

Besides, when the appointments are controlled by the executive, there is a strong temptation, owing to party exigencies, to hasten the superannuation of those whose places are coveted by favourites of one or other of the party leaders. You will, no doubt, have noticed that since the passing of the Civil Service Act in 1882 a number of amendments have been made to it every year up to 1889, except 1887, the general trend of which has been towards the relaxing of the original provisions of the Bill and introducing a number of exceptions both from the qualifying and promotion examinations. For these see Clarke's 2nd. ed of Civil Service Law. At present "the Government retains the power," to quote from my letter to Mr. Clarke, "of selecting any candidate who has passed the examination test, irrespective of his standing as compared with that of others, and the result, therefore, naturally follows, that as soon as an applicant for office finds that he has 'passed the rubicon' he sets to work at once to bring all the pressure—political, social and religious—that he can obtain to bear upon the different Ministers of the Crown, and it will generally be found that the weakest and least deserving of the candidates, conscious of their deficiencies, are those that make the most strenuous and persistent efforts to secure political backing."

I am, therefore, for these reasons, as well as for others that might be adduced, strongly convinced that a competitive system of examinations would be much more conducive to the efficiency of the public service than a merely qualifying one. The more thoroughly all such elements of favouritism, of whatever kind, and partisan recompense for favours, either received or expected, are eliminated from the public service, the better it will be for the country. It is sometimes objected that competitive examinations do not invariably secure the services of none but the most efficient and most deserving candidates. This is true, for there is nothing perfect under the sun; but it is, I maintain, a better and more rational test than selection on the patronage system. I believe it is acknowledged, wherever competitive examinations have been tried, that very few cases have occurred where candidates have not given satisfaction, and where that has not been the case it will in all likelihood be found out before the six months' probation time expires, and they can then be dismissed. Of course, to carry out a scheme where the appointments are made solely on the grounds of merit, as ascertained by a fair competition, it will be necessary to have commissioners appointed independent of Government control, whose duty it will be to select suitable men for particular branches of the service, and generally to see to the efficient working of the system. I think it unnecessary to enter, at this stage, into detail. If you carry your scheme, I shall be ready when desired to give any further assistance in my power that you may require.

Yours respectfully,

(Signed)

J. THORBURN.

5234. You are conversant with the report of the Civil Service Commission of 1880?—I have not read through all the evidence. I have read the report of the majority and the report of the minority, and also a considerable portion of the evidence.

5235. What is your opinion generally of the reports of that commission?—If called upon, I think I could meet most if not all of the objections raised in the minority report, and show that they are not valid. To mention only one case, it quotes Mr. Griffin as adverse to the majority report, wherein the main issue, as the minority report affirms, is the system of competitive examinations, and yet he stated most distinctly that he was in favour of a competitive examination if proper means could be adopted for carrying it out.

5236. Then, upon the whole, what is your opinion of the majority report?—I think that it presents the only reasonable solution of the question as to the control and management of the Civil Service. I believe we shall never get it on a satisfactory basis until nominations, appointments and dismissals are handed over to an independent body. I held that opinion then, and my experience since has strengthened it. Moreover, I think the Civil Service Board of Commissioners should be appointed, not during pleasure, but during good behaviour, and that it should have the power to supervise and

regulate the Civil Service in all its branches. Such a board would be far more likely to do justice in a case of irregularity or malfeasance than is possible at present when political exigencies have to be considered.

5237. If the Civil Service Act had been founded on that report, do you think it would have been necessary to call together a second Civil Service Commission?—I do not think so. The Board of Commissioners, as they found difficulties arising or improvements suggested, could have dealt with them in their annual reports, and in course of time there would have been a collection of evidence given to the public which would have rendered unnecessary any further enquiry.

GEOLOGICAL SURVEY DEPARTMENT,
OTTAWA, 25th January, 1892.

J. M. COURTNEY, Esq.,
Civil Service Commission.

DEAR SIR,—In compliance with your request, I asked Mr. Keayes to furnish me with a statement of those candidates who presented themselves for examination for the Civil Service, both preliminary and qualifying, from 1882 to 1891, inclusive. I might mention that in the two first examinations those who were to write for the qualifying course were subjected to the preliminary examination as well, but we found that it would be impracticable to carry out this regulation, as all the preliminary papers had to be examined and valued in one night, so as to know who would be entitled to proceed to qualifying examination next day; so, with the concurrence of the Government, it was afterwards made optional whether the qualifying candidates would take the preliminary work or not.

Omitting, therefore, the candidates who took the qualifying work in the two first examinations, Mr. Keayes, our clerk, in the absence of Mr. LeSueur, who is sick, gives the following result:—

Number of preliminary candidates who wrote.....	4,086
do do do passed.....	3,037
do qualifying do wrote.....	4,927
do do do passed.....	2,446

You will see from our report for 1890 that it was estimated that a considerable proportion of those who passed had no intention of joining the Civil Service. I know this for a fact—a number have told me that they wanted to get the certificate of the board to help them to obtain situations elsewhere, and our certificate was taken up, to within the last two years, as an equivalent for young men matriculating in dental surgery. They are now, however, required to take the Toronto University matriculation examination.

Yours respectfully,

(Signed) J. THORBURN,
Chairman Board of Civil Service Examiners.

SATURDAY, 23rd January, 1892.

Mr. EDOUARD J. LANGEVIN, Clerk of Parliaments, was examined.

5238. You are the Clerk of Parliaments?—Yes.

5239. Before that, you were Under Secretary of State?—Yes.

5240. For several years?—For ten years.

5241. And for several years during the time the Civil Service Act of 1882 was in force?—I think so.

5242. You came to the Senate in January, 1883?—Yes.

5243. Have you had communication of the questions that the Commissioners have sent to deputy heads?—Yes.

5244. Did you make a comparative statement of the staff of the Senate, in 1882 and 1891, that would be of like character to those returned from the depart-

ments?—Before I answer any question I would like to be allowed to make a statement. The Senate being unaware that this Commission, appointed to enquire into the working of the Civil Service of Canada, has also been directed to extend its enquiry to the Senate, and in the absence of any instructions from the Senate respecting this enquiry into the service of that House, I feel embarrassed as to what course I should pursue, and I wish the subject matter of the same, involving the rights and privileges, could be allowed to stand over until the next session of Parliament for the consideration of the Senate.

Note.—It having been explained that it was not possible to delay enquiry, Mr. Langevin, while declining to express any opinion on the questions submitted to him, gave certain facts as to the number and salary of the Senate staff, which is not reported, in view of the conclusion subsequently arrived at not to deal with that part of the enquiry which related to the Senate and House of Commons.

J. H. F.

TUESDAY, 26th January, 1892.

Mr. JOHN G. BOURINOT, LL.D., Clerk of the House of Commons, was examined

5245. You are Clerk of the House of Commons?—Yes.

5246. You have had communication of the questions which have been sent to the deputies?—Yes. You want statements as to the organization of the House of Commons staff.

5247. As to appointments, promotions, hours of service, absence and salaries?—In every question affecting the Internal Economy or the privileges of the House of Commons, I am bound by law and usage to refer to the Speaker. If Parliament is sitting, I cannot even go as a witness to the courts, except by permission of the House of Commons. If Parliament is not sitting, the Speaker alone is the authority to entitle me to attend any body whatsoever. I communicated this at once to the Speaker, and here is his reply:—

“With reference to the enclosed letter, I have to say I have had no official notification of the appointment of a Commission to enquire into the working of the House of Commons service. In my opinion, authority to make such enquiry can only be given by resolution or Bill of the House itself, and I am not aware that such Bill or resolution has been passed. I cannot therefore authorize your attendance before the Civil Service Commission until Parliament gives instruction to that effect.”

I said to the Speaker this morning that I was bound, out of respect to the Commission, to attend and lay that before the Commission, so my duty is discharged.

5248. Then you do not intend to give any statement as to the House of Commons?—Not as to the House of Commons, but of course I might as to anything in general.

5249. The Commission called you more especially in pursuance of the direction they had from the Governor in Council to make these enquiries, and, in the case of Mr. Langevin, he having prefaced his statement somewhat as you did, gave us the information as to what the staff was and as to the salaries?—I have no objection to stating the salaries, but I follow only what the rule is governing me in all such cases.

5250. We would be glad to have a statement of the staff?—I have very strong opinions of my own on the whole matter, but this is the first time the question arose, and I do not want my own character as a constitutional authority to be at all jeopardized. I never had any conversation at all with Mr. Langevin on the subject. I thought, under the circumstances, and as no public interests were at stake, and as Parliament is shortly to meet, the first duty of the Speaker would be to lay the matter before the House and ask for their advice under the circumstances. The whole difficulty has arisen for the first time in my experience that here are two separate authorities—the executive and the legislative—the executive constituting you a body to enquire into certain matters, and up to this moment we have the statement of the Speaker of the House that he has never seen a shred of authority or any official paper whatever in regard to the matter. If we had had cognizance of an Order in Council or some proceeding of the executive, I think I

would have arranged things so that there would have been no trouble in the world. But the Speaker, as the constituted guardian of the privileges of the House, says, "I know nothing of these proceedings, you may invade the authorities or the privileges of the House."

5251. We will give you communication of the Order in Council now?—I cannot take it. It must come from the Clerk of the Council properly certified. As a matter of investigation, I should be only too glad to go fully into House of Commons matters, but it would possibly hit all round, Executive and Speaker and all; but under these circumstances, I cannot possibly disobey. The rule laid down is, that if an officer wants to give evidence in a court of law, he has to ask the permission of the Speaker.

Examination postponed.

Note.—Mr. Bourinot was not re-called as the Commission decided not to proceed with the enquiry relating to the Senate and House of Commons, because of the delay it would entail.—J. H. F.

Mr. RICHARD POPE, Deputy Commissioner of Patents, was re-called.

5252. We are informed that under the present system, the course of advertisement and application for patent goes through twenty-five hands. Is that correct?—It is correct.

5253. How would this do as a revision—first, to one clerk to number and receipt for fees; second, to another clerk to endorse and check off for examiners; third to the examiners; fourth, to two clerks to check the books; fifth, to another clerk to index and prepare for the printer; sixth, to return; seventh, to the Commissioner and deputy to sign; eighth, to number and mail?—The only objection I see to that is that the check would be lost, and it might possibly allow the receipt not to be sent by the man who receives the money, but by another officer. If a man has not received the receipt for the cash, we know it at once, whereas if the cashier were allowed to send the receipt we might never know.

5254. Generally, with the objection that the cashier should not give the receipt, you would approve of the plan, which would give ten steps instead of twenty-five?—The patent does not go the printer. Routhier has nothing to do with the printer. He has only to do with the patents.

5255. He has to get them engrossed or indexed and then to file for further use?—Yes; and then he sends the original to the Correspondence Branch. That might possibly be saved.

5256. There are eight processes?—I think the number could be reduced considerably, though I cannot now say in what way.

5257. It seems a very cumbrous way at present?—It does.

Mr. DOUGLAS BRYMNER. Called and examined.

5258. What is your position?—Chief clerk and archivist in the Department of Agriculture.

5259. Have you anybody else in your branch?—I have one permanent, Mr. Marmette.

5260. One assistant?—Yes.

5261. What is the Commission to understand by Archivist—you are taking care of existing records?—The duty is to make up the old records and keep track of the new ones as they come in; simply to maintain the whole documentary history of the country, past, present or future.

5262. You to some extent made records, that is, you visited the British Museum and have got records from them, such as the Haldimand records?—Precisely.

5263. And Mr. Marmette has acquired records in Paris?—Yes, he has been looking them up.

5264. Then in addition to the records already in possession of the Government of Canada, you collate records from other countries?—The only other countries are what may be called the mother countries.

5265. Do you not collect from the United States in regard to the time of the struggle?—No, they rather collect from us.

5266. There is that book, the Americana?—There are various collections called Americana, lists of books merely.

5267. Relating to old history?—They are catalogues not works.

5268. There are votes also taken for the classification of records in the Privy Council and the Secretary of State's Department?—I know nothing about them.

5269. You know there are such votes?—I have seen votes for them in the estimates.

5270. And in the Secretary of State's Department there is an officer called The Keeper of Records?—I have seen a vote for him also.

5271. Would it not be advisable, in your opinion, to have all these records under one department instead of being scattered?—Clearly.

5272. Are you appointed under any statute?—Simply by a vote of the House.

5273. There is no statute in existence relating to the collating of records, is there?—No, the origin was a petition from the historical writers and other literary men asking for such an appointment, as they could not get access to documents of an historical nature. And upon that petition, by a joint report of the Senate and the House, it was recommended that the Minister of Agriculture should take charge of this work, and I was appointed.

5274. Would it not be advisable, in your opinion, that some statute should be passed regulating and defining the care of the public records of Canada?—I think it is very important it should be done, and that it should be kept, as far as possible, clear of politics.

5275. Where are the archives situated?—Those under my charge are in the western block.

5276. Is the location fireproof?—Oh, yes.

5277. Is it sufficiently large to contain what you have and what you might collect from the other departments?—No, not by any means.

5278. Is there any other spot that you would indicate because, unless we have a suitable spot fireproof, it would be hardly wise to make a recommendation on that point?—There was a proposal to put us over in the new block, in a place that is only fit for storage room, entirely unsuited for such work, being only 8 feet high from the floor to the ceiling.

5279. Was not the basement of the Langevin Block intended to be used for the archives?—I know it was talked of, but it is not fit for such a purpose.

5280. In your opinion, the basement of that building would be unfit?—I think so. I could make it do by having it shelved properly according to a plan I gave them, but it is not safe for documents.

5281. Could not that be done?—I suppose so. But it was refused to be done.

5282. With the shelving or other things that you would indicate, do you think the lower part of that building would be convenient and large enough to hold the whole of the archives?—I could make that place do, and that is about all I can say. It certainly is neither convenient nor suitable.

5283. Is there any other spot that you may have in view that would be better situated for it with certain necessary repairs?—If there is going to be a properly defined archives or record branch, there ought to be a new building, a building specially for that, which might be added to when occasion required. I could make that other place do, but if the Commissioners would go down and see the hole, which is expected to be visited by people from all parts of the world, who would find the offices in a room 7½ feet high, which is supposed to contain the records of the Dominion of Canada, I do not believe they would think it a suitable place. I say we can make that place do, but that is different from its being suitable.

5284. Generally speaking, with modifications, you could go on for the present?—Yes.

5285. It would be an improvement on what you have now?—Yes, so far as room is concerned, but otherwise our present position is much better, much safer and more airy. It is perfectly fireproof.

5286. You have paid a great deal of attention to the superannuation question ?—I have paid some.

5287. You were one of a sub-committee appointed in 1880 ?—In 1876.

5288. To look into the question of superannuation and insurance ?—Yes.

5289. You prepared that statement produced ?—Yes.

5290. Will there be any difficulty of framing a scheme for providing for the families of deceased members of the Service ?—Certainly not, but the two things are entirely different. The one is a provision for the family of the deceased officer. The other is a provision for the man himself.

5291. If he dies under harness, at present, his family get nothing at all ?—Nothing. And they are deprived of his own money, which he has paid. That was the view taken by Sir Francis Hincks when he introduced the Superannuation Act. I was in the gallery at the time, and he stated that he was making a deduction of 4 per cent. from the salaries to meet the ignorant opinion of the outside public who thought this was going to involve a serious tax upon the country, but his conviction was that it would be nothing of the kind and that in a short time the deduction could be taken off, and accordingly soon after he reduced it to 2 per cent.

5292. You think a scheme could be devised whereby provision could be made for the families of Civil Servants ?—I do not see any doubt about it, but it must be entirely separate from superannuation.

5293. In your report of 1876, you gave several illustrations of pension funds and widows and orphans, funds of various institutions, taking certain railways and the Bank of Montreal and the scheme in use in the Church of Scotland ?—Yes.

5294. The Church of Scotland scheme began by a capital raised by the Church ?—Yes.

5295. And that capital was doubled subsequently ?—I forget all the details now, it is so long since I looked into it.

5296. Rates are paid by the ministers in the Church of Scotland ?—Yes.

5297. Presuming that a clergyman marries late in life and leaves a young widow, he would have to pay some proportionate rate ?—I think he pays a certain fine, as it were, on his marriage. There are two or three rates. He can pay £10 or £20, and receive a proportion of that for the widow and orphans ; the children have an allowance up to the age of 18, there is no deduction from this allowance as they severally become of age. If there are six children, as the first passes 18, the other five get the whole amount, and then the four, and so on down to the last. In our own Church here, if a man married late in life, a fine was imposed to make the contribution equivalent.

5298. Have you anything to inform the Committee of, further, on this subject ?—No, but I have prepared and handed in a memorandum on the subject. I do not see any reason to change the views I expressed in 1876, when I prepared the Report on Superannuation to which reference has been made on the questions put to me.

MEMORANDUM.

Superannuation.

The Commission appointed in 1880, of which the Hon. Donald McInnes was chairman, reported in 1881, in reference to the method of keeping the superannuation accounts. After referring to the importance of the subject, which it was proposed to deal with more fully at a subsequent period, the report says :—"In the meantime we deem it right to direct attention to the incompleteness of the annual statements which appear on this subject in the Public Accounts. . . . By these statements the receipts on accounts of superannuation are stated to be \$43,581, while the payments are stated at \$127,792. We do not question the accuracy of these statements as far as they go, but so much is omitted that we are not surprised that both Parliament and the public should be under a misapprehension as to the true facts of the case". (Sessional Papers, 1880-1 No. 113, p. 31.)

In a second report the Commissioners return to the subject, and after showing a saving by the operation of the Superannuation Act in ten years of \$328,566.18, which was ascertained by returns from each of the departments, they say :—"An examination (of these returns), will demonstrate beyond doubt, that while the annual payments to superannuated servants greatly exceed the contribution of the service to the Fund, the difference is far more than extinguished by the reduction or total oblations of salaries, of which no account appears in the statement laid before Parliament." (Sessional Papers, 1882, No. 32, p. 14.)

A still closer examination will show that without any deduction from the salaries, the saving is very great, and that the deduction is unnecessary.

In 1876, the question was laid before the Civil Service generally, and Mr. Courtney and myself were requested to prepare reports on the subject. These have been printed as appendices to the second report of the Commission of 1880. (Sessional Papers, 1882, No. 32, pp. 25, &c.)

At the request of the Committee of the service, in 1877, after the reports had been presented, I drew up a series of conclusions based on the information obtained, the first and eighth of which deal with the policy of the system and the question of deductions. These are :—

1. That the system of superannuation allowances has been established solely on the ground of benefit to the State, or to the institution into which it has been introduced, and not out of consideration for the members of the Civil Service, or of employees in such institutions.

2. That the system of superannuation having been adopted purely for the benefit of the State, it follows that no deduction should be made from the salaries of the officers, who derive benefit only incidentally by their retirement from active life in old age, or from infirmity, on a reduced salary ; the economy and efficiency in the service secured by the power to compel the resignation of officers who have become inefficient from age or infirmity, being more than commensurate with expense of the retiring allowances.

The extracts from the Reports of the Commission of 1880, fully confirm the justice of these conclusions, and show that it is the erroneous manner in which the account is kept that has so long concealed the injustice of taking a part of the salaries of the civil servants for superannuation, from which so large a proportion of the officials derive no benefit, and which, on the death of the contributor whilst in the active exercise of the duties of his office, is withheld from his family. This is, no doubt, the law, but it is a law passed under a "misconception" (to use the words of the Commission of 1880 ; Sessional Papers, 1882, No. 32, p. 14). "due to the incomplete statements submitted " to Parliament."

The vital error in the so-called Superannuation Account is the detaching of the superannuated officers from the department to which they belong, so that every saving is made to appear as an increased expense. I would suggest that the name of every superannuated officer should be continued on the pay-list of the department to which he was attached, and continue so till the day of his death and that the pay-lists should show clearly the saving effected, or if, in the case of any department, new branches be added from time to time, a clear statement should be laid before the House and specially submitted to the Public Accounts Committee, and the reason for an increased staff and consequent expense should be so clearly stated that there could be no doubt on the subject. This would greatly help to strengthen the resistance which every Minister is compelled to make to the almost irresistible pressure of constituents, to have persons added to the service, whether they are or are not required. The statement should, I submit, give the name of the officer superannuated, his active and retired salary, who has taken his place, with his salary, and if any one is taken from outside to fill the special office vacated by retirement, the reason given. Those lists, statements and reasons laid before the Public Accounts Committee, printed and circulated would, I venture to think, be of most essential service in protecting Ministers against the pressure to which I have referred, and in disabusing the public mind on the subject of retiring allowances, and the supposed expense attending them.

Various plans have been suggested as means by which the Civil Servants can provide for their families at their death, but these are altogether apart from the question of superannuation. The sums set aside by the members of the service, whether that be done by a forced contribution, as at present, or voluntarily made, belong to the officer and his family, but are now confiscated by the Government on the death of an officer, solely because the operation of the Act has been completely concealed and misrepresented by the mode of presenting the account. As an illustration of the misrepresentation the case of an official may be taken, who for years after his usefulness is gone may be drawing his full salary. So long as that is the case, and that there is a consequent unnecessary expense, it does not appear as a charge, but as part of the ordinary cost of the department to which the officer belongs. But as soon as he is superannuated at a half, or probably still less, of his salary, and that consequently there is a large saving to the public, it is made to appear by the present vicious system of keeping the accounts, that a new charge has been created, instead of, as is the reality, that a very considerable reduction of the existing charge has been made.

A table will indicate the operation of the Act and the principle on which the accounts should be framed. It is not given as a form for preparing the account, but only presented as showing the method by which Superannuation effects a saving. It has been ascertained by experience that the average rate which the officials receive on retirement is about three-fourths of the full amount of $\frac{3}{4}$; this gives to each about one-half of the active salary. It is on the fact thus established that the table is constructed. Take the case of a chief clerk retiring, with his salary at the maximum :—

	Salary.	Superannuation.	Saving.
John Brown.....	\$2,400	\$1,200	\$1,200 00
Peter Green, promoted, being at the maximum of his class, \$1,800, receives no increase on promotion.....	1,800
John Smith, an extra clerk, receives \$1.50 a day or \$547.50 yearly, and he is placed on the permanent staff at \$400.	147 50
			<u>\$1,347 50</u>

It may be noted, that some of the clerks at their entry receive \$600, but that is on the ground of having passed in optional subjects. But, for the same reason, they receive a much larger salary as extra clerks than the account in this table; and, were their salary as extra clerks and that at which they are admitted to the permanent staff taken as the basis of the calculation, an even larger saving would be shown, than appears by the table now presented.

In the present state of opinion created by the apparently large expenditure for superannuation, it may appear a bold step to maintain that the forced contributions should be held as the property of the contributors and their families. But a close and unprejudiced examination will, I have no hesitation in saying, show the justice of the demand, that the deductions made should be repaid either to the official on retirement from his active duties, with his superannuation allowance, or to his family at his death.

(Signed.)

DOUGLAS BRYMNER.

Department of Agriculture,
Ottawa, 19th January, 1892.

Mr. WM. FITZGERALD, Superintendent of Insurance was examined.

5299. What is your position in the Civil Service?—Superintendent of Insurance.

5300. You are also Assistant Deputy of the Minister of Finance?—Yes

5301. When were you appointed?—1st December, 1885

5302. Can you give us any idea of the extent to which the insurance has increased since your appointment?—For the year 1885, the amount of fire insurance premiums received was \$4,852,460; in 1890, it was \$5,836,071. The losses paid in 1885 amounted to \$2,679,287, and in 1890 to \$3,266,567. The policies taken in 1885 amounted to \$486,002,908, and in 1890, to \$620,723,945. The amount in force on the 1st January, 1885, was \$605,507,789, on the 31st December, 1885, \$611,794,479, and on the 31st December, 1890, \$720,679,621. In 1885 there were 29 fire companies and there are now 38. The changes are greater in life insurance. The premium income in 1884 was \$4,132,318, in 1885, \$4,619,978, and in 1890, \$8,004,151. The amount of insurance effected in 1884 was \$23,417,912, in 1885, \$27,164,988, and in 1890, \$40,523,456. The amount of insurance in force at the end of 1884 was \$135,453,726, at the end of 1885 it was \$149,962,146, and at the end of 1890, it was \$248,424,577. The number of policies in force at the end of 1884 were 81,470, at the end of 1885, 91,040, and in 1890, 163,306. Of course we have not the returns for the year 1891, which would very largely increase all these figures.

5303. Have you the value of securities under your control?—The total deposits and everything of that kind, including the money in the hands of Canadian trustees for the security of Canadian policy holders amounted at the end of 1885 to \$9,246,349, and at the 3rd of July, 1891, they amounted to \$21,424,194, and during the latter half of the year 1891, there has been added something in the neighbourhood of half a million, so that the amount of securities has considerably more than doubled within the six years.

5304. What staff have you now as compared with the staff in 1885?—In 1885, the staff consisted of four men, the superintendent, Mr. Anderson, chief clerk, Mr. Blackadar, and Mr. McMinn. At present it consists of myself and three others. One has just been put on, but up to two months ago, the staff consisted of myself and two others.

5305. The staff is the same in number as in 1885?—Yes.

5306. And instead of a chief clerk and a first class and second class clerk, you have a first class, a second and a third?—Yes.

5307. What is the cost now?—For the year ending on the 31st March, 1885, the cost was \$10,187.76. For the year ending the 31st March, 1891, it was \$8,008.79.

5308. The expenditure is paid by the insurance companies *pro rata*?—Yes, wholly. I was making an estimate, and I find that the rate we levy is about one-twentieth of one per cent on the net premiums received by the companies.

5309. Although the business has doubled, the cost has decreased?—Yes, very largely.

5310. In making your actuarial work upon the value of these life policies, as you do every year for each of the companies, every one of these policies has to pass through your hands so as to obtain information as to the amount and the time and other matters required to establish the value?—We are only required to do that under the Act once every five years. It would be impossible with double the staff to do that once a year.

5311. Their appropriations to the policy holders are quinquennial?—Yes. We can always tell from year to year very closely whether the returns they make are correct or not; we can make a close estimate of what the value of a company's policies will be, and every five years that value is checked by going into the particulars of every policy. Every policy is valued twice. It is valued and then it is checked, so that at the end of a valuation it may be taken that the valuation is absolutely correct.

5312. Has your attention been called to the reports regarding superannuation and insurance annexed to the report of the Civil Service Commissioners of 1881?—It has.

5313. Have you examined the recent reports of the English Civil Service Commissioners on superannuation?—I have.

5314. Also the papers in connection with the retirement and the insurance?—I have.

5315. The papers in reference to the London and Westminster Bank and the Railway clearing system and so on?—I have.

5316. Assuming that there was a limit of age in appointments to positions in the Civil Service of Canada, do you think a scheme of superannuation plus insurance could

be devised in the interest of the state and to promote the efficiency of the service?—I think there might be a system of insurance that could be worked without any great difficulty. It would certainly be of advantage to the civil servants, and I think it would be no loss to the Government and that it could be carried out without any material expense. I have prepared a number of tables on that subject.

5317. They are two definite schemes?—Yes, they are two separate and distinct schemes. Of course the insurance is largely the same as the system of any insurance company, with this difference, that I make no allowance for expense because there would be none. Every civil servant gets a certain amount every month, and my system would be to take the annual premium payable on his policy, divide that by twelve, and every month deduct from his pay cheque the proper proportion of the premium for the year. So, beyond settling what the premium should be for the particular amount of insurance and for the man, there would be no expense or difficulty connected with it. I have here a table, commencing at the age of twenty up to the age of forty-seven, and giving the annual premium for an insurance of \$1,000 at $3\frac{1}{2}$, 4 and $4\frac{1}{2}$ per cent, and the monthly deductions which would be taken from the pay of the civil servants:—

EXHIBIT A.

TABLE showing annual premium and monthly premium for an insurance of \$1,000, according to the Institute of Actuaries Mortality H. M. Table, interest at $4\frac{1}{2}$, 4 and $3\frac{1}{2}$ per cent, no allowance being made for expenses.

Age at entrance.	Annual Premiums for an Insurance of \$1,000 no Allowance being made for Expenses.			Monthly Payment for an Insurance of \$1,000 without Expenses.		
	$4\frac{1}{2}$ per cent.	4 per cent.	$3\frac{1}{2}$ per cent.	$4\frac{1}{2}$ per cent.	4 per cent.	$3\frac{1}{2}$ per cent.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
20	11 70	12 45	13 30	0 98	1 04	1 11
21	12 02	12 79	13 65	1 00	1 07	1 14
22	12 35	13 13	14 01	1 03	1 09	1 17
23	12 69	13 48	14 38	1 06	1 12	1 19
24	13 06	13 57	14 78	1 09	1 16	1 23
25	13 46	14 28	15 21	1 12	1 19	1 27
26	13 88	14 72	15 66	1 16	1 23	1 31
27	14 33	15 19	16 14	1 19	1 27	1 35
28	14 80	15 67	16 64	1 23	1 31	1 39
29	15 29	16 17	17 15	1 27	1 35	1 43
30	15 80	16 69	17 69	1 32	1 39	1 47
31	16 32	17 23	18 24	1 36	1 44	1 52
32	16 88	17 80	18 83	1 41	1 48	1 57
33	17 46	18 40	19 44	1 46	1 53	1 62
34	18 07	19 03	20 08	1 51	1 59	1 67
35	18 72	19 69	20 76	1 56	1 63	1 73
36	19 40	20 38	21 46	1 62	1 70	1 79
37	20 11	21 11	22 21	1 68	1 76	1 85
38	20 86	21 87	22 98	1 74	1 82	1 92
39	21 64	22 67	23 80	1 80	1 89	1 98
40	22 47	23 52	24 65	1 87	1 96	2 05
41	23 36	24 42	25 57	1 95	2 04	2 13
42	24 30	25 38	26 54	2 03	2 12	2 21
43	25 32	26 40	27 58	2 11	2 20	2 29
44	26 39	27 49	28 68	2 20	2 29	2 39
45	27 54	28 65	29 85	2 29	2 39	2 49
46	28 74	29 87	31 08	2 40	2 49	2 59
47	30 01	31 15	32 37	2 50	2 59	2 69

I have here another table of a different kind:—Taking the case of a junior clerk entering the service at the age of twenty, say at \$700 a year. Assuming that his insurance would be double the amount of his salary, or \$1,400, which would be a fair amount.

EXHIBIT B.

	Age.	Salary.	Insurance.	Monthly Pay.	Monthly deduction for Insurance.		
					4½ p. cent.	4 p. cent.	3½ p. cent.
		\$	\$	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Enters as Junior Clerk.....	20	700	1,400	58 33	1 37	1 46	1 55
	21	750	1,500	62 60	1 47	1 57	1 66
	22	800	1,600	66 66	1 57	1 68	1 78
	23	850	1,700	70 83	1 67	1 79	1 90
	24	900	1,800	75 00	1 78	1 91	2 02
	25	950	1,900	79 16	1 90	2 03	2 15
Promoted to 2nd Class.. ..	26	1,000	2,000	83 33	2 01	2 15	2 28
	27	1,100	2,200	91 66	2 25	2 40	2 55
	28	1,150	2,300	95 83	2 37	2 53	2 69
	29	1,200	2,400	100 00	2 50	2 67	2 83
	30	1,250	2,500	104 16	2 63	2 81	2 98
	31	1,300	2,600	108 33	2 77	2 95	3 13
	32	1,350	2,700	112 50	2 91	3 10	3 29
	33	1,400	2,800	116 66	3 06	3 25	3 45
	34	1,400	2,800	116 66	3 06	3 25	3 45
	35	1,400	2,800	116 66	3 06	3 25	3 45
	36	1,400	2,800	116 66	3 06	3 25	3 45
	37	1,400	2,800	116 66	3 06	3 25	3 45
	38	1,400	2,800	116 66	3 06	3 25	3 45
Promoted to 1st Class	39	1,400	2,800	116 66	3 06	3 25	3 45
	40	1,400	2,800	116 66	3 06	3 25	3 45
	41	1,450	2,900	120 83	3 25	3 45	3 66
	42	1,500	3,000	125 00	3 45	3 66	3 88
	43	1,550	3,100	129 16	3 66	3 88	4 11
	44	1,600	3,200	133 33	3 88	4 11	4 35
	45	1,650	3,300	137 50	4 11	4 35	4 60
	46	1,700	3,400	141 66	4 35	4 60	4 86
	47	1,750	3,500	145 83	4 60	4 86	5 13
	48	1,800	3,600	150 00	4 86	5 12	5 39
	49	1,800	3,600	150 00	4 86	5 12	5 39
	50	1,800	3,600	150 00	4 86	5 12	5 39
Promoted to Chief Clerk	51	1,800	3,600	150 00	4 86	5 12	5 39
	52	1,800	3,600	150 00	4 86	5 12	5 39
	53	1,850	3,700	154 16	5 19	5 46	5 74
	54	1,900	3,800	158 33	5 53	5 81	6 11
	55	1,950	3,900	162 50	5 90	6 18	6 49
	56	2,000	4,000	166 66	6 28	6 57	6 89
	57	2,050	4,100	170 83	6 68	6 98	7 31
	58	2,100	4,200	175 00	7 10	7 41	7 75
	59	2,150	4,300	179 16	7 54	7 86	8 21
	60	2,200	4,400	183 33	8 00	8 34	8 70
	61	2,250	4,500	187 50	8 49	8 84	9 21
	62	2,300	4,600	191 67	9 01	9 37	9 75
	63	2,350	4,700	195 83	9 56	9 93	10 32
	64	2,400	4,800	200 00	10 13	10 52	10 91
	65	2,400	4,800	200 00	10 13	10 52	10 91

5318. Would you take any man without having a medical examination?—Undoubtedly not. There is an Order in Council now providing that no one can be admitted or appointed to the Civil Service unless he has passed an examination. My idea would be to make the insurance optional, and the Government should have the option of refusing a bad risk.

5319. You are going on the supposition that the Government appoint none but healthy men according to the Order in Council?—Precisely.

5320. If a man at the age of 20 did not choose to go in for insurance, and did choose to do so at the age of 40, would you insure him without a medical examination?—No. My idea is that in every such case the man should pass a medical examination. According to this statement (Exhibit B) a civil servant entering at the age of 20 with a salary of \$700 might be assumed to be insured for \$1,400. His monthly pay would

be \$58.33 and the monthly deduction supposing interest to be at $4\frac{1}{2}$ per cent would be \$1.37, it would be \$1.46 at four per cent, and if the interest was at $3\frac{1}{2}$ per cent it would be \$1.55. His pay goes on with statutory increases and promotion up to the age of 65, when he is receiving \$2,400, and he goes out at the end of the year. At the age of 21 he gets \$750, and that gives him an additional \$100 of insurance. His pay, at 21, \$4.17 a month additional, and that would be sufficient to enable him to carry the added amount of insurance. He takes out a new insurance each year and we add the proper premium according to the age. At the age of 33 he reaches \$1,400. Supposing he remains at that until he is 40.

5321. Might it not happen that a man might get to be 55 and be in delicate health. He would have no new examination to pass every year?—That is a matter of detail.

5322. Assuming that there is only one examination, and he is 55 years of age, and getting a salary of \$1,800, he is permitted, being in delicate health to get a promotion to \$2,400. What would you do in such a case?—I should require a new examination.

5323. Would your policy be a conditional or unconditional policy? Supposing a man gets into bad habits and seriously impairs his health after he has taken his insurance?—You mean whether we should forfeit the policy within a reasonable time?

5324. You insure a man in perfect health, but he falls into bad habits and seriously impairs his health. Have you taken that into account, and again the point if a man ceases to be a member of the Civil Service?—In case of ceasing to be a member of the civil service, my idea is that he should take a paid up policy for a proportion of the amount.

5325. Have you any practical experience of the insurance business?—I have had nothing to do with any insurance company, but I see the provisions of the policies of all the insurance companies and I am familiar with the best of them. The old line regular companies as a rule provide that a policy is non-forfeitable for any cause after three years, and some of them after two years. I think the Government could safely follow the practice of the best companies.

5326. Have you taken advice from any one who is conversant with this?—Of course, in order to have anything like constant or even results there should be a large number of lives, but if there are to be a small number of lives, it would only amount to this, that the results would fluctuate a little, but, taken over a number of years, there would not be any loss. To provide against possible loss, it would only amount to increasing the premium slightly. This calculation is made on the supposition that there would be nothing extra, but it would be very simple if necessary to increase the premium slightly. Further, I think that the lives of the civil servants will be found as a rule to be quite as good as the ordinary lives taken by an insurance company, and probably better.

5327. You know by the two months gratuity paid to the widows and representatives the average number of civil servants who died yearly in proportion to the whole?—Yes.

5328. The Canada Life and other insurance companies in their calculations allow for lapses?—They do.

5329. This would mean no lapses and no expenses?—No lapses. Of course the Canada Life and all the other companies take the net premiums and add probably never less than 25 per cent and generally as high as 35 per cent to cover commissions and expenses. A large proportion of the first premium and also a portion of subsequent premiums goes for commissions. Any surplus from that is divided up every year or every five years in the way of profits or bonuses to the policy holders. Here there would be no lapse.

5330. When a person was superannuated, you would give him a paid up policy?—Either that or deduct the necessary premium from his superannuation allowance. I do not see why he should not go on paying until his death.

5331. In the case of a man coming into the service, you would have to guard against more than his not being in good health—you would have to make investigation into the health of his brothers and sisters and parents or you would not have a good

risk?—I think it would not be necessary to go to that length, but provision might be made to have a doctor as we have Dr. Church now in Ottawa, to make a special examination and to make the necessary enquiries.

5332. If you applied your system to all lives you would come to grief?—Yes, but take the ordinary civil servants throughout, and they are just as good lives as the ordinary lives taken by insurance companies. They are in many ways not exposed to the same risks as outsiders.

5333. You think, taking the whole Civil Service, the rates you would charge would cover the risks?—Yes, taking all in ordinary good health. Of course not a man dying with consumption.

5334. This would apply to the outside as well as the inside service because the more you have the better you are?—Well, the results will be more constant if you have a large number. There would be less fluctuation.

5335. Now as to superannuation?—I suppose the question is as to whether superannuation can be made or ought to be made self-sustaining.

5336. How far from self-sustaining is the present rate?—It is very difficult to come anywhere near it. Take the case of a man referred to in Exhibit B commencing at 20 and retiring at 65. The uniform rate sufficient to pay him an annuity equal to 70 per cent of \$2,400 would be \$4.27 per cent of his salary basing the calculation on a rate of $4\frac{1}{2}$ per cent interest, assuming the promotions to take place as assumed in that exhibit. I have taken the same man and assumed his salary to increase in the same way and have supposed that instead of paying a uniform rate, the rate increased as the salary increased. According to Exhibit C, his first premium would be \$18.85 out of a salary of \$700 for the first year. The next year he would get \$750, and his prospective annuity would have increased \$35, and he would have to pay \$20.27, and so on. Beyond 48 years of age it would increase so rapidly that I have not shown the figures, so I think the increasing premium is out of the question. It is quite impracticable.

5337. Have you put anything to your credit for lapses?—I have assumed that there is no lapse.

5338. It does not matter whether he takes the value of his money at the age of 65 or not—this \$4.27 would be sufficient to make the fund self-sustaining though any one who resigned or who was dismissed took out of the fund all he had paid in?—Yes.

5339. You have not taken any benefit of lapses?—No; I think dismissal should not forfeit the money paid in. I am not clear that it should forfeit superannuation. I am inclined to think it should not. I have here another table marked D showing the annual premium for an annuity to be entered upon at the age of 65 and continue for the remainder of the life. Then here is a table (Exhibit E) showing the uniform rates in several cases, at $4\frac{1}{2}$ per cent for an annuity equal to 70 per cent of the salary at the time of retirement, assuming salaries first from \$400 to \$1,400 increasing by \$50 a year, and then from \$700 to \$1,800, increasing the same way, and also salaries from \$1,100 to \$2,400. At the age of 20, if a salary increased from \$400 to \$1,400 the uniform rate of 3.3 per cent would be sufficient to provide the annuity. If the salary were from \$700 to \$1,800, the amount of 3.38 would be required, and if the salary rate from \$1,100 to \$2,400, the percentage would be 3.16. If the salary continued uniform $2\frac{1}{4}$ per cent would be sufficient. I have the same calculation for the ages of 25, 30 and 35.

EXHIBIT C.

Age.	Salary.	Prospective annuity to be entered on at 65.	Annual Premium.	Monthly Pay.	Monthly Deduction.
	\$	\$	\$ cts.	\$ cts.	\$ cts.
20	700	490	18 85	58 33	1 57
21	750	525	20 27	62 50	1 69
22	800	560	21 77	66 66	1 81
23	850	595	23 36	70 83	1 95
24	900	630	25 04	75 00	2 09
25	950	665	26 81	79 16	2 23
26	1,000	700	28 69	83 33	2 39
27	1,100	770	32 68	91 66	2 72
28	1,150	805	34 82	95 83	2 90
29	1,200	840	37 06	100 00	3 09
30	1,250	875	39 45	104 16	3 29
31	1,300	910	41 90	108 33	3 49
32	1,350	945	44 69	112 50	3 72
33	1,400	980	47 57	116 66	3 96
34	1,400	980	47 57	116 66	3 96
35	1,400	980	47 57	116 66	3 96
36	1,400	980	47 57	116 66	3 96
37	1,400	980	47 57	116 66	3 96
38	1,400	980	47 57	116 66	3 96
39	1,400	980	47 57	116 66	3 96
40	1,400	980	47 57	116 66	3 96
41	1,450	1,015	52 50	126 83	4 37
42	1,500	1,050	57 87	125 00	4 82
43	1,550	1,085	63 69	129 16	5 31
44	1,600	1,120	70 12	133 33	5 84
45	1,650	1,155	76 95	137 50	6 41
46	1,700	1,190	84 39	141 66	7 03
47	1,750	1,225	92 52	145 83	7 71
48	1,800	1,260	101 41	150 00	8 45

EXHIBIT D.

ANNUAL premium for an annuity of \$1,000 to be entered on at age 65 (interest at 4 per cent.) and continue for remainder of life.

Age.	Premium.	Age.	Premium.	Age.	Premium.
	\$ cts.		\$ cts.		\$ cts.
20	38 45	32	77 20	44	179 95
21	40 61	33	82 23	45	195 40
22	42 91	34	87 68	46	212 79
23	45 38	35	93 61	47	232 32
24	48 00	36	100 67	48	254 69
25	50 80	37	107 07	49	280 15
26	53 81	38	114 62	50	309 41
27	57 03	39	123 11	51	343 31
28	60 50	40	132 36	52	383 07
29	64 22	41	142 50	53	430 13
30	68 23	42	153 70	54	486 39
31	72 56	43	166 17		

EXHIBIT E.

INTEREST at $4\frac{1}{2}$ per cent.

Age.	Increasing.			Salaries Constant.
	Salaries, \$400 to \$1,400.	\$700 to \$1,800.	\$1,100 to \$2,400.	
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
20.....	3 30	3 38	3 16	2 25
25.....	4 54	4 34	4 30	3 04
30.....	6 36	6 06	6 02	4 15
35.....	7 91	7 50	7 42	4 97

In the above cases the increase of salary is supposed to be continuous. Should the salary remain stationary during certain periods the rate will be slightly increased, and should the salary be increased more than \$50 in any one year, the rate per cent would be diminished.

SALARIES constant throughout the period of service.

Age.	5 per cent Estimated.	$4\frac{1}{2}$ per cent Estimated.	4 per cent Estimated.	$3\frac{1}{2}$ per cent Estimated.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
20.....	1 89	2 25	2 69	3 21
25.....	2 60	3 04	3 56	4 16
27.....	2 96	3 43	3 96	4 64
30.....	3 60	4 15	4 78	5 49
35.....	4 39	4 97	5 62	6 34
40.....	5 37	5 96	6 62	7 35

you can see how rapidly the percentage goes up as the age increases. In connection with that I have made an estimate of the average age at entrance of the present members of the inside service from the Civil Service List, and I find it is a small fraction over 27. There are two or three of the departments in which the average would be under twenty-five. The Post Office Department is one of them. There is another department where the average age has been high, the Indian Department. A great many old persons have gone in there. These figures include men who have gone in as high as 60 years of age, some messengers for example. At the foot of table E, there is another table showing, if the salaries are to remain constant throughout for the self-sustaining fund, what percentage will be necessary.

5340. And allowing officers on resignation or dismissal to take out the moneys they had paid in?—Certainly. It is not intended that there should be any forfeiture.

5341. What do you consider the great drawback in our present system of superannuation?—The drawback, as far as the fund is concerned, is putting a great many upon the fund who have contributed nothing to it.

5342. Or at advanced years who did not contribute fairly?—Certainly, it is an injustice to those who contribute largely.

5343. What do you think of the addition of a certain number of years work when a man is superannuated?—There is no doubt it is bad for the fund, and in every case of that kind it appears to me that the Government may fairly be expected to bear the expense and that the fund should not be chargeable with it.

5344. Suppose they appoint a postmaster at the age of 54 and he stays there until he is 65, he goes out with 11.50 of his salary if he paid during that time?—Yes, according to the present system.

5345. Take the postmaster at \$4,000 appointed at the age of 54?—He should pay \$48.64 per year for each \$100 annuity he would receive, to be entered upon at 65.

5346. He would not then get anything but what he paid for?—No, he would get what he paid for.

5347. In other instances, however, it may be considered that superannuations have resulted in benefit to the state by promoting efficiency and economy?—I should think clearly so.

5348. Take a department where men have been superannuated and not replaced?—In the Finance Department in the past year there have been three superannuated, Jarvis, and Baxter, and Tims, and no one has been appointed to replace them, so instead of being paid their full salary they are only paid superannuation, and that saves a very considerable sum each year. In that way it appears to me that the manner in which the account is presented by the Auditor General does not do justice to the fund. The whole salary should be credited to the fund and the superannuation should be charged. The theory should be that a man will not be superannuated until he is 60 or 65, and when a man is superannuated at 50 or 55, it is not fair to charge the superannuation fund with the whole allowance, but the salary of the man up to that time should be credited as against the superannuation allowance, and that would make a vast difference in the result if the fund be thus dealt with.

5349. In those funds which you have examined or some of them, the companies or banks began by giving a capital, did they not?—Exactly.

5350. The Railway Clearing-house pays what?—Pays one-half, and so in any other system that I have examined.

5351. The only way to make the fund self-sustaining is that the Government should make good the amount of any superannuation given out of the ordinary?—Yes, the Government should, in addition to its proper contribution thereto, make good the extra amount of any superannuation given out of the ordinary course.

Mr. A. M. BURGESS was re-called and examined.

5352. In your last examination you said you would bring down a statement showing the number of men employed in your outside service?—Yes, this schedule marked "A" shows that, and also those who are getting the benefit of the Superannuation Act.

5353. Then you promised to bring a statement with reference to the patents issued in Manitoba and the North-West Territories?—I have looked more closely into that, and I find it would probably be inconvenient, in consequence of the registration system to include more than one section in each patent. We could include in one patent or one notification to the registrar, which by the law is declared to be equivalent to a patent in certain case, a very large number of sections of land; but, seeing that the section of land is the unit of subdivision, and that the registrars conduct their business and that their books are prepared specially on that principle, I have come to the conclusion that it would be inconvenient to include more than one section in a patent as a rule. Therefore, the number of patents or certificates, or whatever you might call them that would be actually issued to the Canadian Pacific Railway and other railway companies and the Hudson Bay Company, in order to be applicable to all the public lands would not effect any very great saving in the actual number of patents to be issued. I produce specimens of all the patents we issue.

5354. You promised to bring down the Order in Council creating the Land Commissioner's office at Winnipeg, and giving the reason?—Yes, I produce it. (Ref. 38,372.)

Copy of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council, on 31st October, 1881.

The Committee of Council have had under consideration a memorandum, dated 29th October, 1881, hereto annexed, from the Minister of the Interior, in which he sub-

mits certain remarks and recommendations relative to the Dominion Lands Branch of his department, with the view of securing increased efficiency in the administration of the affairs of that branch, and they respectfully advise that the several recommendations of the Minister of the Interior be approved and carried into effect.

Certified,

(Signed)

J. O. COTÉ,

Clerk Privy Council.

DEPARTMENT OF THE INTERIOR, CANADA,
OTTAWA, 29th October, 1881.

(Memorandum.)

The undersigned has the honour to submit to Council the following remarks and recommendations relative to the Dominion Lands Branch of his department.

When the department was organized a little more than eight years ago, the development of the North-West could hardly be said to have begun. Beyond that which existed at the time the country was acquired, settlement had but commenced, even within the Province of Manitoba, and the land business was in its infancy. For these reasons, and also because of the tentative nature of the system and regulations adopted, it was thought expedient to carry on the Dominion Lands correspondence and many of its transactions in detail through the head office here. This was rendered practicable by the comparatively limited number of those transactions and by the fact that the only delay to which applicants were subject in having their claims to lands disposed of, or their disputes respecting title thereto adjusted, was usually that involved in the transmission of papers to and from Ottawa and Winnipeg. The impetus of late given to settlement by the progress of construction of the Canadian Pacific Railway, and by the better and more widely-spread knowledge of the agricultural and other resources of the lands in the North-West which has been disseminated, has so increased the volume of business connected with the administration of those lands as to render it absolutely necessary in the opinion of the undersigned to make provision for the more speedy disposal of the claims and disputes alluded to by having them, as far as practicable, finally dealt with at Winnipeg.

This object, in the opinion of the undersigned, would best be effected in the manner hereinafter suggested, that is to say :—

Commissioner.

1. By the appointment of an officer to be styled the Commissioner of Dominion Lands, whose duties shall be—

(a) To have, under instructions from the Minister of the Interior, general charge and supervision of the land granting, timber and mining business of his department in Manitoba and the North-West Territories.

(b) To suspend, at his discretion, any Dominion Lands officer in Manitoba or the North-West Territories, except the inspector of agencies hereinafter referred to, and to appoint temporary substitutes, who shall continue to perform the duties of the suspended officers until the decision of the Minister of the Interior has been rendered in the premises.

(c) To perform such other duties as may from time to time be imposed upon him by Order in Council.

The salary of such Commissioner of Dominion Lands to be \$5,000 (five thousand dollars) per annum.

Inspector.

2. By the appointment of an officer to be styled the Inspector of Dominion Lands Agencies, whose duties shall be, under instructions from the Minister of the Interior—

(a) To inspect and report upon all land agencies in Manitoba and North-West Territories.

(b) To inspect and report upon all matters relating to timber agencies, limits and permits, in Manitoba and the North-West Territories, and the collection of rents, royalties and other dues from timber, mining, pasturage and other lands.

(c) To report from time to time through the Commissioner of Dominion Lands to the Deputy of the Minister of the Interior, upon all subjects within the scope of his duties.

(d) To report, without instructions, when any matter comes under his observation which is, in his judgment, of sufficient importance.

(e) To perform such other duties as may from time to time be imposed upon him by Order in Council.

The salary of such Inspector of Dominion Lands Agencies to be three thousand two hundred dollars (\$3,200) per annum, and his headquarters to be at Winnipeg or wherever otherwise ordered by the Minister of the Interior.

Land Board.

3. By the establishment of a Dominion Lands Board, to investigate and settle all disputed questions arising out of the duties imposed upon the Commissioner of Dominion Lands and the Inspector of Dominion Lands Agencies and all matters connected with the administration of the Dominion Lands system in Manitoba and the North-West Territories.

(a) The Board, for the present, to consist of the said Commissioner and Inspector, who shall have equal authority as such members.

(b) The decision of the Board, as a general rule to be held as final, subject of course to the jurisdiction of the legal tribunals.

(c) In cases of difference of opinion between the members of the Board, the subject to be referred to the Minister of the Interior for decision.

(d) The Board to report from time to time any suggestions for the improvement of the system of administration, or any other matter within the purview of their duties which in the public interest they may deem expedient.

(e) The duties of the Commissioner and the Inspector as members of the Board to be held, to be a portion of their ordinary duties.

(f) All documents, decisions and reports of the Board to be signed by both the members, and all correspondence connected therewith to be conducted either by them or by some person on behalf of both. The decisions of the Board to be carried into effect by the proper departmental officers on being communicated to them by the Board.

(g) Neither the Commissioner nor the Inspector shall, directly or indirectly, while in office, purchase lands, public or private, except on application to and with the consent of the Minister of the Interior.

Respectfully submitted,

(Signed,)

JOHN A. MACDONALD.

Minister of the Interior.

5355. This land office was created for the more speedy disposal of claims and disputes?—Yes.

5356. And at that time the Canadian Pacific Railway was not constructed?—No.

5357. It was in process of construction?—Yes.

5358. The salary of the Commissioner of Dominion Lands is \$5,000?—Yes.

5359. Is there a Dominion Lands Board?—Yes, it consists of the Commissioner, the Superintendent of Mines and the Inspector of agencies.

5360. The Superintendent of Mines resides at Calgary?—Yes.

5361. In case of a difference of opinion between the members of the board, the subject is referred to the Minister for decision?—Yes.

5362. Part of the duty of the inspector is to report from time to time through the Commissioner of Dominion Lands to the deputy minister?—Yes.

5363. The Commissioner of Dominion Lands also reports to you?—Yes.

5364. Although practically his salary is considerably more than your own?—Yes.

5365. Now that the railway is open, a great deal of the reason for the appointment of the land board at Winnipeg is done away with?—No doubt it makes a considerable difference.

5366. Many of those clerks at Winnipeg could be done away with?—A considerable number of them could be.

5367. The Superintendent of Mines resides at Calgary, because the mines are principally in the Rocky Mountains?—Yes; and in British Columbia.

5368. You could not have him here at Ottawa?—I think the balance of convenience is in favour of his being where he is.

5369. The others are all quite local and would have to be continued?—Yes; as far as the agencies are concerned.

5370. Could not a great deal of the work of the Dominion Lands Office be done in the Dominion Lands agency at Winnipeg?—No; I do not think so. There is an agency at Winnipeg, but its business is of the ordinary character; and the experiment of making the agent of Dominion Lands at Winnipeg a chief agent, and having him practically perform a great many of the duties now entrusted to the Commissioner has been tried.

5371. How often does your land board sit?—There are no stated periods.

5372. Do they sit once a month on an average?—Not the full board.

5373. They could not, because the Superintendent of Mines is at Calgary?—A great deal of the time.

5374. And the inspector is travelling?—Yes.

5375. You have a secretary of that board?—Yes; and he is also secretary of the Commissioner's office.

5376. And you have an assistant secretary?—Yes.

5377. Is he also assistant secretary of the Commission?—Yes.

5378. Is not the reason for the Half-breeds' Commission dying away?—Yes; as far as Manitoba is concerned, but there are still half-breeds arising in the North-West.

5379. That will die away in time?—Yes.

5380. What is your Intelligence Office?—That is an office at some railway station not connected directly with any of the agencies, which we keep open for half the year and where people in search of land are in the habit of going. There is an office at Medicine Hat, where a few people stay off looking for land. That is about half-way between Regina and Calgary, and the place is within the Calgary agency. The agent was in the habit of sending information every day to the Intelligence Officer as to the land within the agency which was taken up. When the settlers went to the office they were able to tell that certain lands in that vicinity were no longer open.

5381. There are Indian offices also at Regina?—Yes.

5382. Quite distinct from yours?—Yes.

5383. Is it necessary to have a staff of this number at Regina now?—Absolutely. It is a very large and important district and yields a very considerable proportion of our whole revenue.

5384. Do you not think that the necessary Indian business that requires to be done there could be done by your staff?—It is impossible. Our men are very busily employed all the year round. As to the Commissioner's office at Winnipeg since I was before the Commission before, I have reflected on the matter and given very careful consideration to the subject of whether it is in the public interest that the Commissioner's office in Winnipeg should be maintained as at present, and I have come to the conclusion that this is a question of Government policy and that I should not express any opinion upon it. The last time I was here I was asked as to the possibility of reducing the volume of records in the Department of the Interior. I find that on the 11th July, 1890, Mr. Courtney sent me a circular from the Treasury Board on that subject, and that on the 19th November, 1890, I answered it saying that "the papers of record in the Department of the Interior all have relation to the titles of land and cannot be

destroyed. On the contrary, it is of the greatest possible consequence, in my opinion, that provision should be made for preserving them from danger of being injured either by accident or design. I regret to say that at the present moment they are in a very unprotected state." I called the attention of the Commissioners when they visited the department to the subject, and I now beg to submit, with the concurrence of the Minister of the Interior, a copy of a memorandum I made on the subject dated the 4th December, 1889, addressed to the Minister, and by him submitted to Council, dealing with the question of accommodation in the Department of the Interior on which, so far as I am aware, no action has been taken.

222536.

(Copy.)

DEPARTMENT OF THE INTERIOR,

OTTAWA, 4th December, 1889.

SIR,—I have the honour to submit herewith a report prepared at my request, by Mr. King, Chief Inspector of Surveys, in relation to the space occupied by this department in the eastern block, accompanied by a plan and schedule, also a report from Mr. Deville, the Surveyor General, as to the accommodations proposed to be allotted to his branch of the department in the attic of the western block. Mr. King's report makes quite clear the unfavourable conditions under which the work of the department is being performed. This unsatisfactory state of affairs has prevailed for several years, and has quite naturally been growing worse with the increase of the staff. I am myself in my fifteenth year of service in the department, and in that time have seen it develop from being one of the smallest to be one of the largest and most important in the public service, and I call your attention to the fact that not one additional inch of room in the building has been made available for its work since 1879, when a portion of the attic on Wellington street was fitted up for its use. Meantime the only relief afforded has been found in the renting of rooms outside. What was at first the Indian Branch of the Interior Department has been erected into a separate department, and accommodation found for it elsewhere; and for the seven years during which I have been deputy head of the Department of the Interior, I have had to labour under the tremendous disadvantage of having the branch charged with the survey and classification of the public lands conducting its operations in a building on Wellington Street, where it was impossible for me to exercise over it that supervision which I regard it as my duty to give to every division of that portion of the service entrusted by the Government to my care. I did the best I could under the circumstances, and with the willing and loyal assistance of Mr. Deville, the officer in charge of the branch, I endeavoured, at a great addition to the labour which would have been involved had all the branches of the department been under one roof, to compensate for the inconvenience of the position in which I was placed by devoting the official day wholly to routine work, while such of my duties as required reading and reflection necessarily fell to be done when I should have been resting. I was able to do this because I was young, in vigorous health, and as enthusiastic as one would be expected to be, who, without claims of any kind on the consideration of the Government except such as I had earned by devotion to my duties, had been raised from the ranks and placed in permanent charge of so important a department. That I put up with the inconveniences and disadvantages alluded to uncomplainingly, Sir John Macdonald, Sir David Macpherson and you yourself can all testify, as would my late lamented chief, Mr. White, if he were living. I was the more encouraged to do this because I saw day by day rising on Wellington street a handsome and spacious building which I was told from time to time was being constructed for the Department of the Interior. This impression was confirmed by the statement made in Parliament by the Honourable the Minister of Public Works; and by the fact that in regard to the internal arrangement of a considerable part of the block I had the honour of being consulted by the Government. Indeed I was informed by the late Minister of the Interior, and subsequently by yourself, that the ground floor of the building and one-half of the first floor had been definitely allotted to us by the Committee of Council, an arrangement which

would have afforded us the requisite space under one roof. It stands to reason that no man can do himself justice in the management of the affairs of a large department if the necessary facilities for his work are not afforded him; and I hope I am not unreasonable if I respectfully submit that it is very disheartening to find, now that the new block has been completed and occupied, that the Department of the Interior, for whose accommodation it was alleged to have been designed and constructed, is the only department which has not been allotted one inch of additional space, and that the inconvenience and disadvantage of having to carry on the work with one of the most important branches situated in a separate building at a considerable distance from my own office, is likely not only not to be remedied, but is to do greatly and permanently aggravated by having that branch removed to an almost inaccessible attic in the Western Block. You have yourself had daily experience, since becoming Minister, of these inconveniences and disadvantages; but it is even more serious for me since, if the theory that the appointment is permanent holds good, in my case, I am doomed to experience these evil results for the remainder of my working life.

The seriousness of the situation has only to be stated in order to be admitted; and I am hopeful that even yet steps may be taken to rectify what is so manifestly wrong. What these steps ought to be it is not for me to say, since any suggestion which I could make would mean sooner or later the readjustment of the housing of the various departments, and consequent inconveniences to those who might be affected by such readjustment. It would be as unlikely, however, that a workman should produce first class work with fifth rate tools, as that the deputy of any department should be able to manage his business successfully with one half of his staff in the attic of one building and the other half in the attic of another. For the reasons stated in the memorandum of the Surveyor General and the further reasons herein related, I respectfully but earnestly protest against the removal of the Surveys Branch into the attic of the Western Block, for I can clearly see that the expense necessary to fit it up would be so great that the arrangement would have to be regarded as permanent. I should be satisfied, in the meantime, if quarters were secured outside, for in the nature of things that arrangement must be temporary, and would permit of the expectation that in a short time the various divisions of the department would be brought together, so as to enable its Deputy Minister to exercise over it that supervision without which it would be next to a miracle if it were successfully managed. I should not be doing justice to the gentlemen in charge of the several branches and divisions of the department if I did not say that the absence of anything of that description so far is largely due to their individual energy, loyalty and good-will to myself; for nothing could be more cordial than the relations which now subsist and have always subsisted between us. The good management of a department ought not, however, to be dependent on conditions which are subject to be changed with any change of officers or any change in the personal relations they bear to each other.

While on this subject I beg to call your attention to the serious responsibility which the Government assumes by permitting the continuance of the present condition of affairs, in so far as the space which the department occupies in the Eastern Block is concerned. In the attic are stored the plans and field notes of all the surveyed public lands under the control of the Dominion Government, collected and made at an expense of from four to five millions of dollars. As pointed out in Mr. King's memorandum, the attic is a veritable fire trap, and liable at any moment to be destroyed with all its contents, in which event what it cost the Dominion so much to produce and collect would be utterly destroyed, and could not be replaced for less than the original cost, to say nothing of the chaos which would be the immediate consequence. These records must be conveniently accessible during every working hour of the day, as they are constantly being referred to in the conduct of the departmental business; not to have them so accessible would mean that the business would have to come to a standstill so that no proposition to store them elsewhere could be entertained.

The foundation of title for every acre of land in Manitoba and the North-West Territories, patented or unpatented, necessarily lies in the books and records of the Land Patenting Branch of the department, which are also in this unsafe part of the building

and equally liable to destruction by fire. What would be the disastrous consequences to the people of the North-West if a fire in the attic of the Eastern Departmental Block one cannot contemplate with equanimity.

Ministers of the Crown must themselves have observed, when walking through the corridors of the Eastern Block, on their way to the Council, that in consequence of the lack of room in which to place our records, they are gradually filling up and encumbering the passages. This in itself is bad enough; but what is far worse is that any one of the two hundred odd thousand files composing the records of our correspondence could be stolen or destroyed by any interested or evilly disposed person, with little chance of the discovery of the miscreant, and no possible chance, so long as the present state of affairs lasts, of taking any precaution which would prevent such a thing from happening.

I have from time to time brought all those facts privately to the attention of the several gentlemen occupying the office which you now hold, simply that they might not be taken unawares if some accident happened. I now call your attention to them for the express purpose of relieving myself of the tremendous responsibility which would rest upon me if I omitted to bring what I conceive to be the gravity of the situation before the Government in a formal and official way.

I greatly regret that this communication should be, as it could not well help being, so personal in its nature. It must be remembered, however, that for the past seven years I have been encouraged to put up with many drawbacks and difficulties by the hope of entire relief, if not a large measure of compensation, in the improved facilities for work which would be put within my reach, and the reach of the officers engaged with me in the practical working of the department, when the new block was finished. With the situation as it is to-day, and the present prospect for the future, is it to be wondered at that I am disheartened and discouraged?

I have the honour to be, Sir, your obedient servant,

(Signed,) A. M. BURGESS.

Deputy of the Minister of the Interior.

I was also asked to give the Commission a statement of the Dominion Land Surveyors who are in default and of the whole amount of the defalcation. I also explained that in addition to that a surveyor named Dawson had been overpaid by an oversight the amount of \$5,853.12, that he had been paid for work on the supposition that it was properly done, but that we found we could not accept it. We obtained a judgment against him for the amount, but the sheriff returned *nullum bonum* :—

Statement showing Names of Dominion Land Surveyors who are Defaulters.

1880	A. McNab	\$1,000 00
1881	A. L. Poudrier	1,110 00
1882	L. J. Garvin	\$1,188 02
1882	H. Lawe	1,512 00
1882	C. H. Davis	1,133 34
1882	John Hill	1,500 00
1882	Francis Jones & Co.	6,000 00
		----- 11,333 36

5385. When you were here last, you gave a very strong opinion that the officers of your outside service should come under the Superannuation Act?—Yes.

5386. And that you would prepare a memorandum on that?—I will send it in.

5387. Will you prepare a theoretical organization of your department as it would be if you had a clean slate, showing what staff you would desire and a comparison with your present staff?—Yes; I find on enquiry that my recollection was correct that there has been no defalcation in the last five years on the part of the surveyors. The Commissioners also enquired what was the relative cost of producing our plans of townships under the existing system and under the system in force before. The Surveyor General prepared a memorandum for me on the subject, and he states that it is very hard to say what the exact cost now really is, and that no comparative statement can be made which would be useful to the Commissioners, so much of the cost depending upon the number of columns used on the plans to show the

quality of the land; but, generally speaking, he says that the average cost of producing the plans in 1882 on the system existing then was \$7 per plan. Under the old system we had to pay \$5 to the lithographer for every plan, but the cost of preparing the original plan, as it was called at headquarters here, was about \$10. That is, it would cost about \$15 per plan. Under the existing system it costs about \$8, because we place the plan directly upon the stone. Whether the average has been more or less than \$8 per plan since 1883, I would not like to state positively, and I am afraid the material for an exact calculation is not at our disposal. The printers we employ are not exclusively engaged in the production of plans. They do map work and so on.

5388. You have always had a secretary for the department?—Since 1882, when I was appointed.

5389. What proportion of letters are signed by the secretary and by the deputy?—There is an assistant secretary who does the greater part of the signing, but the preparation of the letters falls largely upon the secretary. I look after important letters myself.

5390. The assistant secretary does not sign without authority?—No; in every case he finds my initials or those of the secretary on the draft. If I dictate to the shorthand writer and he produces the draft on the type-writer, then I initial it and the draft is copied.

5391. Is there any saving of time in having the draft instead of the letter brought to you for signature?—The letter is really prepared.

5392. Could you not sign as easily as initial?—Yes.

5393. Is not the secretary simply another wheel in the machine? Could not the Deputy Minister sign his letters as well as initial them?—In regard to myself, I initial a very small proportion of the whole correspondence, only such as is of sufficient consequence to be preserved for consideration by myself or the Minister.

5394. Who initials the others?—The secretary.

5395. He sends out a great many letters that neither you nor the Minister ever see?—Yes; nine-tenths of the whole correspondence.

5396. Are those only acknowledgments?—No; they are matters of information.

5397. In the Interior Department the secretary conducts a great portion of the correspondence that does not come to you or to the Minister?—Necessarily. We have over 60,000 letters a year, and it would be physically impossible for the Minister or myself to pretend to look at them all.

5398. But those letters are not signed "A. M. Burgess," per se and so?—No, the man who answers signs his own name. There is an assistant secretary, and the theory is that he shall answer all that he possibly can. He only sends those to the secretary that he considers of more than ordinary consequence, and the secretary in turn reserves for my consideration, and the consideration of the Minister, only a certain proportion of those that come to him. This process of sifting is rendered necessary by the great volume of the correspondence, and upon that a great deal of the correspondence is done. There was a time when we acknowledged the receipt of letters. We have stopped that system wholly. It operated disadvantageously in two ways. Having acknowledged the letter, the officers who had to deal with it did not feel in so much of a hurry to go further, and the man having charge of the subject, seeing that the letter was acknowledged, often did not look beneath on the file but pigeon-holed it. I have arranged now that the matter shall be dealt with finally and the writer shall have his answer.

5399. Do you delegate at all to the secretary the management of the staff?—In his own branch.

5400. That is because he is a chief clerk?—Yes, and he is the chief clerk of the department as well as a chief clerk in charge of a branch; therefore I delegate to him many duties connected with the management of the staff which but for the great pressure on my time I would not.

5401. Have you an attendance book for each branch?—Yes.

5402. Does the secretary look after the book in his branch?—Yes, once a month, and I do at another period of the month, always when I come to the pay-list. I found I could not do it every day, one portion of our staff being in an outside building.

DEPARTMENT OF THE INTERIOR.

Dominion Lands.

STATEMENT OF Expenditure for Outside Service showing Salaries, &c.

NOTE--Those employees marked thus * pay superannuation.

Name.	Rank.	Gross Annual Salary, 1891-92.	Contingencies, 1890-91.	Totals.	Nature of Appointment.
	<i>Office of Commissioner of Dominion Lands, Winnipeg.</i>	\$ cts.	\$ cts.	\$ cts.	
*H. H. Smith.....	Commissioner of Dom. Lands.	5,000 00			Order in Council.
*J. M. Gordon.....	Inspector of Agencies	2,200 00			do
*T. R. Burpe.....	Secretary of Land Board	2,000 00			do
*R. A. Ruttan.....	Assistant Secretary	1,500 00			do
*L. M. Fortier.....	Clerk	1,200 00			do
*E. H. Taylor.....	Accountant	1,200 00			do
Ransom Dolbear.....	Clerk	1,095 00			Temporary.
K. Graburn.....	do	1,050 00			do
F. Fitzroy Dixon.....	do	1,150 00			do
M. Donoghue.....	do	916 25			do
W. R. Rowan.....	do	750 00			do
E. S. Bond.....	do	720 00			do
H. B. Perrin.....	do	700 00			do
*Mrs. M. R. Scott.....	do	500 00			Order in Council.
Alexander Norquay.....	do	600 00			Temporary.
Mrs. E. Livingston.....	do	500 00			do
Miss G. E. Turnock.....	do	480 00			do
Mrs. K. Guilmette.....	do	365 00			do
Richard Breen.....	Janitor	600 00			do
		22,526 25	1,547 16	24,073 41	
	Special service, 1890-91.....			4,354 13	
	<i>Superintendent of Mines Office, Calgary, N.W.T.</i>				
*William Pearce.....	Superintendent of Mines	3,200 00			Order in Council.
F. H. Turnock.....	Clerk	1,050 00			Temporary.
		4,250 00	2,635 01	6,885 01	
	<i>Half-breed Claims Commission.</i>				
Roger Goulet.....	Chairman, Winnipeg	2,190 00		2,190 00	Order in Council.
	<i>Homestead Inspection.</i>				
Thomas H. Aikman.....	Inspector	1,200 00			Temporary.
John Rogers.....	do	1,200 00			do
R. S. Park.....	do	1,200 00			do
J. J. Arsenault.....	do	1,200 00			do
*John Allison.....	do	1,200 00			No Ord. in Council.
W. H. Allison.....	do	1,200 00			Temporary.
*W. C. de Balinhard.....	do	1,200 00			Order in Council.
		8,400 00	6,716 43	15,116 43	
	<i>Intelligence Officers.</i>				
Robert Doull.....	Medicine Hat, N.W.T.	1,095 00	16 70	1,111 70	Temporary.
C. R. Hendrickson.....	Whitewood, N.W.T.	150 00		150 00	
		1,245 00	16 70	1,261 70	
	Carried forward.....	38,611 25	10,915 30	53,880 68	

STATEMENT of Expenditure for Outside Service showing Salaries, &c.—*Continued.*

NOTE—Those employees marked thus * pay superannuation.

Name.	Rank.	Gross Annual Salary, 1891-92.	Contingencies, 1890-91.	Totals.	Nature of Appointment.
DOMINION LANDS AGENCIES.		£ cts.	£ cts.	£ cts.	
	Brought forward	38,611 25	10,915 30	53,880 68	
<i>Dom. Lands Office, Winnipeg.</i>					
*E. F. Stephenson	Agent	2,000 00			Order in Council. do for only \$700 per annum. Temporary. do do
*J. M. Sutherland	Clerk	1,095 00			
John MacBeth	do	900 00			
A. F. Crowe	do	850 00			
B. H. Humphrys	do	730 00			
		5,575 00	430 50	6,005 50	
<i>Dominion Lands Office, Lake Dauphin, Man. (Sub-Dist.)</i>					
Robert Gunne	Acting agent	900 00	49 13	949 13	Order in Council.
<i>Dominion Lands Office, Brandon, Man.</i>					
*W. H. Hiam	Agent	1,500 00			Order in Council. Temporary. do do
W. L. Orde	Clerk	1,095 00			
W. S. Cottingham	do	800 00			
J. R. Davidson	do	600 00			
		3,995 00	352 46	4,347 46	
<i>Dominion Lands Office, Birtle, Man.</i>					
*W. G. Pentland	Agent	1,200 00			Order in Council. Temporary.
F. K. Herchner	Clerk	800 00			
		2,000 00	350 57	2,350 57	
<i>Dominion Lands Office, Deloraine, Man.</i>					
*John Flesher	Agent	1,200 00			Order in Council. Temporary.
John May	Clerk	1,095 00			
		2,295 00	295 80	2,590 80	
<i>Dominion Lands Office, Minnedosa, Man.</i>					
*W. M. Hilliard	Agent	1,200 00			Order in Council. Temporary. do
W. H. Cottingham	Clerk	1,095 00			
M. O'R. Jarvis	do	600 00			
		2,895 00	425 30	3,320 30	
<i>Dominion Lands Office, Regina, N. W. T.</i>					
*W. H. Stevenson	Agent	1,500 00			Order in Council. Trans. from Dep. of Justice, but no O. in C. authorizing the transfer. Temporary. do
*A. J. Fraser	Clerk	1,095 00			
John Dobbin	do	800 00			
Samuel Gray	do	912 50			
		4,307 50	333 54	4,641 04	
	Carried forward	60,578 75	13,152 60	78,085 48	

STATEMENT of Expenditure for Outside Service, showing Salaries, &c.—*Continued.*

NOTE—Those employees marked thus * pay superannuation.

Name.	Rank.	Gross Annual Salary, 1891-92.	Contingencies, 1890-91.	Totals.	Nature of Appointment.
DOMINION LANDS AGENCIES.		\$ cts.	\$ cts.	\$ cts.	
Brought forward.....		60,578 75	13,152 60	73,731 35	
<i>Dominion Lands Office, Calgary, N. W. T.</i>					
*Amos Rowe.....	Agent.....	1,200 00			Order in Council.
*E. G. Kirby.....	Clerk.....	1,200 00			do
*C. D. Rickards.....	do.....	1,095 00			do
G. W. R. Almon.....	do.....	912 50			Temporary.
<i>Dominion Lands Office, Prince Albert, N. W. T.</i>		4,407 50	986 74	5,394 24	
*John McTaggart.....	Agent.....	1,200 00			Order in Council.
Louis Schmidt.....	Clerk.....	1,095 00			Temporary.
<i>Dominion Lands Office, Edmonton, N. W. T.</i>		2,295 00	363 10	2,658 10	
*Thomas Anderson.....	Agent.....	1,200 00			Order in Council.
*J. A. Royal.....	Clerk.....	1,000 00			do
<i>Dominion Lands Office, Cunningham Manor, N. W. T.</i>		2,200 00	400 85	2,600 85	
*C. E. Phipps.....	Agent.....	1,200 00	315 37	1,515 37	Order in Council.
<i>Dominion Lands Office, Battleford, N. W. T.</i>					
*E. Brokovski.....	Agent.....	1,200 00	277 39	1,477 39	Order in Council.
<i>Dominion Lands Office, Lethbridge, N. W. T.</i>					
*Geo. Young.....	Agent.....	1,200 00	449 02	1,649 02	Order in Council.
<i>Dominion Lands Office, Saltcoats, N. W. T.</i>					
*T. B. Ferguson.....	Agent.....	1,095 00	211 60	1,306 60	Order in Council.
<i>Dominion Lands Office, Red Deer (Sub-District) N. W. T.</i>					
J. G. Jessup.....	Acting Agent.....	800 00	80 00	880 00	Temporary.
CROWN TIMBER AGENCIES.					
<i>Crown Timber Office, Winnipeg, Manitoba.</i>					
*E. F. Stephenson.....	Agent (See Dom. Lands Agent.)				Order in Council.
Thos. W. Fisher.....	Clerk.....	1,095 00			Temporary.
A. R. Wade.....	do.....	800 00			do
Joseph Turenne.....	Forest Ranger.....	1,095 00			do
Michael Fee.....	do.....	700 00			do
J. C. Kennedy.....	do.....	700 00			do
		4,390 00	3,000 00	7,390 00	
Carried forward.....		79,366 25	19,236 67	98,602 92	

STATEMENT of Expenditure for Outside Service showing Salaries, &c.—*Continued.*

NOTE—Those employees marked thus * pay superannuation.

Name.	Rank.	Gross Annual Salary, 1891-92.	Contingencies, 1890-91.	Totals.	Nature of Appointment.
	CROWN TIMBER AGENCIES.	\$ cts.	\$ cts.	\$ cts.	
	Brought forward	79,366 25	19,236 67	102,957 05	
	<i>Crown Timber Office, Edmonton, N. W. T.</i>				
*Thomas Anderson.	Agent (See Dom. Lands Agent).				Order in Council. Temporary.
A. E. Johnston	Forest Ranger	700 00			
	<i>Crown Timber Office, Calgary, N. W. T.</i>	700 00	237 52	937 52	
*Amos Rowe	Agent (See Dom. Lands Agent).				Order in Council. Temporary.
J. R. Thompson	Forest Ranger, &c	900 00			
	<i>Crown Timber Office, Prince Albert, N. W. T.</i>	900 00	60 00	960 00	
*John McTaggart.	Agent (See Dom. Lands Agent).				Order in Council. Temporary.
R. S. Cook	Forest Ranger, &c.	900 00			
	<i>Dominion Lands Office, New Westminster, B. C.</i>	900 00	260 84	1,160 84	
*John McKenzie	Agent	1,500 00			Order in Council. Temporary.
J. S. Macdonell	Clerk	1,080 00			
Chas. Homer	do	900 00			do
	<i>Crown Timber Office, New Westminster, B. C.</i>	3,480 00	838 35	4,318 35	
*T. S. Higginson	Agent	1,800 00			Order in Council. Temporary.
T. Cole White	Clerk	730 00			
	<i>Dominion Lands Office, Kamloops, B. C.</i>	2,530 00	1,190 96	3,720 96	
*E. A. Nash	Agent	1,200 00			Order in Council. Temporary.
A. R. Spaulding	Clerk	720 00			
		1,920 00	457 05	2,377 05	
Stationery and printing, 1890-91.				3,754 62	
	REGISTRARS OF THE NORTH-WEST TERRITORIES.	89,796 25	22,281 30	120,186 39	
P. M. Barker	Inspector of Land Titles Office.	2,000 00	1,511 29	3,511 29	Order in Council.
Stationery, 1890-91.				117 26	
	<i>Registry Office Battleford, N. W. T.</i>				
W. J. Scott	Registrar	2,000 00	65 45	2,065 45	Order in Council.
	Carried forward	4,000 00	1,576 74	5,694 00	

STATEMENT of Expenditure for Outside Service showing Salaries, &c.—*Continued.*

NOTE—Those employees marked thus * pay superannuation.

Name.	Rank.	^a Gross Annual Salary, 1891-92.	^b Expen- diture (exclusive of Salaries in column ^a) 1890-91.	Total.	Nature of Appointment.
REGISTRARS OF THE NORTH- WEST TERRITORIES— <i>Con.</i>		\$ cts.	\$ cts.	\$ cts.	
Brought forward		4,000 00	1,576 74	5,694 00	
<i>Registry Office, Calgary, N.W.T.</i>					
T. A. McLean.....	Registrar.....	1,600 00			Order in Council.
Geo. Walker.....	Clerk.....	730 00			Temporary.
J. Grant Mackay.....	do	730 00			do
Martin McDonald.....	do	730 00			do
<i>Registry Office, Regina, N.W.T.</i>		3,790 00	191 50	3,981 50	
G. A. Montgomery.....	Registrar.....	1,600 00			Order in Council.
W. Laurie.....	Clerk.....	800 00			Temporary.
Alfred T. Abbey.....	do	730 00			do
<i>Registry Office, Edmonton, N.W.T.</i>		3,130 00	623 80	3,753 80	
Geo. Roy.....	Registrar.....	1,600 00	407 95	2,007 95	Order in Council.
<i>Registry Office, Prince Albert, N.W.T.</i>					
Stephen Brewster.....	Registrar.....	1,200 00			Order in Council.
L. J. Clarke.....	Deputy Registrar.....	912 50			do
		2,112 50	447 55	2,560 05	
Grand Totals.....		14,632 50	3,257 54	18,007 30	

GOVERNMENT OF THE DISTRICT OF KEEWATIN.

<i>Lieut. Governor's Office, Wini- pey, Man.</i>					
W. R. Bown.....	Private Secretary.....	600 00			Order in Council.
Ernest Phair.....	Clerk.....	300 00			Temporary.
		900 00	6,368 15	7,268 15	

ROCKY MOUNTAINS PARK OF CANADA, BANFF, N.W.T.

G. A. Stewart	Superintendent..	1,800 00			Order in Council.
John Walker.....	Caretaker of Cave and Basin..	720 00			Temporary.
Amos S. Cobb.....	Caretaker of Office.....	120 00			do
		2,640 00	14,360 00	17,000 00	

STATEMENT of Expenditure for Outside Service showing Salaries, &c.—*Concluded.*

NOTE—Those employees marked thus * pay superannuation.

Name.	Rank.	^a Gross Annual Salary, 1891-92.	^b Expen- diture (exclusive of Salaries in column ^a) 1890-91.	Totals.	Nature of Appointment.
	GOVERNMENT OF THE NORTH- WEST TERRITORIES.	\$ cts.	\$ cts.	\$ cts.	
	<i>N. W. Government Offices, Regina, N. W. T.</i>				
R. B. Gordon.....	Clerk of the North-West Council	2,400 00			Statutory, \$2,000 ; O. in C., \$400.
L. O. Bourget.....	Accountant.....	1,170 00			Order in Council.
J. C. Pope.....	Assistant Accountant.....	1,200 00			do
C. W. Peters.....	Clerk.....	720 00			do
A. Bourget.....	do.....	720 00			do
C. A. W. Lethbridge.....	Private Secretary to Lt. Gov.....	600 00			do
do.....	Clerk.....	900 00			do
R. B. Deane.....	do.....	720 00			do
W. J. Chaffey.....	do.....	720 00			do
A. W. Daggis.....	do.....	900 00			do
Mrs. Kate Hayes.....	Librarian.....	900 00			do
C. M. Clarke.....	Clerk.....	785 00			Temporary. do
	<i>Schools.</i>				
James Brown.....	Secretary to Board of Education	1,800 00			Order in Council.
John McLachlan.....	Clerk.....	600 00			do
	<i>Roads and Bridges.</i>				
Thomas Brown.....	Clerk in Charge.....	1,500 00			O. in C., \$1,200 per annum.
Victor Dodd.....	Clerk.....	785 00			Temporary.
Daniel Brown.....	do.....	785 00			do
	<i>Cartmakers, &c.</i>				
R. E. Tennant.....	Messenger and Caretaker of N. W. Govt. Offices.....	600 00			Order in Council.
A. Gauvin.....	Messenger, N. W. Govt.....	120 00			do
G. Gaffrey.....	Gardener, Government House.....	720 00			do
Jean Proteau.....	Caretaker do.....	600 00			Temporary.
Paul Turenne.....	Messenger.....	120 00			O. in C., \$420.
James McAra.....	do.....	360 00			Order in Council.
D. L. Scott.....	Legal Adviser.....	1,200 00			Temporary.
		20,925 00	196,958 94	*217,883 94	

* N.B.—The above amount (\$217,883.94) is exclusive of the amount (\$18,007.80) of the Salaries and Contingencies of the Registrars of the North-West Territories, &c., shown previously.

A. M. BURGESS,
Acting Deputy Minister of the Interior,
Ottawa.DEPARTMENT OF THE INTERIOR, ACCOUNTANT'S BRANCH,
OTTAWA, 23rd January, 1892.(Signed) J. A. PINARD,
Accountant.

INTERIOR DEPARTMENT, OTTAWA, 15th February, 1892.

SIR,—At the request of the Civil Service Commission, I have the honour to submit the following observations on the question of giving the officers in the outside service of this department what benefit it may be possible to derive from the existing system of superannuation :—

1. There is, I know, a doubt in the minds of some who have given attention to the whole Civil Service System, as to whether it is desirable that the lower classes of officials, especially in the outside service, should be admitted to the benefits of superannuation. I respectfully submit that, assuming the need for their employment to be as great and the tenure of their offices to be of the same nature as is the case in the higher grades, the fact that they are paid smaller salaries is not only a good reason why they should not be excluded from the operation of the Superannuation Act, but constitutes in itself a good reason why they should be brought under its operation if they are not already included. The argument chiefly used in favour of superannuation is that it enables the Government to retire officials when their usefulness is over, past experience having proved that without some such provisions men were retained in active service long after they had ceased to be efficient. If this argument applies in the case of the better paid clerks, whose remuneration does not enable them to make provision for old age ; it applies with much greater force to the clerks of the lower grades ; for unfortunately the public service is no exception to the rule that family and other individual responsibilities are not divided according to income.

2. I would respectfully draw your attention to the fact that the members of the outside service of the Department of the Interior labour under peculiar and exceptional disabilities. A few centrally located land offices, such as those at Winnipeg, Regina and Calgary, will no doubt be continued for many years to come ; but in the greater number of cases, as soon as the place in which a land agency is established begins to possess the social and educational facilities which population brings with it, it becomes necessary, for the convenience of incoming settlers, to move the agency to a more remote section of the country, where the land still remains largely in a state of nature, and the agent and his staff have to commence life over again under the least advantageous circumstances. Indeed, it may in a word be said that the Government land agent follows a calling which requires him to spend his official days either beyond civilization or upon its utmost borders. The law forbids him to traffic in public land, a limitation which is applied to no other class of public servants, and he is not even free to avail himself of the free homestead system. He has to be familiar not only with the existing land laws and regulations, but with all the alterations and amendments which have been made thereto since the acquisition of the North-West in 1870, the greatest care and accuracy are necessary on his part to prevent complications in the disposal of land ; he has abundant opportunity for the exercise of tact and judgment and patience in dealing with the settlers, and yet his pay compares unfavourably with that of officers charged with somewhat similar responsibilities in other departments. Altogether, I am convinced that if there is any benefit to the officials in the superannuation system, or if an appointment under the authority of an Order in Council gives any greater permanency than an appointment by a Minister, the members of the outside staff of the Department of the Interior should have those advantages extended to them, and I trust the Commission of which you are the Chairman will so conclude.

I have, &c.,

(Sgd.) A. M. BURGESS.

GEO. HAGUE, Esq.,

Chairman of the Civil Service Commission.

THURSDAY, 28th January, 1892.

Mr. J. L. McDougall, Auditor General, was recalled and examined :—

5403. Have you brought down a statement relative to receipts and expenditures?—
After considering the matter, I have thought it would be as well, so far as revenue is concerned, to read a letter which I have written to the Treasury Board on the subject, as follows :—

Revenue Audit.

AUDIT OFFICE, 15th January, 1892.

SIR,—I have to submit, for the information of the Treasury Board, and such further action as may be deemed proper, the following memorandum, showing the progress that has been made towards carrying out the instructions of the Board, to examine and audit the revenue accounts.

On taking up this duty I found it was necessary to construct a complete system. This task was rendered still greater, as the same system would not apply to all classes of revenue. It must also be borne in mind that there are elements of difficulty in auditing revenue which do not exist in auditing expenditure. The gross expenditure is known in the Audit Office, because it is the aggregate of amounts, all of which passed through the Audit Office; but the gross revenue cannot be established in any such certain way.

To reach an efficient audit of the revenue, three special points have to be determined: 1. Has revenue been collected in every case in which it should have been collected? 2. Are the amounts that were collected the amounts which should have been collected? 3. Has all the revenue that was collected come to account, and as promptly as it should?

With the exception of revenue arising from the sale of stamps, or from licenses, it has not been contemplated for the present, if at all, that the first and second points should be gone into directly and generally in this office, and in this we follow the English practice. These points must be determined by the department in charge, and to secure that this has been done, it has been a principal care in this office to frame regulations under which each department is to render certified statements and summaries at frequent and regular periods.

With the object of determining that all the revenue that was collected had come to account, and as promptly as it should, regulations were drawn up, which were submitted to the Treasury Board, 31st December, 1886.

These regulations provided that receipt books with counterfoils, and bearing printed consecutive numbers, should be used, a receipt given by the collector for each payment made to him, and a detailed return with the counterfoils furnished to this office.

The following departments are now carrying out these regulations, viz. :—

Agriculture—As to Patent Fees and Sales at Experimental Farms.

Justice—As to Penitentiary revenue.

Indian Affairs—As to Indian Fund.

Interior—As to Dominion Lands.

Printing and Stationery—As to *Canada Gazette* and Sales of Publications.

Secretary of State—As to Fees on Commissions, &c.

Senate—As to Fees.

Regulations for the outside service were prepared, which were approved by a Treasury Minute, dated 23rd May, 1890. These regulations provided that a detailed copy of each collector's cash-book, properly certified by him, should be furnished regularly to the proper department, and after being audited and certified all the returns for each period should be forwarded to this office, accompanied by a summary certified by the Deputy Minister and the Accountant.

The following departments are now furnishing monthly returns :—

Fisheries—As to Fisheries revenue.

Marine—As to Examination of Masters and Mates, Dominion Steamers, Wharves and Piers.

Militia and Defence—As to Militia revenue and Military College fees.

Public Works—As to Slides and Booms, Telegraph revenue, and Dock charges.

The Department of Fisheries has agreed to furnish a list of all licenses issued in order to audit the agents' returns.

The Department of Militia and Defence have been asked to furnish all requisitions for stores, &c., but so far these have not been received.

The revenue of the Finance Department arises principally through the financial transactions in England, returns of which are furnished as the separate entries are passed.

The revenue of the Post Office Department arises in the main from the sale of postage stamps and cards, and it is practicable to make a complete audit of it. For this purpose returns are now furnished showing the stamps and cards received by the stamp branch from the manufacturers, and those issued to postmasters. Returns are yet needed from the accounting postmasters. Correspondence has taken place with the department in reference to those returns, and I have been informed that the necessary forms have been prepared for the use of the accounting postmasters.

The returns of railway revenue asked from the Department of Railways and Canals, a memorandum on which was submitted to the Treasury Board, 13th October, 1889, are now furnished from the Prince Edward Island Railway. None have yet come to hand from the Intercolonial Railway. I wrote to you in reference thereto on 27th May and 5th June last.

When asked for returns of collectors of canal tolls in accordance with the Treasury Minute, the department replied on 7th January, 1891, that returns were received in the department giving details under the heads of "Tolls, Wharfage, Hydraulic Rents and other accounts," together with "Let passes and receipts for each class of revenue," all of which were at my disposal. It was also stated, that to comply with my request that each collector should furnish a copy of his cash book, would entail a very considerable expense. In my reply, dated 13th January, 1891, I pointed out that the Treasury Board had passed a minute directing all collectors to make a copy of the cash books kept by them; that the returns now furnished to the department were but summaries; that the "Let-passes" and receipts referred to, to be of any use, would have to be set down on a statement according to dates, added up, &c.—in other words, a copy of the cash book would have to be prepared in this office; that a copy of the cash book showing the date of each payment, the name of the payer, the number of the entry, the service or object of the payment, and the amount paid, would be *prima facie* evidence, that all the collections made had been entered, and it could serve as a basis for checking the passes and entries, if such was deemed advisable; that the extra cost of furnishing the return asked for could not be much, as there were only four or five offices in which the staff now engaged would not have ample time to make them out, and in these large offices it would take a clerk not more than three days each month to make the necessary copy; that the work of the staff being greatly reduced after the close of navigation, any part of the returns in arrears could then be made out.

I have had no reply to this letter, and as far as I am aware no steps have been taken to furnish the returns.

The Departments of Customs and Inland Revenue now furnish the returns of their collectors, but these returns only give summaries of the receipts, instead of details. It is claimed in effect by the officials of both these departments that their system of auditing the revenue accounts is as complete as it is possible to have it; that it would entail considerable expense to furnish the copies of the collectors' cash book; that the copy when furnished would not afford this office the means of making any efficient audit; and they suggest that the auditing be done by clerks from the Audit Office working in the respective departments.

An impression that the system of auditing the revenue by these departments must be thorough led me, when I first took up the work of examining revenue accounts, to

devote the available energies of this office to the accounts of these departments, which, being disbursing departments, might not have as thorough a system of auditing the revenue accounts.

With regard to the extra expense the furnishing these returns would cause, it should be borne in mind that they are only copies, and the work, even in a large office, cannot be very great if done day by day. An examination was recently made at the Custom house, in Montreal, at which port there are probably more cash entries each day than in any other revenue office in the country, and it was found that the return asked for could be prepared by an officer in the Surveyor's branch without any additional expense.

As the returns asked for must agree in the totals with the returns now furnished, I do not understand why additional work would be thrown on the department to check them.

It is not claimed that with this return a complete and effective audit of the revenue could be made; but with such a statement, showing in detail the collections and the deposit made in acquittance, certified by the collector, an audit as to point 3 can be made. It would show the date of each payment, the name of the payer, the number of the entry, the service or object of the payment, and the amount paid, and be *prima facie* evidence that all the collections made had been entered. It would also serve as a basis for checking the entries covering any particular period, if it should be deemed advisable to have such further test made by this office.

In my opinion, there is very great objection to accepting the suggestion that, instead of getting this return, clerks should be sent from this office to do the work in the respective departments. To do so would be altogether foreign to the whole practice of the office so far, which is that the auditing shall be done by clerks stationed in the Audit Office, under my direct supervision and control. It is advisable, and indeed necessary, on occasions, that a clerk from this office should be sent to a department or to an outside office, to prosecute an enquiry; but I am very strongly of the opinion that, if the whole work of auditing were to be done in that way, it would be attended with very unsatisfactory results.

The early attention of the Treasury Board is requested to the present position of these departments, as without these returns I am unable to carry out the instructions of the Board.

I have the honour to be, Sir, your obedient servant,

The Secretary, Treasury Board.

J. L. McDOUGALL, A.G.

5404. In England, are the clerks of the Auditor General's office sent out to examine the books in the departments, or are copies of the cash books sent to the office?—The copies are sent to the office. They rely greatly on the test audit, that is, sending a person to examine the books at a time when there is no reason to expect him and at a place where he is not expected.

5405. With regard to the expenditure?—I have thought that some illustrations would show the system in regard to the expenditure better than a statement, and how impossible it is for certain irregularities in the departments to be detected by the Auditor General.

5406. Do you not know as a matter of fact that vouchers have been made out by fictitious persons?—Yes. It is my duty to see that there are proper certificates.

5407. But the evidence showed that they were certified, did it not?—Yes. It showed that the Deputy Minister and the Accountant were responsible. In my report of this year to the House I am communicating the amount of expenditure which has been irregularly made. No system, unless a very expensive one, so far as the Audit Office is concerned, could possibly prevent such a thing occurring. I produce vouchers for some of the payments made to fictitious persons to illustrate what I say.

5408. All these are cases of post audit?—Yes.

(NOTE.—The Auditor General submitted the vouchers in such cases, from which it was apparent to the Commission that unless something had been communicated to him beforehand, there was no way in which he could discover the irregularities.)

5409. Do you know that an officer guilty of such an irregularity would be liable to a criminal prosecution?—Yes.

5410. And you probably think that cannot be made too public?—Yes.

5411. Now that these circumstances are known, can you devise a plan by which these irregularities may be prevented in the future?—I do not think this particular class of offence is likely to occur again. But if it were to be considered advisable to take measures in the departments to guard against it, the only thing I can think of is a strongly worded certificate, instead of the mere writing of the name across an account. Men will sometime sign a certificate that means a certain thing who would not sign it if its meaning were more distinctly stated.

5412. Could you insist upon that?—I could recommend to the Treasury Board the adoption of such a certificate.

5413. But there would be no necessity for that if the responsible officers took the right view of the matter, and were careful not to go outside of their duty?—That is quite true.

5414. The services for which these charges have been irregularly made have been performed, and the Government has received fair value?—I presume so. Extra work, however, is done in the other offices, the Audit Office among them, where the clerks get no extra pay. As I understand the Civil Service Act and the regulation of the Government based upon that Act, an official is not supposed to have the right to leave his office at 4 o'clock. He knows that there is an Order in Council providing that he can be asked by the deputy of his department to stay as long as he is required—not all the year around, but on exceptional occasions.

5415. Do you not think it would be desirable to place on the face of the statute, where it will be seen by everybody, a statement of the liability of public officials to render public services when called upon?—That is my view exactly.

5416. There is this about these irregular payments, that if the work for which they have been made had been performed by temporary clerks, the payments would have been regularly made to the latter in their own names?—Oh, yes.

5417. A few thousand dollars would cover all the payments?—I think that about \$8,000 would cover them.

5418. This was the inevitable result of a bad system in force in the departments?—Yes. The irregularities in the Public Works Department were owing to their not taking stock as carefully as they might. Having regard to the magnitude of the interests at stake, the irregularities are not, after all, of a very serious character.

5419. We suppose you are aware that even in England there have recently been enormous losses in the Metropolitan Board of Works?—Yes.

5420. You think the irregularities in the Public Works Department could be prevented by a better method of stock taking?—Yes.

5421. What is your difference with the Post Office Department with respect to their audit?—The only thing I know of is in regard to my keeping the vouchers. The Public Works Department get, I think, three copies of their vouchers, the Railway Department four. The Inland Revenue Department got the same number as the Post Office Department, but they sent the vouchers to me with the understanding that they do not require them afterwards. The Post Office Department say that they want these vouchers returned to them, as members of Parliament during the session sometimes want to consult the department on questions connected with these vouchers, and in which their constituents are interested.

5422. And you think the only remedy is for the department to get the vouchers in duplicate?—Yes, that would be the way to cure the difficulty.

5423. Then the trouble is only about duplicating vouchers? That is all.

5424. Is there any trouble with any other department besides the Post Office Department in regard to vouchers?—No.

5425. Another department wanted your powers and the departmental powers better defined in the 33rd section of the Audit Act. Have you anything to say about that?—In my view that is the most useful part of the whole Audit Act. There is one weak-

ness in it. It says: "No payment shall be authorized by the Auditor General in respect of work performed, or material supplied, by any person in connection with any part of the public service of Canada, unless, in addition to any other voucher or certificate which is required in that behalf, the officer, under whose special charge such part of the public service is, certifies that such work has been performed, or such materials supplied, as the case may be, and that the price charged is according to contract, or if not covered by contract, is fair and just." It seems to me that it ought to be defined what a contract is, and I am surprised that point has not been raised. One might suppose that a contract could be made without a tender, and if so, I might be prevented from asking that the prices are fair and just. But it seems reasonable that contract here means a contract after tenders have been called for. Even in the case of a contract given to the lowest tenderer, the proper officer might not be able to certify that the prices were fair and just. It seems absurd that if the department itself gave a contract without a tender, the Audit Office should be excluded from the right of asking whether the prices were fair and just. A department might give prices altogether too high under a contract.

5426. But after all, in the case of contract, the department would be bound to pay the price contracted for, and could be forced to pay it in a court of law, and therefore though you might criticise the contract you could not stop the payment?—The question is how can the public money be saved, that is to say, be used for legitimate purposes and in the most economical way.

5427. One way is to give Parliament a knowledge of an improvident contract, which you have power to do, and let Parliament criticise it?—Yes. Suppose, in a matter like printing, a department makes an agreement with a printer to pay him so much for printing. Perhaps the Minister who does this thinks the prices are just, and it happens that they are two or three prices too high. — There is a contract.

5428. A contract has to be made by a competent authority, and you might see the contract in order to ascertain whether it is made under competent authority or according to the statute; but once you find that a contract is binding on the Crown, it must be carried out, and to attempt to delay payment would only add to the cost. You have a right to know whether there is a legal contract or not, but having found that there is, all you can do is to see that the payment is made according to the terms of the contract; but if you think it is an improvident contract, you have power to call witnesses to throw light upon it for the benefit of Parliament?—Yes.

5429. A contract was made some years ago with one of the departments for the supply of goods for Government House?—Yes.

5430. You took legal advice as to the payment for those?—Yes.

5431. What opinion did your adviser give you as to calling for the certificates?—I had reason to believe that the prices were too high. Certain accounts were sent in, but the goods had been bought in England and had been entered at the Custom house. From the Customs Department I ascertained the prices that had been paid, and the amount of duty. Then I said, you can have a certain profit on these goods; if you think the profit I am allowing you is not sufficient, bring me evidence from dealers to show that you ought to have a higher rate, selling this quantity of goods. He did not do this, and I passed a certificate allowing him \$4,000 instead of the \$6,000 which he claimed.

5432. That was not a case in which the man had a contract?—No, that was not a contract.

5433. Have you anything to say about the forms of certificates for services performed?—It would be a very good thing. I think, if we could get a form of certificate.

5434. That is to say, that people would have to certify to something?—Yes, as to services performed so as to prevent, so far as permanent officials are concerned, the charging of time when the service is not really performed. Of course, there would be great difficulty in doing anything if a man really attends his office. That would have to depend to a great extent on the sensitiveness of his superiors. But there should be

some means of preventing people drawing pay who are systematically absent for lengthened periods of time. So far as the permanent officials are concerned, there is a pay-list which is signed, but there is no certificate that the work has been performed, that is to say, that the man has attended at the office. I think there should be something to secure attendance for the time during which pay runs.

5435. Necessarily your powers are to a great extent inquisitorial?—Yes.

5436. Have any of the departments complained of the manner in which your officers have inspected them?—Yes. The Public Works Department have complained about our mode of dealing with them—as being indicative of suspicions.

5437. And harsh?—Yes. But generally, I must say I am rather surprised that there have not been more complaints. I have been treated so very well usually, that I am not quite sure that I could treat others as well as they treat me if our positions were reversed. The other day a Minister made objection to my letters, indicating that the Audit Office had no confidence in the way the work was done in his department; but in this particular instance, before the interview ended the Minister was quite satisfied that there was no such intention. A man would have to be very conciliatory if he could do his work in the Audit Office, and be a popular officer.

5438. You impress on your officers the necessity of being conciliatory in their dealings with the departments?—Yes. I have always said that in the Audit Office that it is very necessary that the officials should be as agreeable as possible, because one can do so much more. I urge on the staff to explain that what they do is done because it is necessary under the law.

5439. Are you aware that any of the departments suffer through the impecunious habits of the clerks, or because of their liability to arrest under judgment summonses?—I cannot speak directly with reference to other officers than those in the Audit Office. The clerks in the Audit Office are in a much better position than they were at one time, and I cannot say that we suffer greatly from that cause—in fact, I am sure we do not. There are one or two cases in which we do suffer, not from a man being put in jail, but from his being impecunious and being dunned, and in that way being unfitted for his work. I think a regulation in reference to this matter would have this indirect advantage, that the men would be careful not to get into that position, so that it would be a benefit to themselves as well as to the service.

5440. The Government could make a regulation and give instructions to the police to prevent officers being dunned during office hours?—Yes.

5441. You do not think the number of such cases is at all large compared with the number in the service?—I do not know anything about the other departments, but in the Audit Office we have had one or two cases of the kind. No case has gone as far as arrest; but on pay day men come into the office looking for the debtor. Every other man in the Audit Office, so far as I know, is free from that kind of importunity; there are 25 there. It seems to me that if we had a regulation providing that this conduct would lead to dismissal, there would not be so much of it.

5442. Do you not think that too many commissions are issued to officers in the public service?—I cannot see why they are necessary. After all, it is for the man's services that the commission is issued, and if you charge him a fee for it you are simply paying money with one hand and getting it with another. If it is necessary that a man should have a commission, I think it should be given to him without charge, but I think the Order in Council making the appointment ought to be sufficient. We have to write letters to ascertain whether men have paid for their commissions. It is really making work for nothing.

5443. Your officers are considerably distributed throughout the building, some being on the ground floor and some in the attic?—Yes.

5444. Of course that is a great inconvenience?—Yes.

5445. Is there an elevator?—No.

5446. We suppose there ought to be?—Oh, yes.

5447. Have you anything to say about the structural deficiencies of the office?—There are deficiencies in the Eastern Block which cannot be cured. It would be a

great deal better for the work of the Audit Office if we had all our people together in larger rooms.

5448. Could any of the rooms in the attic be thrown together?—I do not know.

5449. You have had some trouble in regard to the printing of the Intercolonial Railway?—Yes, of course, the printing comes under the Act which requires all printing to be done under the control of the Queen's Printer. But the Intercolonial does not follow the law; its printing is done in the Lower Provinces.

5450. Have you anything to say about the termination of the fiscal year?—My view is that our fiscal year should terminate on the 31st of March. I recommended that in the first report I made to the House (and I do not see any reason for changing my opinion), for the reason I mentioned there, that by that means the whole business of an open season would be included in one fiscal year.

5451. That would necessitate what has since happened, a prompt going into supply?—Yes.

5452. And the House would take up the supplementary estimates first?—Yes, and instead of disposing of the supplies in one bill, there could be several supply bills, as there were last year.

5453. The date for the end of the fiscal year has been changed several times in England?—Not in the last half century. It is the 31st of March now.

5454. In the United States also there have been movements in favour of changing the fiscal year?—Yes.

5455. The practical defect at present is that it is in the middle of a working season that the vote begins?—Yes, and supplementary estimates are required. That seems to be the great difficulty.

5456. Another difficulty is that the season is half gone before the vote is available?—Yes, and there has to be a second amount in the supplementary estimates for the year accruing and a certain amount in the other estimates, whereas, if the year were changed, only one estimate would be required.

5457. Have you any other suggestions to make to the Commission?—I think that stock-taking should be a general practice in all the departments, and that it should be the duty of the Audit Office to see that the stock is taken. The Department of Justice have informed me that under the Audit Act I have no power to ask for stocks accounts, and that the power must be given by legislation.

5458. It could be done voluntarily by the passing of an Order in Council?—Yes.

5459. Does not the Stationery Act provide for this kind of an audit by you?—Yes, and I have the stock examined. The Marine Department send a statement of their stock. The Railway Department do not object, but they have stock scattered all over the country. We wanted to get a statement of stock from the Public Works Department, they having to do with so many things. Even if we had power to examine the stock, I do not know how we could prevent considerable loss, but something would be done to make it less than it is.

Mr. JOSEPH MARMETTE, called and examined:—

5460. What is your position?—I am Assistant Archivist under Mr. Brymner.

5461. Do you know that there are archives kept in the different departments?—Yes.

5462. We want your opinion on the subject of having them all under one roof and one management?—I am completely of the opinion that they ought to be altogether. There are two kinds of archives—living archives, that is to say, all Orders in Council within say the past ten years; and historical archives, which include the older Orders in Council. These ought all to be kept together.

5463. Is it your opinion that there would be advantages in having all the historical archives placed under the same roof and the same control?—Yes.

Mr. EDOUARD G. DEVILLE, Surveyor General of the Department of the Interior was examined:—

5464. What is your position in the Department of the Interior?—Surveyor General.

5465. How long have you held that position?—Since 1885, I believe.

5466. Where is your office?—Over the Bank of Ottawa.

5467. You are entirely away from the department?—Yes.

5468. And your clerks are under your own control?—Yes.

5469. Will you kindly tell the Commission anything you wish to mention in respect of that office?—I entered the service of the Department of the Interior in 1881. From that time up to and including the fiscal year 1889-90, there has been expended for Dominion Land surveys on capital account \$2,800,000, the total expenditure of the department during the same period being \$4,500,000. The details are shown in the following statement:—

STATEMENT of the Expenditure of the Department of the Interior, from 1881 to 1890, inclusive.

Year.	Income Account.	Capital Account.	Contingencies Account.	Ordnance and Land Account.	Total.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1881-82..	81,899 57	511,882 32	14,016 18	2,507 63	610,305 70
1882-83..	115,746 90	562,221 30	14,333 57	2,391 64	694,693 41
1883-84..	166,898 69	728,441 33	20,323 55	2,824 78	918,488 35
1884-85..	178,727 29	303,592 66	17,950 53	1,947 93	501,328 41
1885-86..	194,965 58	139,316 99	31,414 84	4,952 32	370,649 73
1886-87..	193,725 71	163,687 45	23,360 67	3,310 17	385,484 00
1887-88..	184,548 04	136,006 02	22,127 02	3,611 81	346,295 89
1888-89..	188,759 22	130,977 51	19,301 05	3,163 30	342,201 08
1889-90..	173,574 29	133,998 45	17,419 64	4,915 19	329,907 57
Total..	1,480,845 29	2,809,527 03	180,257 05	28,724 77	4,499,354 14

With a few trifling exceptions all payments on capital have been made on accounts marked by me "recommended," so that I am responsible for about two-thirds of the expenditure of the department. The rules by which I was governed in recommending these accounts are as follows: When I was satisfied that all the items in an account were proper charges against the Government, I recommended the account; it was paid as a matter of course. In such cases I consider that I am personally responsible for the whole of the account. When I objected to certain items, I either requested the person presenting the account to strike out these items, or I submitted my objections to my immediate superior (the Surveyor General and later on the Deputy Minister.) If my objections were sustained the items were struck out; if they were not sustained, I recommended the payment of the account, but in these cases I did not consider that I was responsible for the items to which I objected. It appears that I was mistaken.

5470. Do you say that you were told that you were responsible for things after having objected to them?—I infer it from the answers given to my enquiries on the meaning of my recommendation of accounts.

5471. That the accounts were not paid on your recommendation, on the contrary, that you objected to them, and yet you were held responsible for them?—I always recommended the accounts. What I did was to submit objections, but if they were overruled, then I recommended the account. In order to prevent such misunderstandings in future, I lately asked the meaning of a certificate which I have to endorse on plans of surveys. I wrote to the deputy minister as follows:

"I can find no instructions to the Surveyor General, either in the Statutes or in the records of this office directing him to approve and confirm plans of Dominion Lands

although this has been the practice of the Surveyor General since the inception of the surveys. I respectfully ask whether it is right that plans of surveys of Dominion Lands should be approved and confirmed by the Surveyor General, and if so what is the exact meaning of these words, and what responsibility is assumed by the Surveyor General in approving and confirming a plan of survey." The deputy minister answered by direction as follows :—

"It is not only right but absolutely necessary that the plans and surveys to which you refer should be approved and confirmed by you, that being a duty imposed upon you by this department. In certifying such approval and confirmation you are officially and personally responsible for the accuracy of your certificate in so far as the means of testing that accuracy are placed at your disposal by the department."

Now I cannot obtain a clear meaning of this : I am not told what is the meaning of the words, "approved and confirmed," which I put on the plans, and the extent of my responsibility, so far as I can make out from the explanation given, does not seem to be at all limited.

On another reference on the meaning of my recommendation of accounts I was informed by the deputy minister that the remarks made about approving and confirming plans would apply to this case to a certain extent, so that my responsibility appears to be as unlimited for accounts as it is for plans of survey.

My object in submitting this statement is to point out that certificates should be expressed in plain language, having a clear meaning, and not by conventional words which have no meaning but that which may be agreed upon, and which can of course be changed at any time. I have no objection to assume any amount of responsibility, but I would like to have it made plain and expressed in plain language.

5472. Is there any particular form of recommendation which you would suggest, so that it would be so precise as to have only one meaning?—No; there is none. It is a matter which should rest entirely with the Minister, as it depends upon the amount of responsibility which it is desired to leave to me.

5473. If you had to certify as correct, you would hesitate more than you would if your certificate simply recommended?—I would, because I can recommend things which I could not certify as correct.

5474. Does not "recommend" mean that you are satisfied that an account is one that ought to be paid?—Not at all, if I am told by superiors that it must be paid.

5475. Do you not think that in that case you should tell him that he had better recommend it himself?—I am not in a position to tell him that. What I wish is to have the extent of my responsibility defined.

Mr. FREDERIC N. GISBORNE, Superintendent of Dominion Government Telegraphs, was examined :—

5476. You are the Superintendent of the Dominion Government Telegraphs?—Yes.

5477. You have a statement to make to the Commission?—I have to submit sectional maps which show the eleven different systems into which the Government Telegraph Service is divided, there being nine maps. I also submit four maps showing every telegraph station throughout the Dominion. I submit also a statement showing the capital that has been invested by the Government in the telegraph service since it was established under my supervision of 1879. Since that time we have spent \$700,770 on capital account and \$672,675 in maintenance, or a total expenditure of \$1,373,445 for the ten years. I also submit a statement showing the lengths of the different land lines and cables at present owned by the Government, with the number of messages. There is a total of 2,304 miles of poles, and 22 submarine cables of 203 knots in length. There are 142 stations, and we sent last year 39,550 paid messages; all the messages on the meteorological service, the signal service and the fishery bulletins going free. I also submit a statement giving a complete list of all the operators, with their names, their stations, their salaries, and the date of their appointment. Altogether we have 54 paid

operators. I also submit a list of our commission agents, numbering 92. We do not pay them any salaries, but we allow them 25 per cent commission on the messages they send and receive, and in most instances we guarantee them not less than \$50 a year. This is perhaps the cheapest telegraph service in the world.

5478. We presume that as fast as the service becomes a paying one you dispose of it to a company?—Yes; as the object of the Government lines is to afford necessary connections for outlying districts, whenever a company extends its lines into any territory occupied by the Government, we dispose of them rather than compete for business. We have disposed of portions of some such lines to the Canadian Pacific Railway. I also submit a copy of a report which I sent to the Minister of Public Works in 1890, which contains the recommendations made by a Committee of the House of Commons in 1876. They recommended that a certain number of land lines and cables should be provided, and since then the Government have carried out all their recommendations and several additional lines also. There are three or four others which I strongly recommended in order to complete the telegraph and signal services. For instance, we ought to have cables extended to the Straits of Belle Isle and to Sable Island. This report shows that the reduction which has been made in the rates of marine insurance in the gulf since these lines have been constructed is so very great that the cost of maintenance is a mere bagatelle compared to what is saved to the country at large by that reduction. The Committee of the House of Commons expected that there would be a reduction of 12½ per cent in the cost of insurance, whereas it has actually been 50 per cent. So that we spend \$30,000 or \$40,000 a year more than our receipts, but we save the community at least ten times that amount annually.

5479. Do you mean to say that the reduction has been on all classes of vessels?—All classes.

5480. On sailing vessels as well as steamers?—Yes; on both.

5481. Are you satisfied that this reduction is because of your service, as well as being after its establishment?—In a great measure, yes.

5482. What evidence have you of that?—When vessels are disabled, by means of telegraph service tugs are sent to them more quickly, and in this way many vessels and cargoes as well as lives have been saved.

5483. Have you any statement of the casualties at sea, showing the reduction of losses which has taken place?—Yes; we have such record at command, and we have a map of the Gulf showing where every vessel has been wrecked.

5484. The cable enables vessels to get early assistance?—Yes.

5485. Have any of the Government telegraph lines become useless now?—No; none of them.

5486. They are all equally useful?—Equally useful. The only cable we have removed was the one from Bird Rocks. We did so because in eight winters out of ten it was destroyed by ice, and was thus rendered useless at the very time when most needed. We took that cable up last year and relaid it to St. Paul's Island, which is a much less dangerous point for vessels to make than Bird Rocks. After several years' experience with the Government telegraph lines, I framed a set of rules, in both English and French, regulating the service. These rules are, I believe, very perfect. We have sent copies of them abroad, and have received letters from foreign governments highly commending them. I submit copies of these rules to the Commission. These, with the other exhibits, will explain the extent and value of the service.

5487. Have you any further suggestions to make?—I have only two. One is, that I think that the salaried telegraph operators who have been five years in the service, and who by their experience have become valuable servants, ought to be made permanent clerks.

5488. How much are they paid at present?—Various salaries, ranging from \$500 up to \$1,000 per annum; but the average is less than \$50 a month. This permanency is the only thing these employees have to look forward to. One of them has been twenty years in the service, eleven have been ten years in the service, and twelve have been five years in the service.

5489. But it cannot be said that their employment in the public service unfits them for outside work, because they are telegraph operators who would find employment with telegraph companies?—I suppose they could, but I suggest permanency as their reward.

5490. Do they do anything else?—No, they are exclusively employed in the Government service. Salaried operators are not allowed to do anything else, and no operator is retained if he is not worth his salt after five years' service. To put them on the permanent list after five years' service would be an inducement and a reward for faithful service.

5491. How would that improve their position or make it any more permanent? You could dismiss them?—Yes, for dereliction of duty; but there is a new rule that a permanent clerk gets a certain number of holidays which are not deducted from his salary, but those not on the permanent list do not get them. In some cases holidays are absolutely necessary to keep the men in a healthy condition of mind. In the North-West we have men who live 30 miles from any one else, and if such men are kept at work for five years without receiving a holiday, some of them would be ready for a lunatic asylum. The rule hitherto adopted is to allow the operators in the North-West three weeks holidays in the year, or six weeks every two years, as it would take half that time to get to their homes in Lower Canada. They have, however, to pay their own travelling expenses.

5492. Is there anything to prevent the Government passing an Order in Council authorizing the telegraph operators to have three weeks' holidays?—No, that is what has hitherto been granted. It has been stopped only in the last few weeks. I may state that I have been twelve years in the service myself, and am not on the permanent list. I was appointed by Order in Council. My chief clerk, who is a very able assistant, has been ten years in the service, and he is not on the permanent list.

5493. Is not the theory that as soon as these lines become self-sustaining the service ends, so that practically after a time there will be no government telegraph service?—No. There must necessarily always be such a service. For instance you will get no company to take over the telegraph system in the Gulf, and telegraph lines will always be required in the settlement of new territory.

5494. You say you have sold some of these lines to the Canadian Pacific Railway Company. Were they sold or abandoned?—They were sold for cash.

5495. Did you get anything like cost price for them?—Yes, we got the value of the cables, poles and wires as they stood.

5496. Are these lines constructed by tender and contract?—Yes, always.

5497. Do you always accept the lowest tender?—Yes, I have never known an instance in which the lowest tender was not accepted. We have had no disputes or lawsuits in connection with any of our contracts.

5498. Is work ever undertaken without your previously having a contract—i. e. a sufficient document?—No, a regular contract is always entered into. We are most particular about that requirement.

Telegraph Lines Generally.

Memo. of Outlay on Construction and Maintenance compiled from Accountant's Statements, Annual Reports P.W.D.

Year.	Con- struction.	Main- tenance.	Total.
	\$	\$	\$
1879-80.....	20,936	35,578	56,514
1880-81.....	246,078	29,801	275,879
1881-82.....	54,506	53,555	108,061
1882-83.....	84,783	51,887	136,670
1883-84.....	48,841	78,059	126,900
1884-85.....	49,098	82,273	132,271
1885-86.....	29,648	87,814	117,462
1886-87.....	49,886	53,663	103,549
1887-88.....	48,085	55,995	104,080
1888-89.....	41,225	79,154	120,379
1889-90.....	26,784	64,896	91,680
	700,770	672,675	1,373,445

Comparison of Maintenance and Revenue Figures.

REVENUE Figures Corresponding with Auditor General's Statements.

Year.	Main- tenance.	Revenue.	Deficit.
	\$	\$	\$
1887-88.....	55,995	15,801	40,194
1888-89.....	79,154	12,817	66,337
1889-90.....	64,896	11,829	53,067
1890-91.....		13,230	

Total length of Lands Lines and Cables at present in operation, January, 1892 --
Reference detailed statement herewith :

	Miles.
Land Lines.....	2,343 3/4
Cables.....	203 3/4
Total.....	2,547

Total number of offices established, January, 1892, 142.

Average number of paid messages on all lines per annum, 39,550.

Telegraph Lines Generally.

Location and lengths of lines operated and maintained by or for the Government, number of offices, and average number of messages handled annually :—

Location of Lines.	Lengths in Miles.	Land Lines Cables.	Total.	Number of Offices.	Sent messages per annum.
<i>Newfoundland—</i>					
Port au Basque to Cape Ray.....	11		14	2	
<i>Nova Scotia—</i>					
North Sydney to Meat Cove.....	127½	½	128½	12	5,700
Low Point to Lingan.....	5		5	2	
Barrington to Cape Sable Light House.....	16	1½	17½	3	450
Mabou and Cheticamp.....	63		63	5	2,000
<i>New Brunswick—</i>					
Eastport to Campobello, Grand Manan.....	34	10½	44½	7	600
Chatham to Escuminac.....	42		42	5	750
<i>Quebec—</i>					
Magdalen Islands and to Meat Cove.....	83½	55½	138½	9	500
Meat Cove to St. Paul's Island.....		18½	18½	2	50
Anticosti Island and to Long Point.....	9	20½	29½		
do Gaspé.....	242	41½	283½	10	500
North Shore of St. Lawrence to Pointe Esqui- maux.....	456½	39½	496	35	
Bay St. Paul to Chicoutimi.....	92		92	6	18,400
Grosse Isle Quarantine.....	46	4½	50½	7	3,400
<i>Ontario—</i>					
Pelée Island and to Leamington.....	23	8½	31½	7	500
<i>North West Territories—</i>					
Qu'Appelle to Edmonton and St. Albert.....	607½		607½	14	4,200
Moose Jaw to Wood Mountain.....	90½		90½	2	250
<i>British Columbia—</i>					
Ashcroft to Barkerville.....	276½		276½	8	2,000
Victoria to Cape Beale.....	115		115	6	250
Totals.....	2,343½	203½	2,547½	142	39,550

Meteorological and Signal Service messages and Fishery Reports are handled free of charge and are not included in the count.

SALARIES—Government Telegraph Service.

Name.	Position.	Station.	Salary.	Appoint- ment.
			\$ cts.	
Jas. Stone	Operator	Barkerville, B.C.	936 00	Feb. 17, '72
F. N. Gisborne	General Supt.	Ottawa	3,000 00	May 1, '79
Hartley Gisborne	District Supt.	Qu'Appelle, N.W.T.	1,500 00	Mar. 1, '80
A. Le Bourdais	do	Grindstone, Magd.	500 00	Aug. 17, '80
Grace Pope	do	S. W. Point, Anticosti	300 00	Oct. 18, '80
A. B. McDonald	Operator	Meat Cove, C.B.	420 00	Nov. 7, '80
C. C. Seely	District Supt.	Flagg's Cove, Grand Manan	420 00	do 18, '80
J. A. Le Bourdais	Operator	Clinton	600 00	Aug. 17, '81
P. Pelletier	do	Etang du Nord	400 00	Dec. 1, '81
J. J. Annett	do	Gaspé	150 00	Oct. 16, '81
D. H. Keely	Assistant Supt.	Ottawa	1,500 00	Mar. 1, '82
A. Taylor	Operator	Edmonton, N.W.T.	420 00	do 1, '82
W. McKay	Repairer	do	720 00	Oct. 2, '82
E. W. Warner	Operator	Qu'Appelle, N.W.T.	720 00	Jan. 1, '83
A. Von Lindeburg	do	Touchwood, N.W.T.	900 00	Nov. 1, '83
P. E. Vignault	do	Seven Islands	180 00	Jan. 2, '84
W. C. Gillis	do	Victoria, N.W.T.	720 00	Aug. 4, '84
E. Pope	District Supt.	Quebec	600 00	April 1, '85
H. L. Good	Operator	CACHE Creek, B.C.	720 00	Feb. 16, '85
E. H. Tétu	District Supt.	Pentecost	1,008 00	Oct. 1, '85
W. Salisbury	Operator	Henrietta, N.W.T.	720 00	May 1, '86
L. P. O. Noel	do	Battleford, N.W.T.	720 00	Aug. 26, '86
H. Sikes	Repairer	do	600 00	May 1, '87
N. Potvin	Operator	Saddle Lake, N.W.T.	600 00	Oct. 25, '87
J. Harrington	Repairer	Humboldt, N.W.T.	600 00	Dec. 9, '87
A. Gauthier	do	La Cruche	420 00	May 15, '87
R. T. Clinch	Superintendent	Cheticamp, St. John, N.B.	150 00	July 1, '87
E. Coultron	Repairer	Sault au Cochon	420 00	April 1, '88
N. Clark	Operator	Grosse Isle, Manitoulin Islands	200 00	June 1, '88
A. Theriault	do	St. Marguerite	180 00	July 1, '88
J. F. Lake	do	Fort Pitt, N.W.T.	720 00	May 9, '89
E. Voyer	Relieving Officer	do	600 00	Sept. 26, '89
A. Guimont	Operator	Humboldt, N.W.T.	600 00	May 17, '89
A. Lausier	do	Point aux Esquimaux	420 00	Oct. 15, '89
P. Gallienne	Chief Repairer	Seven Islands, North Shore	540 00	April 22, '90
J. H. Thompson	Operator	Wood Mountain, N.W.T.	180 00	July 1, '90
F. C. Ouillette	do	Manicouagan	500 00	Aug. 10, '90
H. Caron	Repairer	River Canard	420 00	Oct. 1, '90
L. Picard	Operator	Moose, N.W.T.	600 00	June 9, '91
F. Carbray	Repairer	Salt Lake	360 00	July 1, '91
E. Johnstone	Operator	Fort Qu'Appelle	600 00	Aug. 1, '91
J. Vibert	do	Long Point	180 00	Sept. 1, '91
P. A. Cox	do	Cape Beale, B.C.	180 00	Nov. 1, '91
W. P. Daykin	do	Carmanah, B.C.	240 00	do 1, '91
F. S. Sharpnel	do	San Juan, B.C.	720 00	do 1, '91
L. Armstrong	do	Otter Point	600 00	do 1, '91
I. Des Biens	Repairer	Jordan River	600 00	do 1, '91
C. J. Dayton	do	Carmanah (West)	540 00	do 1, '91
E. B. Dayton	do	do (East)	540 00	do 1, '91
A. Wilcox	An Operator	Victoria (C.P.R.)	240 00	do 1, '91
J. St. Laurent	Operator	Moose Jaw, N.W.T.	240 00	Dec. 1, '91
J. Wilson	do	Saskatoon, N.W.T.	300 00	do 15, '91
R. Keeley	Superintendent	Vancouver, B.C.	300 00	do 23, '91
	Clerk	Ottawa	730 00	

GOVERNMENT Telegraph Service.—Agents at Commission Offices.

Name.	Position.	Station.
Anglo-American Co.	Operator.....	Port au Basque, Nfld. }
do	do	Cape Ray Lighthouse. } Annually, \$250.
J. Stobbert.....	Agent and operator..	Fox Bay, Anticosti.
T. Gagné.....	do	Heath Point, Anticosti.
A. Nadeau.....	do	South Point do
M. Duguay.....	do	Becscie River do
A. Malouin.....	do	West Point do
F. Cabot.....	do	English Bay do
Miss J. Shea.....	do	Anherst Harbour, Mgd.
Wm. Cormier.....	do	do Island do
Mrs. A. Binet.....	do	Etang du Nord do
N. Arseneau.....	do	do Lighthouse do
Mrs. F. Aickens.....	do	Grand Entry do
P. L. Joncas.....	do	House Harbour do
W. G. Leslie.....	do	Grindstone do
Western Union Telegraph Co.	do	North Sydney, C.B.
R. G. Zwicker.....	do	Aspey Bay do
D. Dunlop.....	do	Baddeck do
E. Livingston.....	do	Big Bras d'Or do
Wm. Brigham.....	do	Englishtown do
J. M. Burke.....	do	Ingonish do
M. McLeod.....	do	Neil's Harbour do
M. C. Campbell.....	do	New Campbelltown.
A. Mousin.....	do	South Gut, St. Anne's.
F. C. Brewer.....	do	do Ingonish do
J. McDonald.....	do	French River do
M. Fiset.....	do	Cheticamp do
M. A. McLellan.....	do	Margaree Har. do
B. M. Ross.....	do	N. E. Margaree do
A. Campbell.....	do	Broad Cove Mines.
M. McDonald.....	do	Mabou.
J. K. Doane.....	do	Cape Sable Lighthouse.
E. A. Smith.....	do	Newelltown.
M. McLennan.....	do	Barrington.
N. A. Williston.....	do	Bay du Vin.
Great North Western Telegraph Co.	do	Chatham.
D. Lewis.....	do	Escuminac.
H. W. Phillips.....	do	Point Escuminac.
M. Bremner.....	do	Hardwicke.
J. G. Peters.....	do	Low Point, C.B.
J. Forrest.....	do	Sault au Cochon.
L. Bouchard.....	do	Portneuf Light.
J. A. Puize.....	do	Mille Vaches.
J. H. Topping.....	do	Escoumains.
N. Savard.....	do	Bergeronnes.
D. G. Savard.....	do	Baie des Roches.
D. Gaudin.....	do	St. Siméon.
A. N. Parent.....	do	St. Fidèle.
N. Duchesne.....	do	Cap à L'aigle.
F. Vincent.....	do	Murray Bay.
F. Boivin.....	do	Bay St. Paul.
A. Boivin.....	do	St. Urbain.
O. Pelletier.....	do	St. Alexis.
A. Gauthier.....	do	La Cruche.
A. Simard.....	do	St. Alphonse.
R. H. Montgomery.....	do	Bersimis.
J. E. Caron.....	do	Tadoussac.
A. Brassard.....	do	Port au Persil.
D. Boily.....	do	Chicoutimi.
G. Bouillane.....	do	River Canard.
J. Mc R. Selkirk.....	District superintendent.	Leamington, Pelée Island, commission only
C. Harrison.....	Agent and operator..	Club House do do
W. A. Grubb.....	do	Point Pelée do do
A. M. McCormick.....	do	West Dock do do
F. B. McCormack.....	do	South Dock do do
C. B. Quick.....	do	North Dock do do
J. E. Quick.....	do	Lighthouse do do
Bell Telephone Co.	Connecting line.....	Leamington do do

GOVERNMENT Telegraph Service.—Agents at Commission Offices.

Name.	Position.	Station.
M. Turcotte.....	Agent and operator.....	St. Pierre, Que., commission
E. Blais.....	do.....	Ste. Petronille do
M. Gobeil.....	do.....	St. Laurent do
P. Pouliot.....	do.....	St. Jean do
M. B. Ennond.....	do.....	St. François do
N. Langlois.....	do.....	Grosse Isle do
J. S. Daggett.....	do.....	Flagg's Cove, Bay of Fundy.
F. A. Newton.....	do.....	Grand Harbour do
Peter Russell.....	do.....	Seal Cove do
A. Batsen.....	do.....	Welsh Pool do
E. Carroll.....	do.....	White Head do
E. Cameron.....	do.....	Woodward's Cove do
D. McKay.....	do.....	Grand Manan do
N. Z. Comeau.....	do.....	Godbout.
J. A. Comeau.....	do.....	Caribou Islands.
V. Faffard.....	do.....	Pointe Des Monts.
Z. Poulin.....	do.....	River Moise.
P. Touzel.....	do.....	Sheldrake.
H. LeBrun.....	do.....	Thunder River.
G. Mulloy.....	do.....	Magpie.
B. Chambers.....	do.....	St. John's River.
G. Maloney.....	do.....	Mingan.

THE DOMINION GOVERNMENT TELEGRAPH SERVICE.

The Superintendent of the Telegraph and Signal Service refers to the recommendations of the Select Committee appointed, in 1876, by the House of Commons, to enquire into the possibility of establishing a sub-marine and land telegraph line system for the River and Gulf of St. Lawrence and Atlantic coast of the Dominion—and to the works since carried out by the Government—and makes the following recommendations :—

1. That a steamer be purchased for the service. Cost, about \$60,000.
2. That cable connection be extended to the Straits of Belle-Isle.
3. That cable connection be made with Sable Island, and
4. That cable connection be made with Scattarie Island, and that a shore line be extended from Main-à-Dieu *via* Louisbourg to St. Peter's, Cape Breton.

THE DOMINION GOVERNMENT TELEGRAPH SERVICE,
OTTAWA, 11th July, 1890.

A. GOBEIL, Esq.
Secretary, Public Works.

SIR,—For the information of the Honourable the Minister of Public Works, I have the honour to report :—

That in the year 1876 a Select Committee was appointed by the House of Commons, Canada, to enquire into the possibility of establishing a sub-marine and land telegraph line system for the River and Gulf of St. Lawrence and Atlantic coast of the Dominion.

Théodore Robitaille, Esq., M.P., was selected as Chairman, and valuable evidence was submitted by the Hon. Dr. Fortin, M.P.; Wm. Smith, Deputy Minister and other officials of the Department of Marine and Fisheries; A. G. Yeo, M.P., Prince Edward Island; P. Power, M.P., Nova Scotia; Hon. Wm. Muirhead, New Brunswick; Sir Donald A. Smith, M.P., Manitoba; Hon. D. E. Price, E. W. Sewell, Harbour Commissioners; N. Rosa, E. H. Dinning, Quebec; W. A. Schwartz, Consul General for

Norway and Sweden ; H. Lyman, President of the Montreal, and Joseph Shehyn, President of the Quebec Boards of Trade ; Lloyds Agency ; and many other gentlemen of experience and note.

From such representative evidence, throughout the Dominion, it appears :—

1. That in 1875, 4,045 vessels of 2,738,376 tonnage, valued at \$129,184,000 ; with crews of 77,927 men navigated the River and Gulf of St. Lawrence, or otherwise entered the ports of Nova Scotia and New Brunswick ; the value of said vessels and cargoes being \$216,282,000, to which must be added coasting and fishing vessels, (which do not appear in the Trade Returns), valued at \$3,500,000, and carrying crews of 205,000 men.

2nd. That during the six previous years, 1869 to 1875, 144 vessels of 58,000 tonnage, valued at \$1,534,000, and 98 lives were lost in the River and Gulf of St. Lawrence ; eight of which were wrecked on St. Paul's Island.

3rd. That a number of such vessels could have been saved had there been any telegraphic connections with Anticosti, the Magdalen and other Islands, whereby timely assistance could have been obtained ; and that terrible sufferings, in some cases resulting in cannibalism, could have been thereby prevented.

4th. That the reduction in insurance rates upon vessels, consequent upon telegraphic facilities would amount to not less than $12\frac{1}{2}$ per cent. = \$210,000, and probably 25 per cent. = \$420,000 per annum.

N.B.—The actual reduction to date has been 50 per cent.

The result of such varied and important testimony was an *unanimous* recommendation, that the Federal Government be petitioned to inaugurate a telegraph and signal service system based upon the following recommendations :—

1st. That a land line be extended from Murray Bay to Mingan ; estimated to be 385 miles in length and to cost \$101,250.

N.B.—Now erected to Point aux Esquimaux, 24 miles east of Mingan. The actual distance being 496 miles (exclusive of the branch lines to Chicoutimi and St. Etienne, 109 miles) and the cost \$111,000.

2nd. A submarine cable from Mingan to Anticosti ; estimated distance, 24 miles, and cost \$36,000.

N.B.—This connection will be completed during the present summer of 1890 ; distance, 24 miles, and probable cost, including services of the S.S. "Newfield," \$16,000.

[*P.S.*—This cable was laid between Mingan and Mechastic Bay, Anticosti, on 22nd August, 1890, distance 20 $\frac{1}{2}$ miles.]

3rd. A submarine cable from Anticosti to Gaspé ; estimated distance, 38 miles ; cost \$57,000.

N.B.—This connection was made in 1880 ; the actual length being 44 $\frac{1}{2}$ miles, and the cost \$48,700.

4th. A land line from Fox Bay to East Cape Anticosti ; estimated distance, 145 miles, and cost \$43,500.

N.B.—This line was constructed in 1880 ; the actual distance being 214 miles, *plus* 28 miles for the Gaspé connection. Total cost, \$38,300.

5th. A submarine cable from the Magdalen Islands to Cape Breton, Nova Scotia ; estimated distance 48 miles, and cost \$72,000.

N.B.—This connection was made in 1880 ; the actual length being 55 miles, and the cost \$60,500.

6th. A submarine cable from Magdalen Islands to Bird Rock ; estimated distance 16 miles and cost \$24,000.

N.B.—This cable was laid in 1880 ; the actual length being 19 $\frac{1}{2}$ miles and cost \$20,000.

[*P.S.*—In consequence of ice movements and rock falls, rendering this cable inoperative 8 years out of 10, the route was abandoned, and 16 knots of the cable having been recovered in good order, it was re-laid, *plus* 4 knots additional cable, between Meat Cove and St. Paul's Island, on 6th September, 1890.]

7th. A land line on the Magdalen Islands ; estimated distance, 38 miles, and cost \$6,840.

V.B.—This line was erected in 1880; actual distance, 83½ miles, and cost \$10,855.
8th. A land line from St. Lawrence Bay to Baddeck, Cape Breton; estimated distance, 75 miles, and cost \$7,500.

V.B.—This line was erected in 1880-81; actual distance, 128½ miles, and cost \$14,465.

9th. A land line from Chatham to Point Escuminac, New Brunswick; estimated distance, 25 miles, and cost \$2,500.

V.B.—This line was erected in 1884; actual distance, 42 miles, and cost \$4,500.

10th. A land line from Matane to Fox River, Gaspé; estimated distance, 165 miles, and cost \$18,500.

V.B.—This line was subsequently erected and maintained by the "Montreal Telegraph Company" in consideration of a bonus, once and for all, of \$16,000.

11th. A submarine cable from St. Paul's Island to Cape Breton; estimated distance, 16 miles, and cost \$24,000.

V.B.—This cable will be laid during the present summer, 1890; the estimated distance being 19 miles, and the probable cost \$3,000, *plus* the value of the old Bird Rock Cable (that connection having been abandoned as too costly and almost impossible to maintain), which is to be utilized for that purpose.

[*P.S.*—This cable, 20½ miles in length, was laid on the 6th September, 1890.]

12th. A land line from Miscou to Shippegan, New Brunswick; estimated distance, 25 miles, and cost \$2,500.

V.B.—This line is again placed upon the Estimates for 1891-92; the actual distance being probably 25 miles, and the cost, including 1½ miles of cable, \$5,200.

13th. Short land line extensions to north and east points, Prince Edward Island; estimated distance, 18 miles, and cost \$1,800.

V.B.—These connections are again placed upon the Estimates for 1891-92; the actual distances being 24 miles, and the probable cost \$3,000.

It will thus be noted that *every one* of the items recommended by the Committee (excepting the inconsiderable items Nos. 12 and 13) have been carried out by the present Administration at a total cost of \$343,320 (*versus* original estimates amounting to \$369,090) although the actual lengths of lines and cables proved to be greatly in excess of such original estimates.

Finally, the Committee strongly recommended that a steamer suitable for cable laying and for towing and wrecking should be attached to the Telegraph Service.

V.B.—Hitherto the S.S. "Newfield" has been utilized for cable work at an annual cost of \$5,000; but there are now so many cables, liable to interruption, that when most required the "Newfield" is not always available. A suitable steamer which could be purchased for about \$60,000, might be attached exclusively to the Telegraph Service, such vessel could be profitably employed in towing, wrecking, &c., when not otherwise engaged upon the Telegraph Service.

Over and above the recommendations of the Special Committee of 1876, the Federal Government have added the following submarine and land line connections to their Gulf and Coast telegraph systems.

1st.—A coast land line from Canso to Halifax; distance 208 miles; cost \$18,500.

2nd.—A submarine cable and land lines connecting Campobello and Grand Manan Islands with New Brunswick; distance, 29 miles; cost \$11,000. (*Plus* an extension to Whitehead Island, September, 1890; distance, 6 miles.)

3rd.—A coast land line from Mabou to Cheticamp, Cape Breton; distance, 53 miles; cost \$6,000.

4th.—Submarine cables and land lines from Barrington to Cape Sable Island, Nova Scotia; distance 17½ miles; cost \$3,500.

5th.—Submarine cables between Digby, Long and Brier Islands, Nova Scotia; lengths, 1½ miles, cost \$3,000.

6th.—Submarine cables and land lines from Quebec and Grosse Isle Quarantine Station; distance, 52 miles, cost \$22,200.

The annual cost of maintenance of all the foregoing connections, during 1889-1890, amounted to \$36,660, less \$6,403 revenue. All Meteorological, Shipping and Fishery Bulletin reports having been transmitted free of charge.

☞ The actual general reduction in Marine insurance premiums since 1875-76 has been 50 per cent; and, through the telegraph and other facilities, vessels navigating Canadian waters have benefited in like ratio; thus the cost of maintenance, \$30,257, plus the annual interest upon \$389,000 at 4 per cent \$15,560, or in all \$45,817, is a mere fraction of the yearly saving effected upon Marine insurance premiums alone.

In conclusion, I have the honour to recommend to the favourable consideration of the Honourable the Minister of Public Works:—

- 1st. That a steamer be purchased for the service;
- 2nd. That cable connection be extended to the Straits of Belle-Isle;
- 3rd. That cable connection be made with Sable Island; and
- 4th. That cable connection be made with Scattarie Island, and a shore line extended from Main-à-Dieu via Louisburg to St. Peter's, Cape Breton:

In order to complete the positive requirements of the Federal Coast Telegraph system.

I have the honour to be, Sir,

Your obedient servant,

F. N. GISBORNE,
Superintendent Telegraph Service.

Mr. THOMAS FULLER, Chief Architect of Public Works, was examined:—

5499. You are the Chief Architect of the Public Works Department?—Yes.

5500. You are in charge of all the buildings?—Yes.

5501. You are also in charge of the votes for repairs and furniture for these buildings?—Yes.

5502. How are contracts awarded?—Generally speaking, to the lowest tenderer. That is the rule.

5503. Are there any exceptions to that?—I do not remember any at present. Sometimes I believe the lowest tenderer has declined the contract for some reason or other. But I do not think it is a good practice always to accept the lowest tender; I think quite the reverse.

5504. What is your reason?—Because tenders are made by persons who are not competent to do the work—sometimes by a class of men who are not builders at all. They take the contract below cost, and hope to make it up by extras.

5505. Do they not forfeit a considerable sum by having their tender accepted?—Not if their tender is accepted.

5506. They have to give security?—Five per cent of their contract price is deposited at the time the contract is awarded to them, and if they fail to carry it out they forfeit the deposit.

5507. You say that there are difficulties connected with accepting the lowest tender; but there are also difficulties in passing over the lowest tender?—Oh! yes.

5508. Owing to the suspicion that may be excited against the Government, of favouring their friends?—Certainly,

5509. In some cases have you not given the work out and allowed a percentage on it?—Only in very small things.

5510. That is the usage in England to some extent, is it not?—Very much the usage. The Government prepare a schedule of prices, and then advertise for tenders. The tenderers offer to do the work at so much per cent above or below the schedule prices, as the case may be, and in that way the work is carried out.

5511. What we meant was employing a man to superintend the work, and paying him a percentage on the cost?—In the States that is the common practice followed by

capitaliste. They employ a man in whom they have confidence, to buy material and superintend the work, and they pay him 10 or 15 per cent of the cost according to agreement.

5512. Have you ever known that to be done here?—No. I erected a savings bank in the States in that way, costing, I think, \$160,000 or \$170,000, and there was no dispute at all. The work went through as smoothly as possible.

5513. You had charge?—I was the architect.

5514. Who was the builder?—A noted builder. He produced vouchers for everything he purchased.

5515. Do you think the builder would do as well for the Government as he would for capitalists?—I think he would. I think it is the best way to do work.

5516. If you have a thoroughly good man?—Of course you must have a thoroughly good man. I do not think the Government ought to expect work to be done at less than the actual cost; but in nine cases out of ten they do get work done at less than cost. Somebody has to suffer. That is the result of accepting the lowest tender. For instance, in the case of the new departmental block, the contractors' tender was \$295,000; the next tender was \$389,000; whereas my estimate was \$400,000. Somebody must suffer there.

5517. How much did it really cost?—Amount certified by Chief Architect, including original and subsequent contracts, and additional work, such as iron girders and joists, iron roofs, copper covering instead of galvanized iron, iron staircases, heating apparatus, elevators, electric bells, gas service, etc., etc., \$580,000.

5518. What system do you follow in issuing stores?—When anything is wanted a requisition is sent in, which is submitted to the Minister or the deputy minister. If it is approved of, it is handed over to the clerk of works, who has charge of everything. There is a repair staff for the Ottawa buildings.

5519. These are under your control entirely?—Yes.

5520. The carpenters and labourers?—Yes.

5521. You have nothing to do with the mechanical engineers?—No.

5522. What is the general practice in regard to repairs here at Ottawa?—It varies.

5523. How are these men employed?—Always on the order of the Minister or the deputy minister.

5524. Have you anything to do with the men outside the buildings—for instance, those who shovel snow or bring in the coal?—The work on the snow is done by contract.

5525. And the hauling of the coal in and out?—That has not been done under me, but under Mr. Arnoldi. I suppose the contractor has to deliver coal on the ground as it is required.

5526. You have nothing to do with the staff employed in connection with the heating at all?—No. The mechanical engineer was supposed to be under the Chief Architect, but as a matter of fact he has never been.

5527. The carpenters and labourers employed last year numbered 260. How many labourers have you employed?—I cannot tell, they vary so much. I always get an order to put on so and so.

5528. Have you nothing to do with employing them?—No.

5529. Do you say that some have been forced upon you whom you did not want?—No, I do not say that.

5530. They could always be employed?—They could always be employed. The clerk of works is responsible for that. If he has a man that he does not want he ought to report the fact.

5531. Who is the Clerk of Works?—The Clerk of Works was formerly Mr. Pruneau, who is now dead.

5532. Who has succeeded Pruneau?—François Breton.

5533. He was a carpenter before?—Yes. He is a very shrewd man.

5534. And he is answerable for everything?—Yes.

5535. In outside buildings there are clerks of works employed?—Yes, nearly all of them have clerks of works.

5536. Who appoints them?—The Minister of Public Works.

5537. How are they appointed—on whose recommendation?—I suppose on the recommendation of the local Member.

5538. What qualifications have they?—They are supposed to be practical men. In some cases they are very efficient men. In other cases they are not.

5539. Have you had many instances in which the clerks of works were inefficient?—We have had one who was very inefficient. That was at St. Hyacinthe. He has been discharged. It is necessary to have some person on the ground to make the monthly estimates of the contractor.

5540. Would it not be better if the appointment of these clerks of works were entirely in your hands, without the outside recommendation?—I do not know. I would need to have a knowledge of men in the locality, because we generally employ a man in the locality. If we had to keep at Ottawa a staff of clerks of works to send about, it would be very expensive.

5541. You have to get a clerk recommended by some one in the locality?—Yes.

5542. Have you ever discharged a clerk of works?—Not myself. I have reported.

5543. Have you ever reported against them?—I reported against the man at St. Hyacinthe.

5544. Do you recollect any other?—I do not recollect any other at present. The order of the Minister has been that as soon as they are not wanted any longer, they are immediately to be discharged.

5545. Is that done?—Yes, as soon as the building is completed. In winter they are generally put on half pay, as the work does not then proceed very rapidly, and we have to have a man there to take charge.

5546. Do you not know any better way to get good men than to get those recommended by the member elected by the people of the locality?—No. If I had to employ a man from the locality, I would have to enquire of some one.

5547. All these works are done by contract?—Yes.

5548. And the clerk of works is there, not so much to keep the time as to see that proper material is employed, and that the work is properly done?—His duty is to see that the contract is carried out in its entirety, without having any power to change.

5549. In addition to your staff at headquarters you employ architects outside?—Sometimes.

5550. And pay them commissions?—Yes.

5551. Could not your staff do all that work?—They could not superintend.

5552. These architects superintend?—They superintend and give details as well.

5553. What commission do you generally pay them?—From $2\frac{1}{2}$ to 3 per cent.

5554. In some cases the commission is charged in the Auditor General's report at $7\frac{1}{2}$ per cent?—That is for superintending repairs, which involves a great deal of trouble. That is a different thing altogether from carrying on a new work, and that remuneration was fixed long before I came—I think during the time Mr. Mackenzie was in power. That is a common rule with the profession outside. A man will not superintend repairs, where there is a great deal of trouble, at less than $7\frac{1}{2}$ per cent—that is, a man of any note.

5555. Have you charge of the furniture of these buildings?—That is entirely under the charge of the clerk of works.

5556. If a new desk is wanted, does not the requisition go to your office?—Yes, and then it goes to the clerk of works, who makes an estimate of its cost, and then it is submitted to the Minister for approval.

5557. And if it is approved the patronage goes where?—The deputy minister directs from whom the goods shall be purchased.

5558. You have nothing to do with that?—No.

5559. You only make an estimate of the cost?—That is all. The clerk of works, I suppose, would make the purchase.

5560. You have nothing to do with deciding as to the person who is to supply a carpet or a desk?—No, I seldom see them.

5561. You do not know anything of the method of purchase, except from hearsay?—I think that when an order is given for a purchase the clerk of works goes and gets the goods. The carpets are so much a yard, and they are easily measured after being obtained, to see that the quantity is correct.

5562. Are you aware that all the carpets and furniture are bought at retail prices in the shops in Ottawa?—I believe so.

5563. Do you not think a great deal could be saved by making a contract with a large furniture or carpet house to supply desks or carpets as they are wanted?—I do not know that it would be possible to specify the quantity. At one time, when Sir Hector Langevin was Minister, the price of carpets was limited to \$1.00 a yard.

5564. But that might be a retail price?—Yes.

5565. And might it be false economy not to keep a stock?—If you bought at wholesale you would have to keep a large stock.

5566. Could not a return be made of the number of yards bought and the amount spent for furniture in a series of years?—I suppose a statement might be made to that effect. But in some cases we do not buy the carpet—for instance, for the House of Commons.

5567. That would be under their own Internal Committee?—Yes.

5568. But for other buildings all over the country you buy?—Yes.

5569. You have nothing to do with the purchase of coal for the buildings outside?—Yes; but that is all done by contract.

5570. Nor with the heating and light in these buildings at Ottawa?—That has been under Mr. Arnoldi.

5571. Does that come to you now?—It has virtually, since Mr. Arnoldi was suspended. He was supposed to be under the chief architect.

5572. But practically he was independent?—Yes, practically, and he was a very competent man.

5573. You have made an estimate for the alteration of the furnaces to adapt them for the use of coal instead of wood?—Yes.

5574. There is at present a contract for the supply of wood and coal?—Yes.

5575. The contract for the wood goes on for some time yet?—I think it does.

5576. Does it bind the Government to take any given quantity, or merely what the Government require?—There was an estimate of the quantity.

5577. You are aware that for gas the retail price is paid to the Ottawa Gas Company, which is a monopoly?—Yes.

5578. And that a very large amount is paid the Ottawa Gas Company every year?—Yes

5579. Do you think any method could be devised to reduce that expenditure?—I suppose the electric light would cost nearly as much.

5580. Suppose the Government used its own gasometer, or obtained tenders from the rival electric companies, do you not think the expenditure could be considerably reduced?—I do not know. The general experience of lighting by gas and by electricity is that they cost about the same.

5581. There is a monopoly of the gas company and a rivalry of the electric light companies?—Yes. But we have our own plant below the hill for lighting the main building by electricity.

5582. Could that be used for all the buildings?—Yes, by increasing the plant.

5583. With a very slight increased cost that could be utilized?—The dynamos are very expensive, and we use steam to run them. I do not know whether the power could be got from the rival companies. That has not yet been enquired into. We are now making an estimate for the lighting of the tower clock by electricity.

5584. Have you any suggestions to make whereby the expenditure of your branch of the department could be reduced without impairing its efficiency?—I think our branch of the department is about as economical a department as any in the Government. I submit a statement, which I prepared for the Minister, showing the cost of employing outside architects to do the work as compared with the cost of doing it by the staff. I

may say that I have on my actual drawing staff only two more clerks than there were on the staff in 1871, when there was not one-third, certainly not one-half of the expenditure that there is now. The statement is as follows:—

APPROXIMATE STATEMENT showing the Expenditure for Public Buildings, &c., from 1885 to 1890, and cost of Architect's Staff and outside Architects employed in preparing Drawings and superintendence

	\$	cts.	\$	cts.
1885-86 :—				
Total amount spent on public buildings.....	63,388	00	1,207,764	00
5 per cent on the above amount for architect's services would be.....				
Salary of architect's staff, including chief architect.....	\$ 20,250	00		
Commission paid to local architects.....	11,915	00		
	32,171	00		
	31,217	00		
Showing that the cost for architectural services was only about 2½ per cent				
1886-87 :—				
Total amount expended upon public buildings.....	57,534	00	1,150,689	00
5 per cent on the above amount for architect's services would be.....				
Salary of architect's staff, including chief architect.....	\$ 20,632	00		
Commission paid to local architects.....	16,354	00		
	37,006	00		
	20,528	00		
Showing that the cost for architectural services was only a little over 3 p.c.				
1887-88 :—				
Total amount expended upon public buildings.....	54,144	00	1,082,891	00
5 per cent on the above amount for architect's services would be.....				
Salary of architect's staff, including chief architect.....	\$ 22,897	00		
Commission paid to local architects.....	14,298	00		
	37,195	00		
	16,949	00		
Showing that the cost for architectural service was only about 3½ per cent.				
1888-89 :—				
Total amount expended on public buildings.....	36,443	00	728,860	00
5 per cent on the above amount for architect's services would be.....				
Salary of architect's staff, including chief architect.....	\$ 23,887	00		
Commission paid to local architects.....	13,922	00		
	37,809	00		
Showing that the cost for architectural services was a little in excess of 5 per cent.				

NOTE.—It is suggested that when the expenditure is reduced, as in the above instance, that the employment of outside architects be dispensed with and the work done by the staff.

	\$	cts.	\$	cts.
1889-90. —				
Total amount expended upon public buildings.....	48,165	00	965,307	00
5 per cent on the above amount for architect's services would be.....				
Salary of architect's staff, including chief architect.....	\$ 24,701	00		
Commission paid to local architects.....	4,108	00		
	28,809	00		
	19,356	00		
Showing that the cost for architectural services was a little under 3 p.c.				
Amount saved to the department, assuming the legitimate charges for professional services to be 5 per cent :—				
1885-86.....			31,217	00
1886-87.....			20,528	00
1887-88.....			16,949	00
1889-90.....			19,356	00
Total saving.....			88,060	00

NOTE.—A complete and exact showing of the work and duties of the staff as compared with ordinary architectural practice is almost impossible. A few items, however, may be given to show that a great deal of work is done that would not occur in outside practice.

1st. A great many duplicates of drawings are required, owing to the fact that the buildings erected are for the most part so far distant from headquarters.

2nd. Every return called for by the House of Commons containing drawings necessitates their reproduction.

3rd. Large numbers of plans are required in connection with transfers of property.

4th. A large staff of workmen employed in making additions, repairs, etc., to public buildings, Ottawa, which require both drawings and superintendence.

5th. The ordering and passing of accounts for fuel, light, water and rents in connection with public buildings throughout the Dominion, is done by the staff.

6th. Consulting the various departments with regard to public buildings is also an item that occupies considerable time, and many other items that would not occur in ordinary practice.

THOS. FULLER,
Chief Architect.

5585. Whenever the expenditure amounts to \$1,000,000 there is a saving?—Yes.

5586. If it should fall down to \$500,000 or \$550,000 it would be an open question whether there would be a saving?—There would then be about a balance.

5587. How many of your officers are permanent?—I have only one permanent.

5588. The theory is that as your expenditure decreases your staff will decrease?—I suppose so. A number of them have been there a great number of years.

5589. Who appoints your draughtsmen?—The Minister.

5590. Have you ever had any given to you that you did not want?—No; I have never had any imposed upon me.

5591. Have you had any who were ineligible?—They vary very much in their ability. You find that in every office. The skilled work is done by a few.

5592. And a number are generally not any better than copyists?—Yes.

5593. Is the unskilled work paid as much as the skilled work?—No; the skilled work is paid better, but I consider that the salaries are very low. It comes very hard on the staff that men who have been there from sixteen to twenty years cannot get a holiday, and that if they are sick for a day their pay is docked.

5594. The pay of these extra clerks and these extra draughtsmen is charged indiscriminately to various public works?—I believe so; that rests with the accountant.

5595. Would it not be more honest to have a special vote for that purpose?—That matter does not belong to me at all. Very few of the extra clerks in the Department of Public Works are in my office; I think I have only fourteen.

5596. You could make a theoretical organization for a permanent staff and a temporary staff that would be in accordance with the requirements of the Act?—I think several of them ought to be permanent, and the rest should be taken on as they are wanted. For instance, my chief assistant, who has been there twenty years, and who attends to the duties of the office in my absence, and who passes the accounts, should be on the permanent staff. Also some others who have been many years in the department.

5597. When there are any whom you do not want, you do not hesitate to part with them, or are they retained in some way or other?—We have so much to do that we require them all, all the time.

5598. Do they do a full day's work?—They are supposed to. They sign the book when they come in the morning and when they go in the evening, and also in the middle of the day when they go out.

5599. Is there any means of controlling them, to see that they do a day's work?—The only way is to judge of the amount of work done.

5600. Are they in a room next to yours?—No, they are in a room up-stairs; that is the unfortunate thing. There is an architect to supervise them, and I give all my instruction to him.

5601. And no doubt you have a means of judging whether there is work enough to warrant the employment of that staff?—I do not think the staff is at all out of the way. You will not get persons, at least some persons, to work as hard for the Government as for a private individual.

5602. Have you any reason to suspect that any of your staff receive commissions

from contractors?—No. I do not see how they could, because if a contractor wants any favours he is apt to apply to the Minister.

5603. There would be no opportunity of doing it, even if they had the disposition?—The only thing they could do would be give a copy of a drawing, and we have given instruction that that must not be done.

Mr. W. D. LESUEUR, Secretary of the Post Office Department, was examined.

5604. You are the secretary of the Post Office Department?—Yes.

5605. How long have you been secretary?—Since the 1st of July, 1888.

5606. You were assistant secretary before that?—Yes, from the 1st of July, 1880.

5607. How long have you been in the service of the department?—Thirty-six years on the 23rd of next month.

5608. Then you are thoroughly acquainted with the system and work of the department?—Pretty much so.

5609. Have you a list of the staff, permanent and temporary, in your branch?—Yes. I produce a copy of my conduct return for December last. I also produce a list of the staff arranged without regard to branches, but simply with reference to rank, showing the number of first class clerks, second class, third class and temporary.

5610. Before arriving at your present position did you pass through any of the other divisions or sub-divisions of the department?—Oh, yes. I went in as a boy of sixteen.

5611. So that you are quite conversant with the details of every division?—I was not in the money order office or savings bank branch; I rose in my own branch of the department.

5612. But with that exception?—I have not served in outside branches. But I have done nearly every kind of work in the main staff of the department.

5613. How many first class clerks do you think it necessary to have in your branch?—I really require as many as there are at present. One of those included in the list is at the head of the stamp branch.

5614. What do you call the stamp branch?—The branch from which postage stamps are issued to postmasters.

5615. Does the clerk in charge receive the stamps from Mr. Burland?—Yes. He receives them, checks them, sends them out, and prepares a statement weekly for the accountants, showing the number sent out, the average being about \$60,000 worth per week.

5616. Have any of the first class clerks in your branch arrived at their positions merely from length of service, and are they now doing inferior work?—They have all arrived at their positions through length of service, but I would not say that they are doing inferior work.

5617. Is it a fact that one of your first class clerks is doing inferior work, and has been made a first class clerk solely through length of service?—I do not know that I should take the responsibility of saying that, seeing that he was doing the same work when the head of the department placed him where he is.

5618. Is it or is it not the fact that he is doing the same work as before?—The work has not changed since the time when he was a second class clerk. In some cases, though it is impossible to say that the work has changed, it has become more important in consequence of its increase in amount, in which case the clerk who once did it all by himself may have to supervise others doing similar work.

5619. Is he doing distinctive work?—It is distinctive work, but I could not say that, upon that ground, it is work that requires to be done by a first class clerk.

5620. There are 9 second class clerks, of whom 3 are for the stamp branch, and the other 6 for principal correspondence?—I roughly classify them in that way. Of the 3 assigned to the stamp branch there is really only one who exercises the functions of a second class clerk.

5621. Then they have simply arrived at the position through length of service?—One of them became a second class clerk in another department, and as such was transferred to our department.

5622. And in time, if he lives long enough, he will become a first class clerk?—No, for one reason, that the examination is a bar. He has not attempted to pass it.

5623. The 6 second class clerks attached to what is called the principal correspondence are under your own immediate supervision?—Yes.

5624. One of them acts as private secretary to the deputy head?—Yes.

5625. Have any of the other 5 arrived at that position through length of service?—Every one does the work which fairly entitles him to his position; I have no hesitation in saying that.

5626. You have 19 third class clerks?—Yes, including those of the stamp branch.

5627. There are 7 attached to the stamp branch and 12 to principal correspondence. Could you dispense with any of them?—I could not. I am not speaking of the stamp branch, but only of the branch with which I am in immediate contact. Although the secretary has nominal control of the stamp branch, Mr. Plunkett practically manages it. I would undertake to say that the staff there is numerically too strong for the work. They issue stamps and supply requisitions to 1,200 postmasters only. There was a time when postage stamps were sent to every postmaster in the Dominion direct from Ottawa. That made a great deal of work; but since 1888 we have selected the money order offices, calling them accounting offices, and we now send stamps to them and not to the other offices. To each of these accounting offices we sent once for all a stock of stamps on credit, varying from \$6 up to \$80 worth. That diminished the work of the stamp branch very much, reducing the number of offices it had to deal with from nearly 7,000 down to 1,200. These 1,200 would make requisitions on an average somewhat oftener than once a month.

5628. There are 11 officers employed in the stamp branch, besides 3 packers and 1 temporary packer?—Yes.

5629. Besides attending to the requisitions for stamps, they have to check the receipts of stamps. Yes. They also issue stamp licenses, but that is a trifling matter, and of course they have to keep a record of the stamps issued to every postmaster. They do their work promptly and accurately.

5630. The salaries of all these third class clerks except one are mounting up at the rate of \$50 a year. Do you not think that the same kind of work as they do could be got out of the writer class?—There are some kinds of work which I have no doubt could be done by that class, but I do not think there would be any advantage gained. People so employed, who knew that there was no prospect of advancement before them, would have no object in increasing their intelligence or capacity; whereas clerks who have an opportunity to advance find it to their interest to increase their intelligence and knowledge; and for my part I try to see to it that the intelligence of my staff is promoted by every possible means.

5631. Do all your people sign the attendance book?—Yes, always. The ladies sign a separate one, to avoid crowding up with men.

5632. You have only two temporary clerks?—Only two, and they are both fully occupied.

5633. Did they pass the examinations?—They have both passed, to my knowledge.

5634. Had they both passed when you got them?—One had, and one had not.

5635. How do you get your temporary clerks?—That is just a point on which I should be very glad to be allowed to make a frank statement. We get our temporary clerks in the first place by what I may call impulsion or movement from the outside. Somebody wants a place for somebody without initiative on my part, or so far as I know on the deputy's part; and the name of the person is mentioned to us as requiring a situation. I am not now speaking with as full knowledge as I could if I were deputy. I can only speak of impressions which I have gathered during my service in a somewhat responsible position in the department. A deputy head could speak more to the point than I can. The Minister mentions to the deputy that a place is required for so-and-so,

and perhaps asks if there is a vacancy, and they settle that point between them. According to the Civil Service Act the deputy is required to sign a declaration that a clerk is required before one can be appointed. That always seemed to me to be a useful provision of the law; but it has occurred to me that if it is to be made a serious and efficient provision, we should go further back even than the deputy for the prime movement in the matter. It is not for a deputy to know in the ordinary course of things whether a clerk is required in some particular office of a large department. The need for the clerk must be felt in some one spot, and the chief clerk of the particular branch would be the first to become cognizant that a clerk was wanted. Therefore it has always seemed to me that the process ought to be the direct reverse of what it is now. The initiative should come from the chief clerk at the head of a branch, who should go to the deputy and report that he required an extra clerk. The deputy ought to ask him: "What do you want an extra clerk for? What work do you propose to put him at? How much work do you propose to give him to do?" The deputy should examine the request critically; and only when he is satisfied by the representations of the chief clerk should he make the application to the Minister. In our department a clerk is sometimes placed where he is not wanted.

5636. And where he becomes a nuisance?—There have been cases of clerks being placed in offices where they merely served to sub-divide work which was not in excess at the time; and it seemed to me that while maintaining the provision of the law which I have mentioned, it should be further provided that a demand for an extra clerk should have to originate with the head of the branch where the clerk is said to be required.

5637. Have you ever had clerks of that kind given to you who have been found inefficient?—Of course, going back over a number of years, I have certainly had from time to time clerks given to me who were not efficient.

5638. What do you do with them?—I generally try to get them, transferred elsewhere.

5639. You have no means in your power of dispensing with them, as would be done in the outside world?—As the head of a branch merely I have not; I can only make representations. If I were a deputy I might speak differently.

5640. You never knew a case of a clerk sent away for simple inefficiency?—I cannot say positively that such a thing never happened.

5641. As a general rule, are inefficient clerks kept or are they dismissed?—Inefficient clerks are kept very often, to the detriment of the service.

5642. What is your view respecting competitive examinations?—I have very much the same opinion on that subject that I had when I was examined before the Civil Service Commission in 1880—that is to say, I have never seen my way to adopt in full the principle of competitive examinations. My reason is, that if you once isolate the service from the rest of the community, and make it a close corporation, placing the control of it in the hands of a non-political board, you at once attract towards it that class of persons who are of quiet, sedentary habits, who have a good deal of time for study, no much inclination to engage in business pursuits, and somewhat lacking in initiative and enterprise—the very kind likely to stand well in an examination. In due time you would have the service unduly manned with people of that kind, and it would tend more to become a bureaucracy than it is now. I think it is more in touch with the public and more likely to keep abreast of the times than it would be if we could snap our fingers at all the politicians of the country.

5643. But suppose the view of the Civil Service Board were quite different from that; suppose that their view was that all appointments, promotions and dismissals should rest with a committee of the House of Commons, as at present, and that they should bear their responsibility to the House and the people; and suppose that the Civil Service Board regarded themselves merely as a piece of machinery to enable the Government to find out whether men were competent for positions or not, one part of their procedure being competitive examinations, and having no patronage themselves, would you see any objection to that?—The question is, what kind of men will you get into the service at first. It is well to promote the best that you have, but the question is, what character would the service as a whole assume under that system.

5644. But seeing that you get people to pass an examination qualifying them for entrance, and afterwards requiring them to compete in regard to performing the duties of the office, why would you not be as likely to secure enterprising young men as others?—For the same reason that I have mentioned, that many men of the practical class find it more difficult to pass an examination than men of the schoolmaster class, and the service would drift into the hands of the latter class of men to a predominant extent. The political system has its drawbacks, but I think it has certain distinct advantages, and if we could mend it in some respects it might be made to work fairly well in this country. We are all acquainted with the principle that taxation without representation is tyranny. That needs to be supplemented with this principle, that power without responsibility is abuse. A member of Parliament has too much power in respect to appointments, and too little responsibility. He can make a recommendation to a Minister on which an appointment is based, and nobody knows who has made that recommendation. He perhaps writes a private note, which is destroyed when the appointment is made. The man appointed may turn out to be a scamp, and no visible responsibility rests on the member for having recommended him, while the Minister escapes responsibility on the general ground that he cannot know the character of every man he appoints. I consider that if a member undertakes to recommend anyone for appointment to the service he should do so, not by means of a private note, which has no substantial existence, but he should do so formally, and his recommendation should be a matter of record. I would even go further, though I know this is not at all likely to be adopted: I would publish in the *Canada Gazette* that so-and-so was appointed on so-and-so's recommendation, or I would report it to Parliament. Then a member would think twice before he would recommend a person for appointment.

5645. Though not in favour of unlimited competition, possibly you would not object to persons recommended by a member being required to pass an examination?—Oh, no. I believe in a qualifying examination.

5646. That is a limited competition?—By means of the qualifying examination you exclude those who do not come up to a sufficient standard of education; but the moment you make the examination competitive you limit the service to the special class that shines in examinations. Of course, it must not be understood that I mean that this power of recommendation, though open to abuse, has always been abused, or even generally. I know of many cases in which the power has been exercised with a good deal of discretion, and with a real sense of public responsibility.

5647. In your plan would you have a term of probation?—Most decidedly. I think it of great importance.

5648. You would have political patronage fairly shown to the world, *plus* an examination, *plus* a term of probation?—Yes. If the service fell into the hands of the student class I think it would suffer in energy, initiative, and adaptability to the public needs.

5649. Are you not aware that the Civil Service of India, which is open to all the world, has quite as manly a tone as it had in the time of the East India Company?—I do not know it positively. I know that there is a great deal of discontent in England with the Civil Service to-day. I do not know that we can cite the English Civil Service as being very superior to our own in point of efficiency.

5650. Do you think there should be an age limit in appointments?—I think 18 years too high. I think the service might be open to persons at 16, which was the case under the old Civil Service Act of 1857.

5651. What would be your maximum limit of age for entrance?—I would be disposed to say 25.

5652. For the third class?—Yes. Of course, all appointments except technical ones are made to the third class.

5653. What is your opinion of the maximum salary of \$1,000 paid to third class clerks?—I think \$1,000 is a very good salary for a man who is incompetent to go into the second class; a man who, because he cannot pass the examinations, has to be retained

in the third class, ought to be possessed of extraordinary industry to make up for his lack of ability.

5654. Do you think it would be well to pay men only according to the nature of the work they do?—Yes, if we could do it upon any system that would not be too much embarrassed with exceptions, and that could be made to work fairly. The principle is good.

5655. In a very large department like yours, is not promotion very slow? Is there any hope for an average third class clerk to attain to a much higher position?—I would not say that it is unduly slow.

5656. Among the 250 men, how many chief clerks are there in your department?—There are six chief clerks and the deputy.

5657. Then the chances are one to forty that a man will ever become a chief clerk in that department?—I suppose so; I have never worked out the problem.

5658. In other departments, from the smallness of their number, the proportion of chief clerks is far greater?—Oh, yes; decidedly.

5659. Have you any theory as to shifting men about so that an equal chance may be given to a man wherever he is appointed. Have you any idea as to getting all good men promoted in like manner? If there were a vacant chief clerkship in the service, would you open it to all the first class clerks in the service, and not to the first class clerks of the particular department only?—I hardly think it is feasible. I think it would tend to introduce a good deal of confusion into the service and unsettle men's minds. The more varied possibilities there are before a man the less settled his ideas are. A man in the Post Office Department, instead of labouring to qualify himself for success in that department, would be labouring to get a first class clerkship in some other department. There is no absolute bar now to transferring a man from one department to another. I am very sorry to say that we have lost good men in that way.

5660. If there was the same chance for promotion in your department, would not the men rather stay than go?—I suppose they would. As to the general question, I can only say that I would be very sorry, after having taken a good deal of pains to fit a man for the work of my branch, to have him carried off to another department.

5661. How do you make recommendations for increases?—When they become due, the heads of branches are required to report to the deputy head whether the conduct and attention to duty of the men have been satisfactory. If they have been, the increases are granted.

5662. Are not these increases made perfunctorily?—Oh, no.

5663. Have you ever reported against an increase?—I have, and the other heads of branches also. I can assure you that the matter is looked into carefully, and in the outside service also the increase is frequently refused.

5664. Do you think promotion examinations are desirable, or should promotions be left in the hands of the department?—I approve of the examinations.

5665. Outside of the department or in the department?—Outside of the department. I was sorry for the change which was made in the Civil Service Act a few sessions ago, exempting from the examination, so far as it was of an educational character, those who had been in the service previous to 1882. The examination was partly educational and partly departmental, and a private member got a Bill passed exempting those appointed before 1882 from the necessity of passing the educational part. The Act was working very well and the men were fitting themselves for the examinations. Now they have simply to pass on the duties.

5666. For these promotion examinations did you prepare the papers for your department or did the deputy?—I prepared the papers on several occasions for the main department. Mr. Everett prepares those for the money order branch, and Mr. Matheson for the savings bank branch.

5667. These papers are generally prepared by the deputy?—The deputy has done it two or three times, and on other occasions he has asked me to do it. I have always endeavoured to make the papers such that an indifferent clerk who has not used his powers of observation cannot pass them. The person who gets good marks on the

examination paper which I set must have a pretty fair knowledge of the general work of the department.

5668. Have any failed to pass?—Oh, yes. One or two have given up all hopes of passing. They have tried and failed.

5669. Are you aware that any of the temporary clerks appointed in your branch made two or three trials before they passed the examination?—Yes. I know of one or two cases of clerks trying two or three times and succeeding in the end, and also one or two cases in which men have tried two or three times and failed in the end.

5670. And have they been all the time retained on the temporary staff?—Yes.

5671. How did you get over it?—How did the Auditor General get over it? It seems to me it is more a matter for him.

5672. You know what the law is on the subject—that a temporary clerk can only be retained until the next examination takes place?—Yes, the law is quite clear on this point; but the power rests with the Auditor General; if he chooses to put his pen through the name the salary would not be paid.

5673. Do you think that the deputy heads of departments concerned in exchanges of clerks should approve of them before they are made?—I think so, decidedly. I don't think the decision should rest entirely with the clerk who has had a solicitation from another department.

5674. You have expressed the opinion that the limit of age for entrance should be reduced to 16 years? Have you any ideas in regard to the boy copyist class, such as exists in England?—I have not had occasion to think much about it, for the reason that there is no large mass of work under my charge that would call for the employment of that class. In the money order branch or the savings bank branch there might be sections of work at which that class could be employed; but in my office the work is very varied.

5675. Do you have several women clerks employed in your branch—are they generally efficient?—They are generally efficient, and I sometimes feel inclined to think that upon the whole their efficiency runs a little higher on the average than that of the men in the kind of work upon which they have been hitherto employed. I have men employed at higher work than that on which the women have hitherto been employed, and I have as yet no means of judging how they could do work of that class. But for the work on which they are now employed they give on the whole great satisfaction. As compared with men they seem to be in general more methodical; they do with exactness what they are told, and they are naturally neat in their work, at least those with whom I have to do.

5676. Have you any work in which the women could be employed by themselves?—Not very well, because I have no work which is all of one uniform kind.

5677. Do you think there could be a limit in leave of absence granted on account of sickness?—I have not fully made up my mind on that point, but I think it requires to be settled in one way or another. It should not be a matter of departmental regulation. The Government should adopt a policy in regard to sick leave, determining how long they will consent to keep a person on the pay-list who is unable to do work; they should lay down regulations that would govern the whole service. We have lately had stringent rules laid down by the Treasury Board with regard to leave of absence, and in pursuance of that I have drawn up a circular for transmission to various officers of the department, a copy of which I produce:

(Circular.)

POST OFFICE DEPARTMENT, CANADA,

OTTAWA, 14th December, 1891.

SIR,—I am directed to inform you that an Order in Council has been passed laying down stringent regulations as to the procedure to be followed in connection with applications for leave of absence other than the usual annual leave.

The terms of this order are as follows:—

“That in all cases in which application is made for leave of absence to any Government employee, whether on account of ill-health or otherwise, there be given for the

information of the Treasury Board the reason why such leave is asked for, whether the leave so asked for is an extension of former leave, and, if so, what previous leave had been granted, and whether the absence of such employee will necessitate the employment of additional assistance in order to carry on the work of the department, and generally such information as will enable the Treasury Board to determine whether the leave asked for should be given, and, if so, on what terms; and further, that in cases of ill-health, the following additional information be given, viz.:—The usual medical certificate, together with full particulars as to the nature and cause of the illness, and whether the same is due to neglect or to irregular habits on the part of the employee recommended to such leave."

You will be so good, therefore, as to see that in all applications for leave, or extension of leave of absence, which you may have occasion to send to the department, the several requirements of the above order are strictly complied with.

I am, Sir, etc.,

W. D. LESUEUR.

A man at a post office falls suddenly ill, and does not turn up at the office. The postmaster sends and finds that the man is really ill, but he cannot say positively whether he will be ready for duty to-morrow or next day. If it were known that he would be on duty to-morrow or even the next day the case would not be one to report at headquarters; but that is seldom known; and to issue a peremptory order that as soon as a man is not on duty, through illness, the fact must be reported at headquarters, and an Order in Council obtained before the man can get leave, would be to burden the service with a most cumbersome regulation. It seems to me that the Government might adopt a rule stating how long a man might be away on sick leave, every department being required to furnish monthly a list of all the persons absent otherwise than upon their annual leave, with a column for remarks, in which the head of the department should say whether he recommended that the absence should be considered as approved or not. In that way the Treasury Board would have a bird's eye view monthly of the whole service, and would see what proportion of the officials in the different departments were absent through sickness. By a simple requirement in the way of a return, I have raised the health record of the Toronto and Montreal offices considerably. I found that there was a great amount of sickness, and I instructed the postmasters to send me every day a list of the men absent through sickness or from any cause whatever. When the postmasters found that they had to state the cause of absence every day, necessitating communication with the man and reporting to the department, they began to look after their men more carefully, and to be more particular about allowing them to be absent. There is a column showing when the absence began, so that we now know at headquarters just who was absent at all the larger post offices, and the effect has been that the absence has been considerably reduced. But just now the absences are relatively very great, owing to the grippe.

5678. The absences have been less numerous since the adoption of this daily absence list?—Decidedly; in fact, the postmaster at Ottawa told me that his being required to make this return had a very good effect.

5679. It is to be presumed that previous to its adoption there was a certain amount of abuse?—There was a certain amount of laxity; that is to say, a man might be absent a week or ten days or a fortnight, and the postmaster contented himself with knowing that at the end of the month he could put the absence in his conduct return. Under that plan there were many more absences than there are now. My idea is that if the Government would lay down some regulations sufficiently stringent, without being too much so, with regard to leave in the departments, and every department were required to report monthly to the Treasury Board what amount of leave its employees had during the month, the average for all the departments would be seen, and the department with the fewest absences would set the standard for the others. That would save this continual passing of Orders in Council.

5680. Do you think the annual term of three weeks' leave of absence is sufficient?—It is sufficiently long with the other statutory holidays; if it were not for these I would certainly advocate four weeks.

5681. Do you think advisable a system of fines for small offences?—Yes, decidedly. That is an omission at present in the Civil Service Act. We get over it by stopping a man's pay. We frequently deduct a day's pay on account of misbehaviour; but strictly speaking, I am a little in doubt as to the legality of this.

5682. Do you think it advisable that an officer who has resigned should be reinstated only with the recommendation of the deputy head?—Most decidedly.

5683. You know that the Civil Service Act states that a man may be reinstated at his former salary?—That is, a man who has resigned. It does not say a man who has been dismissed.

5684. Do you think that a man who has resigned his position should pass some test of competency before being brought back to the service?—Not if he had passed a qualifying examination before.

5685. Suppose that after having gone out he found himself useless outside, or got into bad habits?—I think we ought at least to have as strong recommendations for him at that date as we require at the earlier date. The law seems to be against the reappointment of any man once dismissed; but it has happened sometimes that after a man had been dismissed new light has been thrown on the circumstances that led to his dismissal, and this new light may cause a much more favourable view to be taken of his conduct than was taken when he was dismissed. It seems to me that we should never make it impossible to show cause why a thing should be done, and I think there have been cases in which men who have been dismissed might with advantage to the service be restored to it.

5686. Very rare instances?—Very rare, I admit, but I would not have them ruled out simply for the convenience of having an absolutely uniform practice.

5687. Your department being a large department has several attendance books, which you look after?—Strictly speaking, I look after the ladies' attendance book only. When I became secretary the ladies were not signing any attendance book. They were exempted, for no reason that I could see; and as nearly all of them were in my branch, and as I found that they were not as punctual as was desirable, I got an attendance book and instructed them to sign it. After a time I suggested to the deputy whether the ladies in the accountant's office, over whom I had no control, should sign the same book. He approved of the suggestion, and in that way grew up the rather exceptional arrangement by which the ladies of all the branches of the main department signed my book.

5688. What do you do in the case of those who fail to sign or are late?—If they belong to me, I caution them for want of punctuality. If they belong to the accountant or another chief clerk, I leave them to him.

5689. You mention to the heads of the other branches that they are late?—They are supposed to know it. A man at the head of the branch ought to know when his clerks arrive. If he does not, it is a sign that he is not there himself.

5690. Have any persons found their way into the service of your branch who, either from defects existing at the time of their appointments or from advanced age or from bad habits, are now ineligible for retention in the service?—I do not know that I can say of anyone that he should not be retained. Of course, I have clerks of all grades of efficiency, and one or two are decidedly less efficient than the rest. I do not know that in any case it is due to age, although one or two are verging towards the limit or may be at the limit at which they could be superannuated. I do not know that age has been the cause of inefficiency in any case.

5691. Or bad habits?—I have no complaint to make of bad habits—nothing worth mentioning.

5692. Inefficiency in the cases you speak of is due to the natural character of the men?—Yes, want of capacity or interest or information, and failure to form good business habits.

5693. Generally speaking, from your long service in the department, have you any suggestions to make in regard to the imposition of checks upon the admission of ineligible candidates, and in regard to providing facilities for relieving the service of useless members?—With regard to the check upon the admission of ineligible candidates, I have already explained that in my opinion if there were proper responsibility attaching to recommendations we should have much less trouble than we have now; I think we should have very little trouble indeed. I suppose it is likely known to you that in the larger cities political patronage is now exercised in a way that is peculiarly liable to abuse—that is, the patronage has virtually passed out of the hands of the individual members who make the recommendations, and that they are only the channels for transmitting the recommendations of other parties, generally committees. If there is anything that is irresponsible it is a committee.

5694. That is, the offices are really used as subjects of barter in election?—It is more or less open to that construction. What happened in Northumberland seems to be happening to a certain extent in the larger cities, where there are committees which undertake to tell the member who should be appointed, and the member generally recommends the person nominated by the committee.

5695. Have you any reason to suppose that assessments are levied on the nominees?—I have no reason to suppose that there are.

5696. In every riding there are necessarily post offices?—Yes.

5697. You are necessarily brought more into communication with members than other departments?—Of course, a post office is never opened or a postmaster appointed except on the recommendation of a member of Parliament or other politician.

5698. In that class of appointments members do the best that can be done, because they possess the most information?—Yes, and they render a public service, because in most cases we have no other source of information.

5699. Is there any abuse, in your opinion, in connection with the opening or closing of post offices?—Political considerations may sometimes, though I think rarely, operate against the public good. For instance, it sometimes happens that a member will not recommend any one for an office because he cannot recommend a friend, and so an office which people want remains unestablished, or closed, when it might be established or re-established, as the case may be.

5700. Do you know anything about that part of your service relating to the conveyance of mails by stages?—That does not belong to me at present. It was constituted as a separate branch on the 1st of last July.

5701. Until then it was part of your branch?—Yes, but I was not in such close contact with it as with other parts of the work.

5702. But you know the system entirely?—Yes, I can give any information in regard to it.

5703. Are not some of these stage routes rather fantastic, running parallel to railways, or taking long devious routes where they might be shortened?—Very seldom, if known to the department. I doubt very much if politics are at all felt in the matter.

5704. How do these contracts originate? Who recommends that a stage route should be laid down?—A stage route is hardly ever laid down all of a piece: it grows. What we have to deal with originally is the establishment of a particular office, which is either on or off an established route. In the latter case we have to provide for the service by a side line. Nowadays it is not usual to lay out a large stage route. When we acquired the North-West we had to provide for the conveyance of mails from Winnipeg to Edmonton, 900 miles; but it is quite the exception for us to have to deal with a long route at once. The long routes are old established ones. There was a long route in Nova Scotia which ran all the way from Halifax to Sydney, but this has been replaced by railway service. There are others still in existence from Halifax to Bridgewater, and thence to Shelburne and Yarmouth. We have comparatively few long routes now, owing to the extension of the railway service.

5705. Do you generally enquire into the necessity for new post offices asked of you?—Oh, yes. When a post office is asked for we send to the inspector of the district

for all informations as to the locality. The inspector reports that the office will cost so much, that it will serve so many people and such an area, and that it will yield a revenue of \$10 or \$20 or \$50, as the case may be. Then we know what we shall have to pay the postmaster, and we have to balance the advantages and disadvantages. These cases are generally considered pretty fairly on their merits.

5706. You have an idea that the stage routes are usually short, and in the interest of the public service?—For the most part. Of course, members do interest themselves in those matters as well as in everything else, because their local interests are often affected.

5707. Do you think it is desirable for officials to sign the attendance book when leaving the department for any purpose?—I would rather not impose it in my own office. I do not think it would serve any good purpose. A man who looks well after his staff is able to control them without such restrictions. I am not disposed to trust to them very much either. I think a living supervision is superior to these mechanical restrictions, though when the staff is very large they may become necessary.

5708. What do you think of the office hours?—I think they are pretty much what they ought to be—from 9.30 to 4.

5709. Would you allow an hour for lunch in addition?—I would.

5710. And close the offices?—Oh, no; that would not be convenient in my branch, so I have arranged that the office shall never be left without three or four persons on duty at all times. The money order superintendent, on the contrary, prefers to have his office cleared out entirely during the lunch hour for purposes of ventilation, and for the sake of uniformity of coming and going.

5711. In your opinion is a Superannuation Act necessary in the interest of the public service?—I think it is. It is difficult enough to get rid of men who have become inefficient through age; but the difficulty would be increased if there were no Superannuation Act. It is a convenience for the service, but considered from the point of view of the private citizen some objections might be raised to it.

5712. Would you restrict its operations to certain classes in the public service, or would you make it as general as it is now?—I never thought of any restriction as desirable. It ought to apply only to permanent employees, and to those who, during a certain term of years, have contributed to the fund.

5713. All employees in the Post Office Department, whether railway mail clerks or letter carriers, are permanent officials paid by the year?—Yes.

5714. Are you aware that in England that is not the case, but they are paid by the week, and liable to be dismissed at any time?—I was not aware of it. The letter carrier service is very popular. We can get plenty of letter carriers at the present rate of pay.

5715. Is there any report as to the efficiency of the letter carriers when they get annual increments?—They are like the others; they have to be reported upon before a statutory increase is granted. In every case the report must state that the increase will be in the public interest, and unless the postmaster signs that it will not be granted.

5716. Do you consider persons doing manual labour, like letter carriers and mail clerks, should be paid annual salaries like persons doing fixed office work?—I see no reason why letter carriers and mail clerks should not be paid annual salaries, as their work is regular all the year around. We have labourers in connection with post offices who do not receive annual salaries.

5717. You have very few of these?—Very few.

5718. As a rule, your men are paid by the year?—Yes.

5719. And thereby become a charge on the Superannuation Fund?—If they were excluded I do not see what advantage would be gained.

5720. You know that guards in the penitentiaries, for instance, get a gratuity of a month's salary for each year's service. Do you not think it would be better to have a smaller number of permanent employees and pay them a gratuity on retirement, instead of having a large number of permanently employed at fixed salaries and pay them annuities after they leave the service?—I have not given sufficient thought to that point to make my opinion of much value. I will think over it, however.

5721. Have you any opinion as to adopting a system of insurance in connection with superannuation?—I disapprove of it entirely.

5722. In cases of dismissal or resignation, do you think the abatement should be refunded?—I do not think a man has any special claim to a rebate in either case.

5723. City postmasters and post office inspectors are political appointments?—Yes.

5724. Do you think these prizes in your department should be open to the members of the service?—I should much prefer to see it. I was very sorry when the law was amended removing post office inspectors from the operations of the Act. I think it is working, and will work, detrimentally to the service.

5725. Do you think both city postmasterships and post office inspectorships should be open to members of your department?—On the whole it would be better.

5726. Do you think it would be advisable occasionally to shift men from inside service to the outside?—It is done from time to time. I think it should be done only for cause, and for public cause.

5727. Do you think it advisable in the interests of the public service?—Sometimes it is, and sometimes it is advisable to strengthen the service at headquarters by bringing in a man who has proved his efficiency outside.

5728. Do you think it advisable to strengthen the service outside by sending an efficient clerk to take charge of a post office?—I think so, decidedly.

5729. You are aware that in England a man was sent from St. Martin's le Grand to take charge of the Birmingham post office?—I believe so.

5730. Do you think it would be advisable to adopt that system here?—I think it would work well.

5731. Have you any other remarks or suggestions to make to the commission?—If I had any general remark to make it would be that the service suffers to a large extent from lack of intelligence. If any means could be devised for infusing more intelligence into those who direct the service many economies might be effected.

5732. To what do you attribute the want of intelligence in the service? Is it the manner of making nominations?—I do not know to what to attribute it. I am thinking, not of the junior clerks—but, to tell the honest truth, I am thinking of people higher up in the service. There is a great lack of uniformity in the methods followed in the different departments, and it seems to me that if a commission were to go around the different departments it might discover something here and there that could with advantage be initiated elsewhere, and it might recommend the compulsory adoption of the same method everywhere. If Mr. Abbott could carry out his idea of an inspector of the service, the duties of such an officer might consist in visiting the departments with sufficient frequency, staying long enough to become familiar with the methods of each, comparing department with department, and discovering the best methods of doing business. He could then see where things were being done on common sense methods or in too primitive or foolish a way, where the end was not being attained as well as it might be, and he could point out defects and suggest remedies. I believe that if a really competent officer could be obtained for that position he would succeed in a couple of years in effecting a very great improvement in the methods of the departments. I have had frequent opportunities myself to notice a simple lack of intelligence in the way in which business is attended to and things done in the various branches of the service. It seems in some cases as if a person, when a case is brought before him, could not ask, or did not feel responsible for asking, the necessary questions to push it to a proper conclusion.

5733. What qualifications do you think such an officer would require?—I think he should, if possible, be taken from the service, in order that, to start with, he might be familiar with existing official methods. Of course he ought to be a person of education, somewhat versed in accounts, and his acquaintance with good business methods ought in some way to be proved. I think it is very important that he should have good ideas as to how to conduct official correspondence. At present official correspondence is done in all kinds of ways. I have sometimes been surprised at the things which people in high positions will put their names to; matters are left unexplained and incomplete.

You receive a letter which requires you immediately to write another to ascertain what it means. I know that by speaking in this way I leave myself open to criticism. I would be very willing, however, to submit to the Commission or to any other competent persons the correspondence carried on in my office, and let them judge how it is done. My idea is that a letter ought to be to some extent as clear as a brief; every essential fact ought to be there for purposes of record, and in order that the thing may be perfectly understood without drawing on the logical faculties for inferences, or on the imagination for conjectures. There is room for the application of scientific principles to Government work as to everything, and we want these principles applied to a much greater extent than they are at present.

POST OFFICE DEPARTMENT.

Secretary's Office.

Name.		Salary.
<i>(4) First Class Clerks.</i>		\$
J. Plunkett.....	Stamp branch.....	1,800
C. Falconer.....	Principal correspondence.....	1,000
A. W. Throop.....	do.....	1,550
G. H. Hargrave.....	do.....	1,500
<i>(9) Second Class Clerks.</i>		
H. G. Dunlevie.....	Stamp branch.....	1,400
C. J. Higgins.....	do.....	1,400
J. M. O'Leary.....	Principal correspondence.....	1,400
E. P. Stanton.....	do.....	1,400
C. Pope.....	do.....	1,300
F. G. Moon.....	do.....	1,300
E. Daubney.....	Stamp branch.....	1,250
J. H. Brown.....	Principal correspondence.....	1,250
B. M. Northrop.....	do.....	1,200
<i>(19) Third Class Clerks.</i>		
D. A. C. Macdonald.....	Stamp branch.....	1,000
P. B. Powell.....	do.....	800
A. Lampan.....	Principal correspondence.....	850
E. L. Taylor.....	Stamp branch.....	800
E. Bunel.....	Principal correspondence.....	800
W. Alford.....	Stamp branch.....	800
K. Merrick (Miss).....	Principal correspondence.....	700
L. Robinson (Miss).....	do.....	700
J. Seymour (Miss).....	do.....	700
F. C. Anderson.....	do.....	700
G. H. Parish.....	Stamp branch.....	700
P. D. Bentley.....	do.....	600
K. T. Waddell (Miss).....	Principal correspondence.....	650
H. S. Stewart (Miss).....	do.....	600
W. J. Beatty.....	do.....	500
E. Taché (Miss).....	do.....	450
M. T. Duhamel (Miss).....	do.....	600
M. J. Finn.....	Stamp branch.....	650
E. Holmes (Miss).....	Principal correspondence.....	400
<i>(3) Messengers.</i>		
M. Bennett.....	Principal correspondence.....	500
J. Todd.....	do.....	500
D. Courtney.....	do.....	500
<i>(4) Packers.</i>		
S. Greenfield.....	Principal correspondence.....	500
T. A. Caffaratti.....	Stamp branch.....	500
J. Bradley.....	do.....	500
W. H. Pearce.....	do.....	480
<i>(2) Temporary Clerks.</i>		
B. M. Munro (Miss).....	Principal correspondence.....	400
L. Merrick (Miss).....	do.....	400
<i>(2) Temporary Messengers.</i>		
D. Courtney.....	Principal correspondence.....	300
T. Chandler.....	do.....	400
<i>(1) Temporary Packer.</i>		
G. T. Sagala.....	Stamp branch.....	850

OTTAWA, 28th January, 1892.

Monthly Return of the conduct and service of the Clerks and other persons employed in the Secretary's Office of the Post Office Department during the Month of December, 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.
<i>Correspondence and Establishment.</i>			
C. Falconer.	1st Class Clerk.	In charge of principal correspondence.	Not absent.
A. W. Throop.	do	In charge of missing letter records and of certain branches of correspondence.	do
G. H. Hargrave.	do	Establishment of new post offices.	25th on leave.
J. M. O'Leary.	2nd Class Clerk.	Endorsing general letters and assists in correspondence.	Not absent.
E. P. Stanton.	do	Shorthand writer to Deputy Postmaster General.	do
C. Pope.	do	Appointments to vacant postmasterships.	do
F. G. Moon.	do	Register of Post Office Inspectors' reports and assists in correspondence.	1st to 7th ill.
J. H. Brown.	do	Appointments to staff of the Department.	29th to 31st on leave.
B. M. Northrop.	do	In charge of bonds and enumeration returns.	Not absent.
A. Lampman.	3rd Class Clerk.	Correspondence.	do
E. Bunel.	do	Assists Mr. Brown.	12th to 14th on leave.
K. Merrick, Miss.	do	In charge of vacancy papers pending new appointments and correspondence connected therewith.	Not absent.
L. Robinson, Miss.	do	Copying and enumeration returns.	do
J. Seymour, Miss.	do	Copying and endorsing.	26th ill.
F. C. Anderson.	do	Assisting Mr. Throop.	14th to 19th on leave.
K. T. Waddell, Miss.	do	Register of general letters and assists in correspondence.	26th on leave.
H. S. Stewart, Miss.	do	Assists Mr. Brown.	17th and 18th ill.
W. J. Beatty.	do	Assists with missing letter enquiries.	Not absent.
E. Tache, Miss.	do	Copying, indexing, assisting Mr. Throop.	2nd and 3rd ill.
M. T. Duhamel, Miss.	do	Press copying and despatch of correspondence.	Not absent.
E. Holmes, Miss.	do	Postmasters' bonds.	7th ill.
M. Bennett.	Messenger.	Chief messenger.	
J. Dodd.	do	Messenger.	
D. Courtney.	do	do	
S. Greenfield.	Packer.	In charge of store room.	
<i>Persons Employed Temporarily.</i>			
B. M. Munro, Miss.	Temporary Clerk.	Assists Mr. Brown and enters letter carriers' delivery return.	Not absent.
L. Merrick, Miss.	do	Enumeration returns.	do
D. Courtney.	Temp. Messenger.	Messenger.	
T. Chandler.	do	do	
<i>Stamp Branch.</i>			
J. Plunkett.	1st Class Clerk.	Superintending all the work of the Stamp Branch.	14th ill.
H. G. Dunlevie.	2nd Class Clerk.	Assists in general work.	Not absent.
C. J. Higgins.	do	Stamp licences.	do
E. Daubney.	do	Compilation of stamps issued and ordered.	do
D. A. C. Macdonald.	3rd Class Clerk.	Keeping register of stamps issued (3rd and 4th Dons.)	23th to 31st on leave.
E. L. Taylor.	do	do	10th to 23rd on leave.
W. Alford.	do	do	Not absent.
G. H. Parish.	do	do	do
P. D. Bentley.	do	do	do
M. J. Finn.	do	do	do

Monthly Return of the conduct and service of the Clerks and other persons employed in the Secretary's Office of the Post Office Department during the Month of December, 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.
Stamp Branch—Concluded.			
P. B. Powell.....	3rd Class Clerk ...	Miscellaneous ..	21st ill.
T. A. Caffarati.....	Packer	Packing	
J. Bradley.....	do	do	
W. H. Pearce.....	do	do	
Persons Employed Temporarily.			
G. T. Sagala.....	Temporary Packer	Packing	

W. D. LESUEUR,
Secretary.

OTTAWA, 2nd January, 1892.

TO THE MEMBERS OF THE CIVIL SERVICE COMMISSION.

GENTLEMEN,—I am much obliged to you for the permission you have granted me to make a full and free statement to you of my views on the general subject of Civil Service Reform. Approaching as I now am the termination of my thirty-sixth year of continuous service under the Government of Canada, I feel not only that my long experience should enable me to speak with some measure of confidence on certain questions connected with that subject, but that I might properly be expected to take the present opportunity of contributing whatever I can in the way of information or suggestion towards the accomplishment of the object which the Government have in view of improving the organization, increasing the efficiency, and raising the character of the Canadian Civil Service. Assuming that these ends are earnestly desired, both by the Government and by the public at large, I shall offer no apology for any freedom that may characterize the remarks I am about to make.

There are two main influences which tend to mar the efficiency of the Civil Service in any country like ours, and these are officialism and politics. The only good that either ever does is more or less to antagonize the other. Officialism acts sometimes as a bar to the intrusion of politics, and politics sometimes succeed in shaking officialism out of its ruts. What we want as a substitute for both is an honest application of business methods to the service. By officialism I mean the spirit of routine, the spirit that barely distinguishes between the useful and the useless where Government work is concerned, that magnifies the administrative machine and makes little comparatively of the public ends it is supposed to serve, that looks upon all changes as dangerous or at least troublesome and always prefers an abuse to an innovation. Politics I need not define: we have it with us always, and we know what it means. The present question is, how does the intrusion of politics affect the public service. It affects it in many ways:

1. By crowding it with unnecessary hands.
2. By introducing into it, at times, inefficient or otherwise unsuitable persons.
3. By interfering with the due course of promotion.
4. By interfering with the exercise of necessary discipline.

By interfering with the due course of departmental procedure.

These are the primary evils of some of them. The secondary (in the sense of derivative) evils are to be found in the moral effects upon the service at large of these attacks, if I may so call them, upon the integrity of its organization and methods. How can industry be enforced in an overcrowded office? How can a proper standard of work be maintained where some are markedly inefficient? How can the moral of the service be kept at a high point if justice is trifled with? How can an officer who is not supposed to be a political partizan enjoy the highest measure of self-respect if he is compelled, or thinks himself compelled, to act as a partizan? And what is likely to be the effect upon a deputy head or the head of a branch of being called upon to sign certificates which he cannot sign in good faith, and what is likely to be the effect upon the rank and file of knowing that such things are done even though only occasionally? The work of the country goes on, but these things do not help it; and it does not go on as it would do if these things were absent.

We are supposed to have in this country the English system of a permanent Civil Service. We are not supposed to be partizans like the higher officers in the American Civil Service, who come in with an administration and go out with it. We are not supposed to do political work during office hours. Strictly speaking there is, or should be, only one politician in every department—the Minister—unless his Private Secretary might be allowed to count for a second. The deputy head of a department is not supposed to be a political officer, and it seems to be an unjust and almost cruel thing to insist on making him one. His functions—if my 36 years' experience has enabled me to understand the matter aright—is to furnish his Minister with full and accurate information upon all departmental questions which the Minister may be called on to decide, and to advise the Minister in the public interest. His function is not to suggest to the Minister ways and means of turning this or that contingency to political account, nor to cover with his recommendation things which are advisable solely in a political sense. His function is to protect his Minister from error as far as he possibly can; and, if at any moment the Minister wishes to go counter to his advice, to step aside and let the thing be done on the authority of the Minister, not on his own. If anything out of the usual course is to be done for the sake of political advantage, the Minister, who reaps the advantage, should bear the responsibility, not the deputy who has no interest in the matter one way or another.

The remedy commonly proposed for the abuses above referred to is the adoption of the English system of competitive examinations, but manifestly that system would not touch the particular evil last described. Appointments to the service might be made in the most irreproachable way, and political pressure might still be exercised on the higher officers of the several departments, particularly on the deputy heads. What, therefore, I seem to see clearly is that, if the Government and if Parliament wish to render impossible for the future such abuses as have confessedly existed in the past, and as, it is understood, gave occasion for the issue of the Commission under which you are acting, nothing is so important as to establish, confirm and secure by every possible means the independent and non-political character of the deputy heads. As I have hinted, this will not prevent Ministers taking responsibility upon themselves if they wish; it will only prevent their putting forward their deputies as authority for courses which they themselves virtually dictated.

With regard to the system of competitive examinations, I am not, as my evidence before you shows, much in favour of it. We get a great many good men in the service as it is, and for my part I should be quite content to receive as now nominations from politicians, provided only such nominations were made under proper conditions of publicity and responsibility. The Civil Service is the public service, it is not the service of a party; and the public have a right to know both who enter their service and on whose recommendation they get in. Proper publicity is the direct remedy for many ills. If we want to get rid of abuses we must put an end to hocus-pocus and all kind of hole-and-corner work. Such work should have no place in the public service of a free country. In my evidence will be found further remarks on the subject of competitive sys-

tem. It seems to me that the people have a better chance under the present system, or at least that they would have, if it were properly worked. A politician will naturally wish to make popular recommendations; and taking his nominees here and there among his constituents he will give us a better average sample of the community that we should get if we chose only the bright particular stars of the examination room. We want everyday people in the service, provided only they can come up to certain requirements in respect to education, character and health; and by choosing nominees here and there and holding out a prospect of appointment conditioned on the passing of the required examination, a politician, in addition to whatever other useful things he may do, may aid in the cause of popular education.

Under the present Civil Service law, before the Civil Service Examiners can admit a candidate to examination, they must be furnished with certificates of health and character. The law does not, however, prescribe the form of these certificates, nor provide any penalties for giving them falsely or on insufficient knowledge. These points, I think, might well be considered when the Act is next revised.

In regard to first appointments, I have in my evidence taken up a very decided position. The service should grow only as the work to be done expands, and additional assistance should be granted only when demanded from within and conclusively shown to be necessary. The demand should come, as I have pointed out, from the chief clerk in charge of a certain branch of the department, and he should be obliged to discuss the matter with the deputy head, whose duty it would be to demand rigorous proof that the extra assistance was really required. Then the application should come before the Minister, who should in turn call upon the deputy to explain why additional help was required. At present unnecessary clerks are sometimes forced upon reluctant heads of branches. Strictly speaking, this should not be so, even under the present law, which says that, when additional assistance becomes necessary the deputy head shall so inform the head of the department. What really happens is that the head of the department informs the deputy that he wants to appoint somebody and the deputy provides a certificate that that somebody is wanted. My contention is that there should be no movement to make a new appointment till a demand has been made by the chief clerk who actually needs the services of the new clerk. Of course no more clerks can be appointed than have been estimated for, or than can be paid as temporaries out of the contingencies of the department; but how are the estimates framed? Should there not be some positive evidence furnished to the Treasury Board that the estimates are framed with as much economy as is consistent with efficiency.

In regard to promotion there is only this to be said that they should be governed exclusively by departmental considerations. When the private friends of an employee make interest with a Minister, and either force the promotion of a man who would not be promoted on his own merits or disturb the due order of promotion of different clerks, the effect on the service is bad. The man promoted by pressure feels himself independent to some extent of ordinary departmental rules, and the men who have been passed over in order that some favoured individual may go up higher feel aggrieved and discouraged.

The proper organization of a department implies the proper apportionment of work and responsibility among the staff according to the relative standing of each individual. A department is not properly organized when a chief clerk is doing the duty of a subordinate, or a subordinate the duty of a chief clerk; or when clerks of any grade are doing work of a different grade. A department is not well organized when there is uncertainty as to the division of responsibility. A department is not well organized when the discipline is lax or variable. The present Civil Service bill contemplates (see section 6) a reclassification of the service from time to time, and this should certainly be carried out not less frequently than once in five years.

One drawback to the efficiency of the service is that men who have arrived at the maximum of their class, and who do not see much if any prospect of promotion to a higher class, sometimes lose any zeal and energy they ever possessed. This happens more frequently at the maximum of the second than of the third or first, and the lesson

to be drawn is that we should be careful how we admit men into the second class. It should only be done on the ground—apart from his having passed the required promotion examination—that he has shown a distinct aptitude for higher work and has otherwise displayed qualities which promise to make him useful in a higher position. To meet the case of deterioration through lack of interest, it might well be provided that a clerk who, being at the maximum of his class does not maintain himself at a satisfactory level of efficiency shall have his salary reduced \$50 a year until he again begins to show that he appreciates the duties of his position.

At present it sometimes happens that the senior man in a class fails to qualify himself for promotion while junior men in the same class have qualified. In ordinary cases the man thus delaying to qualify runs a risk of being passed over, and often such men have been passed over. Cases have not been unknown, however, in which the filling of a vacancy in a higher class has been postponed to enable some dilatory man to qualify, though qualified men were at the time available. I would propose that a man should lose his seniority in his class if he fails to qualify at the same time as a man junior to him, and if he again fails at the following annual examination. That is to say I would not rank the junior man over the senior as soon as the former has passed an examination which the latter did not pass, perhaps did not try to pass; but if at the next annual examination the senior also failed to qualify, then I would place the qualified junior over him in the class, and consider him entitled to earlier promotion. A provision of this kind would, I am persuaded, put a good many employees more on the *qui vive* than they are at present.

It was a matter of regret to me when a bill was passed four or five years ago exempting all who had entered the service before 1882 from the necessity of passing any educational examination as a condition of promotion. The object professedly aimed at was to relieve elderly men from an obligation which would naturally weigh more heavily on them than on younger men whose knowledge acquired at school would be somewhat fresher in their recollection. But if this was the object aimed at, the bill need not have been drawn in such comprehensive terms. It might have provided, say, that no man over forty-five years of age who had been in the service before 1882 (date of passing Civil Service Bill) would be required to pass an educational test for promotion, but in point of fact it exempted not only such men but also every youngster who had entered the service prior to 1882, from ever having to show in an examination educational fitness for any higher position to which he might aspire; while the youngsters (and others) who entered after 1882, are compelled to demonstrate such fitness at every promotion examination. If the pre-1882 youngsters only knew it, the Bill which they perhaps hailed with satisfaction was anything but a blessing, seeing that it deprives them of what would have proved a valuable stimulus to intellectual activity, and throws that particular advantage on the side of their juniors. I am strongly inclined to think that an educational test in connection with promotion is one of the most valuable means of keeping up the efficiency of the service. Those in the service who remember the few years that elapsed before the original provisions of the Bill were interfered with in the manner I have mentioned, will recall the intellectual stir that was caused by the introduction of the new requirements for promotion. Nothing excessive was required in the way of an educational test; but enough was required to produce a decided intellectual result. My hope is that before long we may get back on the old ground, with perhaps a proviso for the case of the older employees—say men who had already had ten years of service in 1882.

Before leaving this point, I may observe that the amendment to which I am objecting exempts from scholastic tests, precisely those whose educational fitness had not been shown—they having entered the service before examinations were required—and imposes them on those whose educational fitness had been shown by the fact of their having passed the entrance examination prescribed by the Civil Service Act.

I ventured in my evidence to remark on a lack of intelligence discernible in some of the higher walks of the service, as evidenced by a certain want of method in official correspondence, a want of thoroughness in official enquiries and in a general way a want

of adaptation of means to ends. I am not disposed to blame this entirely on the intrusion of politics, but I do think that it may in part be attributed to that cause. What is the use of being logical, if your logic is liable to be stranded at any moment on the rock of some political interest? A public servant should not be required to navigate political shallows, or take political soundings: his business one would suppose, should be to steer a simple course in the safe waters of public duty. If he were quite free to do so, a higher standard, I imagine, of intelligence and efficiency would be set for him than is set now, for he would then be judged solely by the degree of knowledge and skill which he displayed in the performance of his legitimate duties. A high official some years ago, spoke to me in terms of the warmest admiration of his Minister who, he said, always supported the department as against the public. This, however, I submit is not the way to promote official intelligence. I prefer to think of a Minister, not as making a kind of defensive alliance with his officials, but as making himself at all times, the representative and advocate of the public, and causing every man under him to feel that he is, in no ignoble sense, but in a distinctly noble sense, the servant of the public. The problems of administration are many and complex. The Civil Service, in fact, is a profession in which a high measure of ability can be very usefully employed; but an able man, if he has character as well as ability, is discouraged when he finds that his talents are demanded for ends other than the public good. I said some time ago that the lack of intelligence in the public service could not be wholly charged on politics; but I feel now like recalling that, for, on reflection, I cannot discern any other specific cause that tends to depress the level of intelligence in the departments. Without that disturbing influence there would still be defects of intelligence, for human nature is not perfect intellectually any more than morally; but the weakness of human nature is not a specific cause—it is a general one, to be assumed in all discussions.

It has been my not altogether pleasant duty in making the above statement to dwell on the defects in our administrative system and not upon merits. But it was to arrive at defects and their causes and possible remedies that your investigations have been undertaken; and you will not draw the inference that because, in furtherance of your object I have spoken of these, I could not have said much on the merits of our service as a whole. No man appreciates more than I do the faithful work that is done by hundreds of good men, or the earnest desire that animates the great majority of my colleagues to promote the public interest. I see men around me in various positions striving to economise the public money, to render the public efficient and satisfactory service, to discharge every duty that is laid upon them promptly and well. I could bear testimony also to the soundness of the general principles of departmental administration, for the cases in which there is any deflection from the straight path of departmental procedure, are, after all, exceptional. Any one who imagined that political exigencies always dominate departmental action would err more seriously by far than he who imagined that they never did. My practical suggestions are:—

1. A better method of making first appointments, as partly outlined above, and also in my evidence.
2. Greater strictness in matter of promotion.
3. Some special provisions for lowering salaries as for raising them.
4. The adoption of some provision for securing greater independence on the part of deputy heads.
5. The furnishing to Parliament annually of certain information not now furnished as to new appointments, and the recommendations on which they were made, and as to the amount of leave of absence granted throughout the year.
6. Making chief clerks jointly responsible with the deputies for the framing of estimates, so far as their several branches are concerned.

These are the principal points, but I have appended hereto a number of suggestions which I take the liberty to make for the amendment of the Civil Service Act. Of these I can only say that they commend themselves to my private judgment.

The above communication is made to you, Gentlemen, as being in the confidence of the Government. It will not in any way be made public by me ; and it therefore rests with you to give it such publicity as you may deem expedient, or to deal with it otherwise in your discretion.

I am, Gentlemen,

Very faithfully yours,

(Signed,) W. D. LESUEUR.

OTTAWA, 4th February, 1892.

SUGGESTED AMENDMENTS TO CIVIL SERVICE ACT.

17. *Present Law.*—A first class clerkship shall only be created by Order in Council, passed on the report of the deputy head, concurred in by the head of the department, setting forth the reasons for creating the office, and after the salary has been voted by Parliament.

17. *Suggested change.*—A first, second or third class clerkship, or a temporary clerkship, or any office permanent or temporary lower than a clerkship, shall only be created by Order in Council, passed upon a recommendation of the head of the department, specifying the branch, division or office of the department for which the new appointment is required, and transmitting a report made by the chief clerk in charge thereof to the deputy and concurred in by him, setting forth in detail the circumstances which, in his opinion, render such appointment necessary and the nature of the duties to be attached thereto—provided always that if the appointment should be one not connected with any particular branch of the department nor falling under any supervision save that of the deputy, that fact may be stated in the recommendation of the head of the department ; and a report made by the deputy to the head of the department and concurred in by him may in such a case replace the report made in ordinary cases by a chief clerk.

19. A second class clerkship shall only be created by Order in Council, passed on the report of the deputy head, concurred in by the head of the department, setting forth the reasons for creating the office, and after the salary has been voted by Parliament.

19. Same as 20.

20. The minimum salary of a second clerk shall be \$1,100 per annum with an annual increase of \$50 up to a maximum of \$1,400.

20. Same as 22.

21. A third class clerkship, or the office of a messenger, a packer or a sorter, shall be created by Order in Council passed on the report of the deputy head, concurred in by the head of the department, setting forth the reasons for creating the office, and after the salary has been voted by Parliament.

21. Same as 23 with word "copyist" inserted before "messenger."

22. The minimum salary of a third class clerk shall be \$400 per annum, with an annual increase of \$50 up to a maximum of \$1,000.

23. The minimum salary of a messenger, packer or sorter shall be \$300 per annum, with an annual increase of \$30 up to a maximum of \$500.

29. Except as herein otherwise provided, no appointment shall be made to either division of the Civil Service unless the person appointed has passed an examination, which shall be of two kinds. The first or "preliminary" examination to qualify for the following appointments : Messengers in either division, porters, sorters, packers, letter carriers, mail transfer agents, box collectors, tide waiters, assistant inspectors of weights and measures, temporary copyists, and for such other officers in the lower grades as is determined by the Governor in Council. The second or qualifying examination to qualify for the following appointments : third class clerkships in the first division ; third-class clerkships and the offices of landing waiters and lockers, in the second division for Customs service ; third class clerkships and the office of exciseman, in the second division for Inland Revenue service ; third class clerkships, railway and marine mail clerk

ships, and the offices in the second division for post office service. But nothing in this section shall be construed to prevent candidates passing both examinations, at their option.

29. Omit word "temporary" before "copyist." This would enable the Government to appoint permanent copyists, and increase their salaries up to \$500, thus introducing what might be a useful class.

30. No person shall be admitted either to the preliminary or qualifying examination until he has satisfied the Board (a.) That at the time appointed for such examination he will, if the examination is for a place below that of a third class clerk, be of the full age of fifteen years, and in other cases be of the full age of eighteen years, and if for the inside departmental division, that his age shall not then be more than thirty-five years; (b.) That he is free from any physical defect or disease which would be likely to interfere with the proper discharge of his duties; (c.) That his character is such as qualify him for employment in the service.

30. Insert after "fifteen years" the words "and not over forty-five," and change "eighteen" to "sixteen," and "thirty-five" to "twenty-five." Also insert proviso that no one who has joined the lower grade at any age over twenty shall be eligible for admission to the higher service.

35. Whenever it becomes necessary to make any appointment to any of the classes to which it is herein provided that first appointments shall only be made after qualifying examination, such necessity shall be reported to the head of the department by his deputy, and upon such report being approved by the head of the department, and after the salary to be paid has been voted by Parliament, the head of the department shall select and submit to the Governor in Council for probation, from the list of qualified candidates made by the Board, a person fitted for the vacant place.

2. The person so selected shall not receive a permanent appointment until he has served a probationary term of at least six months.

3. The head of the department or the deputy head may, at any time during the period of probation, reject any clerk or employee appointed to his department.

35. Whenever it becomes necessary to make a new appointment to any position to which it is herein provided that first appointments shall only be made after qualifying examinations, the head of the department shall select from the published list of candidates a person who he thinks would be suitable for the position and shall submit his name to the Governor in Council on probation.

a. The probationary period may extend over a year, or the appointment may be made permanent at any time after the expiration of six months, provided the person selected shall have given entire satisfaction in the performance of his duties. In recommending to the Governor in Council the confirmation of any probationary appointment the head of the department shall state the result of these enquiries as to the character and health of the individual as provided in clause c.

b. Should the conduct of a person appointed on probation be unsatisfactory his employment may be terminated at any moment on the report of the head of the department to the Governor in Council.

c. Previous to or immediately after the appointment of any person on probation, the head of the department shall obtain from the Board of Examiners copies of the certificates of health and character given on his behalf, and shall enquire whether these continue to be valid and are of sufficient weight to justify—other considerations being complied with—the appointment of the individual to the public service; and the names of all persons recommending any one for appointment to the Civil Service shall be of permanent record in the department to which the person so recommended is appointed.

d. As soon as possible after the commencement of each calendar year the head of each department shall furnish to the Secretary of State a list giving the names of all persons appointed to his department during the previous year with their positions and salaries, and the names of the persons whose recommendations he had accepted in behalf of each; and the Secretary of State shall cause these lists to be printed and laid before Parliament at its first ensuing session.

36. No probationary clerk shall remain in the department more than one year, unless, at or before the end of that time the deputy head signifies to the head of the department in writing that the clerk is considered by him competent for the duties of the department.

2. If he is rejected, the head of the department shall report to the Governor in Council the reasons for rejecting him, and another clerk shall thereupon be selected in like manner in his stead; and the head of the department shall decide whether the name of the person rejected shall be struck off the list as unfit for the service generally, or whether he shall be allowed another trial.

32. 2. Add: In the latter case the second period of probation shall not begin until at least six months after the termination of the first period.

37. 2. City postmasters and post office inspectors; inspectors, collectors and preventive officers in the Customs Department; inspectors of weights and measures; and deputy collectors and preventive officers in the Inland Revenue Department; may be appointed without examination and without reference to the rules for promotion herein prescribed.

37. 2. Strike out all the officers mentioned, except city postmasters and collectors of Customs.

38. If a vacancy, &c.

38. Insert by whom report should be made.

45 and 46. Insert a new section between these to following effect; should any person junior to another in a given class in either division of the service qualify himself for promotion by passing the examination, and should a person senior to him allow the examination at which the junior qualified and also that of the following year to pass without qualifying, then their relative seniorities shall be exchanged, and the junior shall stand first for any subsequent promotion.

28. No salaries shall be paid to any member of the Civil Service whose appointment or promotion, or whose increase of salary after the first day of July, one thousand eight hundred and eighty-two, has not been made in the manner provided by the Civil Service Act in force at the time of such appointment, promotion or increase.

28. Every head of a department shall have power to punish misconduct on the part of any officer, clerk or other employee by means of pecuniary penalties not exceeding one month's pay without suspension from duty, or to suspend from duty and pay for any period not exceeding two months; but penalties more severe can only be imposed by authority of an Order in Council.

46. An exchange of positions between two officers serving in different departments, or in different divisions of the same department, and the filling of a vacancy in one department by a transfer from another division of the same department or from another department, may be authorized by the Governor in Council to be made without examination of either officer; but such exchange or transfer shall be made without increase of salary of either of the persons exchanging or transferred; and no person shall be transferred from an outside to an inside division, whose age at the time of his first appointment exceeded thirty-five years.

46. Add: The seniority of persons in the department or division to which the transfer is made shall not be injuriously affected thereby, unless it has been reported to the Governor in Council that the transfer has been made to meet an emergency in the public service, in which case the person transferred shall retain and enjoy his full seniority according to service.

47. When, from a temporary pressure of work or from any other cause, the assistance of temporary clerks becomes necessary in any branch of the first or second division, the head of the department may—if he is satisfied that such necessity exists—on the requisition of the deputy head of the department, select from the list of qualified candidates, for whom no vacancies have, up to that time, been found, such number of temporary clerks as are required, or, if the list does not furnish such a person, may employ any other person qualified for the service in question; but such other person

shall not be continued in such temporary employment after the period in which a preliminary or qualifying examination is held, unless he presents himself for examination and obtains a certificate of having passed the necessary examination.

47. For the words "or if the list does not furnish such a person," substitute "or if the list of qualified candidates has been exhausted."

After the word "required," in the eighth line, add "whose appointments, however, shall only be made under the conditions specified in section 17."

49. The head of a department, and in his absence the deputy head of such department, may grant to each officer, chief clerk, clerk or other employee, leave of absence for purposes of recreation for a period not exceeding three weeks in each year; and every officer, clerk or employee, whether in the first or second division, shall take the leave granted at such time during each year as the head or deputy head of the department determines.

2. In case of illness, or for any other reason which to him seems sufficient, the Governor in Council may grant to any officer, chief clerk, clerk or other employee, leave of absence for a period not exceeding twelve months.

49. (a) The head of the department may on being informed of the illness or physical incapacity from any cause not involving personal misconduct, of any employee in the department, grant sick leave for a period not exceeding one week with or without a medical certificate as he may judge expedient, or for any period not exceeding two months if a medical certificate has been furnished, showing leave of that extent to be necessary for the restoration of the employee's health; but any leave of greater duration can only be granted by Order in Council.

b. Leave of absence may be granted to any officer or other permanent employee by Order in Council on account of illness or other sufficient cause, for any period not exceeding twelve months.

c. The head of each department shall furnish annually to the Secretary of State, at the commencement of each calendar year a certified return of all leave of absence granted during the previous year, to employees of his department in excess of the regular annual leave, omitting however, cases in which such extra leave did not within the year exceed six working days, and the Secretary of State shall cause these returns to be printed and laid before Parliament at its next ensuing session. Such returns shall show: 1. The name of the employee; 2. The rank and position of the employee; 3. The date and extent of the leave; 4. The cause for which leave was granted.

50. The head of a department, and in his absence the deputy head of such department, may (a.) suspend from the performance of his duty or from the receipt of his salary any officer or employee guilty of misconduct or negligence in the performance of his duties; (b.) remove such suspension; but no person shall receive any salary or pay for the time during which he was under suspension.

50. Add to clause b.: "unless it should be ascertained that he was not guilty of the fault imputed to him, and the imputation of which was the ground for his suspension."

60. The provisions of the Civil Service Act, so far as they render promotion of the Civil Service contingent in any degree upon examination as provided in the said act, shall not apply to any civil servant who entered the Civil Service before the first day of July, 1882, except in so far as regards the duties of the office to which such civil servant may desire to be promoted.

60. Change "eighty-two," to "seventy-two."

(Signed) W. D. LESUEUR.

5th January, 1892.

FRIDAY, 5th February, 1892.

Mr. A. M. BURGESS, was recalled and examined:—

5734. Have you any connection with the Immigration Bureau in regard to placing immigrants on lands in the North West?—We have really no direct communication with them. We are supposed to find the land for the immigrants when they arrive. The connection between the Immigration Department and the Land Department is perhaps not as direct as it should be. Of course they have agents at most of the points where we have agents, and they care for the immigrants on their arrival, and I suppose give them assistance in finding their way to the land office.

5735. If you had the control of the immigration in your department, could you make a large reduction in the two staffs?—I am not very familiar with the immigration staff of the Agriculture Department, but at points where there are agencies of both departments I have no doubt a considerable reduction could be made.

5736. When it may happen that the agent of each department has not enough to do, one agent could do all the work?—Surely.

5737. And it would tend to more efficient administration?—Of course. Both departments have endeavoured always to work as much as possible in harmony, but there is necessarily a certain want of touch between us at the particular point where the immigrant is laid down, and that is where I have always thought our system is a little weak. It seems that the theoretical organization at this moment is that the immigrants are gathered at points along the line of railway by the immigration department, and when they are left at these points they are presumed to be taken charge of by us. We had a system of land guides for a number of years, men appointed to take charge of those immigrants when they were out of the care of the immigration department. This system was found however to be expensive and not very efficient, and it was given up. In the appointment of Mr. Metcalfe, now elected member of Parliament for Kingston, we attempted to bring the two interests into harmony. He was the joint agent of both at the railway station in Winnipeg, but we had each, nevertheless, an agent in Winnipeg acting for each department particularly. I have no doubt, as I have already said, that, so far as concerns the places along the line of the railway, where each department has an agent of its own, a considerable saving of expense could be made and also a considerable addition to the efficiency of the work, if one agent represented the interests of both departments.

5738. That is, if the whole matter was under the same central control?—Yes.

5739. Which department has the largest number of agents in the North-West?—The Department of the Interior.

5740. Therefore, if you turned your agents into immigration agents, you would have a larger staff of immigration agents than the immigration department now has?—Yes.

5741. Because you have more agencies than they have?—So far as relates to the North-West that is correct.

5742. It might happen under the present arrangement that the immigrants would be taken up to the North-West by the immigration department, and from want of connection with your department they might drift to the other side of the line?—It might happen, although I am not aware of any instance in which it has happened. Mr. Lowe complained to me some years ago that something of that kind had come to his observation at Brandon, where they have an agency and we have one also, or where they had an agency at the time. I am not sufficiently familiar with the Department of Agriculture to say where they have agencies.

5743. In 1890 they had an agency at Brandon, one at Calgary, one at Moose Jaw, one at Regina, one at Winnipeg, one at Vancouver and one at Victoria, seven in all?—Yes.

Mr. ADAM HARVEY appeared and was examined :—

5744. You are a patent attorney and notary public residing at Ottawa?—Yes.

5745. You made a communication dated the 4th February to the Commission, in which you desire to impress upon us the very bad condition in which the Patent Office is and the great necessity for a thorough change in its system, and you ask for liberty to give evidence on that subject. The Commission would be glad to hear any statement you would wish to make?—I would like a little time. I could give you a mere outline at present, but, if I give evidence at all, I should like to produce papers to prove everything I say, and of course I cannot do that because it would take some little time to go through these papers.

5746. Give us an idea in general terms of the abuses which you say exist?—The principal point which I wish to impress upon the Commission is that the Patent Office—that is of course the commissioner or deputy commissioner—does not act in accordance with sections 16 and 17 of the Patent Act, chapter 61 of the Revised Statutes.

Section 16 deals with the refusals to grant patents and says that the commissioner may object to grant a patent in either of the following cases.

5747. That is the Minister?—The Minister or the commissioner or the deputy commissioner. The cases referred to are :—(a) When he is of opinion that the alleged invention is not patentable in law ;

(b) When it appears to him that the invention is already in the possession of the public, with the consent or allowance of the inventor ;

(c) When it appears to him that there is no novelty in the invention.

This is an important thing, because in endeavouring to ascertain whether there is any novelty in an invention, a search has to be made, and the Patent Office Record has to be examined in order to ascertain that.

(d) When it appears to him that the invention has been described in a book or other printed publication before the date of the application, or is otherwise in the possession of the public ;

(e) When it appears to him the invention has already been patented in Canada or elsewhere, if the case is one within the 8th section of this Act, and as the commissioner has doubts as to whether the patentee or the applicant is the first inventor.

Now you will see that, if there is no restriction on this section the commissioner would have an immense power to refuse patents at his pleasure. But the legislature did desire to leave that power in his hands. They restricted him, and they say in section 17 :

“Whenever a commissioner objects to grant a patent as aforesaid, he shall notify the applicant to that effect and shall state the ground and reason therefor, with sufficient detail to enable the applicant to answer, if he can, the objection of the commissioner.” If he objects, it can only be on one of these points specified in the act. That is the statutory requirement and, if the commissioner objects on any of those grounds, he must say why, he must state the grounds or reasons of his objection. He must state the ground with sufficient clearness to enable the applicant to answer the objection. That is the bone of contention. The office frequently—in fact generally—when they make an objection, do not specify the grounds. I should have liked to have had time to bring official papers from the Patent Office to show that they do that, I do not say in every instance, but I know that in most of my cases the rule laid down by the statute is not carried out, and the *modus operandi* of the office is something like this : An application for a patent is filed in due course, or out of due course. This application is examined and the notice which the applicant receives is this, as an instance. “Only one claim can be allowed on this application.” There may be two, three or four claims in number. The patent law does not limit an applicant to the number of claims. Now, if their application would only admit of one thing, the examiner ought to point out, supposing he would allow claim No. 1, that claim No. 2 was anticipated either by printed books or by prior patents ; but he does not tell you anything of that sort. He says only one claim can be allowed, and the funny thing about it is, that as a rule he does not care two straws which claim it is. So long as it is one of the claims,

he is satisfied. I have cases in point and I can produce papers to show that that is so. One notable case where this objection was raised, where the applicant appeared personally, and where I arranged with Mr. Pope, the present deputy, to have an interview, we appeared before him, and he the examiner who had charge of the case gave various arguments pro and con. The deputy commissioner admitted that certain arguments which I adduced on that occasion were correct.

5748. The statute gives you an appeal to the Governor General in Council on the questions you have been discussing. You could have gone to the Governor in Council, and they are therefore out of the scope of our enquiry. Do you charge the commissioner with having acted corruptly in the matter?—No.

5749. Then you had your appeal to the Governor in Council?—I want to show you that that appeal does not amount to a row of pins. There is practically no appeal.

5750. But the statute gives you an appeal to the Governor in Council?—What does it amount to?

5751. It should be an effective appeal, because the Governor in Council always has the advice of the Minister of Justice?—I will show you how this is worked. If I get as I recently did, a reply which I considered not a statutory reply, if I have a reply rejecting an application not according to section 16 or 17 of the act, it is not a statutory reply.

5752. It might be interesting, if you would indicate where you attach any importance at all to the appeal?—If I receive, as I have done, such replies, I have found that going with the office is of no use at all. The stand they once take they never deviate from. Every man is liable to make a mistake, and a man who never retracts anything, he has ever done, is surely wrong. That is the position of the Patent Office.

5753. How is it that this appeal appears to you to be illusory?—A good deal depends on the routine of the office.

5754. When you appeal you have not to pass through the office, but you appeal directly to the Governor in Council?—The appeal is referred to the Minister of Agriculture to report, and what does that amount to.

5755. Does not the matter go to the Minister of Justice according to the statutes?—No.

5756. Is not that the practice, Mr. Pope?

Mr. POPE—It is not the statute, but that is the practice.

5757. You have a right to be heard on the appeal?

Mr. HARVEY—I have reported to the Minister of Justice and he has refused to act without the Patent Office.

5758. But every one knows that the Minister of Justice will hear the parties on any of the points involved?—In my dealings with the Minister of Justice I have been perfectly satisfied that he would do anything fair and square, as far as he could.

5759. As a rule the Privy Council send these matters to the Minister of Justice, and on his report they are able to deal with them?—I must follow up this point in order to see what this appeal amounts to in its first stages. If such a reply as I have referred to is sent, and I reply to the Patent Office that that is not a statutory reply, or a statutory action, what does the Patent Office do? Nothing at all. They just allow that application to lie dead, and it does not matter what I do. I may write 50 letters, but the Patent Office will never stir? Is that business, to say nothing of law?

5760. In a case of that kind you should make your appeal to the Governor in Council?—The only thing I can do, after that, is to appeal to the commissioner in person. I am afraid I will have to use hard words, but Mr. Carling is either too indolent or too ignorant to take action in such cases. And invariably, if such a complaint is preferred to him, he either does nothing at all or refers it back to the same people against whom the complaint is made, and they are not likely to do anything against themselves.

5761. Why do you not go to the Governor in Council?—If that is the action so far, what is the use of going further, when the Governor in Council would go back to the Minister, and it is fair to assume that he would act in the same way as he had up to that point.

5762. Have you ever gone to the Governor in Council?—I have not.

5763. Then how can you speak of it?—I know of other cases.

5764. You said that was the principal point you had to bring before us. Have you any other point? You make no personal charge against the commissioner or the deputy commissioner?—No.

5765. But you do not agree with their views as to the decision which have been given on these applications?—It is the practice of the office that I object to.

5766. You do not think the commissioner or the deputy commissioner has acted in accordance with the law in regard to the applications made by you?—Exactly, and there is no law to make them do it.

5767. You have not gone to the Appeal Court?—I have not, in consequence of my experience of it.

5768. But you have no experience of it?—I have experience of it, for I have had a case there myself.

5769. Assuming your *ex parte* statement to be correct, no doubt if you were to appeal you would find your case dealt with properly in the end?—I venture to say if you were to ask any patent attorney in the city about the result of such appeals, he would smile. Then there is a point of detail leading up to the same thing. Some years ago the practice was introduced here that, when an objection was sent to an application, it was sent in the name of the commissioner or deputy commissioner, but I have communications saying "below please find communication from examiner." That is modelled on the communications which are sent in the United States, but in the United States that is well founded, because the examiner is a man created by statute, while in Canada we know nothing of an examiner. There is nothing in the Patent Act about an examiner. Of course the examiners exist, but only as assistants to the commissioner or the deputy commissioner. The deputy commissioner says: "Please find below a communication from the examiner," and he signs his name as deputy commissioner, but, if we do not agree with that communication from the examiner, the question is whether the deputy commissioner has ever enquired whether or not that is a just objection to take. If I do not agree with that, the probability is that the deputy commissioner will say that is correct, because he feels after all that that is his decision, though it was the opinion of the examiner. There is an anomaly in this. It would be difficult if the statute had created the examiners, but they do not exist in point of law. It is therefore the decision of the deputy commissioner, and, when you come afterwards and say that is not right, there is a tendency on the part of the deputy commissioner to say that it must be right, because he cannot have done wrong very easily. That is the trouble all the way through. If I do not get any satisfaction here, and I go to the commissioner in person, he refers the matter to the Deputy Minister, and he tells me that he is not connected with the Patent Office and has no authority to act, that he knows nothing about patents at all, though he has had five or ten or more years experience in the patent law, and he gives you to understand with one side of his mouth that he knows nothing about patents, and wishes you to understand with the other side of his mouth that he knows a great deal. You spend a few days there, and you find out very soon that the whole transaction is directed to an operation of whitewashing what is gone before.

5770. Although the examiners may not be strictly named they are appointed under the authority of the Patent Act?—There may be something in that. In the United States Patent Office, where there are 27 or 30 principal examiners and where there are necessarily great diversities of practice existing, and where occasionally you can find a man who will stick to his first opinion through thick and thin, it is a pleasure to see that on a fair average you do not find a man so stubborn, that, if you can show that he is wrong—and they are frequently wrong—he will not change his view, and consequently there is no difficulty.

5771. You want the commissioner to change his mind if he thought he was right, in order to please you?—Certainly not.

5772. By your not appealing you allowed these men to come to the conclusion that you had no case?—Exactly. So true is that, that the action of the United States officers

is principally due to the ready appeal which there is had to the commissioner, or in the first place to the board of examiners, and then to the commissioners, and then the decisions of the examiners in the United States are reversed, speaking roughly, in eight cases out of ten.

5773. Then you do not do your clients justice in not appealing here?—It is because we have no faith in this appeal. Another point is, whether, in any of these cases I have stated, I would have the right of appeal.

5774. Why do you not ask Mr. Pope to let a case go before another examiner? Did you ever ask Mr. Pope to do that?—I do not remember in any instance having asked Mr. Pope to do that. There is another matter. For years not a single patent for fences was granted, simply because, I suppose, the examiner took it into his head that it was not possible to invent anything new in fences. But the records show that for two years previous to last year, when I made my application for a patent for fences, not one patent was granted, whereas before so many used to be granted, and all the time patents for fences were being issued in the United States. It was not because no applications were filed. I have withdrawn some because they were refused without any good reason, though sometimes they were refused for good reasons.

5775. The Patent Office has been right sometimes?—You would not wish me to say that I would not admit that the decision of a government officer would be sometimes right. I do not wish to go so far. I think better men could be appointed for examiners, better qualified men. I think men who are appointed to the position of examiners should pass an examination. We have examiners now who do not know the first thing about patents, or did not when they entered upon those positions, and they know very little now. We have men there who cannot distinguish between a generic claim or a specific claim and who do not know what a combination claim is. I think our examiners as a rule are very much underpaid, and that we should have better men who should be better paid. I think it is highly desirable that the examiner should be a very well paid officer.

5776. And we want more of them for that work?—If examination is to be continued, if that is to be the practice of the office, I think there ought to be more examiners. I am not altogether wedded to the system of examination which is in vogue in England. There are examiners there, but they are merely examined for legal form and not for novelty at all. That is the patent law of the world, with the exception of Germany, which follows in its examination very closely the United States and Sweden, which follows closely the plan of Germany. With those exceptions, all the countries in the world have no examination for novelty. You can get a dozen patents on the same day for the same thing.

5777. But one of the tests of examiners in England is to have the knowledge on these subjects of mechanics, mechanism, chemistry, electricity, and so on?—But they are not called upon to exercise that knowledge. We call upon our examiners to exercise very high functions and we do not know anything about their qualification at all, while in the old country they call for very high qualifications and do not call upon them to exercise them.

5778. You can be attacked in any court in Canada for want of novelty?—Yes, all over the world, except in Germany. In the United States, after a rigorous examination they do not guarantee the novelty.

5779. You think the examiners should have higher qualifications?—Yes.

5780. They should hold certificates of applied science or of qualifications for their office?—Yes, and very high ones.

Mr. RICHARD POPE appeared and stated :

Having heard the statement of Mr. Harvey, I entirely deny his statements as to matters of fact where he has alleged any matter of fact. With regard to the other matters where he complains that the office has not acted in accordance with the statute, I state that in every instance where Mr. Harvey has been concerned, the office has not only complied with the requirements of the statute, but they have gone out of their way

in order to satisfy Mr. Harvey that their proceedings were correct; and that Mr. Harvey has made a point of trying the patience of the office to the utmost in that respect by writing a series of letters to the office in very offensive language when the office has had to deny him a patent; and that on all these occasions the office has answered his letters repeating the same objection they did in the first instance; and this practice has been pursued until very recently when it was found to be impracticable with the duties of the office and in order to do justice to other applicants who had valid applications before the office, to avoid ceasing to answer Mr. Harvey's letters as each letter could only contain a repetition of the objection made in the first instance. Mr. Harvey has made complaints to the commissioner and to the deputy commissioner, and all have proved to be unfounded in point of fact as well as in law.

Mr. J. M. COURTNEY, Deputy Minister of Finance, handed in the following answers to the questions submitted to him:—

5781. 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>Permanent.</i>			
		No.	Cost.		
Year ending the 30th June, 1882.....		41	\$52,694		
do do 1891.....		38	\$51,764		
		<i>Temporary.</i>			
		No.	Cost.		
Year ending the 30th June, 1882.		3	\$1,580	Civil Government.	
do do		9	\$3,130 50	Charges of management.	
do do		19	\$2,496 75	Issue and redemption of notes.	
			\$7,207 25		
		No.	Cost.		
do do 1891		11	\$5,342 83		

5781½. Are the recommendations for increase of salary always made with due consideration, or are they in a very large measure perfunctory?—In only one case of an officer who has left the department has the increase been withheld. The recommendations are made with proper consideration, but as promotions in the department are slow a very large proportion of the staff are at the maximum of the classes, and the increases are relatively less than in most departments.

5782. 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. No appointments have been made for years, certainly not during the incumbency of the present Minister. In two instances officials were reported against, and left the department.

5783. 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?—Only one such appointment has been made, and the examination was held—the person so appointed was a barrister and has passed three promotion examinations.

5784. 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?—Only when vacancies occurred, and only then when distinctive and higher duties were to be performed.

5785. Did the head of the department ever reject any man who has been promoted?
—Never.

5786. 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 promoted has turned out to be incapable.

5787. Have you at any time by your certificate in the promotion examination enabled a candidate to pass whom you deemed unfit?—Certainly not.

5788. Did you ever, in respect of the efficiency marks, give a less percentage than 30 per cent?—Yes, in two or three instances.

5789. Are exchanges ever made for the convenience of officers and not for the benefit of the departments concerned?—Exchanges have been made, and always to the benefit of the department.

5790. Under the present system, in what manner do you ascertain the necessity of employment of extra clerks?—The number of extra clerks is much less than formerly and certainly has not been increased since 1878, when the department was reorganized by the addition of the Department of the Receiver General.

5791. 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?—All appointments made since the passing of the Civil Service Act have been made from the list of passed candidates, after the first appointment.

5792. 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?—All the extra clerks are women, generally efficient—they are exclusively employed in signing small currency, and sorting out mutilated currency—one is a type writer; and as necessity requires, one or two assist in the Savings Bank Branch.

5793. Has the business in your department suffered and to what extent through the granting of leave of absence to officers on account of sickness or otherwise?—No, when any officer is sick others do his work.

5794. In your department have any abuses prevailed as to the granting of leave of absence?—No.

5795. Do you strictly observe the law regarding the attendance book? Do all your officers sign the book? How do you deal with those late in attendance?—Yes, strictly. All officers except the Private Secretary of the Minister of Finance sign. As a rule the book is signed by all, when it is brought to my room to be initialled. No officer is habitually late, in fact all are punctual.

5796. Have any difficulties arisen in the conduct of the business of your department, arising out of the provisions of the Civil Service Act?—No, the spirit of the Act is strictly observed.

5797. 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 any branch, or any officer of your department been varied?—Frequent changes have arisen, and the duties have greatly varied. The importance of some branches has decreased; others, particularly the Accounts and Correspondence Branches, have increased, but by transfer of officers from one set of duties to another the changes have been met.

5798. 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?—Certainly not since 1878, the department has in fact been gradually weeded out, no member of the existing staff is over 60 years of age, the habits of the staff are uniformly good, and while some are more efficient than others I should hesitate to say that any member was ineligible for retention in the service.

5799. Is the number of persons employed in your department out of proportion to the increase of work?—In ten years the number of officers employed has been reduced from 41 to 34. By changes of method in administration possibly one or two

persons less might presently be employed. But looking at the expansion of work in the department in a few years an increase would probably be necessary, and at the present it is even doubtful whether the department has more than sufficient to meet all emergencies, such as pressure of work, holidays, &c.

5800. Has the work in 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 remuneration of these temporary clerks been increased from time to time?—It has increased greatly, but it has been met at a reduced cost to the country.

5801. Have any abuses prevailed in your department as to the length of the working hours?—None.

5802. 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: an arrangement is made for some one to be in attendance at all times in each branch. An hour.

5803. 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?—Yes.

5804. 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?—Most probably they are. Its spirit is generally observed, for the simple fact that the officials generally understand that attempts to procure promotion have in some instances been unsuccessful in consequence of failure to procure the necessary percentage required to pass in the report from the department. Of course political influence has been used and pressed—two of the most persistent cases have been transferred to other departments.

5805. 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?—There is very little travelling. In my own case when in England about loans, I have received an enhanced allowance. The Inspector receives the allowance of \$3.50 when his duties call him to cities, to smaller places his allowance is \$2.50.

5806. In your department has the additional term or position 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?—The Superannuation Act has been strictly observed. The additional term was granted to my predecessor, and additional years have been granted to officers retired to reduce the staff.

5807. In your department has it ever been recommended that a diminution of the allowance should be made on the account of the services of an official having been considered unsatisfactory?—In one instance, in the time of my predecessor in office.

5808. 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?—The Department of Finance cannot be said to be divided into branches in the ordinary sense of the term, but the work naturally falls into groups, each of which is in charge of a superior officer. This elastic arrangement permits the services of the clerks in any one division being utilized in any branch of departmental work where there is necessity for immediate additional assistance. The general subdivision of the work is as follows:—

1. *Accounting*.—Mr. M. G. Dickieson, chief clerk and Dominion book-keeper, in charge, with three first class and seven second class clerks.

2. *Dominion Currency*.—Mr. F. Toller, chief clerk, with one first class and one second class clerks.
3. *Savings Bank*.—Mr. C. J. Anderson, chief clerk, in charge, with three second class and two third class clerks.
4. *Correspondence and Treasury Board*.—Mr. C. W. Treadwell, chief clerk and secretary, with three second class and one third class clerks.
5. *Accountant of Contingencies*.—Mr. W. H. Hayes, second class clerk.
6. *Private Secretary*.—Mr. S. J. Jenkins, second class clerk.
7. *Statistics and Stationery*.—Mr. N. S. Garland, a first class clerk, with one second class clerk.
8. Messengers, four in number.

Contractors' securities when received from the departments at once are turned into cash and deposited to the credit of the Receiver General; interest is allowed on the same at the same rate and subject to the same rules as deposits in the Government Savings Banks. These latter deposits (Savings Bank) are made daily with the several banks authorized to receive public moneys.

5809. Give a general idea of the method employed in controlling the expenditure of your department?—The expenditures in this department consist of the interest on the Public Debt (including Sinking Funds) and the charges thereon, which of course were determined at the time the several loans were made, and by the agreements made from time to time by the financial agents—of printing the note currency which is regulated by contract—of the provincial subsidies which are regulated by statute—of the judges salaries also regulated by statute—of pensions and surperannuation allowances declared by Order in Council under statute—of certain steamship subsidies regulated by contract. These form the direct expenditure under the Consolidated Fund, but the department buys exchange for remittances to meet expenditure in England, and such exchange is called for by tender from the various banks—all expenditures by other departments are subsequently, after verification by the Auditor General, repaid to banks by departmental cheques of the Finance Department.

5810. What system of purchase is adopted in your department?—We have no purchases except of silver and copper for currency which is purchased in London through brokers at current market rates. The Mint generally transacts this business.

5811. What is the system followed in the issue and receipt of stores?—There are no stores except the stationery and books required.

5812. How are contracts generally awarded in your department?—The contract for printing the currency was the lowest of two tenders. The contracts for large blocks of exchange are awarded to the lowest tenderers amongst the banks. The contracts for mail service and steamship subventions have been awarded by tenders approved by Council.

5813. In addition to his salary is any official in your department in receipt of any additional allowances or perquisite, and if so, please state particulars?—None.

5814. 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?—All the services under control are as before stated regulated by statute or by contract. It does not seem likely that any reduction in the expenditure can just now be made. No doubt as loans fall due other loans (if made) will be at reduced rates of interest. Contracts are revised before renewal.

5815. In your department have any abuses prevailed in connection with the supervision of payments?—None.

NOTE.—The present permanent staff of the department numbers 34.