or should there be special preliminary examinations for each department?—All departments should be on the same footing with regard to examinations. The examinations should be similar except for such men as are required for special purposes. For instance, in our department, we have some military men whom of course, we would not care to have examined outside their military attainments.

2819. How and by whom is the selection made from the list of qualified candidates in your department; did you ever report against an official during the term of probation, and was another trial allowed, as provided in section 36, sub-section 2?—The selection from the list of qualified candidates in the Department of Militia, is made by the Minister. I have not had occasion to report against an official during a term of probation.

2820. Were any appointments made by yourself or on your recommendation?—They may be made in the following way: If I go to the Minister and recommend to him a person on the list—if he has no one he wishes to appoint—I do not suppose that the Minister would object in any way. But the appointment lies entirely with the Minister.

2821. Does he go outside the list for permanent clerks?—Except in case of special qualifications we are not allowed to go outside the list.

2822. That is the Minister himself can go outside the list?—No, the law is such that they have got to appoint from the list of passed candidates except in case of special qualifications.

2823. Can the Minister himself go beyond the list?—No.

2824. Is the probation a *bona fide* probation?—It can be made a *bona fide* probation; but on the other hand it may be passed over. But I have not had occasion to suffer from that in any way.

2825. You have found that the appointments on probation were fit to go on?—Yes.

2826. And you never had occasion to report against an official?—I do not remember having done so.

2827. What is the practice in your department in regard to the appointment of persons having professional or technical qualifications, and have you ever had an examination held in any such case?—All persons having technical qualifications in the Department of Militia have, to my knowledge, always been appointed without being subjected to the examination by the ordinary Board of Examiners. They are appointed, without examination, on a special report from the deputy minister and concurred in by the Minister. According to the Civil Service Act, such appointments are made on the recommendation of the deputy. We have had a few in our department.

2828. Is it desirable to have promotion examinations, or if not what would you recommend to be substituted?—Promotions should be left to the deputy ministers, who are responsible for the work.

2829. Have promotions in your department been made only when vacancies were to be filled, or has it happened that an officer has, while continuing in effect to perform the same duties, been promoted to a higher class?—Some clerks, to my knowledge, have been promoted for length of service when a vacancy offered.

2830. Have you at any time promoted a man for length of service to a first or second class clerkship, when he is really doing the same work in the grade?—Yes.

2831. You have promoted an officer while he is continuing to perform the same duty?—Yes.

2832. And you not only increase his salary but increase his grade?—Yes; but there was a vacancy of course.

2833. But instead of stopping short at the vacancy and not filling it up you promoted a man although he was still doing the same work?—Yes.

2834. Is it desirable to make to the Civil Service Board a yearly estimate of the vacancies likely to occur during the year?—I see no necessity of estimating the number of vacancies likely to occur. The estimate can be of no use, nor can it be relied upon.

2835. If promotion examinations are deemed desirable, should the officers earning the higher number of marks be the successful candidates, or should the promotions be made on the report of the head of the department, based on the recommendation of the deputy head?—The promotion of clerks should be based on the recommendation of the deputy minister.

2836. Should not promotions be made by Order in Council?—I see no objection to promotions being made by Order in Council.

2837. Has any officer in your department after being promoted turned out to be incapable, and was the attention of the head of the department called to the case, and was such promotion cancelled?—No officer, to my knowledge, or during my term of office, after having been promoted, turned out to be incapable except through illness.

2838. Have you, at any time, by your certificate in the promotion examination, enabled a candidate to pass whom you deemed unfit?—No, never.

2839. Did you ever, in respect to the efficiency marks, give a less percentage than 30 per cent in the case of any candidates in your department seeking promotion?—In giving marks, I have, according to cases, given a less percentage than 30 per cent.

2840. Should not exchanges of positions be made on the report of the deputy heads of the departments concerned?—Exchanges of positions should never be made without

the concurrence of the deputy heads in each department concerned. Exchanges are always an experiment, and when they are made at all it should only be done with the consent of both deputies interested, else one of the two is sure to suffer.

2841. Are exchanges ever made for the convenience of officers and not for the benefit of the departments concerned?—We have had a case of exchange, and in that case I got the best of it.

2842. Was it for the convenience of the man or the benefit of the department?—It turned out to be for the convenience of every body. But I think, as a rule, exchanges should not take place unless it is perfectly understood by the deputies who are really the responsible persons.

2843. Should the temporary clerk or writer class be extended, or limited or abolished?—The employment of temporary clerks, should I think, be continued when a pressure of work comes suddenly. I do not see how we could do without them in certain cases. We have not been troubled very much with a considerable excess of work coming on suddenly in our department, except in 1885, during the rebellion. But in ordinary times I can do without extra clerks by asking my clerks to remain after hours, which they invariably do when called upon. North-West claims still give a good deal of work, and in this connection I have been obliged to have an extra clerk.

2844. Do you pay your men extra for extra hours?—Never. I go around once in a while and look at my indexes and when I find they are not up to date I say "Gentlemen you have got to remain here till six o'clock, or until these indexes are up to date," and every body remains, and in two or three days everything is righted. But in regard to extra clerks, I think, it is important that the deputy minister should be in a position to employ an extra clerk when he requires his services. In some instances we cannot do without them. Our clerks usually have routine business to attend to, and if anything outside of that comes on us suddenly, and it is to last for a fortnight or three weeks, it has the effect of throwing the ordinary routine work much behind time.

2845. And your men are willing to stay and work a few days until six o'clock?—They do so now and then. The staff of our department is not very large, but it is enough to keep the whole time of our clerks fairly occupied. We have only 32 all told.

2846. The ordinary routine is enough to employ them fully?—Yes, it keeps them busy till four o'clock, and at times we are obliged to ask them to remain longer. Some have passes and come after office hours to work. There is one man, for example, who does the general indexing; that takes the whole of this time, and, if occasionally, he is not able to do it within hours he is obliged to work outside office hours, but we do not pay him for extra time. His rank is second class clerk.

2847. Is not his work very much lighter at one period of the year than another?—It does not make very much difference with us. Our cavalry, artillery and infantry schools and cartridge factory cause a great deal of correspondence to be carried on. In fact we have correspondence to conduct with twelve districts, and there is as much correspondence at the beginning as at the end of the year. It is a sort of routine that keeps about the same.

2848. Then there are the camps?—That is extra, that is the outside service and it gives us a considerable amount of work and a great deal additional correspondence. We have to ask for tenders for supplies for all the camps and that gives us a considerable amount of work. We have to ask for tenders for supplies in every one of the districts, where there are camps. Contractors are then called upon to give on a chartered bank their security cheques to the amount of 10 per cent of the value of their contracts. These cheques are sent to the Finance Department.

2849. At the busy time of the year do you take on extra men?—No.

2850. But you have the ordinary men working a little harder?—Yes. We have one extra clerk, a sort of supernumerary, who should be discharged as soon as his work is over. He has now been employed for several months as I cannot do without him.

2851. Have you given any thought as to the desirability of having a junior division or boy copyist class?—I am not in favour of a boy copyist class. None should be employed under eighteen years either as extra or permanent clerks.

2852. Under the present system, in what manner do you ascertain the necessity of the employment of extra clerks?—The necessity for the employment of extra clerks should be left to the deputy heads. They have to be employed when the work cannot be done by the ordinary staff.

2853. Do you invariably select from the list of passed candidates; if not, are enquiries made as to the fitness of persons who are on such lists?—In the Department of Militia extra clerks have always been taken from the list of passed candidates.

2854. Have you any women clerks employed in your department? Are they generally efficient, and are there any branches in your department in which women clerks could be exclusively employed?—No women clerks are in the department. They are not required.

2855. Should there be a general provision for equal leave of absence for all classes, or should not length of service, nature of appointment and responsibility of office be factors in considering the extent of leave to be given?—There should be three weeks or one month of compulsory leave of absence for all classes except extra clerks.

2856. Should there be a limit, and if so what, in the case of leave on account of sickness?—It is very difficult to limit leave of absence on account of sickness. Each case requires to be judged separately. With regard to leave of absence, I believe it would be very good for the service if it was an understood thing that every clerk from the deputy downwards should be obliged to leave his office for three weeks yearly. There are some very good clerks in all the departments, at least that is my experience, men who follow the work of the office very minutely, working hard and keeping notes which would be valuable to the department if they were not kept private. If a deputy, for instance, wants some information, he cannot get it unless he goes to that very man. If that man happens to be away he has got his books, he has got his notes, and the deputy cannot get at them. That is a great inconvenience, and I find in some cases that parties are apt to take that mode of doing business. They keep things to themselves, and the consequence is that they become indispensable in their position. If such a man was obliged to take three weeks leave of absence he could not shut up his stock of knowledge in that way, but he would have to give it to his next neighbour who would be in position to replace him in case of need. As for myself I have not been away from the department since 1881 except when I go down to Quebec to the cartridge factory which I am obliged to visit periodically. Since that date I have not had a single holiday.

2857. Do you think it would be desirable to make a distinction between different classes, giving some a fortnight and some a month?—That would be reducing the present leave, because it is now an understood thing that all the clerks are entitled to three weeks.

2858. Do you think, for instance, that a deputy head should have the same leave of absence as a third class clerk?—I think three weeks or a month is enough for any body.

2859. Might not one month be too long for a mere clerk, and not too long for a man who carries heavy responsibilities?—But the man that has the care and responsibility is glad enough to get back after three weeks. In my own case I think I would begin to get anxious about the business of my department if I were absent for any longer time.

2860. Have the duties of your department suffered and to what extent, through the granting of leave of absence to officers on account of sickness or otherwise?—The business of the department may necessarily suffer sometimes; the work in such cases has to be taken up by the other clerks, or some extra hands must be procured. In my experience I have seen one or two of my best clerks attacked by serious illness and they have been away from the office a considerable length of time. But, although in one case we were obliged to replace the sick man by an extra clerk, still the Government profited by the fact that he was allowed leave of absence to recruit himself in health, otherwise we would have lost one of our best clerks. That man was sick for several months. Still I am very glad he was not turned off or superannuated, because we would have lost a man you could hardly have been able to replace. All these cases of sickness must be

judged on their merits. We have one man now who is very ill, I do not suppose he will ever get over it; but it is very hard, when a man has been a good clerk and is taken ill all at once, that he be superannuated.

2861. Should there be a system of fines for small offences?—I think so, this might be beneficial to the service.

2862. Is it desirable to reinstate an official who has resigned his appointment without the recommendation of the deputy head?—I think that a person who resigned his appointment should not be reinstated except in very exceptional cases, and that only on the recommendation of the deputy head.

2863. Do you strictly observe the law regarding the attendance book? Do all your officers sign the book? How do you deal with those who are late in attendance?—The signing of the attendance book is strictly observed. All sign it except the Adjutant General. Those late in attendance are admonished.

2864. Have you any suggestions to offer as to the Civil Service Act in general or as to your own department in particular in connection therewith?—I think the act, strictly carried out, is a good act so far as my department is concerned. I find no fault with it.

2865. Have any changes in the character and extent of the services required in your department occurred since the passage of the Civil Service Act, and as a consequence have the duties in your department, or of any branch or any officer of your department, been varied?—Changes in the character and extent of services required have necessarily taken place in a corresponding ratio with the growth of the department.

2866. Have any persons found their way into the service of your department who, either from defects existing at the time of their appointment, or from advanced age, or from bad habits, are ineligible for retention in the service?—Except in one case, and this one a case of impaired health, all clerks in the department are good and tried officials. With them the attendance book is of little value to me. Many of the clerks I often see remaining in their offices after hours. They constitute a good and efficient staff not out of proportion to the increase of work, as the services of one extra clerk are necessary most of the time. The extra clerk who has been employed has always been paid at the rate of \$2 per day. I may add that our department is composed of a great many old clerks who have been there for ten, fifteen or eighteen years. Outside of those we have a couple of specialists that were brought in, taking advantage of the clause of the act.

2867. Have you any suggestions to make more particularly in connection with any rules laid down under existing statutes, that have been found inconvenient, or impracticable, and that would lead to irregularities?—In departments where a large number of clerks of every grade are employed, some of the statutory regulations may be found inconvenient, but should not lead to irregularities. In the Department of Militia I have not suffered from this. In my opinion the position of deputy minister is not independent enough, I think they should be given more authority and that the Act could be changed for the good of the service in that way. That is a fault I find with the Act.

2868. Have you had a case of this kind, where a regulation, applicable to all the departments, applies virtually to some particular department, but is rather a hindrance to other departments, and yet you are bound to observe it?—I do not know any case.

2869. Have you any suggestions to make in connection with the imposition of checks upon the admission of ineligible candidates, or in regard to the giving of proper facilities for relieving the service of useless members?—The only check, in my opinion, that can be imposed against the admission of ineligible candidates are: Independence of the Board of Examiners, and absence of all political influence.

2870. Can you tell us from memory how many additional men you have now, compared with the number you had ten years ago?—We have very few considering the increase of the work. The work has more than doubled since the schools and other institutions were established. You have no idea of the amount of correspondence and work that each of them gives to the department.

2871. In fact, although you have decreased the number of your staff, you have increased its status?—Yes, very much.

2872. And has that change led to the employment of a higher class of men?—We have got a number of old men there, and gradually they have been doing a more responsible and higher class of work.

2873. But we can hardly understand how all this additional work has been thrown into the department here unless some other work has been taken away from it?—No work has been taken away, but the work in the department has increased, and I believe that before long we will have to increase our staff.

2874. Is it desirable for officials to sign the attendance book when leaving the department for any purpose?—I think it should be left to each department to determine whether it is desirable for officials to sign the attendance book when leaving the department for any purpose. In very large departments some deputies think that the signing of the book is a great help to them, but in my department where we have only thirty-one or thirty-two clerks, including messengers, who sign the book, I do not think it is necessary.

2875. Have you any cases of men who sometimes come in the morning and sign the attendance book and then go away again?—I have had one or two occasions to find fault with the clerks in that way; but our staff is so small that it can be stopped very easily. Where the staff is larger this thing is more likely to happen, and it is not so easy to control it. When you only have twenty-five or thirty men under you, you can very easily check a tendency of that kind, and if we complain of a man once and he does it the second time, he is sure to come to grief. But when you have one or two hundred clerks, it is pretty hard sometimes to prevent such cases occurring.

2876. In your opinion, are the office hours, 9.30 a.m. to 4 p.m., sufficiently long, or could they be extended in your department with advantage?—In my opinion, the office hours from 9.30 a.m. to 4 p.m. are sufficiently long, and in my department it would not be an advantage to extend them.

2877. Have any abuses prevailed in your department as to the length of the working hours?—I know of no abuse as to the length of office hours; when the work requires it, clerks stay in hours and do the work.

2878. Is it desirable that the officers should leave the department for luncheon?—I do not think it is desirable that all officials should leave the department for luncheon at the same time.

2879. Do all your officers leave for luncheon at the same time? If that is the practice, is an arrangement made whereby the business of the department does not suffer through their absence? What length of time is given for luncheon?—All the clerks do not go out for luncheon, in the Department of Militia. Those who do go leave the office each in his turn, so that the business does not suffer by their absence, which lasts from thirty to sixty minutes. Some advocate the notion of shutting the office for an hour, but I believe it would have a very bad effect. Some are away for an hour; they live a little further off and take their meals at home. I have experienced no inconvenience on that head. Only a part of the clerks go out; a good many of my clerks prefer bringing their lunch and eating it in their rooms.

2880. Do you take care to ascertain that the length of service recorded in the Civil Service list is correct in the case of the officials attached to your department, and that in case of those officials who come under the provision of the Superannuation Act such service only is entered as would be counted for superannuation?—An establishment book is kept in the department, in which the services of all officials attached are recorded correctly, and can be certified to for purposes of superannuation at any time.

2881. Do you attend to the Civil Service list or pay any attention to it at all?—So far as my department is concerned, I have sent in a list of our men, but I do not believe that the official record contained in the blue book is correct for superannuation purposes, because in looking over it I find it is not correct in all cases.

2882. But it is the list that is presented to Parliament under the Act?—Yes. The lists are furnished by the different departments and we fill them up; we are given blank

forms which we fill up. If we were called upon to give certain information for superannuation purposes, it would be quite a different thing; I would have to go by my own establishment book.

2883. Does the minister or the deputy look to the blank and check over the items so far as his department is concerned?—We receive a blank form which we fill up and send on, and they do with it as they see fit. I attach so little value to it that I never took the trouble to look after it, except in filling the blank forms which were sent to me. I think the deputy minister should be asked to make a report for superannuation purposes and then he would be responsible for it.

2884. In your department, are the officials generally aware of the Treasury Board Minute of the 28th January, 1879, respecting the use of political influence; is its spirit generally observed; and in case of infraction, has the attention of the head of the department been called thereto?—It is difficult to prevent, altogether, the use of political influence. The Minute of the Treasury Board alluded to prevents, to a certain extent, an open appeal for political interference, but if the power is there, it can be easily brought to bear indirectly.

2885. Do you make, in your department, the same allowance for travelling expenses to all classes of officials and for all services, or do you discriminate, and to what extent?—Officers of the high grade should be allowed at least \$5 per day for personal expenses. The amount at present allowed, \$3.50, in many cases is not adequate to meet required disbursements. Hotel charges alone are more than \$3.50 in large centres. In the Department of Militia the \$3.50 allowance per diem is paid to the deputy, to all heads of branches, the private secretaries and all inspecting officers. In other cases the actual disbursements are paid. For instance, during camp we have a number of officers that are paid transport; in such cases certified accounts are sent in and the actual disbursements only are paid.

2886. In your opinion, is a Superannuation Act necessary in the interest of the public service; if you deem it necessary, do you consider it advisable to restrict the operations to certain classes of officials having distinctive duties or otherwise? What change, if any, would you propose as regards the officials of your department?—In my opinion the Superannuation Act is in the interest of the public service. I think all permanent employees should be subject to the Act, and the superannuation fund should be made self-sustaining. I cannot understand why it is not self-sustaining. It strikes me that if it cannot be made self-sustaining with the present amount that is paid, that amount should be increased.

2887. Do you consider the ten-year term sufficient, or would you increase the number of years to be served before an annuity be granted?—I think that in no case should an annuity be granted, except after ten years' service. In all cases where no annuity can be granted on account of short service, the amount paid into the fund should be reimbursed.

2888. Do you consider, as a rule, the age of sixty years a proper age for retirement?—As a rule, the age of sixty should be a proper time for retirement, but a fixed rule, I think, should not be adopted. Compulsory retirement at sixty would, in many cases, deprive the public of the services of valuable officials that might be still able and willing. I think an official should be allowed to retire at sixty-five, if so inclined.

2889. Should any term, in your opinion, be added to the actual term of service of any official to be superannuated, however he may have been appointed? If a term be added, do you consider it advisable to regulate such addition by confining it to certain offices designated, and by requiring a certain length of service before such addition can be made?—I think the ten-year addition to service for superannuation is a mistake, and does not work satisfactorily. It should be abolished, except in cases where the good of the service would be attained by it; and in all such cases it should be made a condition in the appointment. This should not have a retroactive effect, because faith should be kept with such of the Civil Service as may have been induced to enter the service after the age of thirty, in consequence of this clause in the Act. The only case of the additional ten years granted in my department during my time, is that of Lieut.-

Colonel Wily, who was director of stores, and entered the service at the age of fifty-five. After eighteen years of service he was pensioned, and was allowed to count twenty-eight years for superannuation purposes.

2890. Do you consider it proper that abatement for superannuation purposes be deducted from the salaries? If so, do you consider the present percentage sufficient, or do you consider that it would be desirable, in the interest of the public service, to increase the percentage, in order to provide (a) that, if no superannuation takes place through death or any other cause, the official, or his representatives, should be reimbursed for the abatements deducted from the salary, or (b) that the officials who are superannuated might have the alternative of accepting a commutation in lieu of superannuation to the extent of the abatements paid by them?—I think that abatement for superannuation should be deducted from salaries. I consider the present percentage sufficient.

2891. Would it be desirable to have a system of insurance in connection with superannuation?—I think a system of insurance that could be made self-sustaining, would be very desirable. I believe if there was such a system of insurance adopted most of the clerks would take advantage of it and it could be made self-sustaining if it was conducted by the Government.

2892. In case of dismissal or resignation, in your opinion, should the abatement deducted from salaries for superannuation purposes be refunded?—In all cases where payments have been made in view of superannuation, and where such superannuation does not take place, I think that the payment should be refunded.

2893. In your department has it ever been recommended that a diminution of the allowance should be made on account of the services of an official having been considered unsatisfactory?—No such recommendation has ever been made.

2894. Do you deem it advisable to allow any extra term of service to any officers removed to promote efficiency or economy, or for any reason at all?—A liberal allowance should be made to any official whose office is abolished, or who has to be removed to promote the efficiency of the service.

2895. When once a superannuation is effected, do you consider it desirable to retain the power to call back to the service the person superannuated, and at what age would you place the limit?—A superannuated official, in my opinion, should not be called back to the service.

2896. Is your department divided into branches; give particulars, including the name of the person in charge of each branch, the number of officials in the same, grading them and describing generally how the duties are allotted in each branch?—In answer to that question I have prepared a statement showing the details of duties of officers and clerks in the Department of Militia and Defence:

Minister's Office.

BENJAMIN SULTE, Chief Clerk.—His functions are connected more or less with all branches of the department, as he has to conduct the dockets from their inception until they are ready for the decision of the Minister or Deputy Minister, Acting Minister and Acting Accountant, as the case may be. He supervises all the details of the office work, from the dictating of the correspondence memoranda to the indexes, reading of all papers, &c. A list, specifying one by one all these duties, would be rather long and probably of no use to the Commission.

A. BENNETT, Secretary, First Class Clerk.—Specially in charge of outside correspondence. A member of the board appointed to open and schedule all tenders received by the department. Supervises the award of contracts, and controls all requisitions for supplies to stores and repairs to militia properties. Acts partly as private secretary to the Minister of Militia.

H. D. J. LANE, Second Class Clerk.—In charge of records, 1867 to date, keeping of registers, indexing of records, reading of documents received, and docketing of same, making of searches, keeping record of all Imperial despatches, and filing documents.

C. CAMPBELL, Second Class Clerk.—Drafting and typewriting reports to council; official letters and memoranda, precis and index of correspondence as requisite, preparation for the printer, proof-reading and indexing of the annual reports of the department and other printing—such as were the reports on the suppression of the North-West rebellion in 1885. The present arrangement of the official list for printing, showing all the certificates of qualification held by officers, and various other details not previously given, is based upon a report submitted by him.

G. G. V. ARDOUIN, Second Class Clerk.—Is joint secretary to the Minister of Militia and Defence. As such has charge of the private correspondence of the Minister, does the Minister's correspondence, including the indexing of the letters; stenographer and typewriter; corresponds and stenographs in both the English and French languages; attends to the official correspondence usually.

E. E. LEMIEUX, Third Class Clerk.—French and English shorthand writer for the correspondence, etc., and operator on the caligraph writing machine; keeping the indexes of the following books: Letters, memoranda, legal opinions, Orders in Council, Imperial despatches; keeping record, with index, of all departmental contingencies, preparing vouchers for same; checking the monthly returns from the Department of Finance relating to these; checking requisitions of said branch monthly on accounts from the Queen's Printer and Comptroller of stationery; keeping record of all newspapers, periodicals, etc., received, and returning those not authorized; translating into French general orders of the militia periodically issued; examining and making out requisitions for stationery required by the military schools—nine,—the Royal Military College, the cartridge factory, and the above named branches; also for the militia stores, Ottawa; making out requisitions for, and attending to, all printed forms required by the said branch; completing schedule and tenders received from the secretary of the Department of Militia and Defence, respecting supplies for the schools—College and Cartridge Factory—eleven establishments, and supplies and services for the annual military camps.

Accounts Branch.

C. H. O'MEARA, Accountant Chief Clerk.—General supervision and charge of the duties performed in the accounts branch of the Department. Final audit and certifying as to the correctness of all claims for expenditure chargeable against militia services provided for by Parliamentary appropriations and regulations and orders of the militia, previous to their submission to the Deputy Minister of Militia, for final action or for authority to pay. Audit and certificate on all accounts of receipts or expenditure issued from the Department. Preparation of detailed estimates of appropriations annually submitted for votes of Parliament. Signing in conjunction with the deputy minister, all checks issued from the Department in payment of militia services in the Dominion of Canada.

F. X. LAMBERT, First Class Clerk.—Checks claims against this department, in connection with the following corps:—

"A" Battery, Royal School of Gunnery, at Kingston.

"B" do do do at Quebec.

"C" Battery, Royal School of Gunnery, at Victoria, B.C.

Royal School of Cavalry, Quebec.

Cartridge Factory, Quebec.

Royal Military College, Kingston.

Infantry School, St. Johns, P.Q.

do do at Toronto.

do do at London.

Canadian Mounted Rifle Corps, Winnipeg.

Construction and Repairs of Militia Properties at Quebec and Kingston.

Checks claims referring to annual drill not paid in camp, for the whole Dominion.

Prepares abstracts of claims authorizing district paymasters to pay said claims.

Keeps register of these abstracts. Writes memos for claims requiring corrections, etc., etc.

W. H. AUMOND, First Class Clerk.—Examination of accounts payable in the Provinces of New Brunswick, Nova Scotia, Manitoba, British Columbia and Prince Edward Island, and entering the same in day book of each province. Making out abstracts of payments for paymasters of each province, and preparing cheques for the same. Checking monthly accounts for supplies, etc., etc., of "Infantry School" at St. John, N.B., and preparing abstracts for payments of the same. Making out monthly departmental pay lists and cheques.

E. B. HOLT, Second Class Clerk.—Posting up the appropriation book. Making out the monthly and all other returns for the Auditor General, and weekly statements of expenditure for information of the Minister. Checking the bank account and balances, and examining district paymasters bank accounts. Checking claims payable in London, England, and making out vouchers and requisitions to the Auditor General for payment of the same. In the absence of the Accountant checking abstracts to paymasters before approval and signature of the deputy and acting accountant. Frequently making searches and reports on doubtful claims presented for payment and other matters referred to him by the Accountant.

Major G. GUY, Second Class Clerk.—Is entrusted with the examination for payment of headquarter and also Quebec and Ontario accounts, schools and annual drill for the most part excepted, the preparation of cheques, abstracts, letters of advice and receipts for payments, and mailing same. He writes up the day book, and makes out applications for letters of credit; has charge of the North-West claims, and is a member of the Departmental Board on contracts. Occasionally he prepares the returns for the House of Commons, attends to printing or any special work which may from time to time be entrusted to him by the deputy minister.

F. E. P. ALDRICH, Second Class Clerk.—Has the making out of the monthly general statement and copying the same in general expenditure book. Issuing expenditure requisitions and entering the same in the book of record; paying militia pensions, assisting in payment of militia districts; checking annual returns of drill; docking all expenditure requisitions and keeping record of same.

T. M. MAGUIRE, Third Class Clerk.—Has the arrangement of the vouchers for the monthly general statement of expenditure. Has charge of deposit receipt book and sends statements of entries made therein to the Department of Finance. Is also entrusted with the checking of the accounts current of the various schools of military instructions. Has charge of the issuing of stationery, or printed forms for account branch, to the different military districts.

Store Branch.

Lt.-Col. J. MACPHERSON, Chief Clerk.—He is director of stores and keeper of military properties, and as such has the superintendence over all the store clerks in the twelve military districts.

The following staff at Ottawa is placed under his immediate direction:—

Lt.-Col. D. A. MACDONALD, First Class Clerk.—In charge of all lands and military property. The collection of all the rentals and keeping of those accounts. In charge of all leases, maps and plans of military properties and fortifications. The preparing of all leases and the correspondence in connection with the rentals and lands. The making of all returns of rentals to the Audit Office, and other returns in connection with this work. The general charge of the military stores and the men employed there, under direction of Lt.-Col. Macpherson, visiting them every morning and seeing that all instructions are carried out. Assisting the director of stores generally in the work of the store branch.

Captain J. B. DONALDSON, Second Class Clerk.—General supervision of receipts into and issues from stores, and attention to technical details of artillery and warlike stores. Checks requisitions for issues from and receipts into stores, and order when approved. Files and indexes requisitions. Examines authorities when returned by superintendent of stores and attaches receipts to originals on file. Enters in day book all details of stores issued on repayment, and of deposit receipts therefor, and makes copy monthly for Auditor

General. Attends to all transfers to and from out-stations. Makes out requisitions on Imperial stores, and such other duties as are required.

P. CLARKE, Second Class Clerk.—Keeping of a separate ledger for all clothing. Also keeping of separate ledger for "Arms, accoutrements and necessities," "Small arm material" and at director of stores office. Keeping receipt book for all stores received; keeping issue book for all stores issued over the Dominion; keeping transport requisition book. Sees that Deputy Adjutants General and officers commanding corps are duly notified and furnished with letters and receipts for all issues made. Prepares annual statement of all issues for director of stores; prepares stock books for annual board of survey, also estimate of repairs, &c., at headquarters; sees that stores are properly shipped, and that the necessary papers accompany the same; supervises as to cleanliness, care and management of all stores at headquarters, Ottawa.

F. E. KNIGHT, Third Class Clerk.—Clothing ledger and vouchers for clothing; record of all clothing requisitions sent to headquarters; record of all expenditure requisitions, stores for action, received and approved. Corps deficiencies and accounts for same sent for collection, record of all correspondence, case book and index to same; stationery and forms received and issued; general correspondence and charge of the different corps' papers.

J. A. McCANN, Third Class Clerk.—Writing and indexing the correspondence of the store branch, about twelve thousand pages in six years. Examining, checking and entering railway, express company, steamship and shipping agents' accounts, local tradesmen's stores, employees' pay-list, &c. Also examining accounts from Imperial Government for Imperial stores of all description, checking and entering them, as well as the accounts for stores, clothing, &c., purchased from private firms in England. Preparing contracts for clothing and store supplies; checking the invoices and accounts from contractors for these lines, and entering them. All accounts for clothing and stores are checked and entered by this clerk. The work connected with advertising for tenders and the preparing and distributing forms of tenders; scheduling tenders for clothing, store supplies, equipment, &c.; also scheduling the tenders for the annual supplies for the nine schools of instruction. The latter work is confidential. Any and all other work he is directed to perform.

L. FOLEY, Third Class Clerk.—Record of all deposit receipts for stores issued on repayment and rents. Clerk of monthly returns of district stores and store ledger at headquarters. Check of monthly returns of the permanent schools and Royal Military College. Statements of ammunition, stores, &c., as required from time to time. Accounts made out for stores issued on repayment, and any other duties as may be required.

Engineer's Branch.

H. JAMES, Architect, First Class Clerk.—General supervision of all repairs and alterations to military buildings; supervision of clerks of works; drafting of sketches for new buildings, checking of all accounts and supervision of all works generally; also making up of all estimates.

Lt. F. W. WHITE, Assistant Architect, Second Class Clerk.—Making of all working drawings, specifications, etc., general correspondence: inspection of all contracts and day work, and reporting thereon; docketing of all correspondence, and general care of the same.

Adjutant General's Office.

Lt.-Col. T. BACON, First Class Clerk.—Attends to the correspondence in the Adjutant General's Office, keeps record of cadets entering the Royal Military College, and officers, non-commissioned officers and men entering schools of military instruction; attends also to the printing of examination papers for the College, and has a general supervision over the work in the Adjutant General's Office under that officer.

T. C. LAROSE, Second Class Clerk.—Opens, dockets, registers, indexes and records all incoming correspondence, and also keeps a record of outgoing letters; the correspondence this year amounts to 8,914 incoming, 9,384 outgoing documents, or an

average of incoming letters of 743 per mensem, and of outgoing letters, &c., of 782 per mensem.

Major W. R. S. WAINWRIGHT, Second Class Clerk.—Keeps four registers of enlistments and discharges of the men of the permanent corps, and records their attestation papers; keeps two registers of cadets and graduates of the Royal Military College; keeps register of seniority list of Field Officers of the Active Militia, and list of all officers on the retired list. Keeps register of all officers of the Active Militia by corps; keeps register of drill companies in educational instructions; keeps register of officers of reserve militia by corps, and register of certificates of military instruction issued by the several schools. Prepares military general orders for publication, also annual militia list; makes out commissions of officers of militia, averaging annually 450.

W. J. DAVIDSON, Third Class Clerk.—Addresses and mails general orders to staff and all officers of the active militia entitled to receive them, averaging 22,000 per annum, or 1,833 monthly. Attends to printing and proof-reading of all forms, etc., issued from the Adjutant General's Office. Keeps record of receipts from printers and issues to the Commandants of Royal Military College and military schools, to the staff and officers of the Active Militia, and keeps record thereof in books kept for the purpose. Keeps also record of all monthly, semi-monthly and weekly returns from the commandants of military schools. Sends out annual military report, militia list, and all publications issued from the Adjutant General's Office to the Active Militia, keeping record of the issues.

2897. What is the method employed in your department for the collection and deposit of public money?—The only public moneys we receive are from rents for properties under control of the Department of Militia. Besides that, we have the sale of some stores and ammunition. The money is generally deposited to the credit of the Receiver General.

2898. In your militia lands you follow very much the same practice as in the Ordnance lands?—We give strict orders not to send us any money, and if money is sent it is immediately deposited to the credit of the Receiver General.

2899. Give a general idea of the method employed in controlling the expenditure of your department?—The expenditure of militia is controlled by the votes of Parliament. The rates of pay and allowances of the general officer commanding the militia, and the pay of the adjutant general, and of the district deputy adjutants general are fixed by statute, "The Militia Act." The rate of pay and allowances for the Active Militia officers, men and horses, when called out for service or for the annual drill and training, are established and regulated by militia regulations and orders, 1887. The care of arms, drill instructions, postage and stationery allowance, are also regulated by regulations and orders, 1887. The pay and allowances of the permanent corps—artillery, cavalry and infantry schools—including issues of clothing, fuel, light, forage and daily rations for subsistence are fixed both as to rates and quantities, by regulations, permanent corps, of December, 1889. The pay of district paymasters, officers professors and instructors of the Royal Military College, is fixed by Order in Council. Pay of storemen, caretakers and labourers in the several military districts, is fixed by the Minister of Militia and Defence, on appointment.

The supply of military stores and clothing is obtained on the tenders of contractors, which have been accepted and approved by the Minister of Militia and Defence.

Work for repair or construction of military buildings, barracks or property, is performed by contract work or on special authority for the expenditure by the Minister of Militia and Defence, where no contract exists.

All expenditure not already provided for by the standing regulations and orders of the Militia, require the certified approval of the Minister of Militia, on an expenditure requisition, before payment can be made. The duties of militia staff officers, those of regimental officers and men, methods of paying, transport, subsistence, discipline and interior economy of the militia force, both in the field and in the barracks, and mili-

tary pensions, are all provided for in the regulations and orders already quoted. Regulations printed forms, numbered and registered (*Vide* R. O., 1887) applicable to all these services, are issued by the department to the militia district staff for service of the force.

All claims against the department required to be certified by the proper staff officers, and all concerned, that the claim is correct and in accordance with regulations and orders, or that the service has been performed under special authority; the prices according to contract, or if not contract that they are fair and just, and that no item in the claim has been previously submitted for payment,—before the claim will be paid by the Department of Militia and Defence.

In all matters of expenditure required for the public service, or issues required for the public stores of articles of equipment of the force, authority must be procured from the Minister or his deputy. For this purpose correspondence is carried on directly between the general officer commanding and the Minister or deputy. Signatures or memoranda on the margin of requisitions, or other documents suffice to carry on this part of the public business under proper responsibility, and I find that a good deal of the business of the department is despatched with expedition in this manner. All issues from the public stores are also checked and authorized in the same way.

2900. What system of purchase is adopted in your department?—The system of purchasing is by tender, and when articles of equipment are required in any of the various military districts, that cannot be issued from our stores, an expenditure requisition is submitted by the deputy adjutant general commanding the district. This requisition is sent to the general officer commanding at headquarters, and this officer, if he approves of the request, forwards the requisition to the Minister, with his recommendation. Issues and receipts of militia stores are also made upon regularly approved requisitions, through the deputy adjutants general commanding the various districts, to the adjutant general at headquarters, who forwards the requisition with his recommendation or that of the general officer commanding, for final approval of the Minister. Contracts in the department are awarded by tender after advertising. Tenders are all addressed to the Minister and are opened and classified by a board of officers appointed by him.

2901. In your department is work ever done without a tender being called for?—A certain quantity of day work is so done. There are certain things for which we cannot ask for tenders and we get them done by contract. For instance, we have a certain amount of expenditure on a drill shed, which may be very small, and you cannot exactly tell how much it will cost and then we do it by days work.

2902. But you would not erect a new drill shed in that way anywhere?—No; besides, our department does not erect new buildings; we turn that over to the Department of Public Works. We can repair any old building, but we cannot put up a new building as that belongs to another department.

2903. These things that are done without contract are always of a trifling character?—They are things that we cannot do otherwise.

2904. Is that rule of buying stores by competitive tender ever departed from?—That is an invariable rule for the purchase of stores for the equipment of the force. It is never departed from except where the expenditure is so trifling that it will not be worth while to ask for tenders. But wherever it is possible at all to ask for tenders we always do so.

2905. What are the articles of largest expenditure for which you ask for tenders?—All the stores that are required for the equipment of the force, all the clothing, arms and accoutrements. The clothing comprises a good many things. The helmets are always purchased in England. Then we have the flannels and the undershirts which we have to purchase, because we give a free kit to every soldier that enlists in our schools.

2906. When the volunteers, men who belong to ordinary civil life, go out to drill once a year, do you furnish them clothing?—We furnish them with a uniform, that is a tunic, a pair of trousers and a helmet, or forage cap, and arms of course.

2907. Now, what about the cavalry horses?—We do not furnish them with horses, if they belong to volunteer corps they have got to furnish their own horses. The horses are inspected before they are taken into camp, and if they are found suitable for camp duty they are taken on. We do this in order that if an accident happens the department may be protected, because we are responsible for the horses, and satisfy ourselves that the horses admitted there are sound.

2908. What sort of system or choice do you follow in the purchase of artillery?—All the artillery that has been purchased until now has been purchased from the War Department in England, but the shells are now made in our country in Quebec. We are now manufacturing sixty-four pounder shells and the common shells, and the nine pounder shells we now manufacture in our cartridge factory in Quebec. We can turn out sixty-four pounders a little cheaper than we used to pay for them in England.

2909. Do you find them effective?—Yes, they are very good. I think we can beat the English manufacturers.

2910. And the ammunition, the rifles and stores?—The ammunition is all made in our own cartridge factory, but we purchase the rifles. The guns and rifles all come from England.

2911. You do not attempt to manufacture them?—No.

2912. Do you not think you could manufacture them?—Of course we could, but it would take a pretty large capital which would have to be provided by Parliament. We have nothing at all corresponding to the Springfield factories. We have qualified English armourers here, one in each district. These armourers are well qualified men, and they keep our arms in good condition. Of course these arms have seen a good deal of service and frequently require to be repaired. They are sent into the armouries in the different districts where they are worked up and made serviceable again.

2913. Do you keep abreast with the improvements that are made in firearms?—I am sorry to say we do not: that would cost a good deal of money, which we have not at our disposal. For instance, in rifled ordnance that attracts so much attention to-day we cannot keep up with the age. We must be satisfied with what we have. We have got very fair nine-pounder rifle guns. The force is armed with the Snider, which is a very good arm in ordinary circumstances, and we have about eight thousand of the Martini-Henry rifles.

2914. But as to guns you are a little behind in improvements?—Yes, we are.

2915. You have no expense in keeping up the garrison at Halifax, which is done by the Imperial authorities?—They do it all.

2916. Are the fortifications at Quebec under your charge?—Yes.

2917. Is it your business to keep them up?—Yes. As far as we can with the small means at our disposal.

2918. To see that they are in proper order and properly armed?—If we had the money we would spend a good deal on the fortifications at Quebec, because they are in such a state now that in some localities the walls are beginning to be dangerous. Representations have been made to the Government which will oblige the pulling down of the walls in some places in order that they may not fall on people's heads.

2919. What was done with all the fortifications constructed at Lévis?—They are kept in good order. They would be of considerable use in case of emergency because they command the river on both sides, in fact they would be a great deal better than all the walls that exist on the citadel and are now of no use in a military point of view.

2920. Have you anything to add concerning your method of controlling expenditures?—We have a system of blank forms for expenditure requisitions. If an officer in any particular district thinks it necessary for him to go to a certain expense, he has to fill up his blank form of requisition, stating that in his opinion a certain expenditure is required for certain works, and that he has gone to the trouble of ascertaining, by tender, what it would cost, and he gives the amount of the lowest tender, and he asks the Minister to accept this tender. This is sent in and shown to the Minister, and if he authorizes the expenditure the requisition is sent back accepted, and that is his

authority. Then, when the expenditure has been made, the accounts are all sent back and audited, and are paid as a matter of course.

2921. But the expenditure must be kept within the vote of Parliament?—Certainly; that is the reason why, when this requisition comes to the Minister, it is examined by the deputy first to ascertain whether there is money to meet the proposed expenditure, and then, after a certificate is given to that effect, the Minister's authority is either given or withheld.

2922. How do you call for your tenders?—They are advertised for.

2923. Have you any rule concerning the medium of advertisements?—The Minister generally gives us a list of the papers in which he wishes the advertisements to be published. Lately a new means of advertising by posters has been tried, and works well and is economical.

2924. In addition to his salary, is any official in your department in receipt of any additional allowance or perquisite, and if so, please state particulars?—One second class clerk has free lodgings, with fuel and light allowances, in addition to his salary. This clerk is in charge of the store building at headquarters, which contains about \$250,000 in value of stores of various kinds required for the force. I think this is a good arrangement and should be continued. We found that it was important that this man should live on the premises. We have given him rooms in the attic, and he lives there with his family.

2925. Is it possible, in your opinion, to reduce the expenditure on account of the services under the control of your department, without impairing their efficiency, and if so, state in what way?—I see no means of reducing the expenditure of the department, without impairing very materially its efficiency. The expenditure, on the contrary, will have to be increased, as the department is developing and the work increasing.

2926. Did you ever compare your expenditure with the expenditure of Great Britain for the same object?—No; it is not at all the same system and no comparison can be made.

2927. Is there any comparison to be instituted?—I do not see what comparison you could make, because there the volunteer system is dovetailed into the other, and the volunteer force in England is comparatively a trifle as compared with the regular force, which involves the main expenditure.

2928. In your department, have any abuses prevailed in connection with the supervision of payments?—No abuses have prevailed in my department in connection with the supervision of payments.

2929. There is an expenditure of \$12,000 for a house in Kingston?—That is for the Commandant of the Royal Military College.

2930. That is one of the perquisites?—Yes.

2931. You build a house, which is the property of the department, and you allow him to use it?—The house was purchased by the Government.

2932. Have you any suggestions to make with a view to possible amendments of the Audit Act?—I have no suggestions to make as to the advisability of amending the Audit Act. My experience of the working of this Act is limited to the fact that I must submit to an examination of all accounts, and establish that all payments are supported by vouchers, and that moneys voted by Parliament for militia services have not been spent improperly, and for other than the purposes for which they were voted. As far as my department is concerned, the auditing of the accounts has been fair and just.

2933. Have you any idea about the salaries to be paid to deputies?—I am getting \$3,200.

2934. Are you of opinion that considerations respecting work, length of service and different responsibilities, should make a difference in salaries?—I think that all deputies should be treated alike; that is my candid opinion about it. I suppose deputies are like all other men, they can only do a certain amount of work. If a man is judged to be of a calibre to be made a deputy of, he should be well paid. I do not see why one should get more than another.

2935. What is your opinion about the pay?—My opinion is that the deputies are underpaid. If you compare the amounts they receive with what is paid in large firms or corporations, you will find that the deputy ministers are underpaid in view of the importance of the duties they perform. In fact the pay has not been increased for the last ten or fifteen years.

2936. How does it compare with the pay that was current say twenty-five years ago? Well, I suppose the deputies are getting now \$200 or \$300 a year more than the salaries that were paid twenty-five years ago.

2937. What is your idea about the proper salaries to be paid to deputies?—That is a difficult thing to say, but I really believe that the minimum salary that should be paid to a deputy should be \$5,000. You want a man who is worth \$5,000 a year whether you pay him that or not; that is the long and short of it. If a man is not worth \$5,000 then send him away and get one that is. The responsibilities of the position are such that, if you compare them with the positions of equal responsibility in other walks of life, the deputies will not be overpaid at \$5,000. But I would not make the salary \$4,000 for one, \$3,000 for another, and \$5,000 for another. I think that would be unfair. I believe that, like Ministers, they should all be on a par.

2938. How many chief clerks are necessary in your department?—We have three, I believe, in my department. I do not see how we could do without them.

2939. If the office of accountant or book-keeper in your department was vacant, would it be necessary to fill it with a chief clerk?—I think it would be advisable.

2940. Do you not think a salary from \$1,400 to \$1,800 would command an efficient man?—We require to have a very good man there. I have always had a chief clerk at the head of that branch as well as in the store branch.

2941. Could you suggest a better division of the clerks than that which now prevails, into first, second and third class?—No.

2942. Should not the titles, in some respects, correspond to the different kinds of work the men have to do?—Well, it would be as broad as it is long, and would amount to the same thing. I am perfectly satisfied with the way that things are now in my department and the way the work is distributed and the way it is done. I do not see that any change in the theoretical organization would be advantageous.

2943. If you had a clean slate to reorganise your department would you still retain the classification of clerks that now exists?—If I had power to begin anew, that would be quite a different thing.

2944. That is what we mean; what is your theory?—If you have got to have new hands through the department, you do not know what you would be getting if you put in a lot of third class men that are willing to work for \$400 a year, you would be obliged to build up a new department, it might turn out to be a very difficult thing.

2945. We presume that there must be a certain number of chief clerks of the first class and second class, like colonels, majors and captains in the army?—Yes.

2946. If you had to begin all over again should not that number, in your opinion, be limited?—Perhaps the first class clerks could be reduced. The reason why we have so many of the first class is, as I have already stated, because we have some old men who have been working there for a very long time and have come to be first class clerks.

2947. And are doing inferior work?—Well, they are doing good work.

2948. They are doing the same work they did when they were in a lower grade?—Some of it, but I cannot say they are doing inferior work. Of course those men are the most experienced men we have in the department, and the best work is done by them.

2949. Do you think that the increments of the first, second and third class clerks should be the same, and that they should be the same in all departments?—Unless called upon for special or technical duties, in my department I think they should be the same.

2950. A third class clerk the same as a chief clerk?—Of course a chief clerk has the superintendence and supervision of everything in his charge and is better remunerated.

2951. Then you are of opinion that there should be different increments for different grades?—If by increment is meant the statutory increment I think it should be the same for all classes.

2952. And for the different duties?—I would not like to speak for any department outside my own. \$50 yearly as an increase is small enough as an addition to a four hundred dollars salary. Larger salaries should not be proportionately increased.

2953. Tell us how new appointments are made in your department. If another clerk is wanted in the Accountant's branch, for instance, does he report to you and do you enquire into the subject then or does the head of the department come to you and say: I want a new appointment to be made?—I generally consult with the Minister and tell him that we want an appointment in the Accountant's branch, and we take the best man in the whole department and put him there in order to expedite matters. If a new clerkship is to be created, we have to go to Council and proceed as laid out in the act.

2954. You take the best man of the men already in the department?—Yes.

2955. But supposing a new man is brought in?—I do not see that we would require to bring in a new man at all.

2956. But supposing a first class clerk were to die to-morrow morning, would you try to get rid of the appointment altogether if it were not necessary?—If it were not necessary we would get rid of it, certainly.

2957. Do you recommend or nominate?—I have recommended, but not in every case successfully. The Minister appoints whoever he wishes.

2958. If you are in accord, all right; but if you are not in accord, he over-rides you?—Of course that is the prerogative of the Minister, to appoint whoever he pleases in his department.

2959. Do you think the deputy heads should have power to suspend?—Yes, certainly.

2960. When the Minister is present as well as when he is absent?—I think so. I think the deputy minister should be able to suspend, and then go and report the case to the Minister at once.

2961. Supposing the Minister re-instates?—That is his business, if he chooses to do that and put his deputy in a bad light of course the deputy cannot help it. But the Minister is responsible for that.

2962. It is rather dangerous, is it not, when the Minister is in town and available to act without consulting him?—I do not know about that. Some times the action of the deputy, if properly taken, could prevent a good deal of trouble. I certainly think the deputy should have the power to suspend. Of course if the Minister says: You are wrong and you have got to take that man back at once, let him do it, but I think in most cases the Minister would support the deputy.

2963. In the list of questions sent to you, was this one: "Have any persons found their way into the service of your department, who, either from defects existing at the time of their appointment, or from advanced age, or from bad habits, are ineligible for retention in the service." You did not answer that question?—Yes, I think I did. I had one case long ago, but I got rid of him.

2964. You have in your department what you call a militia branch?—Yes.

2965. At the head of that is the Adjutant General?—Yes.

2966. He reports to the Major General commanding the militia?—The Major General is at the head of the force.

2967. But the Adjutant General is paid \$3,200 a year and reports to the Major General?—Yes.

2968. In fact it is a little "Horse Guards," and you are the War Office?—Yes.

2969. Following the English analogy you have mapped Canada out into military districts?—Yes.

2970. How many districts are there?—Twelve.

2971. At the head of each military district there is a Deputy Adjutant General and a Brigade Major?—There is not a Brigade Major in every district, but in most of them. There is a Deputy Adjutant General in every one. Some have two districts to command.

2972. That follows the English plan. There there is a general commanding the Plymouth division and another the Portsmouth division, and so on?—Exactly.

2973. Are these permanent officers?—They are supposed to be appointed for five years, but they are generally continued. They are military men.

2974. Are they men in the regular army, or where did they learn their professional business?—Some of them have had experience in the English army, others are men who have formed themselves; and we have men in Canada who have formed themselves that can compare with men that have seen service in the English army.

2975. What does the Deputy Adjutant General do, as a matter of fact?—He is in charge of the whole district, and he has got all the inspections to look after. He has to answer all the correspondence that comes from headquarters; he has to assemble the several boards, and has general superintendence of the force in his district, which he commands, and he has to inspect the clothing, arms and equipment of all the different corps in his district.

2976. What do you call inspection?—He has got to go himself and examine the arms, armouries and other buildings, examine the accoutrements and clothing. That is done twice a year, or oftener if required.

2977. Do you look for a report from them?—Yes.

2978. What does the Brigade Major do in a district?—The Brigade Major supposed to assist the Deputy Adjutant General. Some have a whole district under their charge.

2979. Holding analogous offices?—Yes, except the one is under command of the other.

2980. Are any of the Deputy Adjutant Generals commandants of the schools?—Yes, some of the commandants are Deputy Adjutant Generals. That was done in order to save some expense. Instead of the salary of a Deputy Adjutant General they are allowed a dollar a day in addition to their pay. They act as commanding officers of the school as well as commanding officers of the district. There are in all five Deputy Adjutants General who in addition command schools of instruction, five others without schools and six Brigade Majors.

2981. You stated just now that occasionally requisitions are made out for a corps and reported to the Deputy Adjutant General, and he reports to the Major General who reports back again to the department. Suppose that Private Tommy Atkins of the 25th Battalion of Glengarry volunteers wants a new uniform out of your store, what process is gone through?—He has to go to the captain of his company and state what he wants, then the captain makes a requisition, and this requisition is sent in to the Deputy Adjutant General who sends it to the Adjutant General, and he either recommends or refuses the requisition. When Tommy is entitled to a new uniform, he need not ask for it, it goes to him as a matter of course.

2982. The deputy sends it to the Adjutant General?—Yes. Then the Adjutant General sends to the deputy minister, and the deputy minister ascertains when the last issue was made and whether they have a right to this, and if they have, it is issued; if they have not a right to it it can only be issued on payment.

2983. Then you refer to the director general of stores?—Yes.

2984. Does it go back through the same process?—It goes from one officer to the other.

2985. From the Director General of Stores to the Deputy Minister of Militia and from there to the Adjutant General, and from there to the Deputy Adjutant General and from the Deputy Adjutant General to the colonel of the regiment, and from the colonel to the captain till the private gets it?—Now, look here gentlemen, it is Tommy Atkins only that you are talking about. If you choose I will explain that to you so that you will see it in a little different light, because it is not supposed that Tommy Atkins ever asked or ever will ask for clothes of that sort. He has no business to ask for it. When a corps is entitled to clothing they make their requisition in form, not for Tommy Atkins alone but for the whole corps. They have a right to that clothing and their requisition comes up from one officer to the other as a matter of course. The clothing is issued because they have a right to it and the requisition has been made through the proper channel.

2986. But a whole company might have to go through that process?—Yes, undoubtedly, but what else would you do? I think the English system is longer than that. There is a little red tape everywhere.

2987. You have a deputy adjutant general in British Columbia?—Yes. He is also commandant of the school.

2988. And you have one in Manitoba?—Yes.

2989. Both those provinces came into the Union since the Militia Act was passed?—Yes.

2990. In British Columbia there was a military force before they entered the Union?—There was a very slight military force, there were only two or three companies, if I remember right at that time.

2991. Suppose a window is broken in the citadel in Quebec, what steps are taken to get that window repaired?—We have men in the locality who will go and put it up at once if it is an emergency.

2992. Is there no reference to Ottawa?—Not if it is an emergent case.

2993. Does the same principle apply to the Military College?—To a certain extent. We allow the Commandant of the Royal Military College to spend a certain amount of money per month for barrack inspection, and he gives in his barrack inspection reports in which he shows the urgent repairs that he has been obliged to make during the month. On the other hand he has to furnish a second monthly barrack report in which appear the list of repairs that are not considered urgent and for which he requires authority before he can take action. But there are urgent cases; for instance, a pipe might freeze. In such case he would not wait for authority but he would send for a plumber. There is a certain latitude allowed him in case a window is broken open he has got to fix that up at once. He sends for the plumber and pays him and that is put in the barrack report.

2994. May one refer to the deputy adjutants general; they command the district camps do they not?—Yes.

2995. Are the camps held simultaneously?—No, not always. In holding the camps we generally select the time that is most convenient for the local officers and men of the force.

2996. But are not the camps so arranged that the Major General commanding the force pays a visit to each camp?—Yes.

2997. Then of course the camps cannot be held simultaneously?—The general can go from one camp to the other if they are not too far apart. He may spend a day or two in one camp and then go to another.

2998. As a matter of fact they do try to have the camps so close as to give the general an opportunity of visiting as many as he can?—That is not taken into consideration at all. We generally take the time that suits the force best.

2999. You have certain lands and military property under your care?—Yes.

3000. Are they the same as ordnance lands?—Yes, they are ordnance lands which have been turned over to the control of the department.

3001. They are not for sale like the ordnance properties in the Interior Department?—No. When we do not require them for military purposes, we generally transfer them back to the Department of Interior with a request that they be sold. They are in class *a*.

3002. There are some pensions payable to veterans of 1812; in Upper Canada there are over forty of them still alive?—Yes.

3003. Do you satisfy yourself that these people are living to-day?—We receive a declaration from them subscribed to before a magistrate, and we pay on that.

3004. In Lower Canada you have seventy-five of them still living, and some of them are marked as over one hundred years of age; are you satisfied of this?—We have all the papers. But I do not believe they are as old as that. There are a few old men, no doubt.

3005. It does not matter how old they are, the great thing is to find out whether they are living or dead?—We have satisfactory proof that they are living.

3006. Would it not be worth while to send a man to see these men in the flesh?—I think it would.

3007. In your Militia Act there is a system of militia fines for people who do not turn up to drill?—Yes.

3008. Are these fines rigorously enforced and collected?—Very seldom, but there have been instances.

3009. But as a rule these people are not fined?—I do not believe they are often fined. A captain may have his company full, he may have enlisted eight or ten more men than he requires; if so, he leaves the others behind, and provided he has got his company full, he does not care to take any action against those that are left behind.

3010. There is an option in enforcing these fines?—Yes.

3011. It would appear as if there was a very small amount of fines collected?—It is exceptional.

3012. Your department is principally a spending department?—Yes, I am very sorry we bring very little into the revenue. But if the country wants a militia force it has got to pay for it.

3013. You have one vote for ammunition, and a vote for the Cartridge Factory at Quebec?—Yes.

3014. You paid about \$9,000 for ammunition? Was that ammunition bought from the Imperial Government?—No, at present we buy none of our ammunition from the Imperial Government. Until lately we have been buying from the Imperial Government shells and cartridges and Martini-Henri ammunition, but we are going to manufacture all these in the Government factory.

3015. This cartridge manufactory in Quebec, which cost us \$60,000 last year, is to supply the country with ammunition?—Yes.

3016. Will it be cheaper than the old system?—The ammunition we are using now, Snider cartridge, cannot be bought in England. We have got to manufacture it here.

3017. You do not look upon the Snider as a fit arm?—It is the arm of the force and we have to get the ammunition for it.

3018. But it is not a fit arm to go to war with?—No, it is not. For three or four hundred yards it is good enough, but it is a very poor arm for long distance.

3019. If any war were to break out, what would you do, another Riel rebellion or something of that kind?—We would do a good deal of harm even with these Sniders.

3020. You say you have got 8,000 Martini-Henri rifles?—Yes, about that number.

3021. Your main depot for stores is here in Ottawa, on the canal?—Yes; we have local stores in the different districts.

3022. Is your ammunition stored at Quebec?—We have ammunition stored at Quebec, we have some in Montreal and we have a little here, and some in other districts.

3023. When Tommy Atkins' company wants to be replenished with rounds of ammunition, where do they get it?—They can get it at the district stores, but if it is a large amount they send here for it. But generally the ammunition is distributed. Of course there is no danger with cartridges, they are not likely to lose powder. We have a certain amount of them in the different stores in express magazines.

3024. Is there an inventory of the stores kept in your department?—Yes.

3025. At any moment you know the total value of all the stores throughout the Dominion?—Everything that goes out and everything that comes in is accounted for.

3026. Some years ago an inventory of the militia assets of the Dominion was taken and published as a preface to the public accounts; it showed the value of all these militia stores was about two million dollars?—I do not remember that. If you take into account the armament and militia property I have no doubt it would come to that figure.

3027. However, you keep an inventory of your stores and their value is very large?—Yes.

3028. They are chiefly stored here?—We have the principal part of our stores in that large building near the canal, and I would be very glad indeed to show the gentlemen of the Commission through that building.

3029. You have not two million dollars' worth of stores apart from your guns that are mounted on batteries, and all that?—Oh, no.

3030. What would be the value in your store here?—About \$250,000.

3031. Then you have standing materiel all over the country?—Yes; that is the local materiel we require the year round.

3032. You have a few Armstrong guns now?—I am not putting those in. I am not talking of guns. I am talking of everything inside the stores.

3033. But that inventory of two million must have covered the guns on the batteries?—Yes; our field batteries are armed with the best improved rifle gun you could get of their calibre.

3034. For clothing you expended last year about \$80,000, of which Montreal supplied \$30,000.—Yes.

3035. Rosamond & Co., \$41,000?—Yes.

3036. O'Brien, of Montreal, \$45,000?—Yes; they made the overcoats.

3037. These are the chief purveyors?—Yes; they are by contract.

3038. All these tunics, caps, trousers and overalls, were they all inspected when they came in?—Yes, we have an inspecting officer for that purpose. We inspect the clothing before the clothing is manufactured. The manufacturer sends us samples for inspection before he completes the manufacture. We do not allow them to commence a manufacture of clothing before they make a few samples in order to satisfy us that they are right. The clothing we have, I believe, gives great satisfaction; in fact, it is better than the English clothing, but it costs a good deal more; it costs 50 per cent more in most cases. The consequence is that with the same amount of money we could double the amount of clothing. Whereas now we are obliged to manufacture our clothing in the country. We have to pay 50 per cent over and above what we formerly paid, and our vote for clothing is the same. The Government as a whole should bear that which is a loss to the department and give us an increased subsidy.

3039. But that increases the cost of your department to the country?—Yes, very much. Then it places us in a position that we cannot get as much clothing for the same money as we used to and our vote is curtailed so much. We are the only sufferers in fact.

3040. The clothing is supplied at a cheaper rate now than it used to be?—There is very little difference.

3041. Who looks after the proper care of all these stores from time to time?—We have a set of men there who are working constantly. We have to keep working at this cloth in order to keep the moths from getting near it. It requires a great deal of care.

3042. But who checks the quantities on hand?—We have a book there in which everything that goes out of the stores is checked, and everything that comes in is taken in store charge and put in charge of the man there who is responsible for it.

3043. Do you ever have anything analogous to stock-taking once a year?—Always. We have a board of officers who do that regularly, outside the storekeeper. A board of officers pass judgment upon the storekeeper. This board is generally composed of three officers who come here and visit the store and the clerk in charge is obliged to show the whole stock and count everything that is in there, just as you take stock in any mercantile business house.

3044. Two or three colonels of regiment compose the board?—Yes, generally.

3045. Not in the sense of being deputy adjutants general?—Yes, sometimes, or a brigade major. They are our own officers; they are outsiders, though, and have nothing to do with the stores—perfect strangers.

3046. Where do you get the material for the manufacture of cartridges?—The prices of the things we require in that factory are known to the market. For instance, there is a certain price for the brass strips, we pay the market price, and the same for the lead.

3047. You purchased \$39,000 worth of a firm named Chinic, in Quebec; for large amounts like that do you not ask for tenders?—This amount covers all the supplies required during twelve months for the Cartridge Factory, the "B" battery and the

works in the District of Quebec. The Minister authorizes the purchase of these things direct through Mr. Chénier.

3048. Why could you not purchase that yourselves?—Certainly, I would prefer in every case to purchase direct from the manufacturer.

3049. That merchant will not give you his name to do those things without charging something for it?—I do not suppose he will.

3050. In addition to the vote for clothing there is the expenditure for militia stores of \$47,000 altogether, which covers a lot of odds and ends sent to the several militia districts. How are these bought, as a rule?—Those are bought by tender. A contract has been made for all these supplies after tenders were advertised for.

3051. What is the allowance for the care of arms at an armoury? You expended \$60,000 last year for armouries and care of arms?—The allowance is \$40 per company, and \$60 per troop of cavalry.

3052. Are these people in charge of drill sheds?—Yes; or in charge of the branch stores.

3053. That is the drill instruction for which you spend \$36,000?—Drill instruction is paid to every captain.

3054. Is there an allowance also with that?—Yes.

3055. Is there any test to show how the company is instructed?—Yes; there is a sum of \$40 per annum as an allowance for drill instructions for every troop of cavalry, and other companies of all arms, and \$200 per annum for the instruction of every field battery of artillery.

3056. How long do the annual drills last?—Twelve days.

3057. What percentage of militia is called out each time?—About twenty-two thousand.

3058. How often is each man drilled?—He is supposed to be drilled once every two years.

3059. Half the force is drilled yearly?—Yes; we have not money enough to drill them all yearly.

3060. The contingencies for which you spent \$36,000 last year, cover the aid to the bands?—Yes; travelling expenses of the staff, and the allowance of postage and stationery.

3061. Your aid to the bands is given according to the degree of efficiency of each one?—We have the report of the deputy adjutant general in the different districts, and they are paid \$75 or a \$100 or \$150, according to the number of men in the band, and their degree of efficiency, and the expense that the officers are put to for the maintenance of the band.

3062. For drill sheds and rifle ranges \$26,000 was spent last year; that is for rent and repairs?—Yes.

3063. For constructing your batteries, your military college and all that kind of thing, you spent \$70,000; how do these military properties come under your care?—When they were given over by the English Government they were sorted, and those that were considered required for militia properties were left with us, and the others were given over to the Department of Interior.

3064. Should not those properties be under the care of the Public Works Department?—I do not see why.

3065. But is not the law clear, that all public properties should be under the care of the Public Works Department?—Not if they are in use, the rifle ranges for instance, drill shed, &c.

3066. Not those buildings for which you pay for repairs and construction, such as the citadel of Quebec, the Kingston military college, the Fredericton battery, and so forth?—The Public Works Department erected those buildings, and turned them over to us, and we have to keep them in repair and work them.

3067. But don't you do it illegally?—There was an Order in Council passed to that effect.

3068. But is not the Order in Council contrary to the Act?—That is a question that was discussed between the two Ministers, and Sir Hector Langevin claimed that my Minister had no right to interfere, and that all these buildings belonged to the Public Works Department. The question was subsequently settled.

3069. The Public Works Department is charged with the repairs of all the public buildings throughout the Dominion except those under your department?—I believe they are—at least I do not know about anything outside my own department. I would be just as well pleased if some of the buildings under my care were transferred to the care of the Public Works, because I would then hold them responsible for many things I have to do myself with an inefficient staff.

3070. As a matter of fact you have an architect and an engineering staff looking after these buildings?—We have only two men who look after these buildings.

3071. Would it not be a matter of efficiency and economy if they were amalgamated?—I do not know that it would be a matter of economy. I think we can economize as well as anybody else, so far as that goes.

3072. But outside labour is employed anyway, whether the Public Works or your department has charge?—Yes.

3073. You have at Quebec a drill shed for "B" Battery?—Yes.

3074. You have a cavalry school at Quebec?—Yes.

3075. You have the cartridge factory?—Yes.

3076. You have the artillery guns?—Yes.

3077. You have the Dufferin Terrace?—Yes.

3078. The Engineers' Camp at Lévis?—Yes.

3079. And the forts at Lévis?—Yes.

3080. The Citadel and caissons?—Yes.

3081. And the general works?—Yes.

3082. How many clerks of works do you employ at Quebec?—Two.

3083. How many had you two years ago?—We only had the two, and there were labourers working with them; and our assistant architect here used to run down there sometimes.

3084. You had not six or seven men?—No.

3085. Never?—No.

3086. Say in the year 1888?—No; I do not think so.

3087. At all events, the staff is limited to two now?—Yes; perhaps you mean the men that are employed in the stores?

3088. No; the clerks of works that are entered in the Auditor General's Report?—I remember now that there was a mistake, and there were men entered as clerks of works who were not such. They are men employed as ordinary labourers, and were entered as clerks of works. They were only paid labourers' wages.

3089. That was a mistake of the Auditor General in 1888 in calling them clerks of works?—Yes; probably there was a mistake made sometimes. There was a number entered as clerks of works that were not clerks of works.

3090. In Kingston, for instance, where you have large establishments, how do you get your coal?—By tender.

3091. There is also at Kingston a penitentiary?—Yes.

3092. And there are also custom houses and inland revenue offices?—Yes.

3093. Is there any concert between your department and other departments to get a supply of coal?—None whatever.

3094. In fact occasionally some of the departments are bidding against each other?—I do not know, I am sure. We ask for tenders for the supply of coal that we require, and it has never been mooted at all that we should ask our neighbours to join us in getting a supply of coal.

3095. Do you think it would be advisable to extend your system of a director of stores, and to have a director of stores for all the expending departments; a highly paid official who should buy and control the stores of the militia, the marine and railways?—Yes, certainly. I think it would be a very good move. I think it would be a

still better plan if all the fuel required for public buildings were controlled by one department.

3096. That is virtually the case now, barring the penitentiaries?—We would have to send our requisition for so much coal at Kingston, for Quebec and for other places, and whoever is charged by the Government to purchase coal in bulk for all the Government establishments would make a better bargain than if each department bought its coal separately. We buy it locally in Quebec, in Kingston, and in every locality where we have a school, Manitoba, British Columbia, Fredericton, London and Toronto—we buy from local dealers in those places.

3097. You must pay a pretty good price for it?—Yes, we do but not over market price.

3098. Your bill was very high for Canadian anthracite coal used at Winnipeg?—We are badly situated in Winnipeg. Our troops there are located in wooden huts, that were not put up as permanent buildings at first. These huts are now in such a state that the wind goes right through them, and it is only by the use of an excessive amount of coal that our men can keep soul and body together through the winter. I have no doubt that there would be a great deal of money saved if there were a purchasing agent for the Government. That is the way they do on the Canadian Pacific Railway.

3099. Is there anything being done to house your troops in Winnipeg any better?—I hope we shall succeed this year in getting a new building put up. But our men are badly off this year, for those old huts are beyond repair.

3100. Coming back to Kingston again, the penitentiary paid \$3 56 for coal and you paid \$4.40?—There is no reason why we should not get coal just as cheap as the penitentiary.

3101. Are not these supplies influenced a great deal by politics?—I have no doubt of it. I would not like to say that, though. Of course it is looked upon a good deal as patronage but contracts are given by tenders. In Montreal we have a large drill shed that it takes \$1,200 worth of coal to heat. But even in Kingston, I think we took the lowest tender for the supply of coal, because we generally take the lowest tender. We have tenders, and as a matter of routine, the Minister takes the lowest.

3102. The Military College cost \$83,000 a year; you are no doubt aware that 18 cadets graduated last June?—Yes.

3103. Eleven recruits joined the college?—Yes.

3104. The number of cadets has dropped in four years from eighty to fifty?—Yes.

3105. The companies are being reduced from four to two?—The expenditure of the college would not be greater for eighty cadets than for fifty; just the same staff would be employed, the same salaries.

3106. You have lately increased the cost for a cadet in the college by \$100?—That was two years ago.

3107. Has that increase the effect of keeping boys back from joining the college?—It is very hard to say.

3108. What is the charge now for a cadet?—\$350. I presume there are certain parties who would have joined if the cost had not been raised, because I think it is generally conceded that the prices for this school are rather high for this country.

3109. It would be better for the country if the old rate were reverted to, we would gain money by it; that is, if eighty cadets at \$250 would pay more than fifty at \$350, it would be better to revert back to the old system?—Of course it would, I mean the country would profit by it.

3110. When was this increase made and what was supposed to be the object?—To increase the amount paid by these young men for board at the college. When they first went in there was no board charged at all, but after three or four years they charged \$100, and that amount has been increased by the last regulation to \$200.

3111. Is that in addition to the amount of \$150?—Yes.

3112. There is a caterer who supplies the cadets?—Yes.

3113. He has fuel and light?—Yes: gets light, limited to six lamps, but no fuel.

3114. And servants, cooking utensils and all that kind of thing?—No servants, but cooking utensils and quarters.

3115. He charges the country 46 cents a day?—Yes.

3116. Then you are of opinion that if we reverted to the old rate it would be better?—I think the country would profit by it, by reducing the rates chargeable to the cadets.

3117. How many years have they to remain there?—Four years.

3118. What opening have they after that?—They are supposed to be able to do good work when they come out, but they have got to look out for themselves. For a time it was hoped that the Government would give them positions in the public service, but that has not been done.

3119. Are there many cadets on the staff of the schools and in the batteries?—There are a few. In fact we are very glad to get them.

3120. A certain number take commissions in the English army?—Only four of them yearly. There are only four commissions, one in each branch of the service given every year.

3121. Is the institution old enough now to get its professors from the ex-cadets?—We have some now from among our own graduates. We have the son of Col. Straubenzie, we have Mr. Wurtele and we have a Mr. Cochrane. They are all Canadians who have gone through the college. The instructor in mathematics is also a Canadian.

3122. How much did you pay them?—We pay them pretty fair salaries \$2,000 and \$2,500, with free lodging.

3123. Who appoints these professors?—They are selected by the War Office generally and appointed by the Canadian Government.

3124. Do politics ever intervene?—I do not know. We have been very fortunate in all our appointments, and our professors have been very good men. Of course politics may have something to do there as every where else. In fact I do not know that there is a solitary thing in this country that is not impregnated more or less, directly or indirectly, by what you call politics.

3125. Have you graduates entering the batteries and the schools?—Yes; I can give a list of them.

3126. Are there any instances where commissions have been given to these batteries and schools to cadets who failed to go through their course?—Yes; there have been one or two cases, I believe, of young men who have gone in that way.

3127. The consequence would be that if a man fails in his first or second year, and is appointed to a commission, another cadet who goes through the whole course of four years and graduates, when he is appointed to the same battery, would be the junior?—He might be the junior to a man that had left the college before he did.

3128. What pay is attached to these positions of deputy adjutant general in the districts?—They get \$1,700.

3129. Are these positions open to the graduates of the Military College?—They are not open to any class in particular; they are appointed by Order in Council, generally on the recommendation of the Minister.

3130. Generally these adjutant-generals are lieutenant-colonels in the militia, are they not?—Sometimes they are promoted from the position of brigade-majors and lieutenant-colonels.

3131. At all events they would not be less than majors? It takes some years before an officer in the Canadian militia can become a lieutenant-colonel?—Yes.

3132. No ex-cadet could, by fluxion of time, as yet become a deputy adjutant-general?—Not in coming out of the schools, because he ranks only as lieutenant in the militia.

3133. How many years has he to serve as lieutenant?—It would take him ten years to become captain, unless he goes into the service, in which case promotion would be more rapid.

3134. The majority of the graduates must seek civil employment in this country? Several are employed on the Canadian Pacific Railway or on the Grand Trunk, as engineers.

3135. A great many of them have had to leave for the States?—There are a few in the States. I have got a list of them and where they are employed.

3136. There is one of them on your staff, Mr. White?—He is assistant architect.

3137. Did he study architecture at the college?—Yes, that is one of the subjects; and he is a very efficient officer.

3138. Would not cadets from the military college fill vacancies in your own staff better than anybody else?—I have no doubt of it. When our camps are formed, the deputy adjutants-general look around immediately to see if they can get hold of a few cadets.

3139. And commissions in these artillery schools, and cavalry and infantry schools, might be given in greater numbers to the cadets, to the advantage of the country?—There is no question but that graduates of the Royal Military College could fill all these positions to the advantage of the country, and would raise the present standard of efficiency.

3140. We were under the impression that there was some twenty positions offered in the British service?—In 1888 they gave us six extra commissions in the Royal Engineers.

3141. In the military schools generally, \$3,000 were paid for breeches and about \$11,000 for greatcoats, and some amounts for tunics and trousers; were these articles supplied directly to the military schools?—No; they all go to headquarters.

3142. But this is in addition to what is charged to the clothing vote; these are charged to the military schools?—It is charged to the schools because it is clothing for the schools.

3143. Then you have two lots of clothing, one that is put in the stores and the other that goes to the schools?—Yes, but all the clothing goes to the stores and is issued part to militia and part to schools.

3144. Then this clothing vote does not show the exact amount that was paid to the contractors for clothing?—Part of that is charged to the vote for schools. To get the whole amount paid for clothing you must see the amount charged to the schools, and the amount charged for militia.

FRIDAY, 8th January, 1892.

Mr. COLLINGWOOD SCHREIBER, Chief Engineer and General Manager Government Railways, was examined:

3145. Please state what railways now belong to the Government and are under your charge?—The Intercolonial Railway 1,154 miles in length, and Prince Edward Island Railway 210 miles long.

3146. Give the number and cost of permanent staff at Ottawa of the department of which you are the manager, in 1882 and 1891, respectively. Also, number and cost of extra clerks or other officials in all its branches, whether paid out of Civil Government funds or otherwise, in 1882, and also in 1891?—I submit a statement giving the names of the officials in my branch in each of these years, with their respective titles and rate of pay carried out for a year;—

RAILWAY BRANCH, 1882.

Chief Engineer and General Manager's Office.

Collingwood Schreiber, Chief Engineer and General Manager Government Railways, and Engineer in Chief, Canadian Pacific Railway.....	\$ 5,500 00
L. K. Jones, Secretary.....	1,500 00
C. Miles, Messenger.....	500 00

Record and Statistical Office.

Thomas Cross, Chief Clerk.....	\$ 1,900 00
A. N. Greenfield, Outward Recording Clerk.....	1,100 00
A. Dale, Inward Recording Clerk.....	730 00

Inspecting Office.

Thomas Ridout, Inspecting Engineer.....\$ 2,400 00

Construction Office.

F. J. Lynch, Engineer in charge of office.....\$ 2,400 00
 Thos. Burpee, Secretary to Engineer in Chief C. P. Ry... 2,000 00
 J. R. Chamberlain, Clerk..... 730 00
 M. Beaumont, Clerk..... 744 00
 Thos. Taylor, Auditing Accounts..... 1,800 00
 E. V. Johnston, Chief Draftsman..... 1,620 00
 A. W. Almon, Draftsman..... 1,200 00
 A. E. Edmond, Draftsman..... 900 00
 A. G. Morrison, Draftsman..... 1,200 00
 L. A. Des Rosiers, Draftsman..... 540 00
 Joseph Tomlinson, Bridge Engineer..... 2,500 00

1891.

Chief Engineer and General Manager's Office.

Collingwood Schreiber, Chief Engineer and General
 Manager, Government Railways.....\$6,000 00
 L. K. Jones, Secretary..... 1,800 00
 Sydney Loftu, Clerk and Messenger..... 420 00

Record and Statistical Office.

Thomas Cross, Chief Clerk.....\$2,400 00
 C. W. Ross, Inward Recording Clerk..... 912 50
 J. L. Dakin, Outward Recording Clerk..... 912 50
 P. Des Lauriers, General Clerk on Railways, inward and
 outward Recording Clerk..... 450 00
 J. W. Hughes, Copyist Clerk..... 912 50

Inspecting Office.

Marcus Smith, Bridge Engineer.....\$4,500 00
 Thomas Ridout, Inspecting Engineer..... 2,800 00
 A. Dale, Recorder of Plans, &c..... 912 50

General and Construction Office.

F. J. Lynch, Engineer in charge of office.....\$2,700 00
 E. V. Johnston, Draftsman..... 1,620 00
 A. Almon, Draftsman..... 1,400 00
 L. A. Des Rosiers, Draftsman..... 720 00
 H. E. Baine, Draftsman..... 540 00
 F. E. Blanchet, Draftsman..... 420 00
 J. R. Chamberlain, Clerk..... 912 50

PRESENT TIME 1892.

Chief Engineer and General Manager's Office.

Collingwood Schreiber, Chief Engineer and General
 Manager Government Railways.....\$6,000 00
 L. K. Jones, Secretary..... 1,800 00
 Sydney Loftus, Clerk and Messenger..... 420 00

Record and Statistical Office.

Thomas Cross, Chief Clerk	\$ 2,400 00
C. W. Ross, Inward Recording Clerk	912 50
J. D. Dakin, Outward Recording Clerk	912 50
P. Des Lauriers, General Clerk on Railways, inward and outward Recording Clerk	450 00
J. R. Chamberlain, Copyist Clerk	912 50

Inspecting Office.

Marcus Smith, Bridge Engineer	\$ 4,500 00
Thomas Ridout, Inspecting Engineer	2,800 00
A. Dale, Recorder of Plans	912 50

General and Construction Office.

F. J. Lynch, Engineer in charge of office	\$ 2,700 00
E. V. Johnston, Draftsman	1,620 00
A. Almon, Draftsman	1,400 00

3147. What is the method employed in your department for the collection and deposit of public money?—The revenue of the Government railways is derived from the following sources viz :—From the carriage of passengers, freight and express goods, the sale of seats, berths and food in parlour and sleeping cars, the privilege of selling literary matter, &c., on trains and at stations, wharfage, storage, demurrage on cars, and the sale of old material, also rents of houses and wharves.

Passenger Business.—A statement of through tickets is received monthly from the various railways, and from other parties who sell tickets. These returns are checked in the audit offices of the Government railways at Moncton and Charlottetown, with the tickets and coupons which are collected by the conductors and returned to the railway audit offices at Moncton and Charlottetown. The auditors of the Government railways keep an account with each railway, and other transportation companies, or agencies issuing tickets, and the balance due is usually paid in monthly. The station masters and ticket agents at stations sell tickets for cash, making monthly returns of the tickets sold, to the audit offices of the Government railways, which are checked by the tickets collected by the conductors and sent into the audit offices of the Government railways.

The audit offices of the Government railways keep an account with each station master and ticket agent at stations; each being charged with the amount of his sales during the month, and credited with the cash he remits during the same period.

Conductors collect fares on the trains and issue train tickets, and send in a return on each trip of amount of collections, which return is checked in the audit offices of the Government railways. The money they collect they pay to the station master or ticket agent at any one of the stations, which may be convenient, taking a receipt on the back of the return, which goes to the audit offices of the Government railways. An account is kept with each conductor in the audit offices of the Government railways, and he is debited with the amount of fares mentioned in his return, and credited with the money paid in to the station masters and ticket agents.

Freight Business.—Freight is way billed either prepaid, or to pay at the point of destination. In the case of through freight from points on the Government railways to points on other transportation lines, the share of its charges is assumed by the connecting transportation line, when it takes charge of the freight; and in the same way in the case of through freight from points on other transportation lines to points on the Government railways, the share of their charges is assumed by the Government railways when they take charge of the freight and assume the responsibility for the collection of the charges of those transportation companies, as do the other transportation companies for the collection of the charges of the Government railways in the opposite direction. Accounts are kept for this interchange of freight traffic, and the settlements are made weekly by the payment of the balance which may be due by either party. If the balance

is against the Government railways, payment is made from the Treasurer's or Accountant's Office of the Government railways. The largest portion of the through business is done by the Grand Trunk railway, and Canadian Pacific railway. That between the Government railways and the Grand Trunk is checked in the latter's audit office, and with the Canadian Pacific railway in their audit office; and for this purpose, every ten days, copies of the way bills, and summaries of the totals of the way bills, are sent to the audit office of the Grand Trunk railway, and the Canadian Pacific railway, respectively, from all stations which have received or forwarded through freight in connection with those roads.

The auditors of these roads send a full statement monthly to the auditor of Government railways showing the through billed traffic for the month, and giving such information as is necessary to satisfy the auditor of the Government railways of their correctness. The auditor or, travelling auditor of the Government railways, pays visits occasionally to the audit offices of the Grand Trunk and Canadian Pacific railways, to examine more fully the details of the through traffic, and to satisfy himself that the work is properly and correctly done.

Local Freight.—In the case of freight way-billed from one station to another on the Government railways, and not passing off the Government railways, the freight agent or station master sends a summary to the audit offices of the Government railways monthly, giving the totals of all the columns, of all the way-bills received and despatched from his station during the month. The summary of the way-bills received at one station is checked with the summaries of the forwarded way-bills from other stations. Weekly and monthly each station master, freight agent, and ticket agent, sends a statement of his account with the railway to the audit offices of the Government railways, showing the amounts received for sale of tickets, for freight prepaid, for freight received to pay, for storage and demurrage, and amounts paid him by conductors, and on the other side the various amounts remitted to the cashier or deposited in the bank. These statements are checked in the audit offices of the Government railways and errors adjusted, if any, with the sender.

Express Business.—Two express companies do business on the Government railway on the mainland. The Canadian Express Company and the Dominion Express Company each pays over to the railway 40 per cent of their gross earnings monthly. The travelling auditors of the Government railways visit the express company's offices periodically to examine the accounts, to satisfy themselves that they are properly kept and that the Government railway is receiving 40 per cent of the gross earnings.

Sleeping and Parlour Cars.—Tickets for berths in the sleeping cars are sold at the terminal stations from which such cars are started. Berth and seat fares and buffet receipts are also collected by the officers in charge of the cars, who at the end of each trip pay the amounts to one of the station agents and send returns to the auditors of the Government railways. The returns made are checked with the tickets and cash.

Privilege of selling literary matter, &c.—This is done under contract; the amount is paid in to the treasurer of the Government railway a month in advance.

Wharfage, Storage and Demurrage.—Are collected by the station masters who make their return to the audit offices of the Government railways as described for freight charges, &c., and it is treated by the audit offices of the Government railways in the same manner.

Sale of old Material.—These are usually sold by tender and contract, the highest offer being accepted except in certain cases where authority has been given to sell at private sale, the price being named. The rule is that the payments for such articles are made in cash to the treasurer or accountant of the Government railways, excepting in cases of contra accounts, when credit is given the party on the account, and in other cases where the articles are sold to subsidized railways, to be deducted from the earned subsidy, which is done in the Department at Ottawa, and when done, permission is given to credit the Government railways with the amount.

Rent of Houses and Wharves.—The houses are under rent to employees of the railway, and the amount of rent is paid to the railway, on pay day, out of their wages,

and deposited to the credit of the Receiver General in the bank. The wharves are leased to the Marine and Fisheries Department, rent being paid monthly.

3148. Are your methods with regard to receipts the same as those of the Grand Trunk and the Canadian Pacific railways?—No, I do not think they are precisely the same, but they are very much the same.

3149. Is there any practical difference between the working of your system for the Government road and the working of any other corporation?—There is.

3150. In so far as receipts are concerned have you to submit to competition in respect to freights and passengers, like any other railway?—Necessarily so.

3151. Can you increase your receipts at pleasure?—No, certainly not.

3152. Have you to adopt such rates of passenger fares and freights as you can collect, or otherwise trade would go in some other direction?—Yes. You can understand that a Government railway is not necessarily managed in the interest of the railway alone but the interest of the trade of the country has also to be considered, that is to say, in the matter of encouraging manufacturers, and intercolonial trade generally, you may carry at very low rates, which may not be in the interest of the railway, but yet promote trade.

3153. Can you exact commercial rates as readily as a private company?—No, not under the present system.

3154. The classification is fixed by Order in Council, is it not?—Yes, a uniform classification for all Canadian railways, and when any of the very low rates are given with a view of advancing the trade of the country, independently of the interests of the railway, it is done by special order from the Minister.

3155. Who fixes the rates of passengers and freight?—The maximum rates, are fixed by Order in Council. The General Freight Agent quotes the minimum freight rates according to the necessity of the traffic, and the General Passenger Agent does likewise with the passenger rates, that is to say we take measures to secure all the traffic we can.

3156. Who do you mean by "We?" The department?—No, I mean the officers of the Government railways.

3157. If you were the manager of this road and it belonged to a private company, could you take measures to increase the traffic or to increase your receipts, that you cannot take now?—I think so, at any rate I am satisfied we could favourably affect the net results.

3158. The balance against you last year was how much?—Including both the Intercolonial Railway and the Prince Edward Island Railway, about \$775,000.

3159. Supposing the road belonged to the Canadian Pacific Railway and was one of its unprofitable branches, such as every road has, they would take means to diminish the unprofitableness to the utmost degree, and to make it as little unprofitable as they could—Yes, certainly.

3160. Now, what is there that prevents you doing that?—Politics are a great trouble, and I can see no way of getting over it, and so long as they are Government roads, it must necessarily be so.

3161. We cannot quite see where politics come in?—Perhaps I should say the policy of the Government.

3162. Until the short line of the Canadian Pacific Railway was built had you not a practical monopoly of the trade?—Yes.

3163. Is there not a maximum of passenger fares throughout the Dominion fixed by Statute?—No, they are established by Order in Council for each railway, so far as our passenger rates are concerned, they are not unreasonably low.

3164. But the Canadian Pacific Railway, for instance, could they charge more than certain rates?—The maximum rates for both freight and passengers, are established by Order in Council, for the company's roads as well as the Government roads, and more cannot be legally collected.

3165. Your internal economy is the same as that of any other road, although it may cost more than it would if you were purely a commercial corporation?—Much the same, but it costs a great deal more.

3166. As a commercial matter could the rates be considerably increased, so as to increase your revenue?—The revenue could be increased by bringing up the local rates to the local rates of other roads.

3167. The local rates, then, are not as high as the local rates of commercial roads?—No.

3168. When a passenger gets a ticket can there be any leakage?—Yes; there can.

3169. May there not be a leakage from people being passed on the lines without getting tickets?—Certainly, and in other ways, for instance, a conductor can collect tickets and not punch them, and then issue them again and again.

3170. Does that not happen on every road?—Yes; but you can quite understand that on companies roads, if there is pretty strong proof that this is being done, prompt dismissal of the conductors follow, but in case of Government roads the difficulty is that unless there is absolute proof of the wrong doing, it is difficult to mete out punishment.

3171. Do you think there is more leakage on the Intercolonial in this respect than on any other road?—I am not prepared to say, but the leakage is no doubt heavy.

3172. Is not that leakage caused, to a certain extent, by the want of facilities to discharge suspected men?—I have no doubt of it.

3173. Are you describing what has actually occurred?—Yes; many a time, in many years.

3174. Do you suffer much on your lines through dead-heads?—Taking the regular authorized passes, I do not think we issue so many as they do on companies' roads. But I am afraid there are a great many unauthorized passes given, that we know nothing about at the time, and only find out occasionally.

3175. Do you mean that conductors passed them?—Yes; conductors passed them, and not long ago, we discovered that one of our superintendents had been passing a great number of people, by giving them small slips of paper.

3176. If he gives a regular pass you will know it, because they are issued from numbered books, are they not?—Yes; it should be known, but he did not do that, he gave them on small bits of paper, which were torn up, instead of being sent to the audit office.

3177. Surely that pass can be checked?—An effort is made to check it, but it is no easy matter.

3178. Then conductors must have instructions to recognise these bits of paper?—No doubt, from the party who gives them.

3179. Might you not have some conductors who would not recognise them?—Possibly, but it is very difficult for a conductor to dishonour them, as he is under the district superintendent's orders.

3180. Would the district superintendent dismiss him for that?—No; but he could make it very unpleasant for him.

3181. The conductors surely know that there is somebody above the district superintendent?—It is sometimes very difficult, even when an investigation is held, to get a conductor to admit the truth.

3182. Coming to another source of revenue, are there special bargains made sometimes to carry freight?—Yes.

3183. Do you carry freight at any time at a loss?—Yes; we carry grain and coal at a loss, the grain rate is lower than that of coal.

3184. Are you carrying grain at a loss, in the interest of western freight?—Yes; in the interest of securing western freight for shipment for Europe.

3185. Where is the initiative of the transaction? Is it on the through bill of lading from Manitoba?—It is on a through bill of lading from various parts of Ontario, and some from Manitoba, not a great deal. We have a stated rate for which we carry on the Intercolonial, which we merely add to the rate over other roads.

3186. That is a losing rate?—Yes it is, two tenths of a cent per ton per mile for grain, and three tenths of a cent for coal. Half a cent is considered to be about the cost of transportation.

3187. Have not all roads to submit to more or less of that?—Yes, but our difficulty with the through coal traffic is that coal has to be carried in a special class of cars, in

which other description, of freight cannot be carried in the returning cars. The consequence is that for every mile the coal is hauled the car is hauled two miles. That is not always so with grain. Sometimes we have found it to our advantage to carry grain at a very low rate, for instance when the flow of traffic is in one direction, say toward the west, and our cars go forward on to other roads, it is difficult to get the companies to return them properly, unless loads offer. In such cases it answers our purpose to load them with grain at a very low rate to induce the roads to forward them.

3188. Are there cases in which traffic could be carried at higher rates without inconvenience to the country?—I think the local traffic could.

3189. How do certain roads in the United States, who have little else than coal traffic, manage to carry the coal at very low rates?—There are roads in the United States, I understand, that own coal mines, and I believe it depends upon whether it is the coal mining stock they want to "bull" or the railway stock. When it is the railway stock they want to "bull" they charge a low price for the coal, and a high freight rate; when it is the coal mining stock they want to run up, then, they put the freight rate down very low and put the price of coal up. That is what I have been told.

3190. Do politics intervene in fixing these low rates?—As a matter of policy in some cases, as I have said, outside the interests of the railway.

3191. Are not the whole rates fixed by Order in Council?—The maximum rates are fixed by Order in Council—but the low rates for coal or grain are quoted by special order from the Minister.

3192. Which is a special Order in Council, is it not?—No, I think not in these cases, the order is given through the Minister.

3193. But the Minister gets the assent of his colleagues does he not?—I fancy so. We get the order from the Minister.

3194. The great coal mines at Spring Hill and at Sydney have a good deal of political influence, it is understood, and probably they bring it to bear?—I am not aware of it, they are of course large employers of labour.

3195. A low rate is given, in the belief that they are encouraging the development of the mines?—I think it is given with the view of inducing manufacturers in the West to use Canadian coal; and also no doubt, as you state, to develop the mines.

3196. As a part of the general trade policy of the country?—Yes.

3197. You do not think it is given as a special favour to individual stock-holders of a mine?—No, not at all.

3198. Give a general idea of the method employed in controlling the expenditure of your department?—An estimate is made annually of the probable expenditure for the year for each service, viz:—The construction of new works on capital account, and for operation and maintenance on revenue account.

Construction.

Works of construction for the most part are executed under contract given out at public competition; the work is carried on under close supervision, correctly measured, and monied out under the terms of the contract, a return being made and certified by the officer who performs the active operation of measuring; after being checked by the engineer in charge, he certifies it, when it is forwarded to the chief engineer who scrutinizes it, and if an error is apparent, it is enquired into, and if found incorrect, it is corrected, and he then certifies it. Some works of construction are carried on by days labour. In such cases, if the work is of any magnitude, special time-keepers are employed, the foreman keeping the time of the men in a time book furnished him. The time-keeper checks the time on the work, the time books at the end of the month are sent to the office where the pay rolls are prepared, the wages being rated by the Superintendent of work and the foreman. Supplies, tools, plant, etc., are usually purchased by tender and contract, the lowest tender being accepted, quality of the article being considered.

The accounts are paid by cheques on certificates of the officer in charge; the pay rolls are paid by a paymaster, who is accompanied by another officer, to witness the

payments and see that the money is properly paid out, both the paymaster and the officer initialling the payments.

On Operation and Maintenance.

The expenditures are for wages, for materials, and for work done. The time of all men employed is kept (except in cases where a large work is undertaken; when a special time-keeper is employed) by the officers under whom they are immediately employed. These officers send the time sheets to the heads of the departments monthly, where the pay rolls are made out and are certified to by the heads, and afterwards approved by the chief superintendent, or superintendent, as the case may be. A cheque is drawn by the chief superintendent and the accountant, and the cheque and pay rolls are handed to the paymaster of the Government railways, who draws the money from the bank, and pays the employees whose names are on the roll, taking the receipt upon the pay roll. When paid he certifies upon the pay roll that he has paid out the money in accordance with the pay roll. The names of such men as have not called for their money are transferred to a back roll, and the money representing the pay of these men is handed to the accountant of the Government railways monthly. At the time this is done, an audit of the paymaster's account for the month is made. Payments for materials are made by cheques signed by the chief superintendent and the accountant, which are sent direct to the persons to whom they are due. Before this is done, however, the accountant has in his possession the account for the materials certified by an employee of the railway, stating that they have been received and also certified by the general storekeeper of the Government railways as to the prices being according to contract and fair and just. The account is also approved by the chief superintendent. Payments for work done consist of amounts paid to contractors for building locomotives, cars, buildings, bridges and other works. These payments are made by cheques signed by the chief superintendent and the accountant of the Government railways. Before cheques are issued the accountant of the Government Railways is supplied with an account signed, if for locomotives and cars, by the mechanical superintendent of the Government Railways and approved by the chief superintendent or the superintendent, if for buildings, bridges or other works in connection with maintenance of way, the account is certified, if for the Intercolonial Railway, by the chief engineer and approved by the chief superintendent, or if for the Prince Edward Island Railway it is certified by the superintendent. Locomotives and cars are purchased as a rule by tender, all the manufacturers in Canada being invited by circular to compete. The tenders are opened, and contracts awarded, in the department at Ottawa. Contracts for building bridges are awarded in the department at Ottawa, competition having been invited by circular sent to the bridge builders. For buildings, if a small work, tenders are asked for by printed posters put up at stations along the line; if the work is a large one, tenders are asked by advertisements in the newspapers, and are opened and decided in the department at Ottawa.

3199. When parts of your line are built under contract, have you had any trouble such as came out in the Public Accounts Committee that occurred in the Department of Public Works, about payments of extras? Are your contracts so prepared that claims for extras do not arise?—I cannot say that claims for extras do not arise, but the contracts are pretty well guarded, I think. It is hard to carry a contract through without the contractor putting in claims, whether they are right or wrong.

3200. Are those works of construction for the extension of the line?—They are for new lines, new roads generally, in new territories that are to be opened up; and also for the extension of the various termini of the Intercolonial. For instance, at St. John and at Halifax, we spend considerable sums of money for that purpose. They are entirely new works,

3201. Last year it appears that the loss on the running of the Intercolonial amounted to something like \$500,000; was there any sum irrespective of that charged to construction account?—Yes, but I do not think it amounted to much last year.

3202. But, besides the regular running account, there are sums, more or less, charged to construction account?—Yes, they are for new works, not renewals.

3203. Are they new works that always bring in new revenues? Suppose you pull down an old station and build a new one; that is a new work, but there is no more revenue arising from it than there was before. How would you treat that?—No, not always, with regard to pulling down an old station and rebuilding it, unless it is at a great terminal point, it is charged to revenue. If a station is pulled down or is destroyed by fire at any point on the line, and a new one built to replace it, it is like replacing a broken pane of glass with a new pane of glass, and is accordingly charged to revenue.

3204. Is not a construction that should be charged to construction something that will bring additional revenue and not merely replacing an inferior structure by a good one?—No, not necessarily, the replacing of an inferior structure by a good one is charged to revenue. For instance, we have rebuilt a large number of bridges, replacing old bridges with steel structures, all of which has been charged to revenue.

3205. Do not railways some times keep a construction account open for a certain portion of the steel bridges?—Yes, some companies do, they distribute the difference and cost over several years, but we do not do that, we charge it all to revenue as the expenditure takes place.

3206. You err, do you not, on the right side by charging it to revenue?—It is the same with steel rails. Our road was originally laid with fifty-six pound steel rails, and as the traffic increased and heavier engines and heavier rolling stock generally was put on the road, it became necessary to increase the weight of the rail, and we have been relaying track with sixty-seven pound steel rails, the cost of which is all charged to revenue.

3207. What do you do with the old rails?—We sell them and credit the amount realized to the cost of the new rails.

3208. Are not your contracts largely in favour of the Crown, and are they not safely drawn out?—No doubt they are, and they are carefully carried out. But I say nevertheless contractors endeavoured to get paid for extras.

3209. Have you not large claims standing on the question of classification, on the Short Line and on the Cape Breton Line?—On the Cape Breton line the contracts are closed and settled, but the contractors both on that road and the Short Line, having lost money, are making a claim on the question of classification. Our contracts are very rigid.

3210. Your evidence, as we understand it, is that the contracts are very rigidly drawn, and in fact run in favour of the Government?—Yes, they are decidedly rigidly drawn to protect the Government.

3211. Are they fully as rigidly drawn and adhered to as is the case with the Grand Trunk and the Canadian Pacific Railways?—That is my opinion.

3212. Carrying out the contract is a different matter; how is that?—So far as the railway works are concerned, I can say certainly that they have been strictly carried out. But please to understand that does not prevent claims arising.

3213. Now, if Council decide to build fifty miles of new road, you advertise the plans and sections, &c., and the elevations are all drawn up in your office?—Yes.

3214. Do you advertise for tenders exactly in the same way that other companies do?—Yes, I think so, if it is a work of any magnitude, we call for offers by public competition.

3215. We understand that the Government possesses, besides the Intercolonial, two or three other railways, does it not? The Cape Breton Railway is one?—The Cape Breton Railway is now a portion of the Intercolonial, it was made so by statute last session. The only two roads the Government now own, are the Intercolonial and the Prince Edward Island Railways.

3216. They have always been run at a loss?—Yes, and probably always will be.

3217. What about this matter of day labour? To what extent does that apply in the construction of work?—To a very small extent, except in this way, which I will explain. The eastern section of the Cape Breton Railway was let by competition to some contractors. They failed to carry out the contract, and it was taken out of their hands and finished by the Government at the contractors' expense, the greater part of

the work being done by day's labour, but some of the work was farmed out in small contracts.

3218. But it was principally for damages arising from expropriated lands that the largest claims are made?—In some cases it no doubt was so; for instance, on the St. Charles branch of the Intercolonial Railway the land claims were very heavy.

3219. What is the process you go through in acquiring those lands?—In the first place the line is surveyed and plans prepared, showing the extent of the land required from each individual owner, a plan and description of which is filed in the office of the registrar of deeds for the county through which the line runs; an official land appraiser is then sent over the line to endeavour to make an arrangement with each owner for his land, and in many cases he is successful in coming to an arrangement as to price. The official land appraiser makes his report, sending in agreements under signature with such owners as he has been able to settle with. These are sent up to Ottawa, and I examine them and report whether, in my judgment, they appear reasonable or not. If considered satisfactory they go through the department to Council, and if they are approved by Council, they are sent over to the Justice Department, and when titles are found good, and transfer is made to the Government, the money is paid. In cases in which the official land appraiser fails to come to an agreement with the owner, he values the land, and if the valuation is approved, a formal tender of the amount is made; if refused, the case is sent to the Exchequer Court for adjudication.

3220. What you say about having some times paid large damages, would it apply to the Cape Breton road, or the Digby and Annapolis road?—So far as these roads are concerned, nine-tenths of the claims were very reasonable, and were settled promptly. There were some, however, which I thought high, but generally the claims, as I have said, were very reasonable. There were some claims I considered rather high on the Oxford road, and a few on the Digby and Annapolis, but finally they were most of them settled on pretty reasonable terms. But we had some on the St. Charles branch that were in my judgment very excessive.

3221. Have you ever paid any excessive damages but such as were allowed by properly constituted arbitrators or courts?—I think not. We never pay what we consider excessive prices unless it is by the award of official arbitrators, or by a judgment of the court, or something of that kind.

3222. When you say you have in some cases paid excessive rates, you mean that you think the courts and arbitrators have allowed excessive rates?—Yes; both official arbitrators' awards, and judgments of the courts, in some cases, appear to me to be excessive, but with me it is a matter of opinion, whereas with the official arbitrators and the courts, I presume it is a matter of evidence.

3223. Those claims were for lands within a short distance of towns and cities. When you come to go through farm lands or wild lands, do you have much trouble?—We generally have very little trouble with farm lands. But there is an instance of a piece of land that was taken for the Intercolonial Railway for a gravel pit in the wild woods near Gloucester Junction for which the Government offered \$5, I think. Afterwards they increased the offer somewhat, hoping thus to settle the matter. The owner is now claiming \$70,000 for the land.

3224. That matter is not closed yet?—It is not closed. I am merely mentioning this claim as a sample.

3225. When you come to Parliament and state that you are going to construct a new road, like the St. Charles branch or Cape Breton Railway, do you make a close estimate of what you think the right of way would cost and ask for an appropriation?—Not always, but in the case of the St. Charles branch, Sir Chas. Tupper, who was at the time Minister of Railways, gave instructions that work should not be proceeded with until the right of way was obtained, as he was afraid excessive claims might be made, but he was assured that his fears were groundless, and that such a course as he proposed would give rise to great delay in commencing work, and he was urged to satisfy himself as to the value of the land by employing one of the assessors of the town of Lévis, or some man who could be relied on to examine and value the land required.

This was done, and my recollection is that he valued it at from \$170,000 to \$200,000. Authority was then given to proceed with the work and expropriate the land. I think the amount paid for lands on this branch is approaching a million.

3226. Now, would the same thing have happened to an independent railway having no connection with the Government?—Of course it would, but to a less extent. We have to pay very high, sometimes. It is I think unfortunate that the public mind seems to be pervaded with the idea that one has a right to get all one can out of the Government.

3227. But in all these cases were not their allegations, whether the courts were competent or not, sustained?—Yes; I think so; certainly in most of them, they were sustained.

3228. Did it not happen frequently that the award given by the arbitrators was increased by the Supreme Court of Canada?—It did.

3229. Is not the responsibility with them, and might it not happen that the proprietor was right and you were wrong in your views?—Yes; it is always difficult for the Government to get people to come forward to give evidence, whereas there appear to be many people ready to come forward to give evidence for the owner.

3230. You say that the land of St. Charles branch, which was at first valued under two hundred thousand dollars, cost about a million?—Yes; that is my recollection; it may cost over a million before all the claims are settled.

3231. And that over how long a distance?—The heavy land damages were chiefly on a mile and a-half. The branch is 13 miles long.

3232. Were not the principal claims just out of the city?—Where the chief claims arose, the land extended about a mile and a-half along the city front. We have, I think, never paid what we considered to be excessive claims for damages except upon the report of the official arbitrators or judgment of the courts.

3233. Do you build your own cars and locomotives?—No; but we rebuild a few in the railway shops, but mostly those that are rebuilt are let out to contractors.

3234. In the Auditor General's report it is stated the wages on the Intercolonial amount to about \$1,800,000 a year?—Yes.

3235. Are the general officers appointed by Order in Council?—Yes, some of them. There are three so appointed on the Prince Edward Island Railway and ten on the Intercolonial Railway.

3236. How are the station masters, the conductors, the brakemen and all the other officers, appointed?—In the appointment of station masters, etc., the member for the district is consulted, and his nominee, as a rule, is appointed, unless some good reason is known why he should not be.

3237. How are the district superintendents appointed?—District superintendents are appointed by the Minister.

3238. And the member for the district nominates the station masters?—The station masters and station operator, section men, section foremen, and brakemen, as a rule, are taken from the nominees of the member for the district.

3239. Do you appoint them, or the Minister?—The Minister.

3240. Have you any sort of check upon inefficient men being appointed, or do you require any qualifications?—If we consider a man is really of no use, we object to him, and we ask for another name.

3241. Do you find that you have to do this often with men who are not efficient, or not as efficient as you would like?—Yes; we have a large number of men now employed whose services we think could be dispensed with.

3242. Is not the work on the railway of a technical character, so that not everybody is fit for any position there?—A conductor requires to be a man of experience, and a very careful man. If he does not perform his duties satisfactorily he should be dismissed, and so with station masters, train despatchers and others.

3243. And so with nearly every one of them?—Yes, with most of them.

3244. Do you require an examination from your engineers?—Yes, our engine drivers, before they are appointed, undergo an examination.

3245. And unless they show their competency you do not appoint them?—Certainly not.

3246. Do you examine them as to their sight, their knowledge of the various parts of the engine, and their knowledge of the rules?—Yes, they are so examined, and we consider them dangerous men to put on the train if they fail to pass their examination successfully, and in such cases they are not appointed.

3247. Should not the men that work the train, that is, the brakemen and firemen, have these technical qualifications?—Yes, and we try to insist upon it.

3248. Should not the station masters who handle the flag stations also know something about the working of a road?—Yes, our rule is that before a man is made a station master he is employed in some other capacity on the road, for instance as a telegraph operator, or as assistant to the station master.

3249. You have a system of rules and regulations, like other railways, in which duties of the different officers are set forth, and it is absolutely necessary that each officer should know all the rules that affect his employment?—Undoubtedly.

3250. And there are such rules affecting station masters?—Certainly.

3251. And you would not appoint him until he understood his duty?—No.

3252. How do you test his knowledge of the rules? Do you examine him?—Many of them come on the road first as assistants or telegraph operators, and while they are in the stations with the station masters they learn the station business and the rules and regulations. The district superintendents are the men we have to rely on for advice as to whether a man is able to take charge of a station, and what class of station he can take charge of.

3253. Has the district superintendent any patronage?—The rule is that he shall not have.

3254. He has to some extent?—No; but there have been cases of a district superintendent putting men on the pay-roll without authority who ought not to be there. But the pay-rolls are checked in the chief superintendent's office and the names are struck off the pay roll.

3255. Could you reduce the cost of the working staff?—Yes, we think we could dispense with the service of a number of men.

3256. To what extent do you think you could reduce it?—I cannot say just now. I leave to-day for Moncton to look into the matter.

3257. Is the general expenditure susceptible of a considerable reduction?—Yes, I think so.

3258. This system of members nominating such a large number of officers as you mention has its disadvantages?—It has many disadvantages. I see no great objection to a man first entering the service on the recommendation of a member, but I think it would be better if they did not interfere in promotions. We would like to get rid of that.

3259. Could you apply a system of open competitive examination for appointments on the railway?—No, I do not think it would answer.

3260. Are your men graded, as the men are in offices here, into first, second and third-class men?—No, it is not done exactly in that way. Take, for instance, the Audit Office, where there are a number of clerks. They are not classed as first, second and third-class clerks, and they do not get regular increments annually, but it is according to the time they have been in the service and to merit that increases are made, and also according to what is considered the work upon which they are engaged warrants, and it is only occasionally they are given a small increase of salary. The clerks employed on the railway are not paid as high salaries as the clerks get here. \$350, \$400 or \$500 is the general run of salary for clerks on the Government railway.

3261. Does your outside service, with the exception of the officials whose names are published here with the inside service, share in the superannuation fund?—No, there are only 13 of the officials of the Government railways who share in the superannuation fund.

3262. What number of assistants has the chief engineer on his staff at Moncton?—I think he has nine officers in his office, composed of assistant engineer, draughtsmen, clerks, and a messenger.

3263. Do any of them come from the military college?—I think not.