
SECOND REPORT

OF THE

CIVIL SERVICE COMMISSION.

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CIVIL SERVICE COMMISSION.

The Commissioners appointed to enquire into and report upon the organization of the Civil Service of the Dominion of Canada, have the honor to present a Second Report.

In our First Report we entered at large into the constitution of the Departmental Staff at Ottawa. Since that time some of our body have visited the principal cities of the Dominion, and have reported to us upon the outside branches under the control of the several Departments. Before entering into any detail with regard to them we wish to offer some observations upon the constitution of the Outside Services generally.

The Civil Service Act, in the first section, lays down the classification in the Departments, and in our first report we were only called upon to apply that classification to the existing staff. By the second section it is provided that "the outside services shall be organized and classified as hereafter provided," and the method of doing so is provided for in the 15th section, viz., by the Governor General in Council. It was clearly not intended that the same rules of classification should apply to both branches of the service; but lest any doubt should arise as to the interpretation of the 15th section, we think it desirable that an Order in Council should distinctly state that the same rules do not apply, except in the cases specially mentioned.

Each separate service differs so essentially in its leading characteristics, and in the qualifications necessary for the discharge of the duties belonging to it, that they must be differently organized. Where the service is a large one and uniform in its requirements, as the Post Office, the Customs, and the Excise, we have given a general classification, which appears to us to meet the case, with certain maxima and minima, within the limits of which the salaries should range. We have not attempted to define the exact salary which should be assigned to each individual, nor the exact number of the staff which would be required at each port or station. To have done so would have required a minute examination at each separate locality, which, with the Departmental duties of most of us, and the other avocations of the members of the Commission not in the service of Government, would have been impossible. We should have been obliged to depend for information almost exclusively upon the Deputy Head of the Department, and we think that the application of the general scale of classification which we have submitted would more properly rest with those, upon whom the responsibility lies, and who have the necessary knowledge of the circumstances of each case. The 15th section provides that such organization, as approved of by the Governor in Council, shall be submitted to Parliament, and that the estimates of the year shall be based thereon. We think that these estimates should be given in full detail, and would constitute the report contemplated by the section.

In other cases, where there was no large staff which could be included in a general classification, we have remarked upon particular salaries which we thought either too high or too low, and when we have made no such remark, we wish it to be understood that we

see no reason for altering the existing rates. In some instances, as in the case of the Trinity Houses, Quebec and Montreal, we have suggested an entire re-distribution of the duties, and a re-arrangement of salaries will be the necessary consequence.

There are two of the provisions of the Civil Service Act which ought to be considered as extending to all employes in the outside services, as well as to those at the seat of Government.

All persons permanently in the employment of Government should produce the certificates, and be subjected to the examination, contemplated by the 6th section. In some cases, where special qualifications are required, as Excise Officers, Steamboat Inspectors, &c., the Department in charge is authorized to require a special examination beyond what would be required for ordinary candidates. In other cases, as Light-house Keepers, and Letter Carriers, less attainments will be necessary; and each Department should be instructed to send to the Civil Service Board a Statement of the qualifications they require for each grade; and the Board has the power so to arrange local examinations, as not to put applicants for office to unnecessary trouble to attend examinations.

The rule with regard to the age, at which persons may enter the public service, should also be strictly adhered to. In some cases, such as Overcoopers of Fisheries, Light House Keepers, &c., appointments would doubtless be made at higher ages than those contemplated by the Civil Service Act for the Departmental Staff; but such cases seem to be met by the 3rd section (sub-section 1,) and a general Order in Council, authorizing the appointment of men above 25 for particular offices, would come within the meaning of this section; but it is doubtful how far any one should be appointed above the higher age of 40 therein mentioned, especially if it should be proposed to establish any general system of superannuation. If in any particular class of employes (Light House Keepers for instance,) it should be found advisable to extend this limit, a definite rule should be laid down and strictly adhered to.

With these preliminary remarks we will proceed to report upon the outside branches of the public service separately.

OUTSIDE SERVICES UNDER THE DEPARTMENT OF MARINE AND FISHERIES.

The services under the superintendence of the Department of Marine and Fisheries are very various in character, and for this reason, and because they are now for the first time brought together under one system of management, they require perhaps more revision than those of any other branch of the public service.

LIGHT HOUSES, &c.

The most important of these is that of the maintenance of the Light Houses, including under the same general expression Buoys, Beacons, Fog-whistles, Signal Stations, Humane Establishments, and other appliances for the safety of Navigation.

The Light Houses, &c., in the St. Lawrence, from Montreal downwards, used to be managed by the independent Boards of the Trinity Houses, Quebec and Montreal, with hardly any interference by the Executive, and when a system of Lights came to be established above Montreal they were managed by the Department of Public Works, which had general charge of that navigation. In Nova Scotia they were superintended by the Board of Work, which was not specially under the charge of any minister; and in New Brunswick by the Board of Commissioners of Public Institutions, in which three of the Ministers had seats, with some unpaid commissioners and with two salaried permanent officers. Since Confederation the Department of Marine and Fisheries has taken charge in Canada of the Lights formerly under the Public Works, and of all the Lights in Nova Scotia and New Brunswick, the separate Boards which managed them being local institutions, as far as they retain any existence. The Lights below Montreal, however, are still entrusted to the Trinity Houses. These Boards are no doubt under the general supervision of the Department, but it has not the same direct control over those Lights that it has over all others in the Dominion. We

think that a uniformity of practice in this respect ought to be established, and that the lights in the St. Lawrence, below Montreal, ought to be managed directly by the Department, with local inspectors, as in other parts of the Dominion, and we entertain no doubt that the placing of buoys in the spring, the inspection and the furnishing of supplies would thus be managed more economically. We observe that a similar change has been recommended in Great Britain by a Royal Commission.

PILOTS.

There is a similar want of uniformity in the superintendence of Pilots. In Nova Scotia the Governor appointed Pilot Commissioners who examined and licensed the Pilots, and made the By-laws to which they were subject, with the exception of the scale of fees, which was determined by Act. At the Port of St. John the corporation makes By-laws for the regulation of pilotage, and, there being no Superintendent of Pilots there, the corporation itself examines and licenses them. In Charlotte County three Commissioners are appointed to make regulations for Pilots. Elsewhere in New Brunswick, this business is managed by the County Sessions who appoint Wardens, upon whose nomination the Pilots are licensed. In Canada, the pilotage in the St. Lawrence is regulated by the Trinity Houses at Quebec and Montreal, costing \$2,400 at the one and \$1,200 at the other for superintendent's salaries, besides a proportion of the annual salaries and contingencies of the staff. At both of these latter ports there is a fund for the support of decayed Pilots, which is maintained by a percentage deducted from the Pilots' fees. We observe that in both cases the proceeds are very irregularly invested (large sums remaining in the hands of the Treasurers), and the investments themselves are of a very miscellaneous character. We think that in all such cases of Public Funds the investment should be in public securities, or, what would be still better, that the revenues should be paid to the Receiver General, and interest should be allowed upon the quarterly balances as in the case of other Trust Funds.

From the nature of the business of superintending Pilots it would appear that there must be local Boards of some kind, under the general supervision of the Department; but the whole question evidently requires thorough revision, and the expense of the management, which in one part of the Dominion is borne by the Municipalities, ought not elsewhere to be defrayed from the public chest.

HARBORS.

The same diversity of practice prevails in the management of Harbors in different parts of the Dominion. In Ontario, the Harbor at Presque Isle is the only one which is under the control of an officer of the Government, under the Department of the Public Works, the others being managed by the Municipalities, or by local Boards of Harbor Trustees. At Montreal there is a Harbor Commission appointed by Government, which has charge not only of the Harbor itself, but of the improvements in the navigation of the river downwards. The general expenses are met by harbor dues, upon the credit of which Debentures have been from time to time issued, some with the Government guarantee and some without it, and in 1860 the Government assumed all expenditure incurred for deepening Lake St. Peter. All the improvements since that date have been paid for by the general government through the Public Works Department, but the works themselves are carried on by the Harbor Commissioners, under an agreement with that Department. Since the Trust has been relieved from the heavy debt arising from this important work, it has been self-sustaining. At Quebec, there has, of late years, been established a Harbor Trust, upon a similar principle to that at Montreal, which has got into financial difficulties, and has applied to the Government for relief. As a separate Commission has been appointed to enquire into this matter, we need not any further allude to the circumstances, excepting for the purpose of showing the various positions, in which the main harbors of the country are placed, with regard to the general Government. But irrespective of the improvements in the Harbor of Quebec, which are in the hands of this Trust, the superintendence of the shipping in the Harbor is entrusted to a Harbor Master, whose salary and contingencies are paid by the Dominion, and whose office forms an important branch

of the business of the Trinity House at Quebec; and as the Harbor of Quebec technically extends down to the Gulf, a Harbor Master at Gaspé and one at the Miramichi Islands, are also paid, and the regulations of those harbors are framed by the Trinity House. The Harbor Master at Sorel is similarly under the Trinity House, Montreal.

There is no Harbor Master at Halifax, but elsewhere in Nova Scotia the Sessions may appoint a Harbor Master and prescribe his duties. They also may define the limits of the harbor, and determine the fees not to exceed those named in a Schedule to the Act. In New Brunswick, the Harbor Masters are appointed by the Sessions in the Counties, and their fees are regulated by Act, but at St. John the Corporation both appoints and determines the fees.

The Harbor Master at Quebec is thus the only one at the main ports of the Dominion, who is paid out of Provincial Funds, at an annual cost, including his clerk, water-bailiff and four boatmen, of upwards of \$4,500 per annum. It would appear expedient that the service of the harbors ought to be placed upon a more uniform footing; but even upon the present system a saving of \$1,200 a year might be made by the Harbor Master at Quebec, making use of one of the boats of the River Police, and, indeed, the River Police might very well be placed under the control of the Harbor Masters.

SHIPPING MASTERS.

The Shipping Master's Office at Quebec costs the Dominion \$1,200, besides having two of the police force assigned to it. There is nothing analogous to this elsewhere, similar officers being paid exclusively from fees. If it were made compulsory for all seamen to be shipped through the Shipping Office, which is not the case at Quebec, the fees ought to cover all expenses.

RIVER POLICE.

The River Police at Quebec is paid by Government, and towards its support certain tonnage duties are collected, which, since the addition to them last Session, may perhaps cover the expense of the force. At Montreal there used to be no tonnage duties for this purpose, but the Harbor Commissioners used to contribute towards the cost. Under the new Act, tonnage duties are collected, but they will not nearly provide the necessary amount.

Besides their duties more immediately connected with the particular ports, these forces have been, from time to time, employed in the service of the general Government. There is nothing analogous in any other part of the Dominion, and as far as their services are purely local, it appears more proper that the whole cost, together with that of the Harbor Master, Shipping Master, Superintendent of Pilots and other similar charges, should be covered by port dues or other local fees. In any case we think that there are two material improvements which may be introduced. The policemen have hitherto been appointed by the Judge of Sessions, who has had the entire control of the force, whilst the salary of the nominal Chief of the Police at Quebec does not produce as great a per diem allowance as that of his own coxswain. We think this arrangement a very inconvenient one. The position of Chief ought to be made one of more importance if any proper discipline is to be preserved, and he should have the entire control of the force, with the power of recommending and suspending the constables, subject to the approval of the Department. It would also be a great improvement if a steam launch were used instead of rowing boats, especially at Quebec. We believe that by this means a considerable reduction might be made in the number of the constables employed and in the total cost.

DOMINION STEAMERS AND OTHER VESSELS.

There used to be three steamers maintained by the late Province of Canada, which were engaged in carrying the mails and passengers between Quebec and the lower port, as well as in attending upon the light-houses, &c., and their management occupied an expensive staff under the Department of Public Works. There are now only two, which are exclusively employed in the latter business, and in aiding in the removal of obstructions in the channel, and they are available to be sent down to the assistance of vessels in distress. Besides

the crews of the vessels only one manager is now found necessary, with a salary of \$1,000, which it is proposed to increase to \$1,200, and who may perhaps, if further duties are thrown upon him, require the assistance of a clerk. The present wharf and premises cost \$2,800 a year in rent, an unnecessary expense as there is ample accommodation at the old Custom House which belongs to Government. The lease of the premises now occupied expires on the 30th of April next, and they ought to be at once given up. At Halifax there is one steamer belonging to the Government, which is similarly engaged and is managed by the general agent of the Department there. Besides these there is the schooner *La Canadienne*, at Quebec, employed in the protection of the Fisheries, and a schooner has been under charter at Halifax whilst the steamer *Druid* was undergoing repairs. The Trinity House at Montreal has also a steamer for lying buoys and supplying light-houses, which is thus only indirectly under the management of the Department. In the upper waters the supplies are distributed by chartering vessels in the ordinary trade.

SICK MARINERS' FUND

The Act of last Session was a step in the right direction, in assimilating the practice of different parts of the Dominion. The several Acts by which tonnage duties were rendered applicable to the particular port where they are collected, are repealed, and a uniform rate of 2 cents per ton is levied from all ships, except at the ports in Ontario, for the support of sick Mariners generally. The same fund is made available for shipwrecked and distressed seamen, advances towards whose relief are refunded in certain cases by the Imperial Government. The duties are collected by the Officers of Customs, and are accounted for to the Department of Marine. This is in accordance with the Act establishing the Department of Marine and Fisheries, but we think that, in this and all similar cases, the Officers of Customs should account, not directly, but through their own Department.

There still however remains some considerable diversity of practice. At Halifax and Montreal the sick seamen are provided for in the General Hospitals, the Government paying so much a week for their support; at St. John and St. Andrews there are special Marine Hospitals for sailors exclusively; at Quebec the Government maintains the Marine Hospital for sailors and emigrants, and the Provincial Government pays a sum towards the expenses for local patients who are also admitted; and at minor ports in Nova Scotia and New Brunswick the Collector takes charge of the sick seamen, and boards them out, paying for medical attendance. The first of these modes appears to be the most economical, where circumstances admit of it. There is also this further anomaly, that whereas all other Marine Hospitals are under the Department of Marine and Fisheries, that at Quebec, upon the ground that emigrants are also taken charge of, is under that of Agriculture. It may, however, be convenient to make our report upon that establishment in this place. We have obtained no complete statement later than 1866, in which year the maintenance of patients of the three classes was as follows: seamen, 10,272 day; emigrants, 1,690; local patients, 15,365.—Total, 27,327. From this it would appear, that the Local Government ought to have borne more than half of the expense, or upwards of \$11,000, whilst they only paid \$4,000. It appears also to us, that the Institution, though in other respects well managed, is not economically conducted. In illustration of which, we append a comparison with other Hospitals, for the year 1866, under the two heads of salaries and maintenance, excluding such charges as repairs, rent, taxes, interest on debts, &c.

	General Hospital, Toronto.	General Hospital, Montreal.	Marine Hospital, Quebec.
	\$ cts.	\$ cts.	\$ cts.
Salaries	2,824 75	2,735 50	6,123 54
Maintenance.....	13,371 89	10,795 80	14,450 24
Total.....	16,206 64	13,531 30	20,573 78
Total No. of days of patients.....	33,564	35,574	27,827
Cost per week, per head.....	\$3 56	\$3 65	\$5 17
Proportion of salaries to other expenses.....	21 per cent.	25 per cent.	42 per cent.

It must however be observed, that the business of the Quebec Hospital being principally confined to the summer months, the expense of the permanent staff will naturally bear a higher proportion to the maintenance of the patients than at Montreal or Toronto.

OBSERVATORIES.

The Observatory at Quebec, principally engaged in giving time to the shipping, is under this Department, as will also be those at St. John and Halifax, for which a vote was taken last Session. The Director of the Observatory at Quebec, by economizing his annual grant for several years was able to lay by sufficient to purchase a large equatorial which has been fitted up on the Bonner Farm. As long as the whole of that property was in the hands of the Government of the late Province, there was no special object in marking off the portion of the land occupied by the Observatory; but now that the remainder has been assigned to the Province of Quebec, with the new Gaol, the limits of each ought to be at once distinctly defined. Captain Ashe, the Director, employs himself with his new instrument in general astronomical work, and he has fitted it up with a photographic apparatus, with an especial view to observations on the sun. He has applied for an extension of his grant for the purpose of purchasing more instruments and extending the sphere of his scientific enquiries; but as the special object of the Observatory is to give time to the shipping, we do not think it desirable at present to add to the amount which has been annually granted for many years past. We do not however see any objection to an exception being made in this case to the general rule, that unused balances of appropriations should lapse at the end of the financial year. The same privilege may be extended to him which was permitted by former Governments, viz: that any balances which he might save should be allowed to accumulate, for the purchase, from time to time, of further instruments.

Of the other observatories, those at Montreal and Kingston are attached to the Universities there; the Department of Marine and Fisheries, does not, therefore, exercise any control over them, or over the Magnetic Observatory at Toronto. We may however take this opportunity of remarking that the latter Observatory is in a very anomalous position, and steps ought to be taken at once to place it upon a proper footing. It was originally established by the Imperial Government as part of a general system of stations all over the world, selected in concert with other Governments for carrying on magnetical and meteorological observations. When the Imperial Government withdrew its Director in 1855, it agreed to give up the building and valuable collection of instruments upon condition of the Province continuing to maintain the Observatory. The Provincial Government, therefore, has ever since made the same annual grant, and the general superintendence of the institution was committed to the Senate of the University, which incurred considerable expenditure from its own funds in the erection of buildings, besides contributing annually to its support, beyond the Government grant. At a subsequent period, this not being considered a proper application of the University Funds, the establishment was reduced so as to keep it within the Government grant, and the Observatory ceased to have any connection with the University, excepting that the general supervision was entrusted to a Committee of the Senate, and that the buildings themselves were on the University property. Since Confederation the management of the University has passed into the hands of the Provincial Government, but the Observatory, not being a matter of local interest, but a link in the general chain of similar institutions all over the world, remains with the Dominion, and is now without any supervision as to the management, excepting as to the audit of the accounts. It appears to us, therefore, that a Board of Visitors should be appointed, to whom the Director should report. It might consist of the Vice-Chancellor of the University, the Mayor of Toronto, the Superintendent of Education, or some other local authorities or persons specially appointed.

At the same time an agreement ought to be entered into with the Senate of the University, that as long as the Dominion maintained the Observatory, the Director and his Assistants should be allowed the occupation of the buildings rent free.

 STEAMBOAT INSPECTION.

The inspection of steamboats and marine engines is managed by a Board of six Inspectors, under the immediate control of this Department. The inspection fees are collected by the Officers of Customs, and are accounted for to the Department, and the fees, on the average, fully cover the cost of inspection. Five of the Inspectors are paid a salary of from \$800 to \$1,000. The Chairman of the Board occupies a very responsible position, and we are of opinion that his present salary of \$1,200 is inadequate to his duties, and that after the close of the present financial year it should be raised to \$1,600.

FISHERIES.

There are two classes of officers entrusted with the Superintendence of Fisheries. The Overseers have certain districts allotted to them, and have magisterial functions in enforcing the fishery regulations, the issuing of licences, &c. Their salaries vary, according to the importance and extent of their districts, from \$30 to \$500. Under them, in Nova Scotia and New Brunswick, are the Fishery Wardens, who do not act as magistrates. They are mostly situated at distant places, where constant supervision is necessary, but which could not easily be visited by the overseers. Their pay varies from \$30 to \$240. There is an Inspector of Fisheries for Nova Scotia and New Brunswick, and he receives a salary of \$1,400. In Ontario and Quebec, the necessary supervision is exercised by the Department directly.

The schooner *La Canadienne*, under the command of a Stipendiary Magistrate, is engaged chiefly in the supervision of the Fisheries, in the Gulf of the St. Lawrence and the Bay of Chaleur. The Magistrate has authority over the Overseers, grants licences and maintains order among the fishermen. His salary is \$1,200; and the cost of maintaining this vessel from \$10,000 to \$12,000 per annum.

Besides these duties, the Act under which the Department is constituted contemplates the granting of Licences to master and mates of vessels, and inquiring into the causes of wrecks, but no complete organization for these purposes has as yet been established.

The Department has Agents at Halifax and St. John. The Agent at Halifax, with a salary of \$1,600 and with the assistance of a clerk at \$800, has the management of the Light Houses, the steamer *Druid*; and all the expenditure for the fisheries, sick and distressed seamen, and other branches passes through his hands. The agent at St. John has a salary of \$1,200, and has similar duties. There are also two Inspectors of Light Houses: one for Nova Scotia with a salary of \$800, and one for New Brunswick with a salary of \$1,200. There does not appear to be any sufficient reason for the difference, and we think that the former of these should be increased.

We have thus gone through the several outside services of this Department, and we have, in doing so, pointed out the want of uniformity in the method of dealing with them in different parts of the Dominion, and incidentally the alterations which may be introduced with advantage. Though to a certain extent these are independent services there are many points in which they work in with each other. Thus the steamers are necessary for the laying of buoys and the supply of the light houses; they afford the means of giving instruction to the pilots' apprentices, and the captains of them having been pilots themselves may be made available as superintendents of pilots; they also may be used in the protection of the fisheries. Similarly the management of the harbors is of especially local interest and intimately connected with the Police, Shipping Master's Office and pilotage of the ports, and the same organization may be made use of for the management of the whole of them.

The principal impediment in the way of introducing uniformity of practice in this respect is the constitution of the Trinity Houses at Quebec and Montreal. In both cases we think that the management of the Light Houses, Buoys, &c., should be vested directly in the Department, and it is possible that the supply and inspection of those between Montreal and Quebec could be more economically done by chartering steamers in the general trade, than by maintaining; a steamer specially for that purpose at a cost of \$6,000 per annum. Should it, however, be found advisable to retain this steamer, the captain of it might be made available as Superintendent of Pilots, thus saving one highly salaried

officer. At Quebec the visiting and supplying the Lights, &c., is now performed by the Government steamers, and the intervention of a separate board, as far as lights are concerned, seems wholly unnecessary.

The superintendence of pilots, as we have before observed, will everywhere require a local organization. At Montreal, this already exists in the Harbour Commissioners who are appointed by the Government, and to whom this branch of the public service might very properly be assigned. Such a change has been recommended by leading merchants there, and it would result, with the transfer of the lights to the Department, in the saving of almost the whole of the salaries and contingencies of the Trinity House, amounting to upwards of \$4,000 per annum. Any additional cost arising from such a transfer, together with the expense of the River Police, ought to be covered by the port dues. The present Act under which this force is established provides that the tonnage duty on all ships, which is intended to meet the cost of the force, shall not be exacted at Montreal from vessels which have already paid it at Quebec, and as most vessels first touch at the latter port, the receipts at Montreal are not nearly sufficient to cover the expense. As long as both forces are paid by the Government, irrespective of the amount collected, this is a matter of minor importance, though leading to misconception; but if each port is to be self-sustaining, as it ought to be, the tonnage duty paid by vessels touching at both ought to be at least divided between them.

The Trinity House at Quebec, besides the superintendence of lights and pilots, has also the Harbor Master attached to it, and performs functions vested in the Harbor Commissioners at Montreal. It would appear desirable that one local Board should be established at Quebec, uniting some of the duties of the present Trinity House and Harbor Commissioners. The lights and buoys being managed by the Department directly, the local Board would have charge, under it, of the Harbor and the Pilots, but the captains of the Government steamers might still be made available as superintendents of pilots, by which a considerable saving might be effected, and the whole expense of the port for harbor management, pilots and police, ought, as elsewhere, to be covered by local rates.

In illustration of the opening there may be for economy here, we append an analysis of the expenditure of the Trinity Houses at Quebec and Montreal, during the years 1866-7 and 1867-8, showing for each the salaries and contingencies of the Staff, and the cost of maintenance of the Lights, &c.

TRINITY HOUSE, QUEBEC.

	1866-7.	1867-8.
	\$ cts.	\$ cts.
Salaries of General Staff	5,864 34	6,176 00
Contingencies of do	3,751 33	2,662 66
Harbor-Master's Salary, &c.....	4,561 04	4,573 22
Salaries, &c., of Superintendents of Pilots.....	2,400 00	2,650 61
Total Staff and Contingencies.....	16,576 70	16,062 49
Maintenance of Lights, &c.....	32,131 30	30,770 77
Total.....	48,758 00	46,833 26
Receipts.....	2,085 22	215 32

N. B.—The vote for this service for the year 1868-9, was reduced to \$42,752.00, but judging from the comparison of the payments of the two years to February, no corresponding reduction to the expenditure has been afforded.

TRINITY HOUSE, MONTREAL.

	1866-7.	1867-8.
	\$ cts.	\$ cts.
Salaries of General Staff	2,247 67	2,067 06
Contingencies of do	1,864 46	963 11
Harbor Seral.....	227 66	1,320 44
Superintendence of Pilots.....	1,200 00	1,200 00
Total Salaries and Contingencies.....	6,639 78	6,600 61
Light Houses Maintenance	11,437 81	9,712 07
Do new	3,602 49	3,514 70
Maintenance of Steamer.....	5,133 42	6,170 44
Total.....	26,953 50	26,998 76
Receipts.....	13 00	NIL

Should any such change be made as that above suggested, it would appear necessary to make considerable modifications in the management of harbors and pilotage in Nova Scotia and New Brunswick also; keeping the same principle in view, that each port should bear its own expenses out of local dues, excepting for such general superintendence as may be necessary. In the smaller ports, the management of the harbors and pilots may probably be left as at present to the Sessions, or at least the local boards may be nominated by them, to carry out a uniform system; but at a large port like St. John, it appears very unadvisable that the whole management of the harbor, including the examination and licensing of pilots, should be left in the hands of the corporation alone. The Corporation being appointed by the whole population of the city, can hardly be expected to give sufficient attention to the interests of the port and shipping, which, however important they may be to the real prosperity of the whole city, more particularly affect the merchants and ship-owners, who as a class should have a preponderating influence in framing and carrying out the regulations of the port. Serious complaints have been made to the Department upon this subject, and a memorial, influentially signed, is now under its consideration.

OUTSIDE SERVICE OF THE POST OFFICE DEPARTMENT.

This Outside Service consists of—

1. Postmasters and Assistants at Country Post Offices.
2. Postmasters, Clerks, Letter Carriers, &c., at City Post Offices.
3. Railway Mail Clerks.
4. Foreign Mail Service.
5. Inspectors and Clerks in their Offices.
6. Ocean Mail Clerks serving in the Steamships.

CITY POST OFFICES.

There are 3,620 Post Offices of this class now in operation in the Dominion, each having a Postmaster, and one or more sworn Assistants, as required.

The Assistants act entirely under the responsibility of their Postmasters, and the Department takes no cognizance of them, further than to hold the Postmasters accountable that they are persons of good character, and fit to be entrusted with Post Office duties.

All Postmasters give bonds, with two sureties, varying in amount at these Offices from \$50, at the small Way Post Offices of Nova Scotia, to \$2,000 or \$3,000, at Offices where the business is large; the ordinary amount where there is neither Money Order nor Savings Bank business is \$800.

In Ontario and Quebec, all Postmasters render their accounts direct to the Department, the City Postmasters, monthly, and the others, quarterly; and as a rule, all balances are paid into the nearest Bank of Montreal Agency, to the Postmaster General's credit; but where this cannot conveniently be done, the remittance is made direct to the Postmaster General.

In Nova Scotia and New Brunswick the Offices are divided into two classes; 1st, Post Offices proper; 2nd, Way Post Offices;—the main distinction is, that the former account direct quarterly, whilst the Way Offices account to certain of the Post Offices of the first class on which they are made dependent, and the Way Office collections are included in the Returns of such Post Offices.

Postmasters are paid—

In Ontario and Quebec, by a commission taken quarterly on the postage collected at their Offices, as composed of postages received in money, and of amounts posted at their Offices, prepaid by stamps; the scale is 33½ per cent. on the first \$200 collected in a quarter, and 25 per cent. on the remainder. In cases where the Mail Service takes place at night, 50 per cent. instead of 33½ is allowed on first \$200. Moreover, 20 per cent. commission is allowed on such Newspaper postage as may be collected, and a small allowance is given for stationery, sealing-wax, twine, stamping material, &c., varying from a minimum of \$2 per annum, at the smaller Offices, to \$18 per annum, at Offices like Brockville and Guelph.

Such Offices as transact Money Order or Savings' Bank business, are allowed a quarter of one per cent. on the amount of Money Order issues and of Savings' Bank deposits.

A commission of five per cent. is taken by such of these Offices as sell Bill, Law or Registration Stamps to the public on the amount of such sales.

These commissions and allowances are the compensation to Postmasters in Ontario and Quebec for the ordinary duties of their offices as connected with the correspondence posted at or delivered at an office in each case, but at numerous points where Post Routes unite or diverge, mail matter passing between other offices has to be concentrated or distributed, and charges raised against other offices, in respect to postage collected, or to be collected, on such mail matter, involving troublesome duties quite distinct from those arising from the correspondence of the office itself on which the commissions are calculated, and for these extra duties, extra allowances are granted (as nearly as can be judged, in proportion to the extent and nature of such extra work), varying from \$12 a year to \$240.

At 42 of the principal Post Offices of this class, where it has been found expedient to exact that accommodation be provided for the Post Office, distinct from the Postmaster's own business as a trader, &c., an allowance is made in aid of the expenses to be incurred at such offices for rent, fuel and light, varying from \$48 to \$240 per annum.*

In Nova Scotia and New Brunswick all Postmasters, whether at regular Post Offices or Way Post Offices, are paid by fixed salary—graduated by rules intended to secure, as far as practicable, a due proportion between the amount of salary and the amount of duty performed. In addition, the Postmasters receive a small commission on Postage Stamps sold by them, and on their Money Order transactions.

As compared with the system of paying Postmasters by commission on their postage collections, which has always prevailed in Ontario and Quebec, the system of paying by fixed salary based on what a commission would yield, and adjusted, say annually or every two years, on comparison with the amount of collections and incidents of duty, appears to be decidedly preferable for several weighty reasons, it would be a more equitable mode, and would enable compensation to follow more closely, than a commission can do, the comparative amount of duty and responsibility at the several Offices—for commission takes note of nothing but the actual collections and gives no consideration to the other points which should enter into the question.—The necessary devotion of time to the Office, number of mails to be attended to and other incidents of duty, may be the same whether an Office collects \$20 or \$200 of postage, and a Postmaster's compensation cannot therefore be justly determined solely by the amount of revenue he collects.

At all other offices the Postmaster's responsibility in providing office accommodation is that be suitable for the purpose, and generally satisfactory to the Postmaster General and to the

The fixed salary system would greatly simplify the accounts and remove a fertile source of difficulty and disagreement, resulting in a multiplicity of corrections for small amounts leading to equally small balances, very difficult to collect satisfactorily.

Moreover it is very desirable that there should be an assimilation of Post Office practice and system on all main points throughout the Dominion, and judging the fixed salary mode of paying Postmasters to be the best, it would be better to extend the application of that principle to Ontario and Quebec, rather than alter the usages in this particular of the Post offices of the Maritime Provinces.

Power to make this change in Ontario and Quebec was taken in both the last and present Post Office Acts, and provision was even made for the probable additional cost in the appropriation of the current year, but as yet it has been impossible to undertake the business, and indeed the basis of collections and present commissions has been so disturbed by the reductions and alterations of postage rates which took effect last April, that the Department could not safely embark on such a measure until matters had somewhat settled down.

In alluding to additional cost, in connexion with the change from commission to salary, what is meant is this, that a Postmasters' compensation should be compounded, partly of an equivalent for a commission on amount of collections, and partly of something as a consideration for the incidents of duty which are not fairly represented by the comparative amount of those collections. The result need not materially alter the amount of payment to any other Offices than those in the newly settled and thinly inhabited parts of the country where Offices are established and maintained under the influence of considerations, in which the question of the amount of revenue to be collected holds but a subordinate place. With these Offices it is, that the commission principle operates unjustly, and it would probably be right to have a minimum salary of perhaps \$12 a year. At a very recent date it was found that there were upwards of 500 Postmasters in Ontario and Quebec whose income from commission did not exceed ten dollars per annum, and nearly as many more whose yearly commission ranged between \$10 and \$20. These are the men whose cases are not equitably met now by a Commission allowance, and it is in applying a salary scale to them that the increased cost would arise.

CITY POST OFFICES.

The Postmasters and 176 Clerks, Letter Carriers, &c., compose the staff of the City Post Offices at Halifax, St. John, Fredericton, Quebec, Montreal, Ottawa, Kingston, Toronto, Hamilton and London.

City Postmasters.

These Officers are to be appointed by the Governor, and all are paid by fixed salaries. In Ontario and Quebec the salaries to City Postmasters were regulated by the Civil Service Act of 1857, on the following scale :—

	Where Postage Exceeds \$24,000 per annum	Where Postage Exceeds \$12,000 and is below \$24,000
Postmaster's Salary	\$2,000	\$1,600.

In Nova Scotia and New Brunswick there appears to have been no scale.

The Yearly Postage collections, extent of staff, and salaries paid to the Postmasters of these City Offices, are as follows :—

City.	No. of Staff, exclusive of Postmaster.	Yearly Postage Collection.	Postmaster's Salary.	
		£	\$	
Halifax, N. S.....	17	25,000	2,400	Postmaster for Halifax acts also as Inspector of Nova Scotia.
Ft. John, N. B.....	13	26,000	2,000	
Fredericton	3	8,000	1,200	A deduction of \$400 a year has for some years been made by Government, from salary paid to present incumbent at Quebec, on ground that he did not fully discharge the duties of the appointment. *The present P. M's of Kingston and London had this amount of salary when the Act of 1857 came into operation.
Quebec	19	40,000	2,000	
Montreal.....	49	110,000	2,000	
Ottawa	13	28,000	2,000	
Kingston.....	7	15,000	1,840*	
Toronto.....	33	75,000	2,000	
Hamilton.....	11	31,000	2,000	
London	11	20,000	1,840*	

It is clear that the duties and responsibilities of the Postmasters of Montreal and Toronto, in respect to the postal business of their offices, have far outgrown the scale of 1857, and it is not right that the Postmasters of those Cities should receive no higher salary than the Postmasters of other Cities not having half the amount of postage to collect, nor half the extent of staff to supervise and direct.

Moreover, as respects Ontario and Quebec, the growth since 1857 of the Money Order business, and the introduction since that date of Post Office Savings Banks and the distribution of Bill Stamps through the Post Office, has largely added to the labour and responsibility of the City Postmasters in those Provinces, without bringing to them any compensation whatever. Their salaries have not been augmented since the settlement of 1857, nor has any commission or allowance been granted to them in respect to the Money Order, Savings Bank, or Bill Stamp business.

This condition of things bears with special severity on the Postmasters of Montreal and Toronto, because, as above noticed, the postage collections and ordinary postal duties at those Cities have so far increased during the last ten or twelve years as to call for a revision of the salary allotted to those officers by the scale of 1857, on that ground alone.

Comparative statement of the chief incidents of duty and responsibility of the Postmasters of Montreal and Toronto, with their salaries, in the years 1857 and 1868, respectively :—

	MONTREAL.		TORONTO.	
	1857	1868	1857	1868
Number of Staff.....	23	49	20	33
Annual Postage collected.....	\$53,000	\$110,000	\$64,000	\$75,000
Money Order Transactions.....	\$305,000	\$640,000	\$300,000	\$550,000
Savings' Bank do	NIL.	\$33,000	NIL.	\$130,000
Bill Stamp Sales	NIL.	\$22,000	NIL.	26,000
Salary	\$2,000	\$2,000	\$2,000	\$2,000

The general scale of salary to City Postmasters may conveniently be modified thus, dividing these Offices into 5 Classes :—

1	2	3	4	5
Where postage collections exceed \$30,000.	Where postage ranges between \$50,000 and \$50,000.	Where postage ranges between \$40,000 and \$50,000	Where postage ranges between \$20,000 and \$40,000.	Where postage collected is less than \$20,000.
\$2,400	\$2,300	\$2,200	\$2,000	\$1,200 to \$1,800, as P. M. General may determine in each case.

An allowance in addition to fixed salary should be made to City Postmasters of not exceeding 1/10th of 1 per cent on Money Order and Savings Bank transactions, and 1/2 per cent, on Bill Stamp sales.

Assistant Postmasters.

There are Assistant Postmasters at :

Salary as fixed by the Civil Service Act of 1867.

Quebec.....	\$1,400
Montreal.....	1,400
Toronto.....	1,400
Hamilton.....	1,400
London....	1,000

As a principle it is expedient that there should be an officer of the standing and recognized authority of an Assistant Postmaster in each City Office, to represent the Postmaster in his absence and at all times to assist in maintaining discipline, and superintending the correct performance of the duties of the office.

The scale of payment should be made to conform to the above classification of City Offices, and stand thus :

Class of City Office.	Salary of Assistant Postmaster.
1 and 2.....	\$1,600 per annum.
3.....	1,400 do
4.....	1,200 do
5 not exceeding.....	1,200 do

City Post Office Clerks.

The Clerks serving in the City Post Offices of Ontario and Quebec have always been classified for salary and promotion under the ordinary scale of the Civil Service Act of 1857, with this restriction that, as a rule, no Clerk could rise above the 2nd Class of that scale by service in a City Office.

The working hours in the City Offices are necessarily long and the labor incessant and frequently of an irksome character; but the nature of the employment does not call for so high an educational qualification as is required for advancement in the Head Quarter staff. It is therefore neither necessary nor desirable that the classification should be the same.

The following scale of salary is recommended for this branch of the Post Office service :

4TH CLASS.	3RD CLASS.	2ND CLASS.	1ST CLASS. (With specific duties, and limited in number.)
\$350 on appointment, rising by \$40 a year to \$530.	\$300 on appointment to class, rising by \$40 a year to \$380.	\$200 on appointment to class, rising by \$40 a year to 1,100.	\$1,000 to \$1,400, as P. M. G. may determine in each case, having regard to merits and service of the Clerk, and relative importance of the City office.

In this scale Clerks would enter at \$360, as compared with \$300 in the Head Quarters scale, and if this difference should have any tendency to induce candidates for the latter service, to enter and serve their first year or two in a City Post Office, the result would be a very desirable one.

The great body of the Clerks now serving have rank and salary under the 3rd and 2nd classes of the scale of the Civil Service Act of 1857, with which the same classes of the above scale would exactly correspond, causing therefore no disturbance in the standing or pay of these men, an object of some importance; but as respects men hereafter coming into the service, they would enter at \$360, instead of \$500, and must serve five years to attain to \$600 a year. At present this rate of salary may be attained in two years, but practically the time occupied has been three or four years.

The addition of 1st class Clerkships for specific duties in the City Post Offices will make better provision than now exists for the men called upon to fill the arduous and responsible positions connected with the issue and payment of Money Orders, with Savings' Bank transactions, care of Registered Letters, and with the leading duties of the mailing and delivering branches in the principal city offices.

The same principle should be observed in regard to these 1st class Clerkships as with the similar class of appointments in the Head Quarter Staff. No 1st class Clerk should be appointed in a city office, except to specific duties constituting a 1st class Clerkship.

Summary as respects City Offices.

Taking these recommendations affecting Postmasters, Assistant Postmasters, and 1st class Clerkships in city offices together, the establishment of the several classes of such offices should, as respects such officers, stand thus:—

1st Class City Office, where Postage collections exceed \$80,000 per annum :

	SALARY.
Postmaster.....	\$2,400
Assistant Postmaster.....	1,600
4 First Class Clerks—1 Money Order and Savings Bank... }	\$1,000 to \$1,400 as Postmaster General may determine in each case.
1 Registration.....	
1 Chief delivery branch.....	
1 Chief mailing do.....	

2nd Class City Office with collections between \$60 and \$80,000 :—

Postmaster.....	\$2,300
Assistant Postmaster.....	1,500
4 First Class Clerks, as in Class 1.....	1,000
	to 1,800 as above.

3rd Class City Office with collections between \$40,000 and \$60,000 :—

Postmaster.....	\$2,200
Assistant Postmaster.....	1,400
3 First Class Clerks for above specific duties.....	1,000
	to 1,200 as above.

4th Class City Office with collections between \$20,000 and \$40,000 :—

Postmaster.....	\$2,000
Assistant Postmaster.....	1,200
3 First Class Clerks for specific duties.....	1,000
	to 1,200 as above.

5th Class City Office with collections \$20,000 :—

Postmaster.....	\$1,200 to \$1,800	} as Postmaster General may determine in each case.
Assistant Postmaster.....	\$1,200	
1 First Class Clerk, at from \$1,000 to \$1,200		} should Postmaster General deem duties of the office to require such appointment.

The continual growth of the business of the City Offices renders it inexpedient to at-

tempt to fix the number of ordinary Clerks required in the several offices—that must be left to be determined by the judgment of the Postmaster General, as circumstances arise.

Letter Carriers and Street Box Collectors.

Letter Carriers and Street-box Collectors are paid by fixed salary, ranging from \$300 to \$500 per annum. The extra charge made on delivery of the letters, &c, by Letter Carrier, being paid into the Revenue. The only exceptions being at St. John, New Brunswick, Hamilton, and London, where the Letter Carriers retain the fees in lieu of salary. This was formerly the practice in all the cities of Ontario and Quebec; but it was considered to have this doubtful effect—that it tended to give the Carrier a pecuniary interest in attending to some classes of letters, and some parts of his beat, in preference to others, and the system was changed in all the principal cities. As opportunity offers, the above named exceptions should be got rid of.

Only very moderate educational attainments are required for the performance of a Letter Carrier's duty; but great care should be taken when selecting for the employment, to admit none but men of undoubted honesty, sobriety, and physical capacity, and of civil demeanor. 35 should be the limit of age. The adoption of some kind of uniform would be advantageous to the service.

The following scale of salary is recommended:—

Letter Carriers, \$300 per annum on first appointment, increasing \$20 a year up to \$500 per annum.

Box Collectors, \$300 per annum on first appointment, increasing \$10 a year up to \$400 per annum.

Power was taken in the Post Office Act of 1867, to introduce in the cities of Canada, the system which has been found to work so well in England, France, and the United States, of a free delivery of all letters in cities by Letter Carriers, discontinuing as far as possible the practice of delivering at the Post Office, and obliging the public to call there for letters. Such a change would, of course, entirely revolutionize the present Letter Carrier organization, and system of window delivery.

To give full efficiency to the improved system, however, pre-payment of domestic letter postage should be made compulsory in Canada, as it is in the United States; for when Letter Carriers have to collect postage on any considerable proportion of the letters they deliver, the process of delivery is thereby so impeded, that a general delivery of correspondence by Letter Carriers could not satisfactorily be accomplished under such conditions, and compulsory prepayment becomes almost an indispensable preliminary to the introduction of the desired improvement.

RAILWAY MAIL CLERKS.

With the exception of two or three of the minor lines of road, the mails are carried on all the railways in cars, having a certain space divided off and specially appropriated to the use of the Post Office, and fitted up with all the conveniences required for the Post Office work. On the chief roads this space is 16 feet long, by the width of the car. Officers of the Post Office, called Railway Mail Clerks, travel in charge of the Railway Post Offices, and not only have custody of the mails under conveyance, but receive, sort, and distribute mails whilst the train is in motion, as in an ordinary Post Office. Correspondence is greatly accelerated by this system. Seventy clerks are thus employed in Ontario and Quebec, and the system is being extended to the railways of Nova Scotia and New Brunswick. The work has so much increased in these travelling offices, that on the main sections of the Grand Trunk and Great Western roads, two clerks travel with each train.

Railway Mail Clerks are paid and classified upon the following scale :—

CLASS.	On appointment to Class.		After 2 years' service in any class of Railway Mail Clerks.		After 5 years' service in any class of Railway Mail Clerks.		After 10 years' service in any class of Railway Mail Clerks.	
	Day duty.	Night duty.	Day duty.	Night duty.	Day duty.	Night duty.	Day duty.	Night duty.
3rd Class.....	\$480	\$600	\$520	\$640	\$560	\$700	\$640	\$800
2nd Class.....	600	720	640	800	720	880	800	1,000
1st Class.....	720	880	800	1,000	880	1,100	900	1,200

This scale was adopted by the Department on the first organization of the Railway Mail Clerk system in 1855, and was embodied in the Civil Service Act of 1857. It has been found open to this objection in practice, that it does not make any part of the compensation to depend as it might with advantage do, on the actual amount of work or of days duty performed. It is recommended that this defect should be amended, by the substitution of the subjoined scale :—

Scale recommended for Railway Mail Clerks :—

	Annual Salary.	Mileage Allowances for actual service performed.
Probationary Class (In which to serve one year, unless there has been at least one year's service in some other branch of the Department)	\$360	None.
3rd Class	\$300, rising by \$20 a year to \$400.	One cent per train mile, if by Day Train; two cents if by Night Train.
2nd Class.....	\$400, rising by \$20 a year to \$600.	do
1st Class	\$600, rising by \$40 a year to \$800.	do

In this scale a considerable portion of the annual earnings will depend upon the number of miles travelled at work, and supposing a fair average of work to be performed, the result will not differ materially from the salaries paid under the existing scale, except that the entering salary for the first year will be \$360 instead of \$480.

FOREIGN MAIL SERVICE.

Under the authority of a convention between Great Britain and the United States, the Mails which pass between Canada and the United Kingdom *via* New York, are accompanied through the Territory of the United States by Canadian Mail Officers for whom free conveyance is provided by the United States.

Four Officers are thus employed on the New York routes, and a fifth is detailed to superintend the transit of the Mails to and from the Canadian Packets, at Portland in Winter and Quebec in Summer.

Two of these officers are paid as ordinary Railway Mail Clerks with a special per diem allowance of \$2.50 for such days as they may be absent from Canada on this duty,

and the other three have a fixed salary of \$1,100 a year without any per diem allowance under an old scale of salary appropriated to this particular service. All Officers hereafter appointed should be classed as ordinary Railway Mail Clerks with a per diem allowance as above.

POST OFFICE INSPECTORS.

There are 7 Inspectors now on the establishment.

<i>District.</i>	<i>Head Quarters.</i>
1.—Nova Scotia.	Halifax.
1.—New Brunswick.	Fredericton, should be St. John.
1.—Quebec West to Three Rivers.	Quebec.
1.—Do Three Rivers, West to Ottawa River.	Montreal.
1.—Ottawa River, West to Cobourg.	Kingston.
1.—Cobourg West, to Hamilton.	Toronto.
1.—Hamilton to Western limit of Dominion.	London.

The Inspectors are paid a fixed salary of \$2,000 per annum and receive when travelling an allowance of \$2 dollars per diem, and 10 cents per mile for each mile off railway and steamboat routes where the Department can give free conveyance.

This is a most important class of Officers. In fact, the satisfactory working of the machinery of the Post Office service generally must always depend largely on their zeal and efficiency.

The immediate supervision of the performance of Mail service by the Contractors and Couriers all over the country is in their hands, for this requires local knowledge and facilities for quick reference and enquiry.

For the same reasons the Railway Mail Clerk service is under the Inspector's superintendence; also the general management and direction of the distribution and circulation of correspondence; they direct where and how Mails should be made up, &c., &c.

All questions concerning new Post Offices and Post routes, and alterations affecting those existing, are examined into by them, and whatever may be authorized, in respect to such matters, carried into practical effect by them.

All ordinary Postmaster's Bonds, and Mail Contracts are drawn up by them; and they are responsible for the due execution of such instruments.

They conduct, in a measure judicially, with the aid of local Magistrates, enquiries into public charges made against Postmasters.

Inspectors see to the collection of arrears accounts, transfer the charge of a Post Office when a change of Postmaster takes place; enquire into all cases of mail robbery, or of loss of letters, and attend to a multiplicity of other duties, of a more or less important and troublesome character.

Theoretically an Inspector should periodically visit and inspect all the Post Offices in his District; but the various duties above sketched out so engross his time, that for some years past inspection of the country offices upon any regular system has been impracticable; and yet it should be an essential feature in any well organized Post Office administration.

It is recommended to strengthen this branch of the service by the appointment of a class of Assistant Inspectors, specially charged with travelling duties in connection with the inspection of offices, and having their compensation dependent, to a considerable extent, on the amount of such duty performed.

Further, the general expansion of the service, and the increase in the number of the Inspectors, render it very desirable that the Department should have the services of a Chief Inspector, stationed at Head Quarters, with authority over all the Inspectors and their Districts; to be available when the conduct of an Inspector or chief City Postmaster is in question; to promote uniformity in the management of the duties confided to the several Inspectors, especially in the Railway Mail service, and generally to carry the authority of the Department over these Officers to the immediate sphere of their action,

in a manner which cannot in all cases be satisfactorily achieved, either by correspondence or by summoning them to Head Quarters.

Scale proposed for Inspectors :

	Fixed Annual Salary	TRAVELLING ALLOWANCES.	
		Per diem when absent from his Station.	Mileage off Railways and Steamboat routes where conveyance is free under authority of Department.
Chief Inspector.....	\$2,400	\$3 00	12 cents per mile.
Inspectors.....	\$1,600 to \$2,000	2 50	12 cents do
Assistant Inspectors.....	\$900	3 00	12 cents do

Clerks in Inspectors' Offices.

There are 25 Clerks at present serving in the several Inspectors' Offices, engaged in the clerical labors connected with the various duties described as allotted to the Inspectors.

One Clerk on the average is occupied in each Inspector's Office in checking the accounts of the daily exchanges of Mails by the Railway Mail Clerks, the returns of the registered letters passing daily through their hands, &c., &c.

These Clerks have hitherto been classified under the ordinary Civil Service scale of 1857, as respects Ontario and Quebec, those employed in Nova Scotia and New Brunswick were taken from the establishment of the Post Office Staff in each Province, and were under no fixed rule as to rank and salary.

It is recommended that the scale herein proposed for City Post Office Clerks should be applied to Inspectors' Clerks with certain modifications, 1st, that the salary of the entering or probationary year should be \$800; 2nd, that, as respects first class clerks, the Postmaster General should be at liberty, as he may see fit, to constitute not exceeding one First Class Clerkship in an Inspector's Office; to be filled by the principal Clerk in such Office with a salary of from \$1,000 to \$1,400 per annum, as he may determine in each case.

OCEAN MAIL SERVICE.

A Mail Clerk sails with each weekly voyage of the Canadian Ocean Mail Steamships. Seven clerks are employed on this service, each taking his regular turn of duty, averaging about 7½ round voyages to each yearly.

In each steamship there is a Post Office room conveniently fitted up with sorting apparatus, &c., for Post Office work. The Mail Officers receive and give acknowledgments for all mails put on board, and account for the delivery of the same at either end of the voyage, furnishing Returns and Vouchers from which all this business can be verified. They sort the mails whilst on the eastward voyages for all the chief towns of the United Kingdom, and coming westward do the same as regards the newspaper portion of the mails, and we are informed that measures are in progress for extending the same advantage to letters.

The Ocean Mail Clerks are paid under the following scale:—

CLASS.	On appointment to class.		After two years service in class.		After five years service in class.	
	Annual Salary.	Allowance for each round voyage performed.	Annual Salary.	Allowance for each round voyage performed.	Annual Salary.	Allowance for each round voyage performed.
Second class.....	\$260	\$50	\$420	\$50	\$600	\$00
First class.....	480	60	540	60		900

* Only half this allowance is paid whilst an Officer is learning his duty and until he can take charge of a ship's mails alone.

It is recommended that this scale should continue in force.

The Ocean Mail Officers are required to provide themselves with uniform of a certain prescribed pattern.

OUTSIDE SERVICES UNDER THE CUSTOMS DEPARTMENT.

PORTS OF THE DOMINION, STAFF, MANAGEMENT, EXPENDITURE, &c.

Number and Distribution of Ports of Entry.

Under the existing arrangements of the Ports of the Dominion, the administration of the Customs Department embraces the control and management of 180 Ports of Entry.

Of these 180 Ports there are—

1. In Ontario, 53, collecting (1867-68).....	\$3,292,877
2. " Quebec, 18, "	4,577,358
3. " Nova Scotia, 79, "	1,129,007
4. " New Brunswick, 30, "	888,404

\$8,817,646

From Ottawa, the Capital, as a centre, to Sidney, (C. B., N. S.,) which is the remotest Port on the East, the distance is about 1,150 miles, and to Sault Ste. Marie, the remotest Port on the West, about 600 miles by the route of the Northern Railway and Collingwood, but the distance is upwards of 800 miles by railroad, *via* Sarnia, and scarcely less than 900 by the lakes. Thus, the shortest distance by travelled routes between the extreme Ports mentioned would be more than 1,700 miles. Sidney is in long. 60° 15' W., Sault Ste. Marie, 48° 30' W., a difference of 25 degrees of longitude of the average central parallel of 46° of Latitude.

The Ports in Ontario are almost wholly situated along the extended line of the frontier of that Province, on the great lakes and other navigable inland waters which divide Canada from the United States.

In the Province of Quebec, the chief Ports are on the River and Gulf of St. Lawrence; but most of the minor ones occupy positions on the line 45°, which, between St. Regis and Connecticut River, a distance of about 160 miles, constitutes the Canadian Boundary. In the Maritime Provinces, all the Ports, with the exception of three or four in New Brunswick, are open more or less to direct communication with sea-going shipping, although many, if not most of them, and especially in Nova Scotia, are resorted to by fishing vessels and small craft only.

Effects of Railways on Customs management.

The construction of railway lines crossing our frontier, and connecting our large cities with the great commercial marts of the United States, and indeed, in winter, with European markets, introduced new channels of commerce, which opened quite a novel phase in the administration of the Customs laws.

It became at once obvious that the simplest way of dealing with this new state of things, was to treat a freight car as you would a ship, and require manifests of contents and reports inwards as to destination. The system of securing the goods imported by rail, by putting Customs Locks on freight cars as they arrived at the frontier, immediately followed, and a series of regulations governing importations, the examination of passengers' baggage, the through transit of goods and passengers, exports, &c., were drawn up by the Commissioner and his then Assistant, Mr. Worthington, submitted to the Executive and sanctioned, and these Regulations, modified and extended from time to time, as experience and the exigencies of the service required, appear to have worked very satisfactorily.

One of the results of the opening of these great railway avenues of commerce, was the applications from numerous towns, and even villages, on the Grand Trunk, the Great Western, and other railway lines, to be erected into Ports of Entry and Warehousing Ports; and thus we have the Ports of London, Woodstock, Guelph, Stratford, Paris, and several out-ports, such as Galt, Peterborough, St. Armand, and a few others.

The normal functions of Ports of Entry unquestionably point to the frontier of a country as the local position which such Ports should occupy, and there is no doubt that the restriction to Sea Ports and Frontier Ports of the entry of importations and the collection of Customs duties would reduce the cost of Collecting the Revenue and simplify the business of the Department, besides probably reducing the chances of loss to the Revenue from frauds. But the first step towards a deviation from that restriction is to be found in the laws existing before the construction of Railroads in this country, which laws permitted then, as they do now, that goods, arriving at a Frontier Port, might be forwarded to the Port of destination for entry and payment of duty. This was suggestive of the creation of Inland or interior Ports, and the opening of Railroads did not fail to invite the establishment of an additional number of such Ports. It would be difficult, if not unjust, to withdraw from London, and the other interior railroad Ports mentioned, the privilege they enjoy as Ports of Entry; but it is certainly inadvisable that any addition should be made to the number of such Ports, except perhaps in cases in which the population and trade of a place would, like the City of London, Ontario, be of a magnitude to warrant its being erected into a separate Port of Entry.

Classification of Ports.

A classification of Canadian Ports was made in 1845, wholly upon the basis of the collections. This, however, was found unsuitable to the state of things some years later, and in 1851 another classification, based upon the business more than the collections of the Ports, was adopted. This was in turn superseded by the schedule to the Civil Service Act of 1857, in which the Ports were again classed as in the first instance, exclusively with reference to the amount of collections.

One of the omissions of the schedule referred to involved some difficulty in its application, for whilst the minimum and the maximum were stated with reference to the collections in each class, no corresponding rule was laid down with regard to salaries, the amount of which appears to have been fixed with reference to the maximum only.

Where, as in Canada, many Ports are so situated as to entail considerable labor on their officers without any corresponding evidence of that labour in the amount of the Revenue collected, a classification of Ports, when such a thing is at all necessary, should, as far as possible, be framed to meet those cases, and to provide for the special circumstances of such Ports.

On our extended frontier, several Ports are in direct communication with populous American Cities and Towns, such as Windsor and Sarnia, opposite Detroit, and Port Huron and Prescott, opposite Ogdensburgh. At these Ports ferries keep up a constant intercourse with the American shore, steamboats and river craft frequent the Port, and railroads bring them, if not a large local traffic, at least a large transit business, and railway manifests must be

received and endorsed and the freight cars secured under Customs' lock or seal. Little or none of this work is productive of revenue at the particular Port, and hence the mistake of assuming the amount of collections as the only basis to govern the salaries of the officers at such Ports.

An attempt has, therefore, been made to meet the case by ranging Ports *First into Orders*, and *Secondly*, by dividing each Order into *Classes*, as shown in the annexed schedule (A). The Orders, which are designated by letters, are intended to provide such denominations for the Ports as are indicative of the channel or channels through which trade may reach them. Hence we have :—

- Order A.—Sea Ports, (e. g., Quebec).
- “ B.—Inland Water and Railway combined Ports, (Toronto).
- “ C.—Inland Water Ports, (Dover).
- “ D.—Railway Ports, (London).
- “ E.—Inland Ports, (Russelltown).
- “ F.—Out-Ports or Bays or Preventive Stations.

By this arrangement any Port may be at once ranged under the Order to which it belongs, and the scale of the Class in that Order to which its collections adapt it may be applied. (*Vide Schedules A, B & C.*)

Reduction of the number of Independent Ports of Entry.

It has been for some years the policy of the Department to contract the number of Ports of Entry, by reducing a certain number of the minor Ports to the rank of Out-Ports, and the Department has recommended that in furtherance of that policy the changes mentioned in the annexed Schedule (B), be carried out.

By the proposed arrangement the whole number of Independent Ports of the Dominion would be reduced from 180 to 99, the remaining 81 Ports being placed in the category of Out-Ports, Bays or Preventive Stations, and put under the survey of such of the independent Ports as are nearest to them, or are most convenient of access (*Vide Schedule last referred to.*)

Staff of Officers &c., at the Ports.

The aggregate Staff of Officers, Clerks, and Employés of all grades employed in the Customs Service at the various Ports of Entry of the Dominion, ranges from 800 to 820; it is now 816.

Of this total number there are employed at Ports :—

In Ontario.....	224
“ Quebec	310
“ Nova Scotia.....	181
“ New Brunswick.....	101

The Salaries of the whole of the Staff, which includes a numerous class of Tidemen and others at the large Ports who receive per diem wages, added to miscellaneous expenses for printing, stationery and contingencies, amounts to about \$486,000, representing the cost of collecting the Customs Revenue of the Dominion in 1867-68 equal to 5.3 per cent. In the United Kingdom the cost of collecting the Revenue from Customs, is about 3½ per cent., a percentage which would be considerably increased, if the Coast and Land guard for the prevention of smuggling, were included as incident to the cost of collecting the Revenue.

Salaries.

A Revision of the Salaries of the permanent Officers of the Service at the various Ports leads to the conclusion, that there are comparatively few cases in which the salaries now paid are much in excess of what the services performed would entitle the incumbent to, due regard being had to the duties attached to the situations; whilst at some of the Ports, the principal Officers and Clerks are considered to have lower salaries than the importance and responsibility of their respective positions entitle them to, and the scale now proposed is intended to provide for such cases.

Contingencies.

At all the Ports, whether large or small, certain contingent expenses must necessarily be incurred; for this branch of expenditure it has been found very difficult to establish any rule that would work quite satisfactorily. The Rules laid down by Act of Parliament for Departmental contingencies will scarcely apply to such cases, and owing to the diversity in the rank of Ports nothing beyond a designation of what is allowed to figure in the contingent accounts appears to be feasible.

Office rent and fuel, Stationery and Postage are the only items which, under ordinary circumstances, are admitted to appear in the quarterly accounts. The rent is usually settled before hand; but the amount of the postage, and the quantity of the fuel and stationery, necessarily vary according to the class to which the Port belongs, and each case must be disposed of upon its own merits. But at some Ports in addition to these usual items there are others, such as expenses in visiting Out-Ports, or a charge for lights during winter months, &c., these also, it would be difficult to reduce to a General Rule.

It would therefore seem that the system now adopted for the contingent accounts, which requires that every item should be supported by a voucher, and the whole account sworn to as containing a true statement of expenses incurred and disbursements made *bond fide* for the public service, is perhaps the only one that is practicable. As regards stationery all Collectors are now held to send in a requisition before the end of one year for the stationery they may require during the year ensuing, and the Department, when it is deemed necessary, takes the opinion of the Inspector of Ports upon this and other items of the contingent account; but the establishment of a stationery office at Ottawa will in all probability lead to a somewhat different mode of management.

Seizures.

The net proceeds of seizures made upon the discovery of frauds, or other infractions of the Customs laws, are divided under the authority of an Order in Council into three equal parts, one of which is paid into the Treasury as the Crown's third, another goes to the seizing officer, and the remaining third is paid to the informer; but if there be no informer the seizing officer gets two-thirds. The seizures made at large Ports through the Examining Warehouse are dealt with somewhat differently under a more recent Order in Council. The seizures are always the result of an examination of the goods at the Examining Warehouse, and the appraiser is therefore considered as entitled to one share as official informer; should he have under him assistant appraisers who may have been the first to discover the fraud, such assistants are entitled to a proportion of the appraiser's third varying according to the number of the assistants—if but one he gets one-half; if two, or more, then two-thirds of the appraiser's third, is divided equally amongst them.

As to the seizing officer in such cases, at Montreal, he is considered as acting by the orders and on the behalf of the Collector who, as his salary exceeds \$1,600, is not allowed to share in the proceeds of any seizures at his Port, and the seizing officer's share goes to the credit of a reserve fund from which meritorious officers at the particular Port may be rewarded, or disabled officers assisted, as may be directed by the Head of the Department or by order of the Governor in Council. It would appear proper that this rule should be extended to all Ports where the Collector's salary exceeds \$1,600, and in all cases, instead of the Collector's third being placed in a reserve fund as at present, it ought to be paid in to the Receiver General and be paid out on warrant issued on an order in Council or Departmental order, as may be thought expedient. The present amount held by the Collector of Montreal in such a reserve fund is only \$714.48, but it would be more proper that it should be paid in to the Receiver General.

Penalties.

Penalties, as contradistinguished from forfeitures, are declared by the law to belong to the Crown. There is, however, a class of Penalties or fines, which are almost invariably assigned to the officer through whose diligence the infraction of the Customs laws was discovered.

The present Customs Act provides that if any package an enclosure of goods be found,

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This is also done in circumstances by releasing the as pay a stated fine, in discretion of the through the Collector enclosures referred report, no account and all fines and to any Customs (

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not mentioned in the invoice of that package, such goods shall be absolutely forfeited; but the Minister of Customs may, if he sees ground to do so, release the goods from forfeiture upon the payment of the duties and of such a penalty as he may see fit to impose.

This is also done when seizures are released upon the importer showing some extenuating circumstances in the case, that induce the Department to mitigate the severity of the law, by releasing the seizure upon condition that, besides the payment of duties, the offender do pay a stated fine, the amount of which is governed by the facts of the case, and is left to the discretion of the Minister of Customs. The fines in these several cases are uniformly paid, through the Collector, by order of the Department, to the officers through whose diligence enclosures referred to were discovered or the seizures made. As we stated in our previous report, no account of such fines appears in the public accounts. This ought to be amended and all fines and seizures ought to be paid to the Receiver General, and the forfeitures paid to any Customs Officer should be paid by warrant.

Appraising Department.

Under an *ad valorem* Tariff, the examination and appraisement of goods is a branch of the Customs demanding primary consideration. At the large Ports, and especially at Montreal, where nearly one-half of the whole Customs Revenue of the Dominion is collected, the organization of that Department has received particular attention, and there is reason to believe that the scrutiny of goods on importation has been conducted with most satisfactory diligence at those ports generally. All the ports are supplied with the New York Prices Current, and the ports of Quebec and Montreal, as being in direct communication with Europe, with the prices current at Marseilles, Bordeaux and Hamburg. These should also be furnished to Halifax and St. John.

At the minor ports, the law has assigned to the Collectors the duties of appraisers, and it is considered that the amount of the importations at those ports respectively, would not warrant the expense which the appointment of appraisers would entail. The eight ports (Hamilton, Toronto, London, Kingston, Montreal, Quebec, Halifax, and St. John.) at which appraisers are appointed, collect an aggregate of \$8,133,924 out of \$8,817,646 or about 91.4 per cent. of the whole Customs Revenue of the Dominion, leaving about \$684,000 to be collected at the remaining 172 ports.

It is to be observed that at the three Ports of Montreal, Quebec and Toronto there are certain charges made at the Examining Warehouses, from which part of the cost of the establishment is defrayed. At Montreal in 1867-8 the receipts were \$11,057.83 and the expenses \$14,763, of which the balance of \$3,705.43 only appears in the public accounts. At Toronto the total receipts were \$2,864.95, and the expenses \$2,315.92, and \$400 was paid in to the Receiver General, which is all that appears in the public accounts. At Quebec the receipts also exceeded the expenses in 1866-67 by \$393.22 which was deposited, but no account has been rendered. In all such cases the whole of the receipts should be paid in to the Receiver General, and all the expenses should be paid in the usual way.

It appears, when goods are examined in the Examining Warehouse, and the invoices are sent there to be compared with the goods, that the invoices remain on file in the Examining Warehouse. The quantities and prices are there checked, but in the hurry of passing entries the invoices cannot be sufficiently examined then, and frauds have arisen from this cause. We think that the invoices ought always to be sent back to the Custom House to be checked there with the entries.

Warehouses.

The Regulations under which the existing Customs Warehouses were established, were sanctioned by an Order in Council of the late Province of Canada, 30th March, 1850, under the authority of the 10th and 11th Vict., cap. 31.

These Regulations made the Landing Surveyor and Warehouse Keeper the judge of the sufficiency of the security and fitness of the Warehouse offered for the purpose intended, and the Collector prescribed certain formalities to be complied with by the proprietor or occupant, and the Warehouse was established without reference to the Department. Under the Act referred to, 21 ports were specially named as Warehousing Ports, but many others were subsequently added to the list, by Order in Council.

At the large Ports, the number of private Bonding Warehouses that were established under these regulations gradually increased, until we find that there are now in Montreal, 192; in Quebec, 39; in Toronto, 66; in Hamilton, 35; and at minor Port in proportion.

The existence of so large an aggregate number of Bonding Warehouses did not fail to attract the notice of the Department, and the attention of the Inspector of Ports was directed to a careful examination into the security of the Warehouses themselves, and into the manner in which the goods warehoused were dealt with, and the actual contents of the Warehouses checked and verified.

The enquiries of the Inspectors have certainly shown that at some of the Ports great carelessness and irregularities existed, and that Warehouse Regulations in regard to the supervision of the goods in Bonding Warehouses were not enforced; but it does not appear from their Reports, which cover a period of 12 or 15 years, that any losses worth mentioning have been sustained by the Treasury, through the fraudulent abstraction of goods from the Queen's Warehouses, if we except two or three cases, reported from the Port of Montreal. These cases, however, point to the necessity of a revision of the Warehouse Regulations, with a view of providing greater security in the buildings themselves, or the portions of, set apart as such, and in the method in which the goods should be stored in them for facilitating inspection.

The existing system of bonding goods in Private Warehouses, has the sanction of the greatest commercial nations in the World, and under proper regulations stringently enforced, it is perhaps the best that can be followed. The scheme of making the Government the Warehouse Keeper of the Trade of the Country by its building extensive Warehouses, is one which has been suggested, but it is believed abandoned, not only as involving enormous expense but great inconvenience, trouble and responsibility. An approximative computation, made for the Port of Montreal alone, shows that about 211,000 square feet of storage room, including cellarage, would be required for the Warehousing business of that City; this would represent a building, say three stories high, fifty feet deep and 1,055 feet long.

There is no doubt, however, that stacks of Bonded Warehouses, such are to be found in Boston and elsewhere, owned by Joint Stock Companies, would offer greater facilities of supervision on the part of the Customs, and effect a very considerable saving by reducing the numbers of lockers employed. It would, therefore, be desirable that the construction of warehouses upon a similar scale and principle in our commercial Cities, either through individual capital or by Joint Stock Companies, should be encouraged, as far as consistently can be done by the Government. This encouragement could not extend to the suppression of private Bonded Warehouses, but the new regulations, by the increased security which they would require in the buildings offered as Warehouses, would tend to diminish the number of this last class, and favor the former, the sufficiency of which in every respect would, it is assumed, warrant their being accepted by the Department as approved Bonding Warehouses. As a further discouragement of private bonded warehouses, any person applying to have a private warehouse might be required to pay a sum sufficient to cover the wages of the locker attached to it.

Under the former Act in England, and by the Canadian Act, a transfer book was kept of goods in bond, shewing all transfer from one person to another of such goods. This appears to be no longer the case in England, and we see no necessity for complicating the transactions by continuing the practice here. If the Government were the owner of the bonded warehouse, it would necessarily be responsible that the goods, when duty is paid, were delivered to the proper owner; but as it is, the Government has only to receive the duty and order the goods to be taken out of bond, and it is clearly the business of the owner of the warehouse to see that the proper individual receives the goods.

Instructions to Officers.

During Mr. Duncomb's incumbency of the Office of Commissioner of Customs, instructions to the Officers of Ports were prepared, printed and distributed, but (with the exception of instructions to Preventive Officers, issued 1859) these have not been renewed; they are now out of print, and should be revised and amended, a work which has been for some time contemplated, and for the preparation of which the most recent instructions of a corresponding character now used in England have been procured, which may, from the general

similitude of the Customs practice of both Countries, materially aid in perfecting the new instructions to be issued.

Copies of the Customs Acts themselves, however, of all Council and Departmental Orders and Regulations and Departmental Circulars, are sent to all the Ports of the Dominion, and these have hitherto in a great measure, supplied the want of a renewal of the printed Instructions.

When such a book of instructions has been prepared, every officer of the Customs should be required to carry a copy of it always about him. It would also have a wholesome effect if all officers below the rank of landing waiters were required to wear a distinguishing uniform.

Registry of Ships.

The Registry of shipping in the Dominion is a subject requiring immediate consideration, the laws and rules which govern it being different in the several Provinces: for instance, in Ontario, the Act of the late Province of Canada, 22 Vic., Chap. 41, entitled "An Act respecting the Registration of Inland Vessels," is exclusively followed, but in the Province of Quebec, both the Provincial Act cited and the Imperial "Merchant Shipping Act, 1854," are resorted to as the rule of measurement and Registry. In Nova Scotia and New Brunswick the Imperial Act alone is considered as being in force. At the Port of Quebec all vessels, whether sea-going or river craft, are registered under the Merchant Shipping Act, and so also in Gaspé, New Carlisle and Amherst. In Montreal sea-going vessels only are registered under that Act, whilst the inland vessels are registered under Provincial Acts.

Besides the confusion which this creates in the application of the rules which should govern the subject, it is open to the still greater objection of giving two different rules of measurement for the tonnage of ships, the Provincial Act having adopted the rules of measurement prescribed by the Imperial Act of 1845, which rules have been superseded by those of the Imperial Act of 1854.

Moreover, by the Imperial Merchant Shipping Act, the Governor or Lieutenant Governors act as Commissioners of Customs, and have to decide some points in connection with the registration of shipping; and doubt has been raised whether these powers are vested in the Governor General or the Lieutenant Governors of the Provinces. It appears also that fees are charged in Nova Scotia and New Brunswick where none are allowed in Ontario and Quebec.

It is therefore, very desirable that the existing laws for the registration of shipping be revised, with a view of establishing not only a uniform rule for the admeasurement of ships throughout the Dominion, but a uniformity in the laws and practice as to the registration of shipping generally, and it is to be hoped that such a measure may be passed in the approaching Session of Parliament, and that steps will be taken to obtain the recognition in Great Britain of the registration of ships effected under the law to be so passed, as equivalent, so far as nationality is concerned, to Registration under the Imperial Merchant Shipping Act, 1854.

Coasting.

Our internal and frontier navigable waters, added to our sea coast on the Gulf of St. Lawrence, the Atlantic Ocean and the Bay of Fundy, present an extent of coast which few countries, if any, in the world possess. A rough estimate of the Canadian shores of the great navigable waters and marine coasts referred to, would give about 10,000 statute miles of coasting in the four Provinces constituting the Dominion of Canada. The internal traffic by water (to say nothing of the traffic by land through the facilities afforded by railroads), of so vast a line of communication, must necessarily be difficult if not impossible to compute with any thing like accuracy, from the fact that many of the craft or vessels carrying on this internal traffic would be leaving and going to places at which there were no public officers, through whose ministry such traffic could be recorded. Nevertheless, an attempt has been made to overcome this difficulty by requiring that coasting vessels should keep cargo books. There is reason, however, to apprehend that even this device (which is borrowed from Great

Britain) can yield but imperfect statistical results, and it is considered that, at least for the present, the official statistics of the coasting trade should be directed to the following objects only:

1st. The number of Vessels and Craft of all kinds, engaged in the coasting trade, distinguishing the number of each class of Vessels and the tonnage.

This could be ascertained with something like certainty by rigidly enforcing the Licensing system required by the existing Coasting Regulations.

2nd. The inter-provincial trade; that is, that an account should be kept as now provided for by the Coasting Regulation, of the traffic between the several Provinces. This could be achieved by simply insisting upon Vessels passing out of one Province into another, complying with the Regulations; the Masters furnishing the Collector at the first Port of arrival in the Province of destination, with a copy of the manifest, or if it be a small Craft or Boat, making even a verbal Report at the Custom House of the contents of such Craft or Boat.

The Collectors of the several Ports of the Dominion should be respectively furnished with a suitable Book to record this inter-provincial trade only, unmixed with the record of any local trade.

Inspection.

In all Departments that have out-lying branches or Officers, the importance of inspections cannot be overstated. Independently of its being a constant check against frauds upon the Revenue, it secures attention and fidelity in the discharge of the public duties of the Officer, and imparts uniformity of views and action in the management of the business of the Department. In no Department of the Public Service are those inspections more necessary than in that of the Customs, and it is considered that the sphere of action which such inspections now embrace calls for a corresponding increase in the means of efficiently performing that service.

There is now but one Inspector of Ports, whose duties extend to all the Ports in Ontario, and Quebec. It is impossible that one Officer, however diligent and zealous he may be, can make his inspections as frequent and thorough as they should be, when he has seventy-one Ports to visit scattered over so large an extent of country. It is therefore proposed that the Dominion as at present constituted should be divided into three inspecting Districts, viz:

1st. A central District, to comprise all the Province of Quebec, with the Ports in the northern part of New Brunswick, from Dalhousie round to Chatham and Newcastle.

2nd. A Western District, to include the whole of the Ports in the Province of Ontario.

3rd. An Eastern or Maritime District, to embrace the whole of the Province of Nova Scotia and those Ports in New Brunswick not forming part of the Central District.

Each Port should be regularly inspected twice a year, but at unstated periods, and it should be the duty of each Inspector, before leaving the Port he has inspected, to mail to the Department then and there a Report of such inspection, stating the date of his arrival at such Port, and in a brief form whenever there is nothing special to which the attention of the Department is to be called, and the state of the accounts, the condition of the Port as regards management.

Once at least a year, say on the first Wednesday in February, the Inspectors should meet the Commissioner at Ottawa to confer together upon all matters touching the interests of the service at the Ports in their respective Districts, and to compare their views and instructions on certain points of practice, in order that any difference that might be found to exist upon such points should be corrected, and uniformity established.

Classification of Ports.

We have already stated the principle upon which it is proposed to classify the Ports and we append Schedules A, B, and C., shewing that classification. We must however observe that any such classification must, of necessity, be very imperfect. The amount of duties collected have been selected as the simplest test of the importance of a port within its order, and the orders themselves take cognizance of some of the features which affect the amount of labor and responsibility devolving upon ports, which, by the test of duties alone, would stand on the same footing. The definition of these orders, however, does not by any means include all local peculiarities which make the work at one port more onerous than at another, and within the orders themselves the amount of duties collected, upon which the classes

are based, necessarily range within very large limits. Of two ports, for instance, in the same order, and collecting nearly the same amount of duty, almost all the goods entered at one may pay duty and go into consumption there, whilst the majority of those entered at the other may go forward in bond, and may not be at all represented in the duties collected, which determine its class; and at two ports in the same order and class one may collect \$30,000 and another \$190,000. In our schedule, therefore, we have been obliged to leave a considerable margin between the maximum and minimum of salaries, and we have assigned the class of officers who may be required in the larger ports of the division, without intending it to be understood at all the smaller ports of the same class the whole of them may be necessary. Our scale can in short be only taken as an approximate one, and an indication of the degree in which the several elements, which together form the basis of the classification, should affect the staff and the salaries. The application of the scale, within the limits defined, to each port, must necessarily be left to the discretion of the Department. We think, therefore, that proceeding upon this basis, and taking into account all the circumstances in each case, the Department ought at once to assign a staff to each separate port, and that a statement should be submitted to Parliament with the estimates of the year, showing for each port the duties collected, number of entries inwards and outwards, number and tonnage of vessels, &c., and other details from which its importance can be estimated, followed by the staff and salaries, and contingencies assigned to it. In each succeeding year a similar statement should be submitted, shewing the same particulars, with a comparison of the same items as they stood in the previous year, and with remarks shewing in the first of such statements how the existing salaries differ from those proposed to be established, and hereafter the reasons for any proposed changes.

We believe that the responsibility of making these recommendations in detail rests more with the Department than with us; but we desire to point out some of the reasons which render a thorough revision of the establishment necessary. The scale of salaries, and the number of persons employed in Ontario and Quebec, often differ very materially from those in Nova Scotia and New Brunswick, for ports of the same class. The establishment in the former is as a rule much more expensive than that in the latter. They ought to be assimilated, but it does not follow that all the salaries in Nova Scotia and New Brunswick should be at once raised and additional officers appointed, nor that the salaries in Ontario and Quebec should be at once lowered and some of the staff dismissed. Existing interests in the one case should be respected, whilst, if additions either to salaries or to numbers are found necessary, they should be gradually but not lavishly made. It should be constantly held in view to establish uniformity of action in all parts of the Dominion, but it must almost necessarily be gradually introduced. It is also to be observed that in Nova Scotia the system has prevailed of paying Customs officers partly or wholly by a percentage on collections. This system will now be changed, and will introduce a further complication in comparing the remuneration formerly paid with what it will be for the future.

Besides this difference in the practice of the several Provinces, there are great differences in the cost of ports in Ontario and Quebec, which are otherwise very similarly situated. This has, in a great measure, arisen from the great number of old men in the service, which has necessitated the appointment of persons to assist them, who under other circumstances would not have been required. It does not, therefore, by any means follow, because for this and other reasons a certain staff is now found at some ports, that the theoretical classification is to be accommodated to existing facts. The circumstances of each individual port should be maturely considered in detail, and its establishment should be accommodated to what is theoretically considered necessary, as soon as circumstances should permit.

Upon a comparison of the cost of particular ports in successive years, it will appear that there has in some cases been a very great increase, and it appears to be incumbent upon the Department to make a very close inquiry into the cause of, and the necessity for, this increase. As the most important, both in the amount and the ratio of the increase, we would particularly instance the port of Montreal, of the comparative cost of which in different years we append an analyzed statement, extracted from the Public Accounts, and for the purpose of further comparison we have also added an analysis of the port of Quebec for the same years, and of Halifax and St. John for 1867-68.

Comparative Expenses at Port of Montreal.

	1861.	1864-5.	1866-7.
Collector, Surveyor and Assistant.....	\$ cts. 6,440 00	\$ cts. 5,884 25	\$ cts. 6,125 82
Landing Waiters, Tide Surveyors, &c., including House's Point, Longueuil, &c.....	10,296 84	12,240 00	11,975 00
Clerks.....	6,550 00	5,678 88	9,800 00
Appraisers, Lockers and Weighers, including excess of expenditure of examining warehouses.....	4,981 81	10,688 46	17,885 84*
Tide Waiters.....	17,360 17	21,020 51	32,971 00
Rest, Office Contingencies, Messengers, and Sundries.....	5,823 42	4,782 86	5,835 75
Total.....	50,662 27	63,289 96	86,793 41
Total duties collected.....	2,393,486 69	3,430,594 07	4,211,205 63

Quebec.

	1861.	1864-5.	1866-7.
Collector, and Surveyor, and Assistant.....	\$ cts. 6,680 00	\$ cts. 6,680 00	\$ cts. 6,680 00
Landing Waiters, &c.....	9,413 90	9,478 99	9,899 00
Clerks.....	7,478 32	7,507 50	9,800 26
Appraisers, &c.....	4,940 00	4,865 00	5,190 00
Tide Waiters, &c.....	12,761 00	10,727 00	11,749 00
Rest, Contingencies, &c., including boat.....	3,292 91	7,414 87	9,551 31
Total.....	48,566 13	47,038 31	55,978 57
Total duties collected.....	494,183 16	606,020 90	515,665 24

* The gross cost of the Examining Warehouse was really \$10,000 more, the balance being paid out of receipts.

	St. John.	Halifax.
Collector and two Senior Officers.....	\$ cts. 4,500 00	\$ cts. 4,200 00
Landing Waiters.....	2,700 20	6,370 55
Clerks.....	4,830 20	3,708 03
Appraisers.....	1,673 75	487 66
Lockers.....	2,500 00	21,545 10
Tide Waiters.....	4,949 48	
Contingencies and extraordinary expenses.....	3,598 63	1,043 27
Total.....	25,802 17	43,283 64
Total duties collected.....		

If, for instance, we compare Quebec and St. John, two ports which either upon the basis of duties collected or of shipping, are almost upon a par, St. John does not cost upon the whole, half of what Quebec costs, and the same difference runs through almost every item in the account. Even if the appraising branch were increased at St. John the difference would remain most marked, and would indicate that the salaries and staff should be increased, or those of Quebec diminished, and probably both changes should be provided for. So also,

comparing Quebec and Montreal, the amount of duty collected must be a very fair test, though not absolutely perfect, of the amount of business, and for the number of Clerks and Landing-waiters necessary; but Quebec costs more under the former head, and almost as much under the latter as Montreal, which collects about eight times the amount of duties. The contingencies would also seem to require investigation.

Taking the port of Montreal alone, the cost of the Appraiser's Office appears to have been increased in six years from \$4,981 to \$17,085, and Tide-waiters and Lookers from \$17,360 to \$32,971. Such an extraordinary increase clearly requires close investigation.

As to the Appraiser's Office we are informed, that in 1863 it was found to be upon a very inefficient footing, and an entire reconstruction of that branch of the business was determined upon. It is also stated that in this special department Montreal is looked upon as a sort of central authority, to which reference is made by other ports in doubtful points of valuation, and that the cost is in that way increased. The great addition seems to have been made in 1865, when eleven new hands were added, involving an additional cost of \$3,147.50; in 1866 two new hands were added and two increased, at a cost of \$1,478.25; in 1867, three new hands and seven increased, made an addition of \$2,007.25, and in 1868, four new hands and two increased made a sum of \$1,821.50. The increasing business of the port may have justified this, and the gain from entries corrected at the Examining Warehouse, and from charges for storage seems, on the average, to have covered this cost; but it is evidently a subject requiring investigation. It is to be observed that many of the expenses of the Examining Warehouse, which at Montreal are classed under the general head of Appraisers, &c., are no doubts included under other heads at Halifax and St. John, but still the great difference in the practice of these two large ports from what prevails at Quebec and Montreal, seems to require a complete reconsideration of the subject.

In the item of Tide-waiters and Lookers (for it appears that their duties may to a certain extent be embraced) we have the evidence of Mr. Delisle, the Collector at Montreal, that a great saving can be effected. He estimates it thus:—

The present staff consists of 110 men arranged in three classes of men permanently employed, and others who are supernumeraries, and the total cost is given by Mr. Delisle, for 1868, at..... \$37,122 00

He thinks that 37 permanently employed, and 10 supernumeraries would be sufficient for the business of that port, at a cost of..... 22,960 00

Effecting a saving at present of..... 14,162 00

And when one office (to be retain for the present) falls in, of..... 14,762 00

It is to be observed that this does not contemplate 20 of the permanent officers receiving a fixed pay of \$80, over and above their per diem allowance, as at present, which practice, if continued, would reduce the sum to \$13,162.

In the above comparisons we have merely taken the four largest ports, with a view of showing the opening which exists for reconstruction; but similar investigations should be made in the whole establishment. We do not feel competent or called upon to pronounce a decided opinion upon these details, but they should be seriously considered by the Departmental authorities, and a theoretical organization for each port should be determined upon, to which the existing state of affairs should be accommodated as soon as circumstances permit.

New Appointments.

The age of admission as regards Clerks, may be governed by the Civil Service Act; but with regard to the other officers and employes, a somewhat different rule has long been properly followed in the Customs Department, originating in the nature of the Service itself, the duties of a Landing-waiter, Looker or Tidesman, or the much higher duties of an Appraiser, requiring generally maturer years in the officer than can always or usually be found in the probationary or junior classes of the Civil Service.

The age, however, in England, as in Canada, above which no aspirant can enter the Customs Service, has been fixed very much above that of the probationary clerks under the Civil Service Act. As the rule now stands, it is 32 years of age in England, and 25 in Canada. No aspirant over those ages in England and Canada respectively, can be admitted

into the Service, at least theoretically, and the Department is thus relieved from the burden of an inordinate number of Superannuated Officers.

It is not sufficient, however, to lay down a rule—it should be carried out. But it is to be regretted that in this country, as appears to have been the case, until comparatively late years in the mother country, the rule has been over-riden by Parliamentary influence, and both appointments and promotions have been made in direct contravention of the salutary rule laid down for the advantage of the Customs Service.

It is to be hoped, however, that the improvement in that respect, which has taken place in England, may be found worthy of adoption here. We find in a report, or letter addressed to the Right Honorable Henry Goulburn, and ascribed to the then Chairman of the Board of Customs, (Mr. R. B. Dean,) that it is made a subject of congratulation, that the age of admission into the Customs service had been limited—that a system of classification and promotion of officers and a graduated scale of salaries had been established throughout the whole Department, and that by this means “local interference in the promotion of officers had been abolished”; and a little further down he remarks: “Already has Government relinquished, it may be said, any interference with promotion in the Department of Customs, and the road is open to advancement to the meritorious officer.”

Too much stress cannot be laid upon the importance of the course thus referred to, and it is not saying too much when it is asserted, that the whole efficiency of the service depends upon a rigid adherence to the rules of advancement and promotion.

Treasury Solicitor.

With reference not only to the legal questions and Exchequer suits that arise out of the Customs laws, but with regard also to the framing of the laws themselves, it has been long since considered desirable that a special Solicitor should be appointed to assist in framing, and to conduct the suits growing out of the infraction of, the Customs laws. Perhaps such a Solicitor might be called “the Treasury Solicitor.” This would secure the legislation governing the several Departments against such conflicting enactments as we now find in the Statute Book; the tariff of Customs, for instance, making the importation of Raw Tobacco free, while the Excise Act declares that it can not go into consumption in this country without the payment of a duty of 15%.

Officers working extra hours.

There was in the late Province of Canada an Order in Council of July, 1858, providing that, if landing waiters were required to attend at unusual hours for the convenience of Railroads and others, they should receive extra remuneration from Government on a fixed scale, and that the parties for whose convenience they so attended should repay Government. This rule does not appear to have extended in Canada to lockers, and there was no such provision in Nova Scotia and New Brunswick. In those Provinces the Customs Officers are paid directly by the parties interested, and we find that at Montreal it has been customary for the owners of private bonded warehouses to pay the lockers for extra attendance. We think that this practice is very objectionable, and that the same rule ought to be extended to all Customs Officers.

Method of Collecting Statistics.

In our former report we alluded to an important change which had been proposed in the manner of compiling the Customs Statistics. For convenience we will now repeat what we then said upon the subject:

“At present each Port sends its entries to the Department to be checked, but the tabulating of all the business, the arrangement of it under the different heads of articles imported, free or dutiable, whence imported, &c., in short all the statistical information relating to the business of each individual Port, is prepared in the Ports themselves. From them monthly, quarterly and annual returns are received, which are all added together in the Department to shew the whole business of the country, forming the Trade and Navigation Returns which are laid before Parliament. In England, each Port sends copies of its entries to London, and all statistical information is compiled there. We believe that this

centralisation of the work must result in a considerable aggregate saving of labor and expense, and that the work will be better done by experienced hands constantly engaged in it, than if it is entrusted to all the separate Ports scattered over the country. We are, however, fully aware that difficulties may present themselves in introducing a system which works admirably in England, where every Port is within a few hours distance from Head Quarters, into a country so very differently situated as Canada, and some considerable modifications of it may be necessary. We do not therefore wish to express any decided opinion upon this proposition, until we have had more opportunities of examining the working of the present system in the larger Ports of the Dominion, and of receiving the opinion of experienced persons upon it."

Since the above was written a Committee of our body has visited the Ports of Montreal, Halifax and St. John, and they gave particular attention to the question of these returns. In each of these places they interrogated those who were practically engaged in carrying out the present system, not only those who themselves were conducting this branch of the business, but those whose work was affected by it. They have reported that all concurred in the convenience of the new method proposed, and that they had seen no good ground for believing that any practical inconvenience would arise from the change. The advantages would be many. There would be a large saving in the printed forms of returns which are numerous, large and expensive; and of the books kept at all the Ports for the purpose of compiling the returns. A staff of 10 to 12 clerks at Head Quarters, selected from those accustomed to the work at the large Ports, and working in a large room under the superintendence of an officer thoroughly versed in the business, would probably be quite sufficient to accomplish the work. By a well-studied division of the Ports according to the average number of entries at each, the substance of the duplicate entries, previously checked by the proper officer, would be written up in 10 or 20 books, which, being closely kept up, would at any time afford the Minister such statistical information as he might require to the latest date. This last point we consider to be of the greatest importance; to which may also be added, that if experience should hereafter dictate any change which might be desirable in the form of the statistical returns, it would be far easier to introduce it into the books at Head Quarters and to train 10 clerks to the change, than to have to give the necessary instructions to all the Ports scattered over the Dominion. We believe also that all such statistics, compiled by men accustomed to the business, and working at it without any interruption, will be much more rapidly prepared, and will be more likely to be accurate, than when the work has to be done, as is the case with most of the smaller Ports, by men not always the most competent, and who are distracted by other avocations.

We therefore recommend that the change should be introduced with the new financial year. It is obvious that such an alteration will necessitate corresponding changes both in the Departmental staff and in those of the larger ports. In the Department the person specially charged with the superintendence of checking the entries, tabulating them and compiling the statistical returns, should have the rank of a Chief Clerk, and one of his subordinates might be a First Class Clerk, and perhaps two others Senior Second, whilst the rest might be Juniors. In the larger ports there should be a corresponding reduction in the number of clerks employed.

In our former report we suggested that advantage should be taken of the same opportunity to revise the entire system of the forms of returns and of books, and of the complete statistical returns as published. We do not think that it is advisable that we should enter into any detail as to these points, but the whole question should be maturely considered by the Department, after a comparison with what is done in other countries, and consultation with those who have practical experience in such matters.

JOHN LANGTON,
Chairman.

N. B.—The above Report, having been agreed to by the Commission as the commencement of the Report upon the Outside Services, was presented to Government, with the intention of adding to it from time to time Reports upon other parts of the Outside Services as they were completed.

JOHN LANGTON.

 SCHEDULE (A).

 PORTS OF ENTRY BELONGING TO ONE OR OTHER OF THE ORDERS
 OR DENOMINATIONS FOLLOWING, VIZ:

- A. Sea Ports;
- B. Inland-Water and Railway combined Ports;
- C. Inland-Water Ports;
- D. Railway Ports;
- E. Inland Ports;
- F. Out-Bays or Ports.

ORDER A. Sea Ports are divided into 4 classes, viz :

THE 1ST CLASS is composed of the following Ports:

Montreal,
 Quebec,
 Halifax, N. S.,
 St. John, N. B.

THE 2ND CLASS consists of Ports at which at least 300 vessels arrive from and depart for British or Foreign Ports exclusive of coasters, and where the collections are under \$500,000 but not under \$50,000—When the No. of vessels shall exceed 500 and the collections rise to over \$500,000, the Port is entitled to be raised to the 1st Class.

THE 3RD CLASS consists of Ports at which at least 60 Vessels from British or Foreign Ports, exclusive of coasters, shall so arrive and depart and at which the collections are under \$50,000 but not under \$10,000.

THE 4TH CLASS comprises the Ports at which at least 5 Vessels so arrive and depart, whether such Vessels arrive from or clear for any British or Foreign Port or Place, or are Coasting Vessels, and at which the collections are under \$10,000 and not under \$500.

ORDER B. Inland-Water and Railway combined Ports, are divided into 5 Classes based upon the Revenue collected as follows, viz :

- 1ST CLASS—Where the Revenue collected exceeds \$1,000,000.
- 2ND CLASS—Where it is under \$1,000,000 but not under \$200,000.
- 3RD CLASS—Where it is under \$200,000 and not under \$25,000.
- 4TH CLASS—Where it is under \$25,000 and not under \$5,000.
- 5TH CLASS—Where it is under \$5,000 but not under \$500.

ORDER C. Inland-Water Ports, and

ORDER D. Railway Ports, are each, in like manner, as regards collections divided into 5 Classes with similar *minima* and *maxima*.

ORDER E. Inland Ports are such Ports as do not come within any of the foregoing Orders, and are composed of 2 Classes, viz :

- 1ST CLASS—Ports collecting \$5,000 and over.
- 2ND CLASS—Ports collecting under \$5,000 but not under \$500.

ORDER F. Out-Bays or Ports are divided into three Classes, viz :

- 1ST CLASS—Collecting over \$1,000.
- 2ND CLASS—Collecting under \$1,000 but not under \$500.
- 3RD CLASS—Such as collect under \$500 or no revenue whatever. These Out-Bays or Ports are considered as mere Preventive Stations and are to be rated at a fixed salary without reference to collections, but in accordance with their importance as Preventive Stations, such salary not to exceed the maximum mentioned in the classification of Order F.

SCHEDULE B, CLASSIFYING THE PORTS.

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	ORDER A, SEA PORTS.								ORDER B, INLAND WATER AND RAILWAY COMBINED PORTS.									
	1st Class.		2nd Class, \$50,000 to \$500,000. Ships, Min. 300.		3rd Class, \$10,000 to \$50,000. Ships, Min. 60 to 300.		4th Class, \$500 to \$10,000. Min. 5, Max. 60.		1st Class, over \$1,000,000.		2nd Class, \$200,000 to \$1,000,000.		3rd Class, \$25,000 to \$200,000.		4th Class, \$5,000 to \$25,000.		5th Class, \$500 to \$1,000.	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Collector.....	\$ 2,400	\$ 3,000	\$ 1,800	\$ 2,400	\$ 1,000	\$ 1,600	\$ 500	\$ 1,000	\$ 2,400	\$ 3,200	\$ 2,000	\$ 2,400	\$ 1,400	\$ 2,000	\$ 900	\$ 1,400	\$ 500	\$ 900
Surveyor and Warehouse Keeper.....	1,600	2,000	1,000	1,600	.....	.....	.....	.....	1,600	2,000	1,400	1,600	1,000	1,400	.....	.....	.....	.....
Chief Landing Waiter and Searcher.....	1,000	1,200	800	1,000	600	800	.....	.....	900	1,100	800	900	600	800	400	600	400	600
2nd do do	800	1,000	600	800	400	500	.....	.....	700	900	600	800	500	600	.....	.....	.....	.....
3rd do do	700	800	500	600	.....	.....	.....	.....	600	700	500	600	400	500	.....	.....	.....	.....
4th do do	500	600	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1st Clerks.....	1,200	1,400	1,000	1,200	.....	.....	.....	.....	1,200	1,400	1,000	1,200	800	1,000	500	700	.....	.....
2nd do	900	1,100	700	900	.....	.....	.....	.....	900	1,100	800	1,000	600	800	.....	.....	.....	.....
3rd do	800	800	.....	.....	.....	.....	.....	.....	600	800	600	800	.....	.....	.....	.....	.....	.....
4th or Junior do	500	500	.....	.....	.....	.....	.....	.....	300	500	300	500	.....	.....	.....	.....	.....	.....
Appraisers.....	1,500	1,800	1,000	1,500	.....	.....	.....	.....	1,500	1,800	1,200	1,500	900	1,100	.....	.....	.....	.....
Assistant Appraisers	800	900	.....	.....	.....	.....	.....	.....	800	900	600	800	.....	.....	.....	.....	.....	.....
Tide Surveyor.....	800	1,000	600	800	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Assistant Tide Surveyor.....	700	800	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Assistant Warehouse Keeper.....	800	1,000	.....	.....	.....	.....	.....	.....	800	1,000	600	1,000	.....	.....	.....	.....	.....	.....
Lockers.....	500	700	500	700	500	700	.....	.....	500	700	500	700	500	700	.....	.....	.....	.....
Gaugers and Weighers	600	800	600	800	.....	.....	.....	.....	600	800	.....	.....	.....	.....	.....	.....	.....	.....
Tide Waiters, or Boarding Officers.....	To be paid 50 cents per day if called upon to be in attendance; and \$1.50 additional per day when actually on duty.																	
Inspectors of Ports	{ 1st. Central Division, salary, \$1,600 to \$2,000 } { 2nd. Western do do \$1,600 to \$2,000 } and travelling allowance. { 3rd. Eastern do do \$1,600 to \$2,000 }																	

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Sessional Papers (No. 19).

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SCHEDULE B, CLASSIFYING THE PORTS.—Continued.

	ORDER C, INLAND PORTS, AND ORDER D, RAILWAY PORTS.										ORDER E, INLAND PORTS.				ORDER F, OUTPORTS AND BAYS.					
	1st Class, over \$1,000,000.		2nd Class, \$200,000 to \$1,000,000.		3rd Class, \$25,000 to \$200,000.		4th Class, \$5,000 to \$25,000.		5th Class, \$500 to \$5,000.		1st Class, over \$5,000.		2nd Class, \$500 to \$5,000.		1st Class, over \$1,000.		2nd Class, \$500 to \$1,000.		3rd class, Under \$500.	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Collector	2,200	2,800	1,600	2,000	1,200	1,600	800	1,200	500	800	600	800	500	600	400	800	250	400	100	250
Surveyor and Warehouse Keeper.	1,400	1,600	1,200	1,400	800	1,200	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1st Landing Walter and Searcher.	900	1,100	700	800	600	700	400	600	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2nd do do	700	900	600	700	400	600	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3rd do do	600	700	500	600	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4th do do	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1st Clerks.....	1,000	1,200	900	1,000	800	900	500	700	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2nd do	800	1,000	700	800	600	700	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3rd do	600	800	500	600	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4th Junior Clerks.....	300	500	300	500	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Appraisers	1,400	1,600	1,200	1,400	800	1,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Assistant Appraisers	800	900	600	800	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Tide Surveyor.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Asst. do .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Asst. Warehouse Keeper.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lockers	500	700	500	700	500	700	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gaugers and Weighers .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

92 Victoria.

Sessional Papers (No. 19).

A. 1889

NOTES ACCOMPANYING AND FORMING PART OF THE SCHEDULE CLASSIFYING THE PORTS.

1. If under Order A (Sea-Ports) the two elements of Shipping and Collections should not combine to entitle a Port to be placed in a given Class, such Port shall be placed in the class to which the lower of those two elements would assign to it.

2. At Ports of the 1st and 2nd classes, in Orders A, B, C & D, it will be in the power of the Collector to select from amongst the First Landing Waiters and First Clerks one of each of those denominations, and to assign to him the designation of Chief Landing Waiter, or Chief Clerk respectively, with an increase of salary not to exceed \$200; and the Collector may also advance any one of the Lockers to the rank of Chief Locker, with an increase not to exceed \$100; such promotions to be subject to renewal annually. At 4th Class Ports of the above Orders if there shall be more than one Landing Waiter, an additional allowance not exceeding \$100, may be made to one of them with the title of Principal Landing Waiter.

3. Officers and Clerks permanently discharging other duties than those attached to the special Clerkship or office to which they are appointed, or who may have been appointed for the performing of the two classes of duties, such as Surveyor and Clerk, Landing Waiter and Clerk, or Landing Waiter and Warehouse Keeper, &c., may receive, if recommended by the Collector, an addition to their Salary, not exceeding \$100 per annum, so long as the combined duties are performed by such Officers and Clerks, provided such addition to his salary does not raise it beyond the maximum of the higher rate.

4. When a Sea-Port (Order A) of the 2nd, 3rd, or 4th Class, is situated at the terminus or on any line of Railroad, or when the Collector is charged with the registration of shipping, it shall be in the discretion of the Department to make an addition to his salary not exceeding in the whole 10 per cent.

5. No Port shall be raised to a higher class unless its collections shall have fallen within the limits of that Class on an average of three years.

6. All Surveyors are to be considered as having charge of the Bonded Warehouses, and at large Ports they may have an Assistant Warehouse Keeper.

7. The Salaries assigned to Appraisers and Assistant Appraisers are upon the condition that they follow no other business, and that their whole time is at the disposal of the Government.

8. At small Ports where the scale does not provide for a Landing Waiter, if circumstances should require that there should be some second Officer to take charge, a Landing Waiter may be appointed, at a salary within the limits of that attached to a like Officer in the Class immediately above.

9. In Classes 1 and 2, order A, a permanent salary not exceeding \$80 a year may be paid to a certain number of tide-waiters, according to the importance of the Ports, as a retaining fee, over and above their per diem allowance when actually employed, but such salaried tide-waiters shall not in any case exceed twenty.

SCHEDULE C.

LIST OF PORTS IN THE DOMINION OF CANADA, IN ACCORDANCE WITH THE NEW CLASSIFICATION.

ORDER A.—SEA PORTS.—CLASS I.

Names of Ports.		Averaged collections, years ended 30th June, 1866, 1867, and 1868, or 3 years.
Ports.	Outports.	\$
Montreal	Rousse Point	4,392,716
	St. Armand	
Quebec	Beauce	544,795
	Chicoutimi	
	Esquimaux Point	
	Murray Bay	
	Rimouski	
	River Godbout	
	Tadoussac	924,521
Halifax	Three Rivers	
St. John	Tangier (all)	675,579

ORDER A.—CLASS III.

Amherst, N.S.	Advocate Harbour	\$12,863	10,226
	Joggins	86	
	Parrsboro'	2,371	
	Ratchford River	630	
Bathurst	New Bandon	\$10,965	11,374
		496	
Chatham			27,539
Gaspé			
	Fox River		13,235
	Perce		
	St. Anne des Ments		
New Carlisle	Carlton		14,078
	Cross Point		
	New Richmond		
	Paspébiac		
New Castle, N.B.			14,745
North Sidney			
	Cow Bay	\$ 9,345	11,113
	Glace Bay	959	
	Little Bras d'Or	799	
Pictou		(Nil.)	36,125
	Mc. Tigemish	\$35,837	
	Wallace	18	
St. Andrews		275	24,051
Yarmouth			
	Beaver River	\$37,330	37,742
	Fabnic	96	
	Tusket	224	
St. Stephens		92	37,173

ORDER A.—CLASS IV.

Amherst, (Q)			3,168
Annapolis	Clements Port	\$ 5,097	9,159
	Thorne's Cove	836	
		327	

List of Ports in the Dominion of Canada, &c.—Continued.

Names of Ports.		Averaged collections for three years.
Ports.	Outports.	\$
Antigonish.....	Harbor au Bouche.....	\$ 6,800 } 7,554
	Little River (Bayfield).....	48 } 652
Arichat.....	Port Richmond.....	\$ 4,424 (Nil) } 6,021
	St. Peters.....	1,557
Baddeck.....	Great Bras d'Or.....	\$ 3,600 } 4,693
	St. Ann's.....	1,000 } 33
Bay Verte.....		721
Bridgetown.....	Port William.....	\$ 4,363 } 5,131
		219
Caraquet.....		3,793
Cornwallis.....	Canada Creek.....	\$ 3,933 } 7,140
	French Cross.....	842 } 827
	Harberville.....	392 } 392
	Horton.....	646 } 646
Dalhousie, N. B.....	Campbelltown.....	\$ 7,156 } 8,541
		1,395
Digby.....	Bear River.....	\$ 5,661 } 8,816
	Sandy Cove.....	2,049 } 432
	West Port.....	674 } 674
Dorchester.....	Rockland.....	\$ 1,746 } 1,892
		146 } 146
Hawkesbury.....		1,102
Hillsborough.....	Harvey.....	\$ 396 } 586
		112 } 112
Port Hood.....	Margaree.....	\$ 2,641 } 2,591
		50 } 50
Liverpool.....		9,145
Londonderry.....	Five Islands.....	\$ 2,884 } 4,649
	Maitland.....	443 } 1,001
	Truro.....	321 } 321
Lunenburg.....	Chester.....	\$ 2,609 (Nil) } 4,019
	La Have.....	1,058 } 352
	Mahone Bay.....	352 } 352
Magaretsville.....	Wilmot.....	\$ 3,188 } 4,537
		1,349 } 1,349
Medway.....		866
Moncton.....		5,744
Mulgrave.....	Cape Canis.....	\$ 1,310 } 2,072
	Guysborough.....	429 } 170
	Isaac's Harbor.....	170 (Nil.) } 163
	St. Mary's River.....	163 } 163
Pugwash.....		1,648
Ragged Islands.....	Barrington.....	\$ 2,404 } 4,963
	Latour.....	1,469 } 196
	Shelburne.....	196 } 835
Richibucto.....		7,127
Sackville.....	North Joggins.....	{ \$ 5,466 } 5,600
		134 } 134
Saint George.....		2,866
Shediac.....	Buctouche.....	\$ 2,061 } 2,614
		555 } 555
Shippigan.....		3,519
Sydney.....	Lingan.....	\$ 2,480 } 3,554
	Louisburg.....	54 } 15
	Main & Dixon.....	15 } 5

List of Ports in the Dominion of Canada, &c.—Continued.

Names of Ports.		Average collections for three years.
Ports.	Outports.	\$
Tatamagouche		1,292
Welchpool		2,400
West Isles		3,797
Waymouth		\$ 4,552
	Acadia	1,355
	Belliveau Cove	582
	Gilbert	1,141
Windsor (N. S.)		\$ 7,635
	Heverie	153
	Hantsport	579
	Walton	55
ORDER B—CLASS 2.		
Toronto		976,842
	Collingwood	
	Penetanguishene	
Hamilton		751,140
	Galt	
	Oakville	
	Wellington Squ. S	
ORDER B—CLASS 3.		
Bytown		77,567
Fredericton		34,850
Kingston		113,358
	Bath	
Windsor (O.)		25,953
	Sandwich	
ORDER B—CLASS 4.		
Belleville		15,734
Brockville		10,325
	Cole's Ferry	
	Maitland	
Sault St. Marie		6,193
	Bruce Mines	
	Fort William	
	Killarney	
Chatham (O.)		6,534
	Rendean	
Cobourg		6,762
	Grafton	
Dalhousie (O.)		24,651
	Port Dalhousie	
	Port Robinson	
Darlington		12,412
Dundas		7,763
Port Hope		22,097
	Peterborough	
Niagara		4,622
	Queenston	
Oshawa		6,434
Prescott		14,236
Sarnia		11,441
	Mooretown	
St. John's (Q.)		4,461
Whitby		10,378
	Pickering	

List of Ports in the Dominion of Canada, &c.—*Continued.*

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or three
%.

\$
1,292
3,490
3,797

7,639

8,425

16,842

31,149

17,587

14,859

13,358

15,953

15,734

10,325

6,193

6,334

6,762

14,651

12,412

7,763

12,097

4,622

6,434

14,236

11,441

4,461

10,378

Names of Ports.

Averaged col-
lections for three
years.

Ports	Outports.	\$	\$
Woodstock (N. B)		\$ 8,818	12,109
	Grand Falls	1,113	
	Richmond Station	2,783	
	Tobique	470	

ORDER B—CLASS 3

Brighton		386
Chippawa		2,881
	Black Creek	
Port Colborne		1,072
Cornwall		1,166
	Aultsville	
Cramahe		630
Dunnville		1,072
Fort Erie		4,417
Gananoque		1,497
	Rockport	
Godfrich		3,047
	Pentangere	
Lacolle		480
Merrisburgh		585
	Elgin (Edwardsburgh)	
	Matilda	
Napanee		2,498
	Mill Point	
Newcastle		3,503
Trenton		492

ORDER C—CLASS 4.

Amherstburgh		1,612
Burwell		2,360
Dover		4,585
Dundas		1,218
	St. Régis	
	Trout River	
Kingsville		187
Owen Sound		223
	Saugen	
Phillipsburgh		720
Pictou		1,506
	Milford	
	Wellington	
Wallaceburgh		684
	Baby Point	
	Sembra	

ORDER D—CLASS 3.

Clifton		52,065
London		197,460
	Stanley	

ORDER D—CLASS 4.

Brantford		24,495
Coaticook		6,841
	Boundary Line	
	Hereford	
Guelph		30,702

List of Ports in the Dominion of Canada, &c.—Continued.

Names of Ports.		Averaged col- lections for three years.
<i>Ports.</i>	<i>Outports.</i>	\$
Stratford		6,404
Woodstock (O.).....		9,639
ORDER D—CLASS 5.		
Paris.....		3,728
ORDER E—CLASS 1.		
Stanstead		6,714
	Boobe Plain.....	
	Blackford Corner.....	
	Black Rock.....	
	Derby Line.....	
	Georgville.....	
	Magog.....	387
	Lake Memphrango.....	
Clarensville.....		789
Frelighsburg.....		665
Hemmingford.....		348
Potton.....		809
Russelltown.....		585
Sutton.....		

CIVIL SERVICE COMMISSION.

MR. BOUCHETTE'S DISSENT FROM THE RECOMMENDATION OF THE SECOND REPORT TOUCHING THE "METHOD OF COLLECTING STATISTICS."

The undersigned will not repeat here what he has already stated on this subject, in his dissent from part of the First Report; but he would beg leave specially to refer to the reasons he has there assigned for his being unable to concur in the views of his colleagues as to the adoption, in this country, of the method followed in England, of compiling at Head-Quarters, the Statistics of Trade from the original Entries, &c., sent to London from various Ports—the circumstances of both Countries being wholly dissimilar.

The majority of the Commissioners are not themselves without grave misgivings as to the feasibility of substituting the English system to our own. "We are, however," do they say in their First Report, "fully aware that difficulties may present themselves in introducing a system, which works admirably in England, where every Port is within a few hours' distance from Head Quarters, into a country so very differently situated as Canada, and some considerable modifications of it may be necessary."

Leaving this important admission, as to the implied danger of giving effect to their own recommendation, to speak for itself, the undersigned cannot withhold a few remarks upon the line of argumentation followed in the Report, to sustain the position taken by the majority as regards this question of Statistics.

The arguments used in its favor appear to be:—

1st. That at the Ports of Montreal, Halifax, and St. John, those who were practically engaged in carrying out the present system all concurred in the convenience of the method proposed.

2nd. That there would be a large saving in printed forms.

3rd. That ten or twelve Clerks at Head-Quarters would probably be sufficient to accomplish the work.

4th. That the substance of the duplicate entries would be written up in "ten or twenty books," which being closely kept up, would at any time afford the Minister such statistical information as he might require, to the latest date.

5th. That if experience should hereafter dictate any change in the form of Statistical Returns, it would be easier to train ten Clerks to the change than to instruct all the Clerks of the Dominion (at Ports of Entry of course).

Taking these various points in the order in which we find them, the undersigned would remark as to the—

1st. That, without underestimating the competency of the Officers at the Ports mentioned to form an opinion as to the advantages of the proposed change, of which, practically at least, if not theoretically, they know nothing, the undersigned does not consider it surprising that they should "all concur in the convenience of the method proposed," when it was obvious that that method would have the effect of relieving them from an important part of the responsible duties they were called upon to perform. Under such circumstances, it is not believed that any preponderating weight should be attached to the very qualified opinions that seem to have been gleaned at *three* of the principal ports in Canada; there being *eight* at least, of magnitude and importance, out of a total of 180 Ports in the whole Dominion.

2nd. As to the saving of printed forms, it is at once conceded that the largest and most expensive forms would be superseded, by doing away with the Returns from the Ports. But assuming, as maintained by the undersigned, that the existing system of requiring Returns from the Ports, is the better system, an expenditure of some \$3,500 per annum would not, it is presumed, be deemed of sufficient moment to subvert it. And as to the economy of Books, it is believed that the saving would be insignificant if not wholly imaginary.

3rd. Assuming that a staff of ten or twelve Clerks at Head Quarters, as stated in the Report, would be sufficient to accomplish the work, it is difficult to see what saving would be effected by the change of system. It is, of course, assumed that the Clerks of the Ports, now engaged in preparing these returns and keeping the books, would be transferred to Head-

quarters. But if this be done, where is the saving? We may be told, however, that more clerks are now engaged at the Ports in keeping the Books and preparing the Returns, than will be wanted at Ottawa, and that the services of the surplus will be dispensed with, and thus effect a saving. Should this view of the case be entertained, there need be no hesitation in considering it wholly illusory, inasmuch as it would be found that the repugnance which is felt, and sometimes the injustice involved in the dismissal of a meritorious public officer, would generally, if not universally, lead to the retaining in the Public service, of the otherwise doomed clerks, and that indeed, at the very Ports to which they were attached.

The undersigned is moreover fully convinced, from the experience of what is now doing in the Statistical Branch of the Department, that not *ten* but *eighteen* or *twenty* Clerks would be required to carry out the Statistical scheme advocated by the Report.

4th. There are now 180 Ports in the Dominion—but assuming that this number be reduced as proposed, to 99, the Books at Head-Quarters would necessarily have to be so kept as to show the trade and shipping inwards and outwards, the warehousing operations and the duties collected at each of those Ports; and all the details now recorded at the 99 Ports, would have to be booked at the head office, to obtain the statistical results of the trade of each Port.

The range from “ten or twenty Books” mentioned in the Report, would thus have to be extended to 50 or 60, if not indeed to 99 Books; for, however restricted in amount the business of a Port may be, it would certainly be better that its operations be kept in a separate Book or Books, if it be expected that its Trade, Shipping, &c., should be statistically given, when wanted.

That “such Books” (combined of course with general aggregate Books of the Trade and Shipping of the Dominion) “closely kept up, would at any time afford the Minister such statistical information as he might require, to the latest date,” may be true, at least theoretically; but, granted that it be practically so, it could be urged as an argument in favor of the new system, and against the existing one, only upon the assumption that the latter has failed to afford the Minister of Customs or the Minister of Finance the statistical information of the trade of the Country which may have been called for.

The experience of eighteen years repels that assumption; and antecedently to the date of confederation (1st July, 1867), the whole trade of Canada was regularly made up in comparative *monthly* statements of imports and exports, which were carried on from month to month, through the twelve months. These statements fully met all the exigencies of the information called for by Ministers, from the Customs Department, apart from special and topical statements that may have been required, and which were with equal readiness furnished.

The date of the confederation has been above referred to, as the period down to which the existing method of preparing the Customs Statistics was carried on in the manner stated. Since that period, the accession to the Department of thirty Ports in New Brunswick and seventy-nine in Nova Scotia, in each of which Provinces a different rule of Customs-management prevailed—both of them again differing in many respects from the system of management and administration followed in the late Province of Canada,—it was scarcely to be expected that these diversified systems could be speedily or easily reconciled, and that the prejudices of habit should be too abruptly dealt with. Some confusion naturally resulted from this complication, and the Returns from the Maritime Provinces came in, not only very irregularly, but they were oftentimes, nay generally, imperfect when received. This aggravated the difficulties at Head-Quarters where the staff was not increased in the ratio of the increased business of the Statistical Office; and there is reason to believe that it is this unfortunate interregnum of confusion connected with the Returns from the lower Provinces,—a state of things, which, although purely ephemeral, may have appear to the uninitiated as the normal condition of the system,—that created prejudices against it, and led to the recommendation that it should be supplanted by one which has the prestige of being in force in England, but which, however it may be adapted to the circumstances of that Country, is wholly unsuitable to the widely different circumstances of Canada, as already stated by the undersigned in his dissent from the first Report.

5th. The last argument involves, to some extent, a truism, as it may, as a general rule, be conceded that it is easier to train ten clerks than twenty, or any greater number, to the changes that experience might dictate in the form of statistical Returns. Changes however,

of established forms, should not be, and are not lightly made. Forms may be, as indeed they have sometimes been, modified, either to extend the scope of the information tabulated, or to improve the clearness of arrangement; but ordinary intelligence, combined with a moderate familiarity with the statistical subject matter, would surely make it an easy task for any Clerk or Collector to adapt himself to such modifications, as are here referred to.

Besides is it not better to educate Customs Officers, as a class, by raising them up to a higher standard of usefulness through the duties assigned to them, than to narrow down your demands upon them to suit their limited knowledge, though they may be possessed of a high degree of intelligence.

The present system in theory and in practice is briefly this:—

Each Port keeps an exact record of its daily business.

The entries ex-ship, or for the warehouse, or ex-warehouse, either for consumption, exportation or removal are passed in duplicate, and one copy is transmitted daily from large Ports, weekly from smaller ones, to the Department at Ottawa, and there they are checked in all their detail as to rate and computation of duties, conversions of foreign coins, weights, &c.

Each Port transmits to Head-Quarters the following Returns in accordance with established printed forms, viz:

A Monthly Returns of the *principal articles* imported, entered, and duties paid; and similar Return of goods exported. These two Returns are comparative.

A Quarterly Return of goods entered for consumption—how and from what countries imported—Duties collected, &c.,— and a similar Return of Exports.

A Yearly Return, similar in character and detail to the Quarterly Consumption Return, and a yearly Return of Exports.

The Monthly Returns, as they come in, are sent to the Statistical Room, and are there carefully checked as to their intrinsic coherency and correctness, and the column of duties collected is compared with the computation of the Monthly Returns which are inscribed in a book, and added up at the end of each month. (The *working* of the entries, so as to add up the duties, has not hitherto been done for the four largest Ports, in consequence of the inadequacy of the staff to perform that duty; but the entries themselves are carefully and regularly checked, the time of one clerk being wholly engrossed by that duty.)

The Monthly Returns being so examined and checked, become the term of comparison for the Quarterly Returns, which should in quantities, values and duties, agree with the three Monthlies.

The Quarterlies in their turn become a check upon the Yearly Returns, and thus the operations of the whole year undergo a series of checks, first at the Port of Entry, where the Returns are prepared, and afterwards at the Head Office, where they are finally examined before being incorporated in the Statistical Tables of the Trade and Navigation of the Dominion.

There are, of course, a variety of other minor Annual Returns required from the different ports, connected with shipping, copyrights, seizures, &c.; but these involve no considerable labour, whilst they are important to complete the statistical information which Tables of the trade and navigation of a country should contain.

The undersigned, strong in the conviction that the existing system of collecting and combining the commercial statistics of the Country, has fully, promptly and faithfully accomplished the objects compassed by the compilation of such statistics, considers that he would be wanting in the discharge of his duty, as a member of the Civil Service Commission, if he assented to the proposed innovation, which seeks to substitute experiment to experience, and to supplant a well and long-tried system by another, which may theoretically seem admirable, but of the application of which to Canada, even the Report itself, betrays its misgivings. No change certainly, of the kind recommended, should be made, without a closer investigation into the merits of the English system; and before the Canadian system (which has its counterpart in France) is abandoned, the Ports of London and Liverpool should be visited and a thorough knowledge obtained of the working of the Minute of the Treasury Board of 1849, which introduced the existing system in Great Britain.

R. S. M. BOUCHETTE.

30th March, 1869.