

44 Victoria.

Sessional Papers (No.113.)

A. 1881

FIRST REPORT

OF THE

CIVIL SERVICE COMMISSION

WITH

APPENDICES

Presented to both Houses of Parliament by Command of His Excellency.

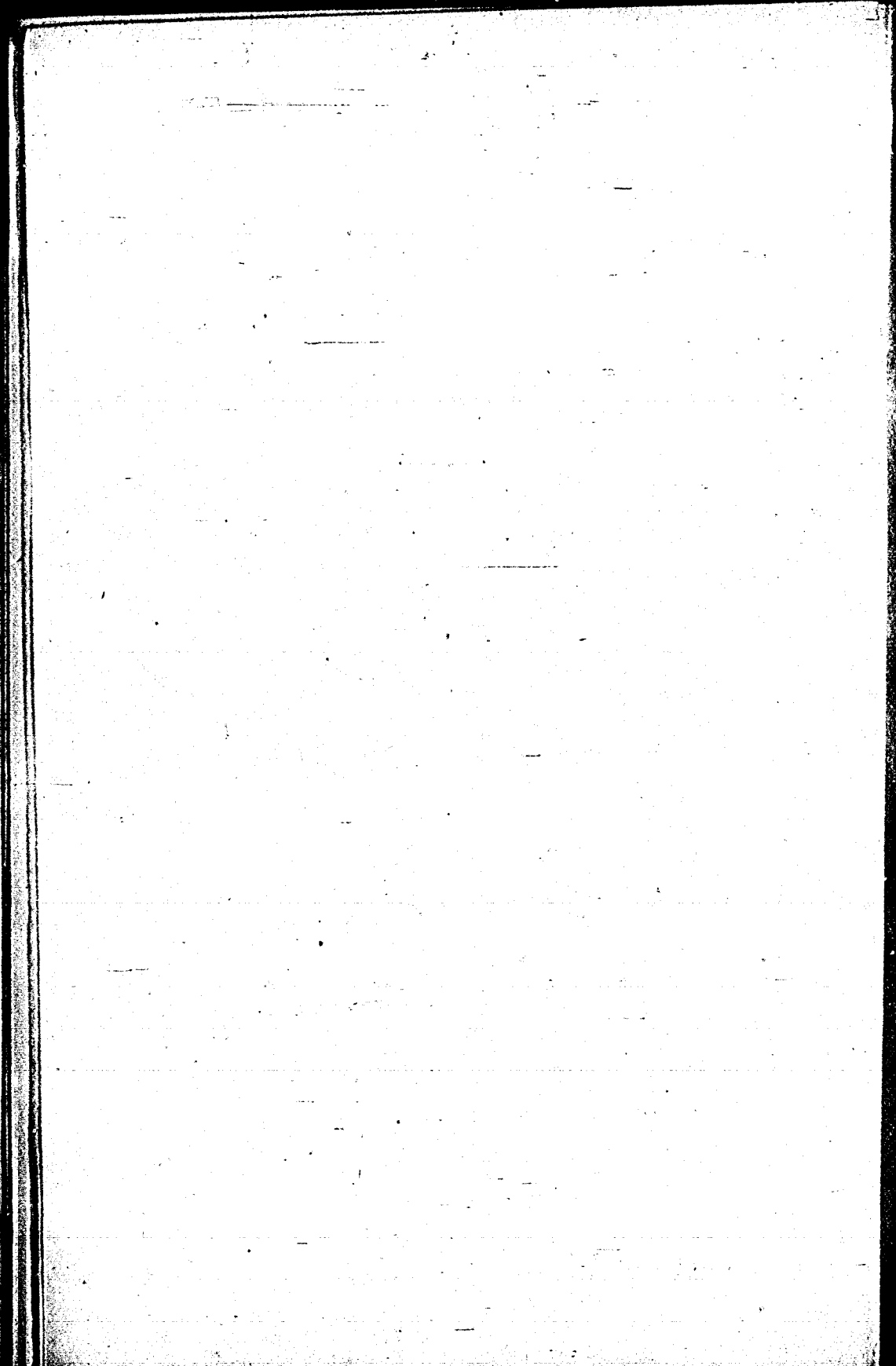
1881.



OTTAWA:

PRINTED BY MACLEAN, ROGER & Co., WELLINGTON STREET,

1881



FIRST REPORT OF THE CIVIL SERVICE COMMISSION

TABLE OF CONTENTS.

	PAGE
Order in Council appointing Commission.....	9
Report of Sub-Committee of Privy Council.....	9

FIRST REPORT.

SECTION

1. Recognition of the difficulty and importance of the duty assigned to the Commission.....	11
2. Previous attempts to improve the Service.....	11
3. Civil Service Act of 1868.....	11
4. Defects in the Act of 1868.....	11
5. Bill introduced in 1875.....	12
6. Committee of House of Commons, 1877.....	12
7. Condition of the question when Commission was appointed.....	12
8. Civil Service Reform in the United Kingdom.....	12
9. Civil Service in France.....	12
10. " " Sweden.....	12
11. " " Germany.....	12
12. " " Belgium.....	13
13. " " United States.....	13
14. State of public opinion on the subject.....	13
15. Erroneous impressions as to the possibility of an effective reform.....	13
16. Statements in order of reference as to defects in the Service.....	13
17. Instructions of a general nature.....	14
18. Mode of procedure adopted by the Commission in conducting its enquiries.....	14
19. Enquiry has had a wider range than at first contemplated.....	15
20. The reticence of some of the witnesses made this wider range necessary.....	15
21. Classification of evidence.....	15

APPOINTMENT TO OFFICE.

22. The present mode of recruiting the Service by means of political nominations most unsatisfactory.....	15
23. The state of the Service justifies most of the propositions stated in the order of reference.....	16
24. Baneful influence of political patronage.....	16

PROMOTION.

25. Disastrous effects of unjust promotions.....	17
26. Promotions too frequently made regardless of system.....	17

SECTION	PAGE
27. Men whose just claims to promotion are disregarded become discouraged.....	17
28. Observations directed against the system, not against individuals.....	17
29. Consideration of the remedy.....	18
30. We have no doubt as to what the remedy should be.....	18
31. Precis of the Civil Service regulations of the United Kingdom.....	18
32. The Civil Service regulations of the United Kingdom have been well considered. Their essential principle competitive examination and promotion by merit...	19
33. Considerations that have induced the Commission to recommend appointments by open competitive examination for Canada. It will give the best servants to the public, and will raise the educational status of the Service.	20
34. Public Service would be open to the public instead of only to a party.....	20
35. Civil servants would escape the imputation of partisanship, and would gain both in self respect and in the estimation of the public.....	20
BOARD OF CIVIL SERVICE COMMISSIONERS.	
36. Institution of Board of Civil Service Commission recommended.....	21
37. Board to consist of three, one a French Canadian, to hold office on the same tenure as the Judges.....	21
38. Primary duties of Board to conduct the competitive examinations.....	21
39. Expense of Board considered and justified.....	21
40. Duties to be assigned to the Board	22
41. Where examinations should be held.....	22
42. Who should be admitted to the examinations.....	22
43. All appointments after 1st day of January, 1882, to be by open competitive examina- tion.....	22
44. Examination to be open to all of requisite age, health and character.....	22
45. Number of appointments for six months to be estimated and published in advertise- ment.....	22
46. List of competitors to be made out and published in "Canada Gazette".....	22
47. To what grades first appointments should be made.....	22
48. Examinations for special qualifications.....	23
49. Subjects for examination for first entrance, preliminary and competitive.....	23
50. Mode of making first appointments in third class.....	23
51. First appointment to be probationary for six months.....	24
52. Some knowledge of both French and English essential for civil servants in the Pro- vince of Quebec.....	24
53. Subjects for examination for promotions	24
54. Mode of conducting examinations for promotions, and of making promotions.....	24
55. All appointments and promotions to be gazetted.....	24
56. The Board to make regulations for their own government.....	24
ACCOUNTS.	
17. Board to take necessary steps for securing uniformity of accounts.....	25
18. Civil Service Commission to report to Parliament.....	25

SECTION	PAGE
REVENUE BOARD.	
59. Proposed Revenue Board for the investigation of fines and seizures.....	25
ORGANIZATION OF THE INSIDE SERVICE.	
60. Salaries of Deputy Heads.....	26
61. The present practice of augmenting the salaries of Deputy Heads.....	26
62. Apportionment of proposed salaries.....	26
63. Re-adjustment of salaries from time to time.....	26
64. How Deputy Heads should be appointed.....	26
65. Great bulk of the work is done by clerks in the lower class.....	26
66. Existing classification too complicated.....	27
67. Proposed classification.....	27
<i>Chief Clerks.</i>	
68. Chief Clerkship, how established, salaries and duty pay.....	27
<i>First Class Clerks.</i>	
69. First Class Clerkships, how established, salaries and duty pay.....	27
<i>Second Class Clerks.</i>	
70. Second Class Clerkships, how established, salaries and duty pay.....	27
<i>Third Class Clerks.</i>	
71. Third Class Clerks and their salaries.....	28
72. Duty pay.....	28
<i>Temporary Clerks.</i>	
73. Temporary Clerks, how appointed and paid.....	28
<i>Extra Remuneration.</i>	
74. Conditions under which extra work may be remunerated.....	28
<i>Messengers, &c.</i>	
75. Messengers and Assorters and Packers, their salaries.....	29
<i>Female Clerks.</i>	
76. Existing circumstances unfavourable to employment of female clerks.....	29
<i>Duty Pay.</i>	
77. Duty pay, how granted.....	29
78. Improper payments of salaries, &c., to be prevented by Auditor.....	30
<i>Widening the Area of Promotion.</i>	
79. A wide area of promotion necessary to the encouragement of deserving employees...	30
80. Existing irregularities of salaries.....	30
81. Necessity of equalising salaries.....	30
82. How it may be done.....	30
<i>Superannuation.</i>	
83. Superannuation accounts as published, very imperfect	31
84. Accounts take no cognizance of reduction of salaries by superannuation	31
85. Summary of returns as to financial results of superannuation during ten years.....	31

SECTION	PAGE
86. Saving of \$217,325 in ten years.....	31
87. The Act sometimes unwisely strained.....	32
DISCIPLINE.	
88. Discipline mainly depends on Deputy Heads and Chief Clerks.....	32
89. Bad effect of neglect of duty by heads of branches.....	32
90. The existing rules not observed.....	32
91. Present hours of attendance.....	32
92. Clerks generally go out to luncheon.....	32
93. Office hours should be enlarged and luncheon hour established. Proposed regulations as to the Attendance Books.....	33
Security, when required, should be that of a Guarantee Company	33
Fines for breach of discipline.....	33
<i>Leave of Absence.</i>	
94. Absence on leave during stated periods each year should be obligatory.....	33
95. Additional rules to be made by Civil Service Board.....	34
<i>Office Accommodation.</i>	
96. Defective arrangement of the offices.....	34
97. Enquiry recommended as to whether any improvement as to the offices is possible..	34
OUTSIDE SERVICE.	
98. Visits of Committees of the Commission to principal cities.....	34
99. Officers outside receiving lower salaries than clerks in the Departments.....	34
100. Average cost of collecting duties of Customs and Excise.....	35
101. Excessive cost of collecting Customs duties at the smaller ports.....	35
102. Objections to the small ports.....	5
103. Tendency to multiply places at which Excise duties are collected.....	35
<i>Customs Service.</i>	
104. Excessive salaries for Collectors of the larger ports cannot be justified.....	36
105. Salaries of Inspectors of Ports too low in proportion to Collectors' salaries.....	36
106. Classification of ports and periodical adjustment of salaries.....	36
107. Proposed manner of dealing with the small ports.....	37
108. Classification of outside Customs service and scale of salaries.....	37
109. As to Appraisers and their salaries.....	37
110. Rules as to appointment and promotion in outside Customs service to be the same in principle as in the inside.....	38
111. Inspection of ports has been very imperfect.....	38
112. Proposed improvement of Inspection Service.....	38
113. Improvements in the warehousing system necessary.....	38
114. Suggestions for improving the manner of receiving and accounting for Customs collections.....	39
115. Sight entries.....	39
116. Administration of oaths.....	39

SECTION

PAGE

Inland Revenue.

117. Enumeration of services from whence the Inland Revenues are derived. Productive and non-productive branches..... 39
118. Organization of Inland Revenue Service satisfactory..... 40
119. System of Examination in Outside Excise Service..... 40
120. Number of higher officers limited and promotion therefore slow..... 40
121. Salaries fairly proportioned to each other..... 40
122. Present classification of officers preserved and new scale of salaries suggested..... 41

Post Office Department.

123. Present classification of officers meets the requirements of the service..... 41
124. Salaries of some of the city postmasters too high..... 41
125. Female Clerks..... 41
126. Promotions should extend over both Inside and Outside Service..... 41
- City Postmasters :—Classification and proposed salaries..... 41*
- Clerks in City Post Offices..... 42*
- Letter Carriers, Messengers, Box Collectors and Porters..... 42*
- Post Office Inspectors..... 42*
- Assistant Inspectors..... 42*
- Railway Mail Clerks..... 42*
- Marine Mail Officers..... 43*

Department of Marine and Fisheries.

127. Nature of Outside Service..... 43
128. Technical duties..... 43
129. Classification of certain branches..... 43

Registration of Shipping.

130. Legislation and regulations..... 43
131. Registration at too many places objectionable..... 44
132. Registration imposes additional work on Customs officers, for which they receive no consideration..... 44

Inspection of Steamboats.

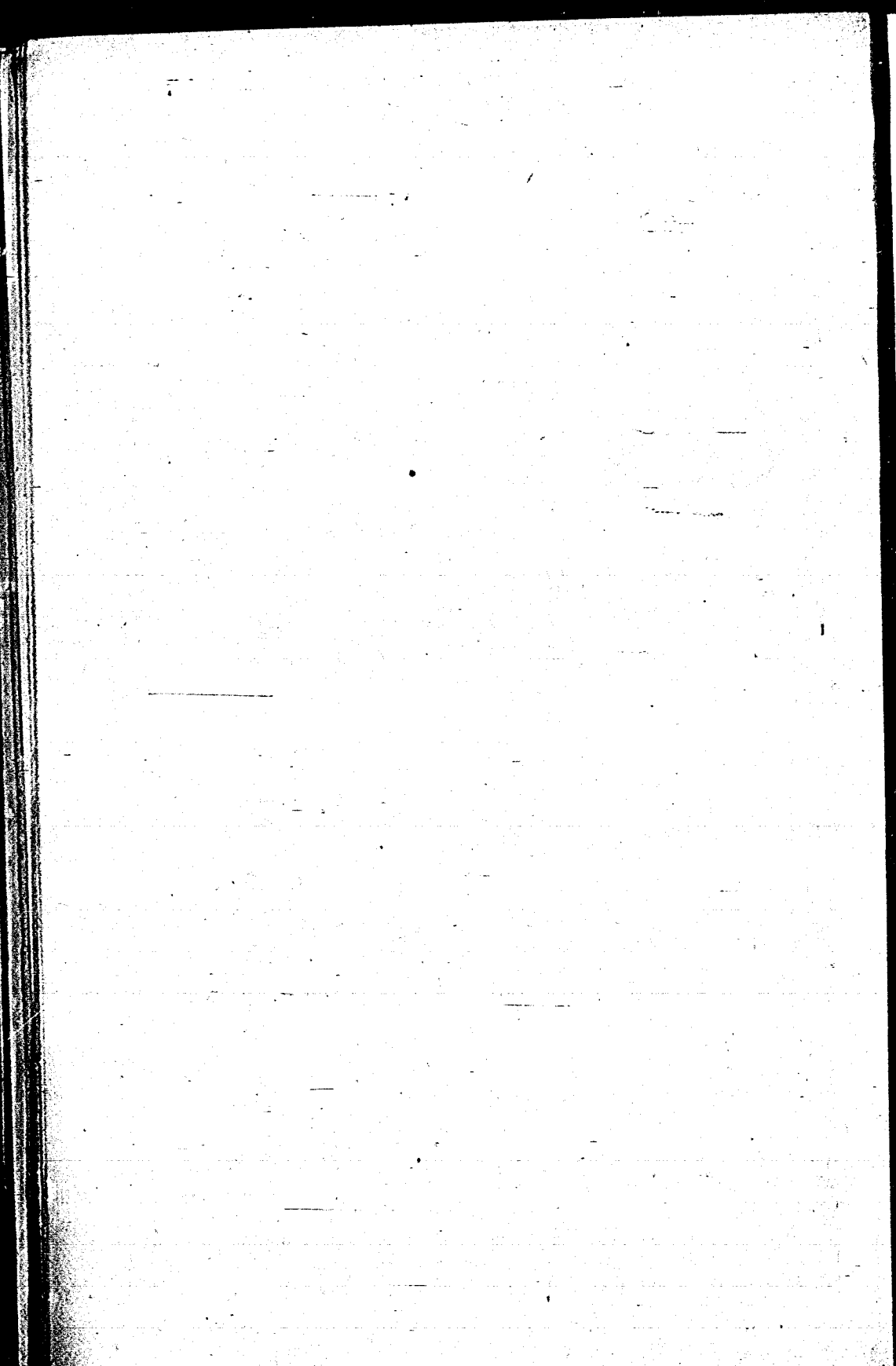
133. Present arrangements require modifications so as to avoid conflict of authority and give better security to the public..... 44

Transferring Revenue Officers.

134. Necessary in the public interest..... 44

GENERAL OBSERVATIONS.

135. Aim of Commission to make the enquiry thorough..... 45
136. Men in the Service who can never become efficient..... 45
137. How the number of employés may be reduced..... 45
138. Unjust to dismiss employés so long as they are not guilty of mis-conduct..... 45
139. New theoretical organization to be considered in a second report..... 45
140. Recommendations of Commission would effectually reform the Service..... 46
141. An Act of Parliament necessary for dealing with the question effectually..... 46



COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the GOVERNOR GENERAL in Council, on the 16th June, 1880.

The Committee have had before them a Report dated 14th June, 1880, from the Sub-Committee of the Privy Council who were charged with the duty of reporting upon the expediency of a renewed enquiry into the organization of the Civil Service.

The Sub-Committee, for the reasons given in their Report, recommend the issuing of a Commission for the purposes therein mentioned, and they suggest, as men well able to carry on the intended work with advantage, the names of Mr. Donald McInnes of Hamilton, Mr. Edmond J. Barbeau of Montreal, Messrs. Joseph C. Taché, Alfred Brunel, William White and John Tilton of the Inside Service, and Mr. William R. Mingaye of the Outside Service of the Government, with Mr. Martin J. Griffin as Secretary.

They also recommend that the remuneration of Messrs. McInnes and Barbeau be fixed at ten dollars per diem, exclusive of travelling expenses, and the other members of the Commission at three dollars per diem and travelling expenses, and the Secretary five dollars per diem and travelling expenses, the allowance to be made for every day's attendance at a meeting of the Commissioners in Ottawa, or at any meeting held elsewhere on the business of the Commission.

The Committee submit the above recommendation for your Excellency's approval.

Certified,

J. O. COTÉ,

Clerk, Privy Council.

COPY OF REPORT OF SUB-COMMITTEE OF COUNCIL.

The Sub-Committee of the Privy Council, who were charged with the duty of reporting upon the expediency of a renewed enquiry into the organization of the Civil Service, beg to report that—

1. The existing statute regulating the Civil Service became law on the 22nd May, in the year 1868, and on the 9th June, in that year, was followed by the issue of a Royal Commission, by which Messrs. Langton, Griffin, Bouchette and Smith, all then Deputy Heads of Departments in the Service, and Messrs. Thomas Reynolds, of Montreal, and Charles S. Ross of Kingston, were named Commissioners to enquire into the then "State and probable requirements of the Civil Service."

Certain points, numbered from one to five, were specially suggested in the Order in Council, as will be seen by reference thereto, as subjects of enquiry, and the Commissioners were in addition charged to "make such other suggestions and recommendations for promoting the efficiency and economical administration of the public affairs as they should deem proper."

Two reports were presented by the Commissioners, one on the Departmental Service at the seat of Government (commonly called "The Inside Service,") and the other on the Service at all places other than the seat of

Government (commonly called "The Outside Service.") The first of these reports formed the subject of an Order in Council, bearing date the 21st of December, 1869, and has since, in its main features, and more or less faithfully observed, formed the rule under which "The Inside Service" has been administered. The second report has not, as far as your Sub-Committee has learned, formed the subject of an Order in Council, but it has nevertheless, subject to the same restrictions and limitations, been since followed in the administration of "The Outside Service."

2. Since the period above referred to, a series of years have elapsed and many changes in the character as well as in the extent of the service required in each Department have developed themselves, the duties of some Departments and some branches of each Department and of certain officers in each Department have been varied, diminished or increased, and many men have, by old age, incapacity, bad habits or continued idleness, become unavailable for useful purpose—the number of men in each Department has increased, it is thought out of proportion to the needs of the Service. Young men have been appointed who from want of education or strength of constitution or general unfitness, have not made and will never become efficient public servants. The general expense has been increased by the tendency of the existing rules to the gradual culmination of officers by mere force of survivorship into the more highly paid classes.

3. A careful reconsideration of the duties of each Department, including both inside and outside service, is eminently desirable with a view to seeking greater economy in all the Departments by the weeding out of men who from any of the causes named are no longer efficient public servants, by the creation of a new theoretical organization for each Department, which should regulate the number of each class of officers required for its work, the promotions from class to class and the steps by which salaries should be increased.

4. Your Sub-Committee are of opinion that it is expedient in the public interests that a full, intelligent and painstaking enquiry, by the best men who can be selected for the purpose, should be made during the present summer into the whole subject, with the main objects above referred to, but with instructions, as on the previous occasion, to "make such other suggestions and recommendations for promoting the efficient and economical administration of public affairs as they deem proper;" and the Sub-Committee are of opinion that there are advantages which should not be overlooked in having the advice and judgment of men of experience in administration, not in the public service or connected with it, brought to bear in pursuing the enquiry.

5. The Sub-Committee, for the reasons above given, recommend the issuing of a commission for the purposes mentioned, and they venture to suggest as men well able to carry on the intended work with advantage, the names of Mr. Donald McInnes, of Hamilton, Mr. Edmond J. Barbeau, of Montreal, Messrs. Joseph C. Taché, Alfred Brunel, William White, and John Tilton, of the Inside Service, and Mr. William R. Mingaye, of the Outside Service of the Government, with Mr. Martin J. Griffin as Secretary.

A. CAMPBELL,

Chairman.

OTTAWA, 14th June, 1880.

CIVIL SERVICE COMMISSION.

FIRST REPORT.

The Commissioners appointed under the Order in Council of June 16th, 1880, to consider the needs and condition of the Civil Service of the Dominion, have the honor to present the following Report:—

1. The Commissioners desire to state at the outset that they have recognized from the beginning of their proceedings, the importance as well as the difficulty and delicacy of the duty entrusted to them. To investigate the needs and condition of Departments which have been administered for many years by men of experience in the Public Service, but subject to the controlling influence of different Ministers and changing Administrations, is necessarily a delicate duty; and to suggest and recommend a new permanent organization of the Civil Service of the Dominion, is obviously a task involving grave responsibilities for those who undertake it.

2. Since the Confederation of the Provinces in 1867, attempts have, from time to time, been made to improve the organization, efficiency and general administration of the Civil Service, and for more carefully regulating appointments thereto.

3. In May, 1868, a Civil Service Act was passed, and in June of the same year, a Commission was appointed which, under the provisions of that Act, submitted a scheme for its re-organization, which, in so far as related to the Inside Service, was approved by an Order in Council passed in December, 1869. This Commission also submitted two Reports on the Outside Service; but although the recommendations therein made have been to some extent acted upon by the Post Office Department, they do not appear to have been adopted by Orders in Council for the Service generally, and it is doubtful whether the Act of 1868 applies to the Outside Service, except so far as by section 15 of that Act, power is given to the Governor in Council to determine and classify the number of Officers and Clerks and to submit such classification to Parliament.

The Act of 1868 was in its intention a valuable safeguard against evils that were feared and irregularities that experience had shewn would probably arise in the administration of the public service. It was evidently intended by that Act to limit the age and ensure the proper qualifications of candidates for positions in the public Departments; to establish a regular classification, provide for judicious promotion, check the unnecessary employment of extra clerks, and guard the public Treasury against an undue expansion of expenditure for Civil Government.

4. The Act contained certain provisions under which departure could be made from what appear to have been intended as the fixed rules of the Statute; and thus departure became in time the rule rather than the exception, so much so, that the means which the Act proposed to provide for the admission of properly qualified persons to the public service became

practically obsolete. It also established a Civil Service Board, to which certain duties were assigned, but owing to the absence of any power or authority therein to enforce the recommendations of the Board this provision of the Act became inoperative.

5. In 1875 a Bill was introduced by the Government, which, however, did not become law.

6. In 1877 a Committee of the House of Commons was appointed to enquire into the condition of the Civil Service. This Committee examined many witnesses, and we desire to state our sense of the value of its proceedings and of the evidence taken which has been of considerable use to us in the course of our investigations. It presented a Report containing various comments on the evidence and suggestions for the government of the Departments. No legislation resulted, however, and the Public Service continued to be administered under the provisions of the Act of 1868, and such interpretations of those provisions as were made from time to time by Orders in Council and Departmental Regulations.

7. Such was the condition of both services when the present Commission was appointed to renew the enquiry and it was obvious to us that so grave a question of administrative science required an exhaustive consideration, and could not hastily be disposed of.

We had before us the knowledge that when at length the British Government had decided to undertake the reform of the public service they found it expedient to proceed by Orders in Council, so little was public and parliamentary opinion prepared for the acceptance of remedial legislation, and we did not conceal from ourselves that there may be doubts as to whether the public opinion of the Dominion is even now fully alive to the importance of a thoroughly efficient Civil Service, or, on the other hand, has recognized rights on the part of the Service, such as have long since been conceded in other countries.

8. A reform in the administration of the Civil Service of the United Kingdom was inaugurated in 1855, which has been gradually extended and improved up to the present time, without any important opposition having arisen to its progress, or any serious attempt having been made to revert to the system which prevailed previous to that date. This system, to which more particular reference will hereafter be made, excludes, so far as is possible, from the administration of the greater number of Departments, political influence or personal favoritism, and compels aspirants to places in the public service to produce satisfactory evidence as to health and moral character as well, and to submit to a competitive examination, which tests at once their educational status and their fitness for admission into the public service.

9. The system of making appointments to the Civil Service in France, although not strictly analogous to that of Great Britain, is based largely on competitive examinations and on the non-removal of the Civil Service officers on changing administrations.

10. In Sweden the King, without interference from members of the Legislature, uses the appointing power for selecting the best candidates from among those examined; and the high respectability and rank of the Civil Service of that country tends much to induce the best men to enter it.

11. Admissions to the Civil Service of the German Empire appear to be based on educational tests of a high character.

12. Candidates for the Civil Service in Belgium have to obtain certificates of birth and diplomas or documents showing previous studies, and they are required to possess the knowledge of two languages besides their own—the examinations are in writing, and are very analagous to those which candidates have to pass before entering the Civil Service in Great Britain.

13. In the United States an agitation for a reform in the system of appointment and promotion in the Civil Service, has for several years been carried on; and attempts with hitherto imperfect results have been made to effect an improvement. There can be very little doubt that though political exigencies and the power of party tradition have hitherto prevented any valuable and permanent improvement in the Civil Service of the United States, the wisest and best among the statesmen and citizens of that country have long been impressed with the necessity for reform, and we ascertained that in the New York Post Offices the principle of competitive examinations have been established with the most satisfactory results.

14. Although at the outset we were not entirely free from doubt as to whether public opinion fully appreciated the importance of the enquiry referred to us, a further consideration of the subject led us to the conclusion that while this particular question may have been overshadowed by the more pressing and exciting political topics of the day, there was nevertheless a feeling in the public mind that the interests of the public service had been subordinated to a greater or less extent to the purposes of political parties, and that in the Service itself there has been a gathering feeling of dissatisfaction due to the uncertainty and irregularity of promotions and appointments, resulting from the frequent introduction from the outside of men who have been appointed to important and lucrative positions over the heads of old and faithful and competent servants, which must greatly tend to lessen its efficiency.

15. While there exists in the public mind a very general belief that the Civil Service is defective and inefficient, and that the true remedy is the abolition of political patronage and personal favoritism in making appointments to public offices; there is on the other hand an impression that it is difficult and almost impracticable to apply the remedy and that those who possess the power of patronage will continue to exercise it at the sacrifice of an efficient and economical administration of public affairs. We believe this impression to be in the main erroneous, and that public men, realizing how much the prosperity and welfare of the country depends on a pure and efficient Civil Service, will not hesitate to abandon a patronage which is found to be injurious to the best interests of the country and which is generally admitted to be a source of weakness and annoyance to themselves, as well as demoralizing to the constituencies.

16. With these, among other, considerations before them the Commission began its labors. In the Order in Council appointing the Commission and defining its duties, certain statements are made, with a degree of emphasis and precision, which gives them almost the appearance of established official propositions. It was stated—

1st. That many changes in the character as well as the extent of the Service required in each Department had developed themselves.

2nd. That the duties of some Departments and of some branches of each Department, and of certain officers in each Department had been varied, diminished or increased.

3rd. That many men had by old age, incapacity, bad habits, or continued idleness, become unavailable for useful purposes.

4th. That the number of men in each Department had increased, it was thought, out of proportion to the needs of the Service.

5th. That young men had been appointed who, from want of education or strength of constitution, or general unfitness, had not made and would not make efficient public servants.

6th. That the general expense of the Service had been increased by the tendency of the existing rules to the gradual culmination of officers by mere force of survivorship into the more highly paid classes.

And this Commission was instructed to undertake a careful reconsideration of the duties of each Department, including both Inside and Outside Service, with a view to seeking greater economy in all the Departments by the weeding out of inefficient public servants by the creation of a new theoretical organization for each Department, which should regulate the number of each class of officers, the promotions from class to class, and the steps by which salaries should be increased.

17. We had thus marked out for us certain lines of investigation which it was necessary to follow ; but we were also directed to make such suggestions and recommendations for promoting the efficient and economical administration of public affairs as we deemed proper. This enlarged for us at once the field of enquiry and the freedom of recommendation, and although the subject of superannuation is not expressly included in the reference to us, so important an auxiliary to any new scheme affecting the efficiency and economy of the service was forced on our attention, and therefore in the examination of witnesses it has been made the object of special enquiry, and statements (as published in the appendix) exhibiting the result of its workings in the different Departments have been obtained, for the purpose of assisting us in making our recommendations thereon.

18. The mode of proceeding adopted by us was as follows :

(a.) Schedules were sent to each Department to be filled up with such information in detail concerning the organization, classification, age, length of service, and amount of salary of the officials, as could not be obtained with the same fullness and accuracy of detail in the Public Accounts.

(b.) Among the witnesses examined, were the Deputy-Heads and Chief Officers of the various Departments, some at great length, on the various topics suggested in the Order in Council and such others as arose in the course of examination.

(c.) When these officials had been examined, it was determined to afford the Clerks of the various Departments, of the rank of 1st Class and under, the opportunity of presenting their views to the Commission. Steps were taken to have a representative Clerk selected in each Department, who placed the views of his fellow-Clerks before the Commission ; a valuable collection of evidence, carefully prepared and in some cases admirably presented, was thus obtained. The Departmental messengers were also heard through a representative selected by themselves.

(d.) Committees of the Commission visited the chief cities of the Dominion for the purpose of examining into the needs and condition of the various public Offices of the Outside Service. The Cities of Hamilton, Toronto, Montreal, Quebec, St. John and Halifax, and the Railway Offices at Moncton were thus visited, and a number of the officials examined regarding their

Departments; the evidence obtained is submitted herewith. In the course of these investigations 107 witnesses were examined.

19. The administration of public affairs touches at so many points the private business of the commercial classes, and bears so directly upon the welfare of the public, that in our enquiry into the manner in which the duties of public officers charged with such business have been performed, has led us into paths not at first contemplated. Again some matters of administration assume, when examined, the appearance of Government policy; and thus in pursuing our investigations we were necessarily, at times, approaching the limits of our authority.

Thus in the course of our investigation of the affairs of the Customs Department, we found ourselves necessarily examining the mode of accounting adopted by Collectors; the manner of warehousing goods; the relative merits of private or public bonding warehouses; the practice in regard to recovering public money from defaulting Officers; the system of examining the chief ports and the outports; all manifestly of the greatest importance in any review of the economical and efficient administration of the Department in question and the safety of the Revenue. So, in the Department of Inland Revenue, we were naturally led into enquiries as to the mode of surveying distilleries and other manufactures subject to the Excise Laws—as to the security afforded to the Revenue by the methods adopted, and also as to the system which prevails in that Department for testing the fitness of its Outside Officers for their respective duties.

20. But for the evidence thus obtained (bearing in some cases perhaps indirectly but often conclusively upon the main question before us) it would be difficult for us, from the direct evidence, to detect any irregularities in the administration of or any weakness in the system of some portions of the public service. For in presenting the evidence we feel it necessary to state that in giving their answers to the questions of the Commission some of the Deputy Heads and Chief Officers exercised a degree of reticence in their answers, which however natural in view of the relation they bear to the Ministers on one hand and their Clerks on the other, rendered their statements somewhat imperfect and increased our difficulties in arriving at correct conclusions as to the state and needs of their Departments.

21. In order to facilitate the examination of witnesses and systematize the evidence taken, we classified the topics on which they were examined in the following order:

- | | |
|--------------------------------|-----------------------------------|
| 1. Appointments to office. | 7. Temporary service. |
| 2. Promotion. | 8. Technical duties. |
| 3. Efficiency of organization. | 9. Discipline. |
| 4. Efficiency of staff. | 10. Accounts. |
| 5. Sufficiency of staff. | 11. Superannuation. |
| 6. Salaries. | 12. New theoretical organization. |

Having thus set out in detail the points to which our examinations were particularly directed, we proceed to indicate the defects we have found in the various parts of the system.

APPOINTMENT TO OFFICE.

22. The present mode of nomination by political influence and appointment, without examination as to qualification, which prevails so very

generally in the Service, seems to us, and is frankly confessed by the majority of the witnesses we have examined to be defective in the highest degree. It affords no sufficient guarantee of fitness for the discharge of the duties of office. It embarrasses Ministers in providing an efficient public service, and it causes great and often irresistible pressure to be brought on Members of Parliament to force their consent to the nomination and appointment of unfit persons. It has, we think, a mischievous effect on the public mind in making the desire for offices too strong an impulse in political conduct; for while the higher offices of State are the laudable and legitimate objects of the ambition of statesmen, the scramble for a paltry patronage and for the smaller offices of the Service, cannot but have a bad effect alike on those who exercise and those who enjoy such patronage.

23. Notwithstanding the reluctance of witnesses to commit themselves to any specific statements as to the inefficiency of their subordinates, there is sufficient in their general statements on that subject to justify the conclusion that the Service is susceptible of very great improvement and that there have been many appointments to it of persons whose habits, lack of educational acquirements, or inaptitude for business could not fail to produce a state of affairs fully justifying most of the propositions stated in the reference to the Commission. But, apart from any specific statements made in the evidence, we find in its general tenor and in what we have ourselves observed, abundant reasons for the conclusions that the Service requires reform and that it has not been sufficiently guarded against the evil effects of political patronage.

24. To this baneful influence, we believe, may be traced nearly all that demands change. It is responsible for admission to the Service of those who are too old to be efficient; of those whose impaired health and enfeebled constitutions forbids the hope that they can ever become useful public servants; of those whose personal habits are an equally fatal objection; of those whose lack of education should disqualify them; and of those whose mental qualities are of an order that has made it impossible for them to succeed in private business. It is responsible too for the appointment of those who desire to lead an easy and, what they deem, a genteel life.

To the same influence may be ascribed most of the appointments of men taken from beyond the Service to the best places over the heads of tried and efficient servants: and it may fairly be charged with all the discontent and demoralization arising out of the feeling, justified by bitter experience, that a faithful and zealous performance of duty establishes no sure claim to the prizes of the Service, which, as is abundantly shewn by the evidence, are too often carried off by persons whose claim to office is mainly founded on the political service they have rendered to their party. These observations, we may add, apply with greater force to the Outside as compared with the Inside Service, in which there is but little chance of advancement or increase of pay. To this class of appointments and the consequent removal of the chief incentive to zeal may perhaps be attributed more than to any other single cause, the languid interest which many of the public servants feel in the performance of their duties. They have but little motive for more than the most perfunctory performance of their work, because they feel they are in that way as likely to gain promotion as by the most active performance of it; and that should a vacancy occur above them,

it would not improbably be given to some favored politician, whose qualifications for the duty have not yet been tested.

Political patronage is responsible for other evils, and we do not hesitate to express the conviction that many unnecessary Civil offices have been retained, and that new places have been created, for no better purpose than to provide for the followers of influential politicians.

PROMOTION.

25. Much that has been said with reference to first admission to the Service applies with equal force to promotion therein. To cause men in the Public Service to abandon those legitimate hopes of promotion in rank and improvement in income, which are naturally entertained by most men in the pursuit of private business or in the employment of private persons, is, necessarily, to deprive them of all incentive to the active and zealous discharge of their duty.

26. The evidence we have taken shews that promotions in the Inside, and still more largely in the Outside Service, have been made with but little regard to system. Sometimes promotions have been made by seniority, regardless of merit, thus—as suggested by the order of reference—filling the more highly paid places with men whose chief qualifications are length of service. In other cases they have been made regardless of either merit or seniority, and in this way men fully qualified and fairly entitled to promotion have been passed over, and others less qualified have, by undue influences, obtained promotion in their stead. We find, too, that in many instances men have been brought from beyond the Service and either placed at once over the heads of long tried and efficient men, or, after temporarily filling minor positions, they have been elevated with unjustifiable rapidity to places for which they had no previous training.

27. The efficiency of the Service so largely depends on a good system of promotion, that we have felt it necessary to emphasise the importance of avoiding such injustice as we have mentioned, and which can not fail to be injurious to the best interests of the Service. Men whose just claims are thus passed over become discouraged, they lose their self respect and hope for the future. Such injustice destroys all incentive to emulation and all desire to excel. Nor does the mischief end there. It affects the whole Service. It is destructive of discipline, and it impairs the usefulness of those who witness as well as of those who suffer it.

28. Our observations are directed against the system rather than against individuals in the Service, in which there are doubtless many meritorious officers; and we desire to guard ourselves from being understood as asserting that all the appointments made for political reasons have necessarily proven to be bad; on the contrary, we are satisfied that there are many efficient officers who were so appointed and who are entitled to commendation for the manner in which they have performed their duties. Nevertheless, we feel strongly that such appointments, even when, as regards their individual merits, they have turned out satisfactorily, are in their effect demoralizing and injurious to the Service.

These considerations have forced upon us the conviction that any reform in the administration of the Public Service must begin with an improvement in the mode of nominations, appointments and promotions.

29. Having stated what we believe to be the faults in the existing system of making first appointments to the Service and their cause, it becomes our duty to submit a remedy. This, we believe, can only be found in completely eliminating all traces of political patronage. This remedy involves the necessity of substituting some other mode of regulating entrances to the Service, and this without doubt is a more difficult task than might at first appear.

30. We do not say this because we have any doubts as to what should be substituted for political nominations, but because we think there may be a misconception in the public mind as to what is necessarily implied by the system we would recommend.

In our search for guidance to some effective system of Civil Service reform, we have studied the steps in that direction which have been taken in the United Kingdom, and we have also endeavored to ascertain the practice prevailing in France and other Continental Governments. We will now more fully state how first appointments to the Civil Service of the United Kingdom are made.

31. The Civil Service Commission of the United Kingdom consists of three Commissioners, one of whom is a Privy Councillor. The Commission was first constituted by an Order of the Privy Council in 1855. Each Commissioner holds office during Her Majesty's pleasure. To this Commission is deputed, under certain restrictions, the control of all appointments to the general Civil Service.

Rules have been made for their governance, and under the authority invested in them, they make such regulations in reference to examinations and other matters connected with their duties as are from time to time found necessary.

The Regulations by which the Commissioners are governed are contained in several Orders of Her Majesty's Privy Council and may be summarized as follows :—

SECTION III.—No person shall be appointed to any office or employment in any of Her Majesty's civil establishments until he shall be reported by the said Commissioners to have satisfied them :—

1st. That he is within the limits of age prescribed for the situation or employment to which he desires to be admitted.

2nd. That he is free from any physical defect or disease which would be likely to interfere with the proper discharge of his duty.

3rd. That his character is such as to qualify him for such situation or employment ; and

4th. That he possesses the requisite knowledge and ability to enter on the discharge of his official duties.

SECTION IV.—The rules applicable to each Department, under each of the above heads, shall be settled, subject to the approval of the Commissioners of Her Majesty's Treasury, by the said Civil Service Commissioners and the chief authorities of the Department.

SECTION V.—All appointments by the Civil Service in the Departments mentioned in Schedule A are to be made by means of competitive examinations according to regulations to be from time to time framed by the said Civil Service Commissioners and approved by the Commissioners of Her Majesty's Treasury.

When exceptional qualifications or professional knowledge is required for any office the Civil Service Commissioners may dispense with examinations wholly or partially, and may grant their certificate of qualification upon satisfactory evidence that the person whom it is proposed to appoint possesses the requisite knowledge and is otherwise qualified.

After a candidate has passed his examination he must enter on a six months term of probation as a test of his conduct and capacity for the transaction of business, and is not to be finally appointed to the public service until the head of his Department is satisfied of his fitness.

A Lower Division of the Civil Service is established, and no Department is to be permanently increased without introducing a system whereby such of its duties as are of a suitable character shall be performed by members of the Lower Division.

The Civil Service Commissioners are at fixed intervals to hold competitive examinations for Clerks in the Lower Division.

An estimate is to be made by the Commissioners of the number of permanent clerkships likely to become vacant within the next six months. And on this basis a computation is to be made of the number of persons to be selected at the next ensuing examination.

A list of competitors at these examinations is to be made out in the order of merit up to the number arrived at by the computation above mentioned.

From the lists so made, the Commissioners, on the application of the Departments having vacancies, supply on probation the requisite clerks, whether for permanent or temporary duty. Selections, as a general rule, are to be in the order of the names on the list, but any clerk may be selected who, in his examination, has shown special qualification for any particular subject.

No clerk is allowed to remain more than one year in any Department unless at the end of that time the head of the Department shall signify in writing to the Commissioners that the clerk is accepted by the Department, and if he is not so accepted the cause of his rejection is to be reported to the Commissioners, who shall thereon supply another clerk and decide whether the rejected clerk shall be struck off the list or allowed another trial in another Department.

Promotions from the lower to the higher divisions of the Service are only to be made upon a special certificate of the Civil Service Commissioners, to be granted exceptionally, after not less than ten years service, upon a special recommendation from the head of the Department.

All appointments, promotions and transfers from one office to another, shall be notified to the Civil Service Commissioners as they are made, and shall by them be published together in the *London Gazette*, first issued in each month.

Under the regulations thus briefly stated, a Secretary, a Director of Examinations and two permanent Examiners, with such number of occasional Examiners as are from time to time found necessary, have been appointed, and examinations are held in the principal cities in the United Kingdom.

32. The organization thus provided has been well considered by competent authority. It is the outcome of vast experience, and the details are the result of more than thirty years of cautious tentative action. The

beneficial results have ceased to be questioned. We do not assert that the English system is in every particular suitable to the wants of the Dominion; but with such modifications as we will presently submit, we believe the adoption of its essential principles would be an effectual remedy for all the important defects of our own system.

From what has been stated, it will be seen that the essential principle of the Civil Service regulations of the Imperial Government is OPEN COMPETITIVE EXAMINATION and PROMOTION BY MERIT.

33. It may seem superfluous to make any extended observations in favor of the system we recommend, and which in the United Kingdom has been found to work so beneficially after tests so prolonged and of so conclusive a character. But there are, doubtless, some who still favor the preservation of political patronage in some form or other as opposed to the system of selection and promotion according to merit. We deem it necessary, in deference to the opinion of those who may thus differ from us on some points, to offer the following further observations.

The considerations which have led us to recommend the system of open competitive examination in our own service may be briefly stated as follows:—

We do not claim that it follows as a matter of course that those who may succeed best in a competitive examination will necessarily succeed best in the performance of the duties of the position it may obtain for them, but we believe it will exclude the incompetent and lessen the chances of the appointment of unsuitable candidates, and that open competitive examination, having due relation to the work and duties to be performed and supplemented by proper guarantees as to age, health and moral character—with a period of probation before appointment—is the most just and practical means of supplying fit persons for appointment, and that—as has been proved elsewhere, so it will happen here—it will give the best servants to the public.

We claim that it is the most effectual, indeed the only means of completely and permanently cutting away all opportunities for the exercise of political influence in making appointments and promotions in the public service, which we believe to be so injurious to the public interests. We believe too that the educational status of the service would be raised and its efficiency greatly increased, and that at times, when an unusual strain is put on it for skilful work, this will be of almost incalculable advantage. These views are strongly supported by the valuable evidence submitted herewith.

34. The public service would, under such a system, be open to the public instead of being, to a large extent, a close corporation in the hands of political parties. An opportunity would be given to all intelligent and educated young men to obtain by their merits alone, a start in a service in which promotion, by a continuance of intelligent self-improvement and well-directed official labor, would be certain.

35. The Civil Servants would be saved from the imputation of partizanship which is periodically brought against them in times of political excitement. Men who had obtained their places by merit alone, and as the result of impartial examination, could not possibly be open to any imputation of political partizanship in office; nor would they be in any degree influenced in the discharge of their duties by political considerations.

Ministers and members of Parliament would, by the abolition of unnecessary patronage, be relieved from an enormous degree of labor, difficulty and annoyance, and left more free for the discharge of the more important duties of their positions, and an end would also be put to the pernicious practice of thrusting new and inexperienced men into office over the heads of those whose service has been long continued and meritorious.

Finally, we believe that, under the system which we recommend, the Service would win the respect of the public and of the Government; and that it would obtain and persevere a dignity in the eyes of the whole country, which it does not now possess.

BOARD OF CIVIL SERVICE COMMISSIONERS.

36. Having arrived at the conclusions above stated as to the advantages of the system we recommend, we have now to propose the means for giving effect to our suggestions. This, we believe, can only be satisfactorily accomplished by the constitution of a BOARD OF CIVIL SERVICE COMMISSIONERS as free from political influence as the Judiciary happily is. To the action of this Board we propose to refer all those questions which have heretofore hampered and impaired the administration of the Civil Service.

37. We propose that this Board shall be composed of men holding an independent position, and capable of commanding general confidence; it should consist of three members, one of whom should be a French Canadian, and they should be appointed in the same manner and hold office on the same tenure as the Judges. We believe that the judgments and decisions of an impartial tribunal thus constituted would command the respect and confidence of the public and of the Service.

38. The duties to be assigned to it will be set forth in more detail further on, but it may be generally stated that in addition to its primary duty of controlling the competitive examinations for first appointments to and promotions in the Service, they will be charged with the duty of considering and advising with the Deputy Heads of the Departments as to the re-organization from time to time of the Departments, and of all the offices of the various Outside Services, and the classifying and reclassifying of Customs Ports, which will be necessary in a service so constantly expanding as that of this country.

39. We have not concealed from ourselves that exception may be taken to our proposal on the ground of expense. This we have carefully considered, and the conviction is forced upon us that the advantages which the appointment of the Board will confer in promoting both the economy and efficiency of the Service, will more than justify the expenditure, and that it would be ill judged economy to allow the consideration of its cost to interfere with its appointment.

Our estimate of the cost of the Board is \$25,000; less than nine-tenths of one per cent. on \$2,800,000, the cost of the Service. If the objects aimed at are attained by such an outlay—if the Service is reformed as it is clearly shown it requires to be—and if by the action of the Board it is economically and wisely recruited, as we believe it will be, the money thus expended will be among the most judicious and most productive of all the expenditures incurred by the Government. For we have not the slightest doubt but that many times the cost will be annually saved by the avoidance of unnecessary and unwise appointments.

40. Assuming that the Board of Commissioners will be appointed as we have suggested, we may now proceed to state with more precision the general principles by which it should be governed in the performance of the duties which we propose to assign to it.

41. The Board should have power to obtain the assistance of persons who have had experience in the education of the youth of the Dominion, and with such assistance periodical examinations should be held in the most important cities and towns, especially at Halifax, St. John, Charlottetown, Quebec, Montreal, Toronto, London, Ottawa, Winnipeg, and Victoria.

42. To these examinations no person should be admitted until he has satisfied the Commissioners.—

1st. That he is within the limits of age prescribed for the situation or employment to which he desires to be admitted, and which for first admissions should not be less than eighteen nor more than twenty-five years.

2nd. That he is free from any physical defects or disease which would be likely to interfere with the proper discharge of his duties.

3rd. That his character is such as to qualify him for such situation or employment.

43. With the exception herein mentioned all appointments made to the Civil Service of Canada after the First day of January, 1882, should be by means of competitive examinations, according to regulations to be from time to time framed by the Board of Civil Service Commissioners, and approved by the Privy Council, and all regulations having reference to the qualifications of clerks or officers for any department, should be settled by the Commissioners after consultation with the chief authorities of the Department.

44. The competitive examination should be open to all persons of the requisite age, health, character, and other qualifications prescribed in the regulations, who may desire to attend the same, and on payment of such fees as may from time to time be decided on by the Board and approved by the Governor in Council.

45. Before any such examinations are held a computation of the number of permanent clerkships likely to fall vacant within the next six months should be made by the Board; to the number so computed, should be added such further number as may appear necessary to provide for any contingencies as to absences or failure of health, and the number so arrived at when approved by the Governor in Council, should be the number of persons to be selected at the next ensuing examination and placed on the lists herein referred to. This number should also be the number published as part of the advertised notice of any such examination.

46. Immediately after every such examination a list of the competitors should be made out in the order of merit up to the published number, if so many are found by the examination to be qualified for appointment, which list should shew as far as possible what branch of the Service each of the candidates appear to be best qualified for. The lists so made should be published in the *Canada Gazette*.

47. Examinations held as above proposed should be for first appointments:—

(a) To Third Class Clerkships in the Inside Service.

(b) To the office of Messengers, Tide Waiters, Landing Waiters, Lockers, or as Third Class Clerks in the Outside Customs Service.

- (c.) To the office of Messengers, Excisemen, Assistant Inspectors of Weights and Measures, or Third Class Clerks in the Outside Service of the Inland Revenue Department.
- (d.) To the office of Messengers, Letter Carriers, or Fourth Class Clerks in the Outside Service of the Post Office; and
- (e.) To the office of Messengers and Third Class Clerkships in all other branches of the Service.

48. In addition to the examinations above mentioned others should be held when necessary for appointments for special qualifications not possessed by any available members of the Service, and also for promotions in the Service.

When the Deputy Head of a Department to which a situation belongs, and the Head of the Department, certifies that the qualifications in respect of knowledge and ability deemed requisite for such situation are wholly or in part professional or otherwise peculiar, and not ordinarily to be acquired in the Civil Service, and that it would be for the public interest that examinations should be wholly or partially dispensed with, the Board of Civil Service Commissioners may do so, and grant their certificate of qualification upon evidence satisfactory to them that the said person possesses the requisite knowledge and ability, and is duly qualified in respect of age, health and character.

49. Competitive Examinations for first entrance to the Service should be preceded by a preliminary examination to ascertain whether the candidate possesses such a knowledge of orthography and elementary arithmetic, and whether his hand-writing is such, as will justify his admission to the competition. The competitive examinations should test the comparative proficiency of candidates on the following subjects:—

Hand-writing.

Orthography.

Arithmetic, including Vulgar and Decimal fractions.

Copying manuscript, to test accuracy.

Digesting returns into summaries.

English composition.

Writing from dictation.

Geography.

History—English, Canadian and United States.

Book-keeping.

Precis writing.

French.

The Commissioners may dispense with such of these subjects as they may consider unnecessary for the examination of Messengers, Tide Waiters, Lockers and Letter Carriers.

50. When it becomes necessary to make an appointment to the third class, such necessity should be reported to the Head of the Department by the Deputy, and upon such report being approved by the Head of the Department, and upon the certificate of the Auditor that the salary of the proposed appointee has been voted by Parliament, the Board of Commissioners should select for probation from the list of qualified candidates herein referred to, such a person as, judging from the results of his examinations, is best suited for the vacant place. Such selection should as a general rule be made according to the order of the names on the lists.

51. The person so selected should not receive a permanent appointment until he has been on probation at least six months. The Head of the Department should have power to reject or accept any clerk appointed to his department at any time during the period of probation, and no clerk should remain in any department more than one year unless at or before the end of that time the Head of the Department signifies in writing to the Commissioners that the Clerk is accepted by the Department. If he is not accepted, the Head or Deputy Head should report to the Commissioners the reasons for not accepting him, and the Commissioners should thereupon supply another clerk in his room, and should decide whether the person rejected shall be struck off the list as unfit for the Service generally, or whether he shall be allowed a trial in another Department.

52. It has become evident to the Commissioners that in order to act efficiently in the Province of Quebec, a public officer should have such knowledge of French as will enable him to converse in that language. We submit, therefore, that to be eligible for appointments in that Province, candidates should be sufficiently acquainted with French and English to enable him to conduct satisfactorily the business of his office.

53. For promotions in the Service, the examination should be on such subjects as may be decided upon by the Board of Commissioners after consultation with the chief officers of the Department to which the promotion belongs, and such examinations should be competitive, and open to all employees in the Service holding positions ranking below those to which the promotions are to be made.

54. A list of competitors at examinations for promotion should be made out in the order of merit up to not more than five (5) names for each promotion to be made in the same rank, and the selection for promotion should be made by the Commissioners from this list, having due reference to any special duties that may be reported as incident to the office and the qualifications shown by the candidates during their examinations. Every such promotion should be on a probation of not less than six months, but at any time during the first year the Head of the Department or his Deputy may reject the person so promoted, or he may be definitely accepted at any time after the first six months. The cause of every rejection should be reported to the Commissioners by the Head or Deputy Head of the Department. The person so rejected would then return to the performance of the duties in which he had been previously engaged, and the Board of Commissioners should decide whether his name should be removed from the list of persons qualified for the promotion, or remain for trial in another Department. During the period a clerk is on probationary promotion, the duties of the office previously held by him would be performed by a clerk selected for the duty temporarily. When any clerk who is promoted on probation is rejected for sufficient cause, the Commissioners shall select another in his stead from the names still remaining on the lists.

55. Every appointment to, and promotion in the Civil Service of Canada, Inside and Outside, should be published in the Canada Gazette, and should take effect only from and after the date of such publication.

56. The Commissioners should from time to time make regulations in relation to the performance of the duties delegated to them, and to all matters incident thereto which are not specifically provided for in the Statutes. And while such regulations do not conflict with any provision of the law,

they should, when approved by the Governor in Council, have the effect of law.

ACCOUNTS.

57. The question of a more uniform system of accounts throughout the Service has been considered by a former Commission and uniformity, as far as practicable, recommended. The Committee appointed by this Commission to visit the various Departments to examine the condition of each Department, as regards organization and the prevailing system of conducting the public business, paid special attention to the subject of a more uniform system by which duplication of accounts, which to some extent prevails, should be avoided: and they have in their memoranda of observations submitted herewith made recommendations thereon. We are of opinion that the most effective method of accomplishing such uniformity, and the avoidance of unnecessary duplication of work, would be to delegate the duty to a tribunal outside of the Departments of controlling the general system of accounts, which would have the power to enforce its recommendations, and that this duty should be delegated to the Board of Civil Service Commissioners, under whose authority experienced accountants might be temporarily employed to carry out the details. Uniformity of system would thus be permanently established.

58. The Civil Service Commissioners should lay before Parliament, within ten days of the commencement of each Session, a report of all examinations held by them, and the number of competitors at each—giving the result of each person's examination, but only the names of the successful candidates—together with the names and salaries of all persons appointed to or promoted in the Public Service and specifying the office to which they have been appointed or promoted.

REVENUE BOARD.

59. Our attention has been directed to the practice which now prevails in dealing with fines, penalties and seizures under the Revenue laws. The Customs laws place absolute power in the Minister of Customs for the time being to release seizures and remit penalties. The Excise laws do not contain any similar provisions, but the Governor in Council may remit them in whole or in part.

In thus dealing with such matters very grave responsibilities fall upon individuals who, in many instances, are exposed to the importunities of political supporters. We think, therefore, the work would be better done if it were performed by a board consisting of not less than three members. Such a tribunal would deal with such matters with greater freedom than an individual, the various aspects of each case would be more fully considered and hasty decisions would be avoided.

We propose, therefore, that the Deputy Heads of the Departments of Finance, Customs and Inland Revenue be constituted as a tribunal to try all revenue cases of fines, penalties and seizures, and that their decisions should be final unless appealed from to a competent court of law within a stated period. If this were done we are convinced the revenue branches of the Service would be greatly strengthened.

ORGANIZATION OF THE INSIDE SERVICE.

60. In considering this part of the question our attention has been directed to the comparative responsibilities attaching to the Deputy Heads of the several Departments. These responsibilities are liable to change and may, from time to time, diminish or increase. It is manifest from the evidence herewith submitted that at the present time the work and responsibilities are by no means equal, and that the existing rule of attaching the same salary to each Department is inequitable. This consideration leads us to suggest that for the present rule there should be substituted a scale of three salaries, \$3,200, \$3,600 and \$4,500.

61. We are strengthened in this view by the consideration that the practice already exists of granting extra pay for work which is assumed to be outside the normal work of the Departments, thus establishing, by indirect means, a scale of salaries analogous to what we suggest. The amount of the salary should be the measure of the value of the *whole of the service* of the incumbent in any office, and should be placed in one sum in the estimates under its proper head.

62. We shall not now state our opinions as to how the proposed salaries should be apportioned to the several Departments, though we think the evidence given by the Deputy Heads contains all the material necessary for arriving at a fair decision, we prefer that it should be referred to the proposed Board of Civil Service Commissioners for action as one of its first duties.

63. We by no means think that such an apportionment of salaries as we have recommended should at any time be considered as a fixed rule. For the reasons we first stated we believe that, to be just, they must be from time to time varied, and that when a re-arrangement is found necessary it may very properly be made when the occurrence of vacancies gives the opportunity.

64. We have carefully considered the expedience of stating some rule by which the appointment of Deputy Heads should be governed, and we have arrived at the conclusion that these appointments, like appointments to the Bench, must remain absolutely in the hands of the Government. Ministers will, for their own comfort, choose the best men available, and in that way it will, as a rule, happen that if there is a competent man already in the Service he will be selected. Apart from this, it is obvious that for appointments of so much importance the responsibility of Ministers to Parliament will be a sufficient guarantee against bad selections.

65. We have been impressed during the progress of our enquiry with the conviction that while by far the greater portion of the work of the Departments is of a purely routine character, and such as in private business would be performed by men receiving comparatively low salaries, it has heretofore been largely done by clerks who, by mere force of survival, have been advanced to the highest grades of the Service. This, we believe, is a fruitful source of unnecessary cost, and we think the remedy is firmly to restrict the number of employes in the higher grades, and to provide with equal stringency that promotions shall only be made to actual vacancies and then only upon the certificate of the Head of the Department as to fitness, and of the Civil Service Board that the qualifications of the person it is proposed to promote have been satisfactorily established,

both as to character, business habits, and knowledge of the duties required of the incumbent of the office to which it is proposed to make the appointment.

66. It is, we think, abundantly evident that the existing classification is much too complicated, and that while it has a tendency to create discontent it affords too many facilities for the unjustifiable advancement of employes to which we have referred. Keeping this principle in view we propose that there shall only be four grades below the Deputy Heads, that is:—

67. CHIEF CLERKS, who shall also be known as officers.

FIRST CLASS CLERKS.

SECOND CLASS CLERKS.

THIRD CLASS CLERKS.

And that the number of chief, first and second class clerkships shall be restricted in the manner presently stated.

Chief Clerks.

68. A chief clerkship should only be established on the report of the Deputy Head of the Department which report should be approved by the Civil Service Board setting forth the reasons for creating such an office, and the nature of the duties and the salary to be attached to it. And no person should be appointed or promoted to the office so established except upon the certificate of the Deputy Head of the Department and of the Civil Service Board that the person it is proposed to appoint possesses the requisite qualifications. The salaries of the chief clerks should be as recommended in the report above referred to and placed in the annual Estimates, the minimum being \$2,200, and the maximum, \$2,600, with duty pay not in any case exceeding \$400 per annum, such duty pay being granted only for the performance of duties involving more than ordinary responsibility, and upon the report of the Deputy Head, approved by the Civil Service Board, affirming the expediency of such increase of outlay.

First-Class Clerks.

69. A class of first-class clerks is, we think, a necessity. These clerks will have duties of varying degrees of importance, but it does not appear necessary to provide for more than one grade, though their pay may vary. Salaries should, we think, be determined with reference to the importance of the work and should attach to the place or to the duties performed, and the necessity for establishing first-class clerkships should be determined in the same manner as chief clerkships. The salaries of first-class clerks should, we believe, commence at \$1,500, advancing by biennial increments of \$100 up to \$1,800, with duty pay for the performance of special duties not exceeding \$300, such duty pay being only granted under the same restrictions as are proposed with reference to chief clerks.

Second Class Clerks.

70. As respects the second class we are of opinion that it should be limited to the actual requirements of the Service, that clerkships of this class equally with those in the first-class should be given only where specific duties have to be provided for, and equal care should be taken to guard against any unnecessary increase in its numbers, thus leaving the

great bulk of the routine work of the Department to be performed by the men of the third or junior class. The salaries of this class should be \$1,000, rising by biennial increments of \$100 to \$1,200, with duty pay not exceeding \$200.

Third Class Clerks.

71. To this class of Clerks will be assigned the routine work of the Departments, such as checking, comparing, copying, compiling and transcribing Accounts and Documents. This, so far as we can ascertain, comprises four-fifths of the whole work to be done, and requires for its performance no special attainments beyond what can be acquired in the Common Schools. The Clerks in this class should be promoted only on having passed a competitive examination, and thereby attained such a position as the lists here-in referred to of Clerks eligible for promotion as will establish their fitness to fill the vacancies that may occur in the higher grades. The salary at first entrance, we propose, shall be \$500, advancing by biennial increment of \$100 to \$900.

72. It is possible that these vacancies may not frequently occur. It may also happen that in the interest of the Service duties of a more responsible character than those of the ordinary routine we have described may be performed by the most zealous and most intelligent of the third class Clerks. As an incentive to zeal, and as a reward of superior merit, and as a means of inducing this class of Clerks to qualify themselves for promotion, we think a scale of duty-pay for the performance of superior work should be provided. This should not exceed \$100 per annum, and should only be paid on the certificate of the immediate superior of the Clerk, countersigned by the Deputy Head and approved by the Board of Civil Service Commissioners.

Temporary Clerks.

73. We propose that the wants of Departments from a temporary pressure of work should be supplied with the required numbers from the successful candidates in the Civil Service Commissioners' list, and for whom no vacancies for the time being may have been found, the rate of remuneration for such temporary service not to exceed the pay of third class clerks, such employment not to be considered as constituting any claim to a permanent clerkship.

Extra remuneration.

74. We have already stated our opinion that the salary paid should be the measure of the value of the whole of the services of any employee. But it has been shown to us that there are occasions in some of the Departments when it becomes necessary to require the attendance of several of the clerks beyond the hours stated in the regulations. This, we are informed, is especially the case in the Post Office Savings Bank Branch when the annual interest accounts are closed. We are of the opinion that the probability of such a necessity arising in any of the Departments can be foreseen sufficiently in advance to provide in the Estimates for the payment of such extra service and we submit where a fair case is made out, the payment for the extra services of a-stated number of clerks in any Department, with maximum amounts to be paid to each, should be inserted in the Estimates

submitted to Parliament, and that such extra pay should only be permitted where it is thus provided for.

Messengers, &c.

75. A class of employees, not heretofore mentioned or provided for in the Civil Service Act or Regulations, and which may be considered in connection with the messenger class, appears to be necessary in some of the Departments. They are required for receiving, assorting, packing and despatching parcels of blank books, forms, stamps, &c. This class of men is obviously required in the Post Office Department, and also—though not to the same extent—in the Departments of Customs and Inland Revenue. In view of this necessity, we propose to extend the Messenger Class so as to include those "*assorters and packers*," as they may be termed.

For the whole class we propose that the scale of salaries shall be \$300 at entrance, with annual increments of \$30 until a maximum of \$500 is reached, after which there should be no further increase until a period of fifteen years service has been completed, at which point we think an addition of \$100 per annum should be granted.

Female Clerks.

76. Whilst we see no reason whatever why female clerks should not be quite as efficient public servants as men, we are forced to confess that there are several obstacles in the way of their employment which we fear it will be very difficult if not impossible to overcome. For example, it would be necessary that they should be placed in rooms by themselves, and that they should be under the immediate supervision of a person of their own sex; but we doubt very much if sufficient work of similar character can be found in any one Department to furnish occupation for any considerable number of female clerks, and it would certainly be inadvisable to place them in small numbers throughout the Departments.

Should circumstances hereafter arise warranting the employment of female clerks, we see no objection to their being appointed as clerks of the third class, under such regulations as the Civil Service Commissioners may, with the sanction of the Governor in Council, make, as to competitive examination, age, health and character.

Duty-pay.

77. In fixing the remuneration to be paid to the various classes our aim has been to apportion the pay fairly to the work and responsibilities of each. There is, however, in every office work, requiring special aptitude and qualities for its performance, to which higher pay should be attached; with a view of thus attaching higher pay to higher work, and to create a general system of promotion within each class, we recommend the adoption of duty-pay in addition to the Service scale, to be paid for the actual performance of the work to the Clerk best qualified and solely on the ground of merit. The effect will be that a clerk will enter a class at a minimum salary with the certainty that with good conduct and steady application he will within a definite number of years attain to a specified maximum salary and he will know that with ability and zeal in the discharge of his duties he may have his salary augmented by duty-pay for the performance of a higher class of work for which he has proved his fitness.

78. In order to prevent payments of salaries or allowances in contravention of the law we propose should be enacted, either the Audit Act or the Civil Service Act should contain a provision making it the duty of the Auditor General to refuse his sanction to the payment of any salaries or allowances unless they have been established and earned in the manner we have proposed.

Widening the area of promotion.

79. We are convinced that in order to utilise more completely such talent as may exist in the Service, and in order to insure advancement within a reasonable period to the most deserving members of the Service, it is important to widen the area of promotion as much as possible, and that there should be no bar—other than the absence of the necessary qualification—to the promotion of an officer or clerk from one department to another, or from the Outside to the Inside Service or the reverse.

80. But in order to give effect to this principle it becomes necessary to consider the relative value of appointments in the Outside and Inside Service of the several departments, and at this point we are met by the most glaring inequalities in the existing scale of salaries. We find these inequalities not only in the salaries paid in different departments but in the salaries paid in the same department. Until these *inequalities* are removed we do not see how it will be possible fully to avail of the great benefits that might arise out of the widened area of promotion we have referred to.

We shall not now specify individual instances of unequal pay for services of a parallel character. To do so would be invidious. But a glance at the estimates annually laid before Parliament will reveal to any one conversant with the Service abundant instances of inequalities, not only as regards individuals, but as regards the several departments as a whole.

81. While, therefore, we strongly urge the desirability of extending promotion over as wide an area as possible, we clearly see that before all the advantages which such a reform would bring in its train can be realised, it is necessary to establish something like an equality in the scale of salaries paid for work of the same nature in the various branches of the Service. We are conscious that to do this by raising the lower salaries to a level with the higher, would be to add so enormously to the annual estimates as to defeat our purpose; while, for reasons stated elsewhere in our report, we cannot recommend the reduction of salaries already granted, and as to which there is an implied contract between the Government and its servants.

82. We submit, therefore, that the best, indeed the only, course open is to make it a part of the duty of the Board of Civil Service Commissioners that they shall carefully examine the salaries paid and the duties attached to the respective offices, and that they should, upon the information thus obtained, frame a schedule of salaries for each class of work or duty consistent with its comparative value and importance, and that the scale, so established, should apply to all appointments made thereafter. When this has been done and promotions made general throughout the Service, we are convinced that the most beneficial results may be anticipated from it

Superannuation.

83. The subject of superannuation is, we believe, of sufficient importance to require more extended consideration than can now be given to it. We therefore propose to deal with it in another report. In the meantime we deem it right to direct attention to the incompleteness of the annual statements which appear on this subject in the Public Accounts. The statements we refer to appear at pp. 103 part ii. and 61 part i. in the Public Accounts for 1879-80. By these statements the receipts on account of superannuation are stated to be \$48,531 while the payments are stated at \$127,792. We do not question the accuracy of these statements as far as they go, but so much is omitted that we are not surprised that both Parliament and the public should be under a misapprehension as to the true facts of the case.

84. A little consideration will show that the form in which these accounts are given to the public can take no cognizance of any reduction of or even of the abolition of salaries effected by the operation of the law. For instance, an office might be abolished, and a sum equal to the difference between the whole salary and the superannuation allowance saved, but the only result that would be shown in the statements to which we have referred, would be an increased annual payment.

85. We have been so conscious of this state of affairs that so soon as it came under our notice we requested the several Departments to furnish us with a statement shewing in detail the effect—as regards the cost of administering it—of the Superannuation Act during the ten years it has been in operation. These statements are not yet all completed; so soon as they are they will be printed with our appendices. Meantime we have sufficient before us to say that notwithstanding all the alleged abuses that are said to have prevailed in the administration of the law, the result has been a very large measure of saving to the public exchequer, for we find that during the decade the saving has been:—

In the Department of	Finance,.....	\$	48,548.73
“ “ “	Agriculture,.....		18,010.12
“ “ “	Inland Revenue,.....		42,570.78
“ “ “	Public Works,.....		21,014.98
“ “ “	Marine and Fisheries,.....		30,263.86
“ “ “	The Secretary of State,.....		5,482.40
“ “ “	The Interior,.....		6,893.78
“ “ “	Customs.....		177,398.73
		\$	<u>250,183.88</u>

As against which we may place the loss in:—

The Department of Railways and Canals,	\$	23,025.00	
“ “ “ Militia and Defence,		8,725.10	
“ Post Office Department.....		6,107.40	32,857.50
			<u>\$ 217,325.88</u>

86. The net result being a clear saving in the Departments specified, of \$217,325.88 in ten years. This result will be fully established by the details

that will appear in the appendices, and the amount saved will not be materially affected by the statements yet to be received.

87. It has not escaped us that the Superannuation Act has sometimes been strained—perhaps unwisely—in a direction which we propose to refer to more at large hereafter, and it may then become our duty to offer some suggestion for improving both the text and the methods of administering the law.

DISCIPLINE.

88. The discipline of the Service is so important a factor in relation to its efficiency that we have given it special consideration. The enforcement of discipline depends mainly on the Deputy Heads and other chief officers. The best considered rules and regulations are valueless unless these officers take a living interest in the work of their Department, and in seeing that the rules and regulations are carried out. The personal supervision of the Deputy Head cannot at all times be given to his Department. He is frequently engaged in conference with the Minister; he may have work of a confidential nature which he can best perform in private; or he may be absent in the necessary discharge of his official duties. It is therefore of the utmost importance to the right discipline of the Service that he should have sufficient authority to enable him to secure the regular and punctual attendance of the chief clerks and heads of branches who would thus afford a proper example to their subordinates.

89. Nothing can be more injurious or destructive to the discipline and efficiency of a Department than irregular habits on the part of a chief clerk or head of a branch. If such officers go through their duties in a perfunctory manner, are irregular in their habits, come late to their offices, and are often absent from their posts, it is certain that their subordinates will be injuriously influenced by their example.

90. We have good reasons for believing that, notwithstanding the re-ticence to which we have before referred, on the part of the witnesses, there is a very general laxity in the observance of the rules and regulations laid down by Orders in Council for the guidance of officers and clerks in the Departments. This applies equally if not with greater force to the Outside Service.

91. The hours of attendance, according to the existing rules, are from half past nine a.m. until 4 p.m.—during which the employes are expected to be constantly engaged in the performance of their duties, without any intermission for luncheon. An attendance book is kept which all the officers and clerks should sign on reaching the Department in which they may be employed, and the book should be handed into the office of the Deputy Head at a quarter before ten.

92. The rule as to luncheon appears to be generally disregarded in all the Departments, most of the clerks taking an hour more or less for refreshments, thus reducing the hours of work by so much—neither does there appear to be any strict observance, in most of the Departments of the rule requiring the signing the Attendance Book. We are of opinion that the hours of attendance should be changed from nine, a. m., until 4:30, p. m., allowing an intermission of one hour for luncheon. The time fixed for the absence having some regard to the work of the office and the convenience of the public. The hours of attendance thus suggested shew a marked difference

in favor of those employed in the public service, as compared with the practice in private establishments, which may be correctly stated as generally requiring attendance from 9 a.m. to 6 p.m., and oftentimes much longer.

93. In order that the degree of efficiency attained by the officers and clerks in the Service and their fitness for promotion may be ascertained, we recommend the adoption of the following regulations, subject, of course, to such modifications as may be from time to time recommended by the Board of Commissioners and approved by the Governor in Council :—

1. *First Attendance book.* Every officer (by the term officer we mean every person of the rank of Clerk or Chief Clerk in the permanent Civil Service as well as all who are on probation or temporarily employed) should be in attendance to commence his duties at nine o'clock in the morning, and should sign the "*first attendance book.*" This book to be returned at five minutes past nine, and those who arrive afterwards should sign a "*late book.*" in which should be entered against his signature the exact time of each officer's arrival—any officer whose signature appears frequently in this book should be reported, and habitual want of punctuality noticed to his disadvantage especially when the question of promotion arises. Officers should be strictly forbidden to sign for each other.

2. No officer should be allowed to absent himself during business hours without the permission of the Deputy Head or his representative except for the time allowed for refreshments.

3. Any officer prevented by sickness or other circumstances from attending at his office should give notice in writing and state the cause of his absence to the Deputy Head. No officer should be allowed to engage in any trade or profession nor connect himself with any municipal corporation or business association or company, as manager, officer or agent, without the special sanction in writing of the Head of the Department in which he may be employed.

4. *Security.* In all cases where security is required from any officer in the Service, such security to be given direct to the Government, and should be that of some Guarantee Company approved by the Government. Personal security should in all cases be declined.

5. Monthly and half yearly Reports should be made by the chief clerks and heads of branches to the Deputy Heads setting forth the general capability, health and punctuality of the clerks, and their fitness for promotion.

6. *Fines.* There should be a regular and legalised scale of fines for any breach of discipline or disregard of the rules and regulations. Such fines should not be excessive, should bear some proportion to the officer's salary, and should be rigidly enforced. The amount received from such fines should be kept as a special fund to be applied to the assistance of widows and orphans of employes who may die in indigent circumstances.

Leave of Absence.

94. We think the present provision of three weeks leave of absence for recreation, for each officer in the Civil Service, has a wholesome effect and should be continued; we are of opinion however that, as in the practice of the Banks, it would be desirable to make it obligatory, and to provide that,

in all cases, the duty of the absent officer should be handed over to and be performed by another officer.

95. Such additional rules and regulations as may be considered necessary for the efficiency of the Service should from time to time be prepared by the Civil Service Commissioners in consultation with the Heads of Departments. All such rules and regulations should apply to the Outside as well as to the Inside Service, in so far as the Board of Commissioners may consider them applicable.

Office accommodation.

96. We have been very strongly impressed with the great injury which results to the Service from the defective arrangements adopted in the internal structure of the Departmental Buildings. We hold it to be essentially necessary for the proper supervision of the work in the public offices that men similarly engaged in the several Departments should in each Department be, as much as possible, in the same room, and under the immediate supervision of a superintending officer, who should be strictly accountable for the performance of the work and for the conduct of the men under his supervision.

In Banks and other public offices where the public come into personal contact with the employees there is at once afforded a constant and efficient check against idling and unnecessary delay in the transaction of business; but in Government offices, where there are sometimes only two or three men shut up in a room by themselves there is no such wholesome check, and the tendency to waste time is wholly uncontrolled.

97. It is, therefore, much to be regretted that the internal arrangements of the Public Buildings at Ottawa does not admit of the grouping together of the employees in a few large well lighted airy rooms, where their duties could be efficiently supervised instead of having them scattered through a number of small, and often badly lighted, rooms in which they are left entirely to themselves in the performance of their duty. We therefore suggest that the arrangement of the several rooms should be considered by an Architect with a view to ascertaining whether by the demolition of some of the partitions, the offices could be improved in the direction we have indicated.

OUTSIDE SERVICE.

98. The committees of the Commission appointed to visit the principal cities and take evidence on the subjects of our enquiries having submitted the evidence taken by them, it has been discussed by the whole Commission and the personal observations and opinions of the members of the committees have been communicated to us. As the result of these discussions we are impressed with the importance of the duties and responsibilities imposed on the officers of the Outside Service, especially on those serving in the two principal revenue collecting departments—Customs and Inland Revenue—the former collecting from fourteen to seventeen millions and the latter from five to six and a half millions of dollars revenue per annum.

99. We find that notwithstanding these important functions the outside officers, especially those of the lower grades, are receiving salaries much lower in proportion to their work than are paid to the clerks in the Inside

Service; and we find, too, that the Excise Officers are—having reference to their respective responsibilities—receiving less pay than the Officers of Customs. This last mentioned inequality is probably due to the Excise Service being of comparatively recent origin, and to the adverse feeling of the public to a service which is necessarily of an inquisitorial character. But however that may be, the inequality is unjust to the officers who are thereby placed at a disadvantage both as regards their status and their remuneration.

100. We find that the average cost of collecting the Customs duties during the past four years is—irrespective of the expenses of the Department, about $5\frac{1}{8}\%$ per cent.; and that the cost of collecting the Excise revenue, exclusive of the cost of the Department, is $4\frac{3}{8}\%$ per cent. We are convinced that the cost of collecting Customs duties is greatly enhanced by the numerous small ports and outports which have been established without sufficient cause. We have reason to believe that many of these ports might be abolished without any substantial inconvenience to the commerce of the country, and that the cost of collecting the Customs Revenue could thereby be materially reduced. The Civil Service Commission of 1868 referred to this source of expense in very strong terms, and we believe the evil has since then assumed greater magnitude.

101. The importance of this consideration will be evident from a statement of the cost of collections at the several classes of ports. It appears that at twenty ports collecting \$50,000 per annum and upwards together with the twenty-nine outports attached to them, there was collected in 1879-80 \$13,076,718 at a cost of \$459,462, or $3\frac{4}{8}\%$ per cent. while the cost of collecting \$1,202,094 at 117 ports and 132 outports attached to them, was \$210,446 or $17\frac{1}{2}\%$ per cent. There could hardly be a stronger confirmation of the necessity of change.

102. The evidence we have taken is unanimous as to the desirability of a reform in this part of the Service, not only because the cost of collection might thus be reduced but for the far more important reason that a fuller and more equitable collection of the Revenue could thus be effected. It is stated with great force by some of the witnesses that these small ports, where the appointment of a competent appraiser is out of the question, open the door to the admission of goods at a serious undervaluation whereby not only the Revenue suffers loss but serious injustice is done to importers whose goods have to pass the ordeal of appraisal at the larger ports, and it is further urged that there are serious objections to the charge of duty and its collection being carried on at any place where there is only one officer whose acts are unchecked by another.

103. We find there is a similar tendency to multiply the number of places at which goods subject to excise duties may be bonded. To this practice the principal objection is the increased cost of collection which as a rule amounts to 5 p. c. on the amounts collected, the collections being usually made by officers of Customs who receive that rate of commission for their services. There is of course some risk of loss by the abstraction of goods from warehouse and the subsequent insolvency of the parties to the bond. This is the chief element of risk, for excisable goods are only liable to specific duties, and there is therefore no risk as to undervaluation. Still we think the principle of multiplying these bonding places without suffi-

cient cause is highly objectionable and ought to be restricted within narrower bounds.

Customs Service.

104. In considering the classification of the Customs Service (outside) and the scale of salaries as they now exist, we have met with several anomalies. We find that some of the Collectors are in receipt of larger salaries than the Deputy Head of the Department. This we understand is based on the idea that because a Collector has to account for large sums of money and is required to give security his responsibilities are greatly increased. We can not admit this as a sufficient reason. These collectors no more handle the monies collected at their ports than the Deputy Head handles the monies collected by his Department, and under a sound system of check and accountability the Collector of a large port cannot have any opportunity for laxity in dealing with cash; the cashier is the officer who actually receives the cash and who ought also to give bonds to the Government which at present he does not. In these days of guarantee companies the annual value of responsibilities of that nature is measured by the cost of a guarantee premium, and as surely as the greater will include the less, the labour and responsibility of managing the collection of the whole Customs Revenue of the Dominion must exceed that of managing the collection of a single port.

105. Again, we find that in every case the salaries paid to Inspectors of Ports are less than the salaries paid to the Collectors of the principal ports they inspect. We believe that these anomalies are incompatible with a satisfactory administration of the affairs of a department. It is only, therefore, with reference to the scale of salaries, we have recommended for the Deputy Heads of Departments that we should place the maximum salary of a Collector of Customs at \$4,000. On this point we hold very decided opinions. We believe that any superior officer who is in receipt of a salary less than is paid to one or more of his subordinates will always be at a disadvantage in dealing with that subordinate. We are convinced that an Inspector of Ports who receives only \$2,000 per annum cannot efficiently inspect a port whose first and second officers receive respectively \$4,000 and \$2,600. The higher paid officers will inevitably look down on him who gives his services for the smaller sum, and the latter will as inevitably feel himself at a disadvantage in dealing with the former.

106. We have considered the classification of Ports proposed in the Schedule B, which accompanies the report of the Civil Service Commission of 1868, and we are not surprised that it has been found impracticable to adopt it. We do not believe that any such rigid classification is suitable for the purpose, and we think that with reference to Ports as with reference to Departments there should be a reconsideration of the Collector's salary whenever an important vacancy occurs. There does not appear to be any reason for giving a high salary to a new Collector for no better cause than that it was given to his predecessor. This is a matter which we think the Board of Civil Service Commissioners should deal with. We therefore propose that periodically they should take into consideration the amount of business done at each port and the circumstances under which it is performed, and that upon that data, and in consultation with the Deputy Head of the Department, they should determine the number of officers of each class necessary for the

proper performance of the work and the salary that should be paid to each, and that every new appointment to the port should be made at the salary so determined.

107. A continuance of all the existing ports would require a wide range of salaries, but we are of opinion that there should be no independent port where the revenue collected will not justify the payment of a salary of \$1,000 to the Collector and the maintenance of a staff of at least two officers under him. We do not propose to close the smaller ports nor to destroy the facilities they now afford to trade, but, we think, that most of them should be rated as sub-ports, and that their business should be transacted through the ports to which they are subordinate. In this way a more satisfactory check would be had in the manner of doing business. All important importations would be subject to a more searching appraisalment, and the business would pass under the eye of more efficient and better informed officers, while the cost of collection could be materially reduced by the gradual elimination of many officers who are in receipt of salaries in excess of what the work they do will justify. The work of the Collectors so displaced would be performed by officers of lower rank, and at less salaries.

108. Subject to the considerations above advanced, we now proceed with the classification of Outside Customs Officers. These following the existing and well understood nomenclature will consist of:

Chief Inspector.....	salary	\$4,000
Inspectors	salary from	\$2,500 to 3,000
Collectors	"	1,000 to 4,000
Surveyors	"	1,200 to 2,500
Chief Clerks.....	"	1,200 to 2,000
Clerks, probably three classes.....	"	600 to 1,000
Head Landing Waiters.....	"	900 to 1,500
Landing Waiters.....	"	600 to 800
Gaugers.....	"	600 to 900
Chief Lockers	"	800 to 1,000
Lockers.....	"	500 to 700
Tide Surveyors.....	"	900 to 1,000
Tide Waiters.....	"	500 to 600
Preventive Officers.....	"	200 to 500
Messengers	"	200 to 500

109. The Appraisers and Assistant Appraisers must of course be a special class, for the duties of which, service in the classes above specified will not insure the necessary training. Appraisers should be appointed for their knowledge of commercial affairs, of the values of goods at the places whence they are exported and of the tariff. All these qualifications are susceptible of being tested by the means we propose to place at the disposal of the Board of Commissioners, and if they are possessed by men already in the service we know of no reason why such men should not benefit by their knowledge, but it is obvious that the probable necessity of appointing as Appraisers men who have not previously been in the Service, must be kept in view. We propose that the salaries of this class of officers should range:

For Appraisers	from \$900 to \$2,000.
For Assistant Appraisers	from \$600 to \$1,000.

110. The rules as to first appointments in this branch of the Service and as to promotion in it, should be the same in general principle as those we have proposed for the Inside Service, but some modifications may be necessary as to the classes to which first entrance may be permitted. These modifications, should they be found necessary, may, we think, be left to the Board of Commissioners, as may also the internal arrangements for promotions, but it is proper to state our opinion as to the age at which admission to certain classes in this branch of the Service should be permitted. We consider this necessary because the work, in the classes to which we refer, requires for its performance men of good physique and whose characters and habits of life have been completely formed. We therefore propose :—

For Landing Waiters and Gaugers.....	from 25 to 40 yrs.
“ Lockers and permanent Tide Waiters.....	“ 25 to 40 “
“ Assistant Appraisers.....	“ 21 to 30 “
“ Messengers.....	“ 25 to 40 “

111. The evidence we have taken in reference to the inspection of ports forces upon us the conviction that this is a work which has been very imperfectly done, and we believe that the failure is largely due to the anomalous position held by the Inspectors, as well as to the want of system in carrying on their duties. So far as we can discover Inspectors of Ports are invested with but scant authority, and although many Collectors may be willing to accept and act on their advice they can only carry out their views in relation to any needed reform or the enforcement of any regulation by report to the Department from whence the instructions must issue. These reports, we have reason to believe, are frequently disregarded or remain so long in abeyance that action on them ceases to be useful. It may be that this state of affairs is due to lack of confidence in the Inspectors or of disagreement with their opinions, but however that may be the result is most unsatisfactory, and the inspection appears to have had but little value even in the opinion of the Department.

112. As a remedy we propose that the Inspectors should have a higher status in the Service; that relatively to the ports they inspect they should have better pay than they now have; that their powers of action should be enlarged and more definitely stated; that instructions containing rules for their guidance in the performance of their duties should be issued by the Department, and with a view to bringing about greater uniformity of practice we think there should be a Chief Inspector, who should always accompany the Inspector when inspecting the larger ports, and thus place the Inspectors on a better footing relatively with the inspected, and so insure generally that efficient system of inspection so essential to the equitable collection of the revenue.

113. We have given a good deal of consideration to the question of Bonding Warehouses, both with reference to the class of buildings that should be accepted for use as Crown Warehouses, and to the management of the bonding business by the Customs officers. We propose to offer some suggestions respecting the buildings in a second report. As regards the method of transacting the business we think there is a necessity for a more perfect and uniform system of checking the goods in warehouses, of keeping the warehouse books, and of ascertaining the quantity of goods remaining in each warehouse at the end of each quarter. The results of these inspec-

tions should be carefully compared with the warehouse books, and all discrepancies rectified, and if any of the officers of the port are found to have failed in their duty a thorough investigation should be had and suitable steps taken to censure or punish them, as the case may require. The enforcement of the due performance of this duty would be one of the most important functions of the Inspectors, for it is far easier to commit frauds in relation to goods in warehouse than in relation to duties actually collected.

114. It is important that a uniform system of receiving money at the several ports and of transmitting it to the Receiver General should be established, and, we think, it would be a great improvement if the entry papers and vouchers on which duties are collected were transmitted daily instead of as at present, so that they could be immediately brought to account and the daily remittances checked by them. The existing regulations of the Department as to remitting money are good enough, but it appears that some of the Collectors disregard them, and it thus becomes possible for these Collectors to retain possession of Government money for several days without detection. This would be impossible if the daily transmission of all entry papers for duty as well as the remittances of the corresponding monies were rigidly insisted on, and a daily account kept with each port.

115. While on this subject we will refer briefly to a most objectionable practice which we have found in existence at most of the ports visited, and which we understand has the sanction of custom if not of law—we refer to the passing of sight entries which places in the hands of the unscrupulous Collector the means not only of retaining in his hands large sums of money for many months together, but facilitates grave frauds on the revenue. We may have occasion to refer to this subject in our second report, but in the meantime we take the first opportunity of condemning the practice and of recommending its discontinuance.

116. It has been represented to us that the oath prescribed by section 41 of the 40th Vic., Cap. 10, is in many of the ports administered by officers who are not legally authorized thereto. The Act says the oath shall be taken before the Collector or *such other person* as the Governor in Council may see fit to name; but we find that in many, if not all, the principal ports the oaths are administered by the Surveyor's Clerk or some other officer, none of whom, as a rule, have received the authority required by the Act. We doubt the legal value or utility of an oath so administered, and it may happen that in any contest at law in which the validity of an oath so administered is questioned the result might be fatal to the interests of the revenue. This, coupled with the loose, irreverent and hurried manner in which such oaths are administered has convinced us that unless some more impressive and more regular mode of procedure is adopted it would be better to abolish the oath altogether.

Inland Revenue.

117. Although the whole revenue collected by this Department does not greatly exceed one-third of what is collected by the Customs, it is derived from so many sources, from some of which the revenue barely covers, or sometimes falls short of the cost of collection, that the work of keeping accounts and carrying on the correspondence and the details is greatly enhanced compared with the money brought into the Treasury. The sources from which the Inland Revenues are received, and the business

upon which the work of its officers is expended, may be classed as productive and non-productive. The productive branches are :

Excise.	Bill Stamps.
Canals and public works.	Law Stamps.

The non-productive branches are :

- Inspection of Petroleum.
- Inspection of Weights and Measures and Gas.
- Culling of Timber.
- Inspection of staple articles.
- Prevention of the adulteration of food.

118. We have been favorably impressed with the manner in which the business of this Department has been organized and with the manner in which the duties of its officers are carried on. The checks on the collection and transmission of money appears to be of a satisfactory character.

119. We find in the excise branch of this Service a tolerably effective system of examination of officers by which their respective capability is fairly tested and by which they are classified and their chances of promotion largely governed. This system of examination has been carried out to an extent sufficient to demonstrate its usefulness, and we are persuaded that if its operation had not been interfered with by political considerations still more favorable results would have been attained. As it is, the influence of the system on the future prospects of the officers has a most salutary effect on their conduct, and we find that several have risen through successive stages of competition to the highest places in the Service. The results of these comparatively imperfect examinations as a means of elevating the character, self respect and efficiency of the officers, and of testing their capability, has greatly strengthened us in the opinions we have formed as to the value of competitive examinations.

120. In this Service the number of officers in each class is estimated with reference to the work to be done, and although a man of good capacity will almost certainly rise from the probationary to the first class of Excisemen he can only obtain promotions above that grade as vacancies occur. It thus happens that promotion is sometimes slow, and in this consideration we find an additional reason why the salaries should be at least equal—having reference to the work done—to the salaries paid in the sister Service.

121. We do not find in the Outside Service of the Excise branch of the Inland Revenue Department the same anomalies in relation to the salaries of the respective classes of officers as we have referred to in speaking of the Customs Service. We have not met in it with any instance where a subordinate officer is paid more than his superior in rank, and although the officers as a whole are paid less than officers having similar responsibilities in the Customs Service, we think the salaries given to the several classes are fairly well proportioned to each other. But in this Service as in the Customs Service, we think the salaries should be re-adjusted from time to time as circumstances may require, and we propose that in relation thereto the Board of Civil Service Commissioners shall perform the same duties as we have suggested for them in relation to the Customs.

122. The present classification of Excise officers is, we think, satisfactory. It is as follows:—

Chief Inspector.....	salary now proposed	\$3,000
Inspector of Distilleries	"	2,500
District Inspectors	"	\$2,000 to 2,500
Collectors	"	500 to 2,000
Deputy Collectors	"	400 to 1,500
Clerks (accountants)	"	900 to 1,000
Special Class Excisemen	"	1,200
First, second and third class do.	"	600 to 1,000
Probationary Excisemen	"	500
Messengers	"	200 to 400

To which we understand has been recently added for surveys of important manufactories a scale of duty-pay for the special class Exciseman who performs that duty, of \$200 per annum.

Post Office Department.

123. As regards the Outside Service, we think the present classification of the Post Office employees fairly meets the requirements of that Service, and we, therefore, propose only slight modifications; but we would limit the promotion from class to class in the same manner as we have proposed that it should be limited in the Inside Service.

124. There is, however, one class of officers in the Post Office Service, to some of whom we are of opinion that far too large a remuneration has been given—namely, the Postmasters of large cities—for instance the maximum salary now paid is \$4,000 a year. It seems to us that considering how little pecuniary responsibility devolves upon these officers, that a salary of \$2,600 for the principal offices, and salaries of from \$2,000 to \$2,400 for the less important cities would be ample; this scale would place their emoluments nearly on a par with those of the Post Office Inspectors, whose duties are far more comprehensive and involve much higher responsibilities.

125. We have reason to believe that the employment of female clerks in the Outside Service of the Post Office has been attended with advantage to the public in both Great Britain and the United States, and we see no reason why similar results should not attend their employment in Canada.

126. As regards promotion, we are strongly of opinion that the whole Post Office Service should be regarded as one, and that the higher appointments in both Inside and Outside Services should be filled solely by promotions or transfers from either Service; by adopting such a system both efficiency and economy would be secured. We propose the following classification which, we believe, will be economical and equitable:—

City Postmasters:

Class 1, where postage collections exceed	\$80,000.....	\$2,600
Do. 2,	Do.	\$60,000 to \$80,000...\$2,400
Do. 3.	Do.	\$40,000 to \$60,000...\$2,200
Do. 4,	Do.	\$20,000 to \$40,000...\$2,000
Do. 5,	Do.	are less than \$20,000.....\$1,400 to

\$1,800, as the Postmaster General may determine. These salaries should not be supplemented by any allowances or perquisites whatever.

For Assistant Postmasters, we suggest for class 1, \$2,000; class 2, \$1,800; class 3, \$1,600; class 4, \$1,400; class 5, \$1,100 to \$1,400.

Clerks in City Post Offices :

3rd Class, \$400 by annual increment of \$40 to \$800.

2nd Class, \$900 by annual increment of \$40 to \$1,200.

1st Class, Specific duties in each case with fixed salaries to be determined by the Postmaster General, no salary to be less than \$1,200 or more than \$1,500.

Letter Carriers, Messengers, Box Collectors and Porters :

\$300 to \$600 by annual increments of \$30.

Post Office Inspectors :

Chief Inspector.....	\$2,800
1st Class, on appointment.....	2,200
After 10 years' service.....	2,400
" 20 "	2,600
2nd Class, on appointment.....	2,000
After 10 years' service.....	2,200
" 20 "	2,400

Assistant Inspectors :

On appointment.....	\$1,000
After 10 years' service.....	1,200
" 20 "	1,500

Clerks in Post Office Inspectors' Offices the same as for Clerks in City Post Offices.

Railway Mail Clerks: Scale of Salary.

	On Appointment.		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 Service.	Night Service.	Day Service.	Night Service.	Day Service.	Night Service.	Day Service.	Night Service.
	\$	\$	\$	\$	\$	\$	\$	\$
1st Class.....	720	880	800	1,000	880	1,100	960	1,200
2nd Class.....	600	720	640	800	720	880	800	1,000
3rd Class.....	480	600	520	640	560	700	640	800

In addition to regular salary an allowance of half a cent per mile for every mile travelled on duty in the Post Office cars.

Marine Mail-Officers:—Scale of Salary.

	On Appointment.		After 2 years.		After 5 years.		After 10 years.		After 15 years.	
	Salary.	Trip Allowance.	Salary.	Trip Allowance.	Salary.	Trip Allowance.	Salary.	Trip Allowance.	Salary.	Trip Allowance.
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1st Class.....	480	80	540	80	600	80	800	100	1,000	100
2nd Class.....	360	*50	420	50

NOTE.—Trip means the round voyage from Quebec or Halifax to Liverpool and back.
* Only one-half, or \$25, is allowed whilst learning duty.

Department of Marine and Fisheries.

127. The outside service of the Marine and Fisheries Department is both varied and extended in its character, comprising as it does the construction and maintenance of the lighthouses and fog whistles in the Dominion, the carrying out of fisheries regulations and the management of the several fish breeding establishments; the Dominion Steamers, Steamboat Inspection, the Harbor Police of Quebec and Montreal, Harbormasters and Pilotage regulations, the Registration of Shipping, the Meteorological Service and Observatories, the examination of Masters and Mates, the Marine Hospitals in the Dominion with shipwrecked and distressed Seamen and other services to which we do not deem it essential to refer.

128. Many of these services, involving as they do technical duties, render necessary the employment of persons of special qualifications and large experience, and after a careful review of the duties of such officers, we doubt if any benefit could accrue from an attempt to classify such duties or assimilate the salaries.

We do, however, strongly recommend that persons whose technical duties are of such a character as may bring them in competition with others of a similar profession or calling, should be sufficiently well paid to render it unnecessary that they should seek to augment their salaries by private practice, and that they should be prohibited from so doing.

129. We would, however, recommend a classification of all Light and Fog Whistle Keepers under grades, and that the salary for each grade be fixed by the Board of Civil Service Commission after a full consideration of the duties to be performed and after consultation with the Head or Deputy Head of the Department, the effect of which would in time be to remove many of the differences which at present exist in the salaries paid for duties if not exactly, nearly similar in character, and doing away with the frequent and, at times, undue pressure for increased remuneration.

Registration of Shipping.

130. The Act now in force in the Dominion for the registration of ships was introduced by the Dominion Parliament in 1873, which is supplemented

by the Imperial Merchant Shipping Act of 1854 and other Acts amending it. Previous to 1873 ships were registered in some ports in the Dominion under such Imperial Acts, and in others under Provincial acts, the work being performed by the several Collectors of such Ports, under the direction of the Customs Department.

The administration of this Service having been transferred by the Governor in Council to the Marine and Fisheries Department, certain other ports throughout the Dominion were designated Ports of Registration, in most of which the Collectors were made Registrars of Shipping and other officers, "Measuring Surveyors." Other ports have from time to time been made Ports of Registration.

131. It appears to us that the creation of Registrars of Shipping at small ports, where few vessels are annually registered—in some cases one, in others, one in two or three years only—is most objectionable, owing to a Registrar, from inexperience and want of practice, being altogether ignorant of his duties. Such a system must lead to great inconvenience to ship owners and to unnecessary trouble to the Department. We, therefore, recommend that such small Ports of Registration should be, as far as practicable, abolished, and the duties centralized at the larger ports.

132. It appears that at large ports, where many ships are registered, extra work and responsibility has been placed on Registrars without compensation; and, where such work requires the exercise of knowledge purely technical in its character, such as marine and other law, and where in case of a misconception of the same, they may be rendered personally liable to heavy damages, we think, under these circumstances, it only right, that as Measuring Surveyors are paid by fees, the duties and responsibilities of the Collectors who act as Registrars should be considered when determining the salaries of the port.

Inspection of Steamboats.

133. Although this branch of the Service is under the control of the Department of Marine and Fisheries, the collection of tonnage dues and fees for inspection are made by the several Collectors of Customs throughout the Dominion. The Collectors of Customs are also required by the Steamboat Inspection Acts to see that the provisions thereof are properly carried out, and, if called upon by the Inspector of Steamboats, to detain any ship not complying with the law.

The provisions of the law in this respect seem to produce a conflict of power whereby serious dangers to the travelling public might arise, and where it becomes a question of hundreds of lives being at stake—in case of a defective boiler or engine, or in the proper equipment of a steamboat—it appears to us that an act creating the power to inspect ought also to define the duties of each officer carrying out its provisions in so clear a manner that the danger might be prevented altogether, or reduced to a minimum.

Transferring Revenue Officers.

134. We have considered the expediency of establishing the practice of transferring officers of the Outside Service from one locality to another, and we have arrived at the conclusion that it would be highly beneficial to the Service if such a practice were insisted upon. We propose, therefore, that certain officers employed in the Inland Revenue, Customs and Post Office Service should be exchanged at irregular intervals. The period for making

such changes and the classes of officers to be exchanged, should be determined by the Board of Commissioners in consultation with the Deputy Heads of the Departments.

We are also of the opinion that the promotions of Collectors both of Customs and Excise from the lower to the higher grades of Ports or Divisions, or to Inspectorships, as vacancies occur, would be exceedingly beneficial to the Service, and would have the effect of inducing greater uniformity of practice in all parts of this Dominion.

GENERAL OBSERVATIONS.

135. Having stated the manner in which we have conducted the investigation entrusted to us and the remedies we propose for the objectionable features we have discovered in the Inside and Outside branches of the Civil Service, we have now to add that our aim has been to make our enquiry thorough and exhaustive and we believe that the evidence and information we have collected coupled with what we have observed, in the course of our enquiries and taken in connection with experience of members of the Commission who have been for many years connected with the Service, fully justify the conclusions at which we have arrived.

136. It has been abundantly manifest to us that as stated in the Order of Reference, there are in the Service men who from the causes therein named are not and never will become efficient public servants, and that the number employed is largely in excess of the requirements of the Service. This we believe is mainly due to the prevailing manner of making appointments and promotions. We have found, too, that there are men working side by side, performing duties of an identical character, between whose salaries there are material and unreasonableness differences.

137. It is quite obvious to us that the delicate duty of weeding out unfit men and redundant clerks and the adjustment of inequalities of pay can be best and most effectually accomplished by the thorough and comprehensive change in the principle of making first appointments and promotions which we have recommended, and that in this way alone can any enduring reform be effected:

138. In the course of our enquiry we have not allowed the name of a single individual to be taken down as being obnoxious to censure. We have thus endeavored to make our enquiry as little invidious as possible. This silence as to names is not to be construed as indicating that we have met with none but efficient servants. But we have felt that it would be both arbitrary and unjust to dismiss from the Service in a summary manner men who, however unfit, have been in it many years, and who have been brought into a Service for which they have little aptitude, by a faulty system for which they are not responsible, and under which there is an implied contract between the Government and its employees, that they should not be dismissed except for gross misconduct. To dismiss those men now for causes other than those implied by the practice which prevailed at the time they were appointed would be unjust, and would have the effect of reducing them to penury. We believe, therefore, that the needed reforms in this direction can only be accomplished gradually and by the operation of the regulations we have suggested.

139. We have not in this Report attempted to apply in detail any new theoretical organization for each Department. We propose as already stated

elsewhere, as speedily as circumstances will permit, to consider the very important question of Superannuation and to report thereon, and at the same time make recommendation as to a new theoretical organization for each Department, and also for the Outside Services.

140. In conclusion we venture to say that the recommendations we have made if carried into practical operation will most effectually reform the Civil Service, relieve the Government from the annoyance incidental to the exercise of patronage and greatly promote the efficient and economical administration of public affairs.

141. The system we have advised cannot we are convinced be continuously and properly carried into effect under a law which requires to be supplemented in any essential particular by means of Orders-in-Council. We are therefore of opinion that the only practical way to ensure a thorough and permanent reform in the Service is to give the system recommended by us the force and authority of an Act of Parliament; if that is done we have the highest hopes of a beneficial result from our labors.

D. McINNES, *Chairman.*

E. J. BARBEAU.

A. BRUNEL.

WILLIAM WHITE.

JOHN TILTON.

W. R. MINGAYE.

MARTIN J. GRIFFIN, *Secretary.*

OTTAWA, 5th March, 1881.

NOTE.—Mr. Tilton signs, subject to such opinions as are expressed in his minority Report, on the points to which it refers.

Mr. Taché declined to sign this Report, and intimated his intention of submitting a Minority Report as soon as his Departmental duties will permit him to do so.

MEMORANDUM

Of a Committee of the Commission appointed to enquire into the Internal Economy of the Departments.

In pursuance of minutes of meeting of the Commission held on the 19th August, the Chairman and Mr. Barbeau have visited the various Departments of the Service, and inquired into the organization of each, the system of keeping the books, accounts and statistics, of collecting the revenue, of the checks on and control over the expenditure of the appropriations voted by Parliament for the public works, and for the various services appertaining to each Department; and they offer the following observations thereon:—

Department of Inland Revenue.

The duties administered by this Department are multifarious. They comprise the supervision of the manufacture of goods in bond, the collection of excise duties on spirits, tobacco, malt and malt liquor, canal tolls, hydraulic and other rents, slides and booms, minor public works, including rents, instalments and other payments on sales of any property vested in the Public Works Department, bill and Supreme law Court stamps, weights and measures, gas inspection, culling timber, adulteration of food and inspection of petroleum.

The books, accounts and statistics of the Department are kept on an excellent method, while there appears to be no unnecessary duplication of the work; the details are recorded in such a simple and orderly manner that every transaction can be conveniently referred to and verified.

Taking into consideration the large amount of revenue collected and its continuous expansion, it is of the first importance that its work should be well done, and that there should be an effectual and thorough system of checks.

The precautions adopted for the prevention of fraud in the collection of revenue as well as against defalcations in the Service, are well devised and calculated to accomplish the end in view.

The officers of the Outside Department are appointed in the same manner as those in the other Departments of the Service, but their duties being mainly of a technical character, they have, after a short period of probation, to pass an examination before a Board of Examiners, composed of the Commissioner, Assistant Commissioner, Chief Inspector, and District Inspector, in order to test their fitness for the duties they may be called to perform. These examinations have been found most beneficial in raising the standard of qualification and efficiency of the officers of the Service.

If the positions in the Service were awarded to the officers in the order of merit as tested by these examinations, and the pay fairly apportioned to their work and the responsibilities of the places occupied by them, the efficiency of the Service, as well as the security of the revenue, would be still further promoted, but this is not practicable under the prevailing system of political patronage.

Post Office Department.

The organization of this Department is as follows:—

The Secretary's Branch, including Correspondence, Ocean Mail Service, Dead Letters, Postage Stamps.

The Accountants' Branch.

Money Order Branch.

Savings Bank Branch and Cashier.

The business of the Secretary's Branch is conducted on a good system, and everything relating to the Correspondence and Ocean Mail Service is well managed, but an improvement is called for in the manner of keeping the stamps.

The Dead Letter Office is placed in the basement of the building. The clerks employed therein are constantly suffering from ill-health, which must interfere with the efficient discharge of their duties, and this, apart from the sanitary consideration, calls for a change of location.

Accountant's Branch.—The manner in which the books are kept, cannot be approved. The general results are, it is true, correctly brought out, but a system more in harmony with that adopted in some other Departments of the Service is called for. The various returns, statements and vouchers are kept in excellent order.

Attention must be directed to the manner in which the accounts of certain Postmasters have been allowed to fall in arrear. Prompt measures for the collection of these arrears should be taken. Whenever a Postmaster fails to make his returns in due course, immediate action should be taken to call him to account. If neglected at the proper time the arrears accumulate, making their collection more difficult, and in some cases impossible.

Money Order Branch.—The work of this branch is to control all money orders issued by Postmasters to the public, and all deposits made on Savings Bank account, to supply Postmasters with funds to pay money orders and Savings Bank cheques, to conduct the money order business with Great Britain and the United States.

The books and accounts are exceedingly well kept, and without any unnecessary duplication of the work. The transactions for the fiscal year ending 31st June, 1880, amounted to nearly (\$19,000,000) nineteen million dollars, and the losses sustained in conducting the business was (\$286) two hundred and eighty-six dollars, a conclusive test of the thoroughness and efficiency of the system.

Savings Bank Branch.—The duties of this branch are to receive from Postmasters daily reports of the moneys placed in their hands for deposit in the Post Office Savings Bank—to transmit to each depositor an acknowledgment, and to place the amount to depositor's credit in his individual account, to comply with depositor's notice of withdrawal, and pay same on demand, to see that Postmasters account through money order branch, for all monies deposited with them, to give Postmasters credit for all savings bank cheques paid by them, to conduct correspondence relating to deceased depositors' affairs.

The number of Post Office saving banks at the close of the fiscal year ending 31st June, 1880, was 290, the total amount of deposits, \$3,945,669, and the losses *nil*. The manner in which the books and accounts of this branch are kept, is all that could be desired.

The structural arrangement of the offices in this Department is convenient. Unlike nearly all the other Departments of the Service, the offices are large enough to allow the clerks to come under the eye of their immediate superior. The result of this arrangement is to promote the efficiency as well as the economy of this service.

Department of the Interior.

The several branches through which the operations of the Department of the Interior are conducted, are as follows:—

1. Dominion Lands
2. Geological Survey.
3. North-West Mounted Police.
4. Government of the North-West Territories.
5. Government of the District of Keewatin.
6. School Lands.

The Department of Indian affairs is also administered by the Minister of the Interior.

The Dominion Lands Branch controls, in addition to the Public Lands in Manitoba and the North-West, the Ordnance and Admiralty properties in the older Provinces. The work of the branch is of the most important character, and is sub-divided under the several heads of—

- (a.) Surveying.
- (b.) Disposal of Surveyed Lands by Sale and Homestead Settlement and Pre-emptions.
- (c.) Settlement of special claims under the Manitoba Act.
- (d.) Issue of Patents.
- (e.) Drafting.
- (f.) Timber, mining and fuel regulations, sales and leases.

The system devised for the survey of Dominion Lands in the North-West calls for special approval. These surveys are conducted on scientific principles, ensuring the utmost accuracy combined with simplicity.

The township surveys were, during the past year, made by contract. Tenders were advertised for, and the work was awarded to the lowest competent bidders, with the view of effecting a saving to the country, as compared with the old method of paying surveyors by annual salaries, or by so much per diem. This mode of effecting the public surveys is experimental and, it is understood, may, should the same prove unsatisfactory, be replaced by a system of salaried surveyors.

Mounted Police Branch.—The method of obtaining supplies, and the checks thereon when furnished to the Force, are well devised.

There appeared to be some unnecessary duplication of the accounts in this and some of the other branches to which the attention of those in charge was directed, and suggestions made for the purpose of obviating the additional labor entailed.

There are no books of account in this Department for the Governments of the North-West Territories, of Keewatin or of the Geological Survey Branch. Requisitions for money are sent by the Lieutenant-Governor of the former and the Superintendent of the latter, to the Minister, when he passes them to the Auditor-General, who issues a letter of credit in the usual manner. The outlay is accounted for in each case by accounts sent in duplicate and transmitted by the Department to the Auditor-General.

These duplicate accounts and the correspondence are recorded in the Department of the Interior.

The structural arrangements of the offices in this Department are most inconvenient. The rooms are altogether too small and much valuable space is wasted by so much sub-division.

Attention should be directed to the danger to which the valuable archives of this Department are exposed in case of fire, as, in such an event, their total destruction would be almost certain, and the loss would be an irreparable one.

Department of Indian Affairs.

The same remarks, as to the office arrangement and damage from fire, apply to this Department also.

The Management of Indian Affairs.—There are at present 27 agents situated in various parts of the Dominion, who are the medium of communication between the Indians and this Department.

The supplies for their use are contracted for by public tenders (with some trifling exceptions) and are furnished to them through the agents, and monthly accounts thereof furnished to the Department.

Sale of Indian Lands.—The prices at which their lands are sold are fixed from time to time by Order in Council, and the value is ascertained through the Government surveyors, and they are only sold to actual settlers, mining lands excepted.

The manner in which the books are kept where the sales of the lands are recorded, calls for amendment. Attention was directed thereto and prompt action recommended, which will doubtless be acted upon.

Department of Marine and Fisheries.

The duties appertaining to the Department of *Marine and Fisheries* are the supervision and management of

Lighthouses.

Shipping.

Fisheries.

Government Steamers.

Meteorology.

The books and accounts of this Department were examined, and they have to report that its various duties appear to be well and efficiently administered.

Departments of Public Works and Railways and Canals.

The operations of the Department of Public Works are conducted through the following Branches:—

The Secretary's Branch and sub-division thereof.

Correspondence and Records.

The Chief Engineer's Branch.

The Mechanical Branch.

The Chief Architect's Branch.

The Accountant's Branch.

The Cashier's office.

And that of the Department of *Railways and Canals* through

The Chief Engineer, Railways.

The Chief Engineer, Canals.

Correspondence and Records.

The Secretary's Branch.

The Accountant's Branch.

The administration of these two Departments was, until 1879, conducted by the Department of Public Works, when the expansion of this part of the public business rendered its division into two Departments

necessary. The system for controlling the expenditure of the appropriations voted by Parliament for the various Public Works is both efficient and thorough; but on a re-organization of the Departments the system of book-keeping and accounts can be improved, and some existing duplication of the work avoided.

Department of Militia and Defence.

The memorandum furnished to the Commissioners by the Adjutant-General, which will be found in the appendix, contains full and interesting information as to the existing organization. The Department may be said to be divided into two—*Civil* and *Military*. The books and accounts are well and correctly kept, and there appears to be a good system of check on the stores of the various Military Districts, and for their delivery when required. The stores in Ottawa are partially insured, but those of the outside Districts are wholly uncovered. The existing machinery for the administration of this service appears complicated and unnecessary; it creates duplication of the work, thus increasing the expense. The consideration has been forced upon them and they venture to suggest that the Militia Service might, with greater economy and efficiency, be conducted, under the control of a Minister, by the Military Staff of the Department.

The Department of the Secretary of State.

The organization of this Department consists of the:

Correspondence Branch.

The Registration of Deeds and other documents.

The Stationery Branch.

The Queen's Printer.

These were all inspected, and the system pursued in each may be reported upon as satisfactory. The business of the Stationery Office and Queen's Printer is especially well and efficiently conducted.

The Department of Customs.

The duties administered by this Department comprise the supervision of the different Customs Houses and Outports throughout the Dominion, the Collection of all Customs and Export Duties, Copyright Duties, Fees for Bonding Warehouses, Steamboat Inspection, Tonnage Dues, and for Reporting and Licensing Vessels, Sick Mariners Fund, and of all monies derived from seizures and fines.

The Accountants Branch was examined and the books and accounts may be stated to be well and correctly kept; the Statistical Branch was likewise examined. The statistics of the imports of free and dutiable goods and also of the exports are first tabulated at the outside Ports, by monthly and quarterly returns, and forwarded to the Department at Ottawa within a specified time. They ascertained that a copy of each entry for duty made at the various Ports is forwarded weekly to the Department to check their correctness and to see that the proper rate of duty has been charged. The Department is thus in possession of the necessary data for the tabulation of the statistics. They, therefore, offer the suggestion that these statistics might with advantage, both as regards economy and accuracy, be tabulated at the head office in Ottawa. The Commissioner has condensed and simplified the trade returns published in his annual report, by which duplication of work is

avoided, and with advantage as regards their clearness and convenience for reference.

To ensure uniformity at all ports of entry in the rates of duty to be charged on goods of the same class, a monthly circular should be sent to every Collector, containing precise instructions as to the rulings and decisions of the Department in respect of the rate of duty to be charged, the discounts on invoices and as to undervaluations.

The regulations require daily remittances from every Collector when the amount is over \$100; these regulations are disregarded in numerous cases. Every Collector is, also, required to send a statement of his whole receipts from every source each fiscal week to the Department, but their statement does not show what disposition is made of the whole sum until the end of the month, when a balance sheet showing the exact amount received and paid out is rendered. The weekly statement should be required to exhibit the amount received and paid out in the same manner as the monthly statement.

The cashier at every port should be required to give security, which should be the bond of some guarantee company approved by the Department, the amount thereof to be governed by the relative importance of the port and the position.

There appears to be a general laxity in the enforcement of the rules and regulations of the Department. When it is considered that about two-thirds of the whole revenue of the Dominion is collected by it, they feel that they cannot too earnestly urge the enforcement of strict and prompt accountability on the part of every Collector and officer in its service, and that a thorough system of checks against smuggling and frauds on the revenue, or defalcations in the service, should be established and strictly administered.

Department of Agriculture.

The business of this Department is administered through the following branches:

1. General Correspondence, which includes Arts and Agriculture, Emigration and Quarantine.
2. Census and Statistics.
3. Patents.
4. Trade Marks and Copyrights.
5. Historical Records

The business of its various branches is conducted on a well-devised system.

The work of compiling the census and general statistics is arduous, requiring great labor and research in their preparation; and the scientific manner in which they are compiled reflects much credit on the Department.

The special statistics prepared under the supervision of the Deputy Head, a portion of which is published in the census of 1871, are unique in their character, and their value from an historical point of view can hardly be overrated.

The gross revenue derived from the Patent Office for the fiscal year ending 1879, amounted to the sum of \$33,308, a sum nearly equal to the total cost of the administration of the Department.

Auditor General.

The Auditor General is responsible to Parliament. His functions are to audit all the accounts of every Department of the Service, and to control the issue of credits to the various Departments against the appropriations voted by Parliament for their requirements.

The credit system has been devised as a check against the misuse of the money voted by Parliament, and may briefly be described as follows: Letters of Credit are issued by the Auditor General on requisition from any of the Departments on account of the appropriation voted by Parliament, upon which the Finance Department opens a credit with some bank in favor of the Department making the requisition. Cheques are drawn by it on the Bank with which the credit is opened, from time to time according to its requirements, up to the amount of the credit, and an account of all the cheques drawn is rendered at the end of every month to the Auditor General. A cheque is then drawn for the amount thereof on any bank in which the Government has funds; this cheque requires to be signed by the Auditor General and Deputy Minister of the Finance Department, or other persons duly authorized to sign. Although the cheques so drawn may not all be presented, when the statement is rendered to the Auditor General the bank on which they may be drawn is recouped in full. The accounts are adjusted from time to time between the Finance Department and the banks.

The system of auditing the accounts of the various Departments is not altogether uniform.

The Departments of Railways and Canals, and Public Works, send their accounts to be audited before payment in all cases when the amounts to be paid are large—such as contractors' estimates; these accounts are audited promptly to prevent disappointment or inconvenience to the parties entitled to receive the money. The accounts for smaller amounts are like the other Departments, audited after payment.

The mutilated Dominion notes are transmitted to the Auditor General's Department by the Assistant Receivers General to be recorded and afterwards destroyed.

The Consolidated Revenue receipts from all sources are recorded in the Auditor General's office daily, and statements rendered to Finance Department.

Department of Finance and Treasury Board.

The administration of this Department is conducted through the following branches and officers, viz.:—Appropriations; Bank accounts; Seigniorial tenure; Dominion stock; Assistant Receivers General; Savings Bank; Money Order and Credit; Dominion Notes; Payments; Clerk of Contingencies; Superintendence of Insurance; Deposits of Securities and Accounts.

Appropriation Office.

When any of the Departments want a credit against an appropriation, a requisition is made to the Auditor General, which is sent to the Finance Department, who issues a certificate that a credit may be opened. The credit is opened with one of the banks in favor of the Department applying for it. At the end of every month the bank sends a statement of the payments made against the credit, accompanied by the cheques as vouchers,

upon which the bank is refunded by a cheque which is signed by the Auditor General, Deputy Minister of Finance, or other person duly authorized to sign, on any bank where the Government has a balance. The funds from which the banks are repaid are the collections made on Consolidated Revenue Account, which are mainly from Customs and Inland Revenue.

The manner in which the collections are made is as follows: The various Collectors of Customs and Inland Revenue pay their receipts into a bank daily when they are situated where there is a bank, and, when distant from a bank, less frequently. The bank gives a receipt in triplicate for the money so deposited; one receipt being retained by the depositing official, one sent to the Finance Department accompanied by a draft, and one forwarded to the Department to which the officer belongs. The Appropriation Office keeps a record of all appropriations voted by Parliament for the Public Service, of all balances to expend on various appropriations, of Minister's daily balances in banks, of Orders-in-Council relative to Civil Government, and generally of all Orders-in-Council relative to the expenditure of public monies.

At the commencement of the fiscal year, the Governor General's warrant is issued authorising the expenditure of all appropriations voted by Parliament. Warrants may also be issued, from time to time, for any unforeseen expenditures, which are afterwards submitted to Parliament for approval. But most of the expenditures made against appropriations come before Council and Orders-in-Council are passed concerning them. All fixed charges and certain of the appropriations do not come before Council again.

It also keeps a record of the payment of interest coupons by London agents; reports to the Treasury Board on the amounts which applicants for superannuation may be entitled under the Act; reports also as to all gratuities granted; and keeps the establishment book and pay list for Civil Service.

The accounts of the Department of Justice are, after being certificated to by it as correct, paid through the Department of Finance. The Department of Justice keeping no Books.

Bank Accounts.

The account with the Bank of Montreal and the other Banks are adjusted monthly when the Banks render their Monthly Statement. The cheques actually paid only are entered in the Statement, but there being always a number of cheques drawn in the month but not presented, a memo. of these outstanding cheques is made. The balances are thus reconciled. This manner of adjusting Bank Accounts was not adopted until 1878.

Seigniorial Tenure.

The amount still due to seignories is \$385,837.00, and bears interest at 6 p. c.

Superintendent of Insurance Companies and Deposit of Securities.

The Superintendent of Insurance keeps an account of the deposits of securities made by every insurance company. The securities themselves are lodged in safety deposit vaults. A valuation is made by the Superintendent every five years of the life policies issued in the Dominion by every

insurance company, or at any time when he may be called upon to do so by them; all securities to be hereafter deposited must be in Government securities.

Assistant Receivers General.

There are at the present time five Assistant Receivers General, one each at Montreal, Toronto, Halifax, St. John and Winnipeg.

Dominion Savings Banks.

These are altogether independent of the Post Office Savings Banks, and are all in the outlying Provinces, with the exception of one at Toronto, viz.: at Nova Scotia, New Brunswick, Prince Edward Island, British Columbia.

The system of conducting the business of the Dominion Savings Banks compares unfavorably with that of the Post Office Department, and they are of the opinion that it is most desirable to incorporate the Dominion and Post Office Savings Banks together.

Dominion Notes, Bill and Postage Stamps.

The present system of obtaining supplies and of their distribution may be improved, and they have made suggestions accordingly.

The books and accounts are well kept; the transactions and business of this Department and the Department of the Auditor General are so intimately interwoven the one with the other that there must always be some necessary duplication of accounts; but they are firmly convinced that if reorganised on a more uniform system much of the existing duplication of the work can be avoided.

Clerk of Contingencies.

For the contingencies of the Public Service a sum is voted to each Department, and a sum of \$10,000 to the Departments generally. An account is made out monthly and sent to the Auditor General. The payments made through the office do not include all the contingencies; the stationery supplies and printing are excepted. The books of this office and the accounts are well and correctly kept.

Treasury Board.

The cases submitted to the Treasury Board generally relate to superannuation, employment of extra clerks, refunds and remission of duties, fines, &c. The Treasury Board then reports to Council on almost all cases brought before it, the exceptions are the exchange of securities, and all cases of minor importance.

Intercolonial Railway, Moncton, N. B.

Messrs. Mingaye, Barbeau, and the Chairman examined the system of accounting for the receipts at stations from freight and passengers which appeared to be complete. The Cashier's office and Chief Accountant's office were inspected. The books are well kept. Some duplication of work was pointed out, and suggestions for avoiding all unnecessary entries in the books were made, and received in a proper spirit by the accountant.

The system of obtaining supplies for the use of the Railway and the Mechanical Department, and of furnishing the same on requisition from the various Departments, as well as the checks in their use and consumption, are thorough.

It was suggested to the storekeeper to obtain his supplies of stationery from the Stationery Branch at Ottawa, inasmuch as it is all imported free of duty, whereas the purchases by the storekeeper must be of goods which have paid duty. There will be some saving in getting all that can be supplied from the Stationery Office at Ottawa.

The following shews the number of passengers carried, the revenue therefrom, and the mileage; also the number of tons, revenue therefrom, and the mileage—year ending 30th June, 1880 :—

Passengers.	Revenue.	Mileage.
581,483.	\$490,338.60.	29,782,706.
Tons of freight.		
561,924.	\$915,486.50.	113,626,448.

Rate per mile for passengers.....	00 1 ⁵⁴ / ₁₀₀
Rate per ton per mile for freight.....	00 0 ⁸⁰ / ₁₀₀
Annual charge for water is.....	\$3,000.00
Price for gas.....	\$3.25 per M.

Contract made for 10 years at above rates.

Conclusion.

Having thus indicated the merits and defects of the various Departments, it may be said of the system generally, that though there is much to uphold, there is on the other hand much that requires to be improved.

Thus the system of keeping the books, both in the Inside and Outside Services, is of a most fragmentary character. It is desirable in the public interest to adopt uniformity in the manner of keeping the books and accounts in the various Departments; this, they believe, can only be done by delegating the supervision of the books and accounts in all the Departments, both inside and outside, to some central authority, which will have the power to order that the requisite changes should be made, and uniformity, as far as practicable, insisted upon.

Then, they are impressed with the belief that, in point of numbers, the Service is decidedly in excess of its requirements, which may be attributed to the following causes :

1. To the prevailing mode of making first appointments and promotions.
2. To a needless subdivision of the work of the Departments into branches.
3. To the structural arrangement of the offices.

The remedy for the first will be fully dealt with in the Report of the Commissioners. As regards the second they would observe that while subdivision of work, when there is a large quantity of labor to be performed, is conducive to efficiency and economy, it is the reverse when the work does not demand it.

To the defective internal arrangement of the offices, this needless subdivision must be largely attributed. The only remedy they can suggest for the evils resulting from structural defects is a thorough change in the manner in which the rooms are now divided, by the removal of unnecessary party walls, and the substitution of larger rooms for small ones wherever it can be done, especially in those of the Eastern Buildings, which are occupied by the Departments of Finance and Audit, Inland Revenue, and

of the Interior, and of those occupied by the Customs and Militia and some of those in the Post Office Department in the Western Buildings.

Much valuable space is lost by the divisions of these Buildings into so large a number of small offices. This again interferes with the proper distribution of the work among the clerks, involving loss of time, and a minimum of work. The Service is consequently made less efficient, and the expense increased. Experience has proved the advantage of large offices where considerable numbers can work, who thus come under the immediate supervision of those having the control.

They think, therefore, they cannot too earnestly urge on the Government the immediate enlargement of these offices.

Copying presses are used to some extent in the Departments, but they are of opinion that their general use should be obligatory and that, subject to special exceptions, no letter should be copied by hand.

D. McINNES.

E. J. BARBEAU.