

## CUSTOM HOUSE, MONTREAL.

MONTREAL, 13th September, 1880.

WM. B. SIMPSON, Collector of Customs, Montreal.

984. Have you any perquisites, fees, commissions or emoluments whatsoever in addition to your salary?—None now, save fees for bills of health which do not exceed ten dollars a year. Formerly I held the position ex-officio of shipping master, which yielded me from five to six hundred dollars per annum; but of which I was deprived by the late Government, as their last act. I consider I should be indemnified for this loss, as I was given to understand by the late Minister of Customs that said fees, together with my official salary, would form the basis of my superannuation.

985. Who appoints the clerks and other employés of your office?—All permanent appointments are made by the Government through the Minister of Customs. All supernumeraries are appointed by the Minister of Customs on recommendation of members of Parliament, and on the applicants passing an examination before the collector as to their competency.

986. Do they serve any term of probation before being confirmed in their appointments?—They do not.

987. Do you consider your present staff efficient?—I think a portion of my staff is efficient; but there are some that are not so. I consider that an improvement should be made in the long room, where I have no clerk, who can, from the knowledge of the language, check either Spanish or German invoices. Mr. Gabler, the appraiser, being the only person acquainted with the latter language. The standard of some of the clerks of the long room requires to be raised. My opinion is that men are thrust into office through political pressure that are, in some instances, unfit for their duties.

988. Is there a regular system of promotion in your office; and how are promotions made?—There is not a regular system of promotion, although I try my utmost through my recommendations to the Department, as far as possible, to accomplish that desirable object. As a general thing in the past, vacancies have been filled up by outsiders; and where promotion has taken place in the office, it has been contingent on long service, coupled with efficiency; but also, frequently, through the pressure brought to bear upon the Government by the friends of the party promoted.

989. What are the means at your disposal to enforce discipline amongst your employés?—The means at my disposal to enforce discipline consists: 1st. In personal influence; 2nd. The threat of reporting to the department any delinquency; and 3rd. Suspension of the party who disregards any of the former, by his overt act, and reporting the same to the Department. I consider it would be advantageous for the discipline of the office if, in addition to the foregoing means of enforcing it, the collector should be empowered to fine officers by deducting from their salary certain sums for absence, non-attendance and other serious causes, rather than to proceed to the extreme measure of suspension.

990. By whom is the cash received in your office?—By the cashier and his assistant.

991. What checks have you over the receipts of your office?—The surveyor's cash-book and the chief clerk's cash-book, but more particularly the daily statement made by the cashier to me, which is checked with the bank receipts in favor of the Receiver-General. I am of opinion the checks are ample and sufficient.

992. In what bank do you make your deposits, and how often are they made?—In the Bank of Montreal, and every day. The collections of the day are taken up with a statement, all placed in a box, to the bank, which—being after banking hours—is placed in the bank vault until the following morning, when the key is sent up to the bank by the cashier and the box is opened and the money counted by the bank officials, and a draft for the Receiver-General is returned. Thus it will be seen that the receipts of one day, although placed in the bank the same day, are, nevertheless, not deposited until the following day, the money being simply placed in the bank

vaults for safe-keeping; and it is doubtful whether, if any accident happened to that money while so placed in the bank, it could be held responsible for the same.

993. Are all public monies received by you deposited at the credit of the Receiver-General?—There are special funds, such as wharfage, Trinity dues, pilot fees, Sick Mariners' Fund, &c., &c., which are deposited in the bank to the credit of the Collector of Customs of the Port of Montreal, and chequed out in favor of the corporations for whose account the monies were received.

994. How often are the accounts rendered to the Department at Ottawa?—Monthly, quarterly, semi-annually and annually.

995. What correspondence is conducted in your office, and by whom?—The correspondence is carried on by me and my corresponding clerk. That with the Department is kept separate. The correspondence is very large. So far the method of keeping the indexes and records has been found sufficient.

996. Are there any persons residing in the Customs buildings at Montreal?—Yes; the old caretaker, who is now superannuated, still resides in the upper part of the main building with his wife, as she has the care and charge of keeping it clean, she being the housekeeper. In addition to this, the engineer, with his wife and family, also reside in the upper part of this building.

997. Have they allowances, such as fuel, light, or of any other kind?—Yes; they are allowed fuel and light, which in all does not amount to much.

998. How are the supplies for your office obtained, viz., stationery, fuel, light, miscellaneous?—They are obtained as follows: stationery, by application to the Department; fuel, by contract approved by the Minister; light, by gas-meter, and paid for quarterly. Miscellaneous—most of these items which can be possibly deferred are procured on permission received from the Department. There are cases, however, where I assume the responsibility of procuring them and report to the Department. They are paid out of credits allowed for contingencies.

I desire to draw attention to the very heavy item of expense, viz., water, which charge I consider to be very largely in excess of what it should be; the corporation of the city charging us in accordance with the assumed value of the buildings we occupy, viz., Custom House and the Examining Warehouse, and not in accordance with the quantity of water consumed. The rates charged are:

For the Custom House.....	\$454 10
“ Examining Warehouse.....	601 35
“ Engines.....	266 00

Total..... \$1,321 45

999. What checks have you in the consumption of such articles?—The stationery used formerly to be applied for by the several departments of this office, and was delivered to said departments to be consumed as they saw fit. Finding this not an economical mode, or for the general interest of the Service, I have inaugurated a stationery office, under the special charge of one clerk, who gives out the stationery as it is required on reference being made to me. This is the only check I have on this item. On other items, such as fuel, light, miscellaneous, I have no check beyond the ordinary supervision and a comparison of accounts with previous years.

1000. Have any of your employes been defaulters, and if so, how much has been lost in that way?—None have been so.

1001. Did these employes give any security?—Some of the employes give security, but the great majority do not; and in my opinion they should all be under bonds, as either by negligence or wilful misconduct, the receipts of Customs might suffer. When I came to this office, I found the cashiers did not give any bonds, and as I individually was responsible for the receipt of all monies, I exacted bonds for my own protection from these gentlemen, which was duly reported to the Department. The cashier and his assistant are now under bonds of twenty thousand dollars each, jointly with two sureties.

JOHN LEWIS, Surveyor and Warehouse keeper, Montreal Customs.

1002. Have you any perquisites, commissions or emoluments, whatsoever, in addition to your fixed salary?—None; except such as may be derived from seizures made by me.

1003. Are there amongst the employés of the office any in receipt of additions to their salaries?—The tide surveyor receives fees for measuring the tonnage of vessels, from the owners. An aggregate amount of a few hundred dollars, is paid by the Harbor Commissioners to three or four clerks more immediately concerned in collecting wharfages for the trust. I am not aware of any bonus or extra pay being paid by the Department to any of the employés.

1004. Are any of them engaged in any business or occupation outside of their office?—Not that I am aware of.

1005. Do you, as a rule, find the employés of your office sufficiently educated for the performance of their respective duties?—I do not know of any who are not.

1006. Have you employés in the office, who, from age, infirmity, bad habits or other cause, are unfit for service?—I know of none being incapacitated for the cause mentioned.

1007. Are your employés regular in their attendance?—Yes; very generally.

1008. What is the average length of time each person is employed daily?—Clerks, landing waiters and appraisers in charge of office duties, attend usually from 9.30 a.m. to 4 p.m.; weighers, gaugers and tide-waiters, attend from 8 a.m. to 6 p.m. (one hour allowed at noon for dinner.) In the case of tide-waiters employed at railroad stations and on some vessels, they attend at 7 a.m. Lockers are engaged from 8 a.m. to 6 p.m., so also are laborers in the examining warehouse.

1009. Have you any employés whose hours of attendance are unusually long or unusually short?—None.

1010. Is the staff of the office efficient and are their duties well performed?—The staff is efficient and their duties are generally well performed.

1011. What would be, in your opinion, the best mode of making appointments for the Customs Service?—In my opinion, care should be taken before selecting any person for an office, to ascertain that he is possessed of the primary qualifications as to morals, health, age and fair education; and then that every one so selected should go through a probationary stage of from six to twelve months. I disapprove entirely of making appointments as at present, irrespective of qualification.

1012. Have the promotions in your office been made by reason of seniority or of merit?—As a rule, the filling of vacancies has been supplied by political influences, both as regards now appointments and promotions; but several have been advanced in the Service on account of fitness, on the recommendation of the collector.

1013. What is the average annual absence of each member of your staff on account of leave and on account of sickness?—A great number of the staff are never absent; but several avail themselves of the annual leave of from fifteen to twenty-four days. Absence through sickness is not of very frequent occurrence.

1014. Do you consider the supervision exercised over every branch of service sufficient?—Yes; I do not know of any want of supervision in any of the departments.

1015. How often is stock taken in the various warehouses where goods are kept?—Four times a year; and by two officers in no way connected with the receiving or delivering of the goods. I mean that the contents of every warehouse is checked within each quarter.

1016. From your experience, could you suggest any means by which the efficiency and economy of the Service might be improved?—I believe the efficiency of the Service, at this port, would be promoted by the adoption of a system of classification of officers and clerks; the employés in each class being advanced by an established scale until they attain to the maximum salary in their class, and promoted into the next class as vacancies occur, except in cases of misconduct or neglect of duty. Such a system would prove an incentive to the faithful perform-

ance of their duty, and would be a check upon undue preference by chief officers in recommending their subordinates for advancement. It would also put an end to frequent, and in some instances, well-founded complaints of injustice, and to applications for increase of salary in advance of the time prescribed by law or regulation. The present system of assigning to each Customs lockers a certain number of bonding warehouses is attended with considerable expense, which might be very much reduced were such officers required to attend at the Custom House, and be ready for duty as required. Moreover, the duties of lockers and of tide-waiters, who are employed at vessels and railway stations, constantly fluctuate with the seasons, &c., and, therefore, it would, in my opinion, be much more economical to form these two classes into one class, under the name of tide-waiters and lockers, or any other more appropriate designation, such as "checkers," and assign each his duty, as circumstances may require, or, which he may be best qualified to perform.

A very considerable sum would also be saved, as well as greater security to the revenue effected, by establishing Government bonding warehouses, more especially for the storage of wines and liquors, thereby superseding the present private bonding warehouses for such goods, and reducing the number of lockers. Moreover, such a change would be a guarantee against frauds, which are difficult of detection.

#### INLAND REVENUE, MONTREAL.

MONTREAL, 15th September, 1880.

Mr. R. BELLEMARE, District Inspector, examined :—

1017. Please define the duties of your office?—My district of inspection extends from the counties of Champlain, Nicolet, Arthabaska, on the east, up to the limits of Ontario and Quebec. There are, in that district, eleven judicial districts and as many revenue divisions. Nine of them are under my surveillance and the two others are inspected by the Department at Ottawa. I have to visit the offices of Inland Revenue or Excise regularly and the offices of Weights and Measures occasionally or when directed to do so. There are additional duties I am occasionally called upon by the Department to perform.

1018. How often do you visit places where excise goods are produced?—Usually four times a year.

1019. How often are the bonded warehouses examined and stock taken?—In all divisions, except Montreal, I personally take stock in the warehouses about four times a year. In Montreal, the stock is taken by officers under me every six months, and a due control is kept over the goods remaining in bond. In future, owing to a separation between the Customs and Excise warehouses, we will have a better and more direct control over bonded goods subject to excise duty.

1020. Do you check the operations of the manufacturers from the ingress of the raw material to the payment of duty and delivery of goods?—I do.

1021. What means are taken to ascertain the presence of the excisemen at their posts during the prescribed hours?—A register is kept showing the different places at which excisemen are employed during business hours each day.

1022. When did you last check the books and vouchers of the Montreal Division?—They are checked each day, as a rule, within my hearing, but I have explained to the Commissioners that the requirements of the Department's circular in this respect cannot be carried out in this division, owing to the extent of the business transacted, but I am satisfied, however, that the checking of the accounts here is safe.

1023. What means do you generally take to ascertain whether the collector and other officers under him perform their duties?—A constant superintendence of their personal attention to their duties, and also of the correctness of their books and returns.

1024. Will you describe the manner in which revenue stamps are procured and how they are dealt with and accounted for?—A requisition for stamps required is made upon the Department at Ottawa, and an order is sent to the British American Bank Note Company, here, to deliver the stamps to the collector; an account of the stamps received is entered in a book kept by the deputy collector and are issued on a requisition from the manufacturer, to be affixed to the goods in the presence of an officer. The stamps are kept in a vault when the office is closed. About 150,000 are issued monthly.

1025. Are yourself or any of your officers in receipt of perquisites, fees, commissions or emoluments, whatever in addition to fixed salary?—Not that I am aware of, beyond their share of seizures; I, however, do not participate in such.

1026. Who appoints the clerks and other employes of your office?—The Governor in Council.

1027. Do they serve any term of probation before being confirmed in their appointments?—They are required by the Department to pass an examination when called upon.

1028. What is the character of the examination?—I submit the programme for the examination.

1029. Do you consider your present staff efficient?—The staff, as a whole, is fairly efficient, but that for the Montreal division is numerically insufficient for the work required of it.

1030. Is there a regular system of promotion in your office, and how are promotions made?—The promotions of late that have been made in this office have been for merit.

1031. Are any of your officers engaged in profitable business or occupation outside of their office?—Not that I am cognizant of. One of the officials has been employed occasionally as an accountant after office hours; he is a clever and efficient officer and his salary is only \$500 per annum. It is a rule of the Department that an officer receiving a salary of one thousand dollars and upwards shall not accept any other than his official employment.

1032. Do you, as a rule, find the employes of your office sufficiently educated for the performance of their respective duties?—As a rule they are for the duties they have to perform.

1033. Have you any employes in your office, who, from age, infirmity, bad habits, or other cause, are unfit for office?—There is one officer who has been frequently sick, there is another who is inclined to drink; these are employed on the Montreal Division. One of the collectors in a rural division I consider too old and infirm to efficiently perform his duties.

1034. Are your employes regular in their attendance?—Generally so. An attendance book is kept.

1035. What is the average length of time of duty for your officers?—From 9.30 to 4 o'clock; many of the officers are, however, employed considerably longer.

1036. Are the salaries of your officers in proportion to the responsibility and labors of their office?—I do not consider the scale of salaries proportionate to the duties and responsibilities.

1037. What would be, in your opinion, the best mode of securing good appointments?—I am of opinion that the existence of a permanent Board of Examiners, before whom all applicants for appointments should be examined, would tend to improve the efficiency of the Service. I also favor a probationary stage; what I now recommend already exists in the Inland Revenue Department.

1038. Do you consider the supervision exercised over every branch of your district sufficient?—Under the requirements of the new Act, I consider the staff insufficient in number to perform the additional duties required of it.

1039. What are the means at your disposal to enforce discipline?—I have power to suspend any officer for dereliction of duty.

1040. How is the cash received in your office kept, and how accounted for?—In current money and accepted cheques. When the amount of duty to be paid by

any one party or firm exceeds \$500, they are required to deposit the amount in a bank to the credit of the Receiver-General, for account of the Inland Department and the bank's receipt therefor is received in payment of duties. The cash receipts are deposited daily, at noon, to the credit of the Receiver-General, and a statement of the collections, with a deposit receipt therefor, is transmitted daily to the Department at Ottawa. Any sum collected subsequent to noon is in the possession of the collector, and is kept in a safe. The amount so kept in no case has exceeded \$25,000, and is principally in accepted cheques; the average amount so kept is between \$3,000 and \$4,000, of which I should say 25 per cent. is in current funds.

1041. Have you had any defalcation in your office?—Only once to a considerable extent, the defaulter being now in the penitentiary. He was under bond to the extent of five thousand dollars, which amount was recovered, being one-half the amount abstracted.

1042. What are the securities given by your officers?—They are all under personal bonds, with two sureties; or they give bonds of an approved guarantee company.

1043. From your experience could you suggest any means by which the efficiency and economy of the Service might be improved?—My opinion on that matter can be resumed as follows: 1st. I believe the selection of officers should be based on their physical and intellectual qualifications, tested by a strict examination either before a permanent Civil Service Commission or Departmental Board of Examiners, as now established in this branch of the Service. All aspirants to appointments in the Service should qualify themselves and produce certificates from such Boards of Examiners. 2nd. As the physical and intellectual qualifications are not sufficient to make a good officer if the character is otherwise deficient, I think all officers should be submitted to a probationary stage, by which their judgment, their tact, their docility, their civility, their honesty, their assiduity, their general habits, would be tested. The cleverness displayed during the first test is of no use, or rather dangerous, if the moral qualifications required by the second test are not unexceptionable. No officer should be appointed or allowed to remain in the Service if he cannot satisfactorily stand the two tests. I believe the efficiency and the economy of the Service will be found there.

Jos. L. VINCENT, examined:

1044. Please describe your duties?—The supervision of all the employés; the responsibility of the money collected, the correspondence to the Department and to the public; to issue all licenses, to examine the stock books of all the manufacturers, and to take stock in the various excise bonded warehouses, and to answer generally all enquiries made by the public. That part of my duties which consists in the examination of the books and stocks at the manufactories is not regularly performed for want of time.

1045. How is your work distributed among your officers and clerks?—The work is distributed as follows:—A certain number of employés are employed at the various duties in the office; others at surveying malt houses; others in charge of tobacco factories; others as lockers to excise warehouses; some in weighing spirits on removal; some at testing petroleum; and one in charge of the bonded factory. Our staff consists of twenty-seven all told.

1046. Are the duties of the excise men well and regularly performed; and how do you ascertain this?—Yes, generally; but there are duties connected with the supervision of factories for which special aptitudes apart from mere education are necessary, which cannot be efficiently performed by all our officers. If there were more men with such aptitudes the revenue would be better protected.

1047. Who would attend to your duties in case of absence?—I believe it would devolve to the deputy-collector.

1048. Who has the supervision over the book-keeping?—The deputy-collector.

1049. Is the system of your book-keeping left to yourself, or is it controlled and regulated by the Department at Ottawa?—It is controlled by the Department at Ottawa.

1050. To your knowledge, have promotions in this office been made by order of merit?—Not always.

1051. By whom is the distribution of the work in your office apportioned?—The book-keeping by the Department; other duties by the collector. The cashier has been placed at his duties by me on sanction of the Department.

1052. Is the work fairly divided, or are some classes of your clerks called upon to perform more than others?—The work is pretty fairly divided; the cashier having perhaps more to do than some of the other clerks.

1053. Is the current work of each day written up or otherwise completed before clerks leave the office on that day?—Yes; so far as the ordinary office work is concerned.

1054. Is your staff efficient?—Yes, generally; two or three of the officers however, are not quite efficient, one on account of old age; one for his intemperate proclivities, and one or two for want of sufficient education.

1055. Are any of the employes required to work long hours each day, than those prescribed for attendance at the office?—There are some; but they are not paid extra.

1056. Do you consider the scale of salaries of the employes as commensurate with their duties and responsibilities?—I do not think it is exactly so.

#### CUSTOM HOUSE, QUEBEC.

QUEBEC, 18th September, 1880.

JOHN W. DUNSCOMB, Collector of Customs, Quebec:—

1057. Have you any perquisites, fees, commissions or emolument whatsoever in addition to your fixed salary?—One dollar for each bill of health I deliver, authorized by Statute, amounting in the aggregate to about fifteen dollars a year.

1058. Who appoints the clerks and other employes of your office?—With the exception of the tide-waiters and boatmen, all officers and employes are appointed by the Governor in Council. The tide-waiters and boatmen are appointed by the Minister of Customs; two tidesmen, however, have been appointed by Order in Council.

1059. Do they serve any term of probation before being confirmed in their appointments?—No.

1060. Do you consider your present staff efficient?—Yes.

1061. Is there a regular system of promotion in your office, and how are promotions made?—No; there have been only two promotions in about twenty years. Vacancies are always filled from outside.

1062. What are the means at your disposal to enforce discipline amongst your employes?—Reporting to the Department and suspending.

1063. By whom is the cash received in your office?—The cashier.

1064. What checks have you over the receipts of your office?—The surveyor keeps a "check cash book," in which he writes up all entries daily with a consecutive number. He compares his book with the cashier's.

1065. In what bank do you make your deposits, and how often are they made?—The Bank of Montreal. Every day at 2.30. In an exigency the bank accepts my deposit after banking hours.

1066. Are all public moneys received by you deposited at the credit of the Receiver-General?—All, except the collections for account of the Quebec Harbor Commissioners.

1067. How often are the accounts rendered to the Department at Ottawa?—Accounts of collections are rendered daily; other returns are made weekly, monthly and quarterly.

1068. Are there any persons residing in the Customs buildings at Quebec?—Yes; the housekeeper and his family.

1069. Have they allowances, such as fuel, light, or of any other kind?—He partakes of the heating and lighting of the building, without any perquisites.

1070. How are the supplies for your office obtained, viz., stationery, fuel, light, miscellaneous?—Stationery, by a requisition upon Department at Ottawa; fuel, by purchase, on instructions; light, by purchase of coal oil; miscellaneous, sundry small items amounting to a trifle in the year.

1071. How are payments made for these articles?—With the exception of stationery, out of the accountable cheque given me for contingencies, and of which I make a return once a month.

1072. Have any of your employes been defaulters? and, if so, how much has been lost in that way?—Nothing has ever been lost in that way.

1073. Do any of your employes give security?—All commissioned officers do. The clerks do not; but I think they ought to, as it would tend to elevate the Service.

1074. Are there, amongst the employes of the office, any receipts or additions to their salaries?—The surveyor, the tide surveyor and landing waiters are paid extra for serving steamers on Sundays, holidays and night work. The are paid by the vessels they serve under the authority of Government. And further, all officers except the collector participate in any seizures they may make.

1075. Are the facilities afforded adequate to enable the tide surveyors at this port to efficiently perform their duties?—I think not. The large number of steamers now visiting the port and the great extent of the port require a steam-launch to be substituted for the row boats now in use. There is no adequate accommodation for the examination of passengers' luggage. In the absence of such accommodation, great confusion prevails, to the annoyance of the passengers and dissatisfaction of the officers serving the steamer, who feel their duty has not been properly performed. I would suggest that two suitable buildings be erected, one for the accommodation of cabin passengers' luggage, and the other for steerage passengers. By the present absence of arrangement there is no doubt a considerable amount of valuable property escapes the notice of our officers, and thereby a loss to the revenue takes place. In fact, it invites fraud.

1076. Are any of them engaged in any business or occupation outside of their office?—Not that I am aware of.

1077. Do you, as a rule, find the employes of your office sufficiently educated for the performance of their respective duties?—Yes.

1078. Have you employes in the office who, from age, infirmity, bad habits or other cause, are unfit for service?—No.

1079. Are your employes regular in their attendance?—Yes.

1080. What is the average length of time each person is employed daily?—The long-room employes attend from 9 to 4. The water-side officers, at all hours, as duty requires.

1081. What would be, in your opinion, the best mode of making appointments for the Customs Service?—Satisfactory testimonials as to character, and an examination as to qualification and capacity, coupled with a term of probationary service.

1082. Do you consider the supervision exercised over every branch of service sufficient?—Yes.

1083. How often is stock taken in the various warehouses where goods are kept?—Stock is formally taken every quarter by the landing waiters, and their returns are checked by a long-room clerk with the warehouse-keeper's books. The landing waiters and the long-room clerk selected for that purpose have nothing to do with warehouse business, and it is with great satisfaction that I state no loss whatever has occurred in the warehouses of this port.



1084. Do you consider the system of permitting bonded goods to be stored in a private warehouse a proper or desirable one?—I think a certain class of goods, say wines and liquors should be stored only in a public warehouse. Private warehouses are no doubt a great convenience to the commercial community; but they should be reduced in number as much as possible.

1085. Is there any class of your employes whose pay, in your opinion, is in excess or inadequate for the services they perform?—No; I do not think there are any. There is one exception, however, in the case of an acting appraiser whose pay I consider insufficient for the importance and responsibility of his duties.

1086. From your experience could you suggest any means by which efficiency and economy of the Service might be improved?—With the exception of the two important subjects which I have pointed out, viz.: the steam-launch for the service of the tide-surveyors, and accommodation for the examination of passengers' effects by ocean steamers, I have nothing to suggest.

### INLAND REVENUE, QUEBEC.

QUEBEC, 20th September, 1880.

Mr. LARUE, District Inspector Inland Revenue, District of Quebec.

The District Inspector, Mr. James Lamoine being absent, Mr. George Larue, the Collector Inland Revenue, answered as follows:—

1087. How often do you visit places where excise goods are produced?—Every two months.

1088. How often are the bonded warehouses examined and stock taken?—Every three months.

1089. Do you check the operations of the manufacturers from the ingress of the raw material to the payment of duty and delivery of goods?—Yes; I do.

1090. What means are taken to ascertain the presence of the excisemen at their posts during the prescribed hours?—By frequent visits and general surveillance.

1091. When did you last check the books and vouchers of your division?—About ten days ago, up to 1st August last.

1092. Will you describe the manner in which revenue stamps are procured and how they are dealt with and accounted for?—We first obtain them on requisition from Ottawa; they are then recorded according to denominations in a book kept for that purpose; they are then given to our officers in charge of the various manufactories, on a requisition signed by the manufacturer, who pays duty then; and the balance of stamps remaining on hand is reported to Ottawa every month and verified by my book-keeper.

1093. Are yourself or any of your officers in the receipt of perquisites, fees, commissions or emoluments whatever in addition to fixed salary?—Nothing to my knowledge, except what may come from seizures.

1094. Who appoints the clerks and other employes of your office?—The Department.

1095. Do they serve any term of probation before being confirmed in their appointments?—They have been for some time taken on probation, subject to confirmation after special examination of fitness for Inland Revenue duties.

1096. Do you consider your present staff efficient?—Yes, as a whole; and the Service is efficiently performed.

1097. Is there a regular system of promotion in your office, and how are promotions made?—I am not aware, as none have taken place since I have been here.

1098. Are any of your officers engaged in profitable business or occupation outside of their office?—Not to my knowledge.

1099. Do you, as a rule, find the employes of your office sufficiently educated for the performance of their respective duties?—Yes, with one exception.

1100. Have you any employes in your office who, from age, infirmity, bad habits or other causes, are unfit for service?—No.

1101. Are your employes regular in their attendance?—I have had some difficulty on this point; but at present, I am satisfied.

1102. What is the average length of time of duty for your officers?—For some, from 9 to 4; and for others, some of the excisemen, from 9 to 6, occasionally. The book-keeper is generally here to 5:30.

1103. Are the salaries of your officers in proportion to the responsibility and labors of their duties?—Some officers who have not passed, and who will never be able to pass the required Departmental examination, are in receipt of salaries beyond the value of the services they render; while others, whose duties are very responsible, and who have passed their examination, do not receive salaries adequate to their services.

1104. What would be, in your opinion, the best mode of securing good appointments?—Probation, as it exists now in this office, would, in my opinion, procure the best appointments. It would be indispensable, however, that the officer be fairly educated.

1105. Do you consider the supervision exercised over every branch of your district sufficient?—Yes.

1106. What are the means at your disposal to enforce discipline?—By suspending the offending party and reporting him to Ottawa.

1107. How is the cash received in your office? How is it kept, and how accounted for?—The cash is received by me; and in my absence, by the book-keeper. For sums under five hundred dollars, I take current funds; above that, the usual bank deposits. When I say sums I mean entries.

1108. Have you had any defalcations in your office?—Not to my knowledge.

1109. What are the securities given by your officers?—By personal bonds from themselves and two sureties. The amount varies according to the responsibility of their duties.

1110. From your experience could you suggest any means by which the efficiency and economy of the Service might be improved?—

1111. Who would attend to your duties in case of absence?—My book-keeper, as I have no deputy.

1112. Who has the supervision over the book-keeping?—The Inspector and myself.

1113. Is the work fairly divided, or are some classes of your clerks called upon to perform more than others?—I must say that some of my clerks are called upon to do more than others.

1114. Is the current work of each day written up or otherwise completed before clerks leave the office on that day?—Yes.

1115. Are any of the employes requested to work longer hours each day than those prescribed for attendance at the office?—None. The excisemen, however, are sometimes obliged to be early and late on duty.

#### POST OFFICE, QUEBEC.

QUEBEC, 21st September, 1880.

J. B. PRUNEAU, Postmaster, examined:—

1116. Have you any other perquisites, commissions or emoluments whatsoever in addition to your salary?—Yes; I am entitled to one-tenth of one per cent. on all moneys lodged in the Post Office Savings Bank, and on all Money Orders issued and paid by the Money Order Branch, which amounts to, in the aggregate, a trifle over two hundred dollars per annum.

1117. Are any of the employes of your office allowed any remuneration over and above their official salaries?—No.

1118. Are any of them engaged in any business or occupation outside their office, and are you yourself so engaged?—Not to my knowledge; for myself, I am not.

1119. Do your clerks serve any term of probation before having their appointments confirmed?—Since my appointment there have been but two who have served terms of probation before being appointed, and I am informed that previously several others served probationary terms.

1120. Do you, as a rule, find the persons employed in your office sufficiently well educated to enable them to perform their duties efficiently?—Yes.

1121. Have you any persons in your office who, from age, infirmity, bad habits or other cause, are unfit for service?—There is only one who, from intemperate habits, is frequently absent from duty.

1122. Have you ever had any clerks appointed in your office unfit for their duties from any of the above causes?—No.

1123. Have you sometimes to address complaints against clerks or employes to the Head Department; and if so, is any attention paid to these complaints?—I have had only one occasion in a period of seven years to suspend and report one clerk for insubordination to the Department. He was to be dismissed, but on account of his past good conduct was allowed to retain his position on paying a fine of twenty dollars.

1124. Are your employes regular in their attendance?—Yes.

1125. What is the average length of time each person is employed daily?—Between nine and ten hours a day.

1126. By whom is the cash received in your office?—The assistant postmaster receives and is responsible for the cash collected, which is very little. This consists of unpaid postage on letters, postages on newspapers, and rent of drawers and boxes.

1127. What check have you over these receipts?—We have a book wherein are entered all the unpaid and short-paid postages, and these are charged to the clerks, who have to account for them. An account is also kept by which I know all that should be collected on newspapers. Accounts are also kept by which we entirely control all to be collected for boxes, drawers and "deposits for keys."

1128. In what bank do you make your deposits?—In the Bank of Montreal.

1129. How often do you make these deposits?—Twice a day. These deposits also include the amount received for Money Orders sold, and deposited in the Post Office Savings Bank.

1130. Are any of the receipts of your office deposited at your own credit any where?—No.

1131. Please state how postage stamps are procured, kept, dealt with, and accounted for?—They are procured on requisition, signed by me, from the Department at Ottawa. They are kept in a tin box, which is deposited in a good safe. They are sold only to licensed stamp vendors who pay for them by a certificate of deposit in the name of the Receiver-General. The balance remaining on hand is counted once a month and checked by the inspector. A monthly return of all stamps sold is also made to the Department.

1132. By whom are your accounts kept? and how often are they rendered to the Department?—By the assistant postmaster, and rendered once a month to the Department.

1133. Are there any persons belonging to your staff occupying rooms in the Post Office building. If so, who are they and what are their duties?—Only the house-keeper and his family. His duty is to look generally after the building, and to collect the letters of some of the street letter boxes. He also attends to the furnace and sees that the street clock is lighted at night.

1134. Have they any allowances, such as fuel, light or other perquisites?—None.

1135. What becomes of the waste paper of your office?—The waste paper is allowed as a perquisite to one of the messengers. I am informed by him he realizes from its sale between forty and fifty dollars per annum.

1136. What is the average annual absence of each member of your staff on leave, and on what evidence of illness do you permit an employe to absent himself?—The

average annual leave granted is fifteen days. In cases of illness a certificate of the physician is required.

1137. Do you consider your staff efficient?—I do.

1138. Could any reduction be made in the number of your staff?—No; on the contrary. I need an additional letter carrier. In consequence of the limited number of letter carriers, I was unable to grant any of them the usual leave of absence.

1139. Have you any night work or extra hours in your office, and if so, how many clerks are thus engaged?—We have no night work.

1140. How are the duties of your office divided, what supervision is there over these divisions of duty?—We have the forwarding branch and the city delivery; also the registered-letter branch, and the Money Order and Post Office Savings Bank branches, and there is a constant supervision by myself and assistant postmaster.

1141. Do you consider the supervision thus given to be sufficient to ensure a proper performance of such duty?—Yes.

1142. Please state how registered letters and parcels are received, kept and accounted for?—They are received by the registered letter clerk, who enters them in a book kept for that purpose; they are kept, in the day, for distribution by that officer; and at night they are deposited in the safe, having a combination lock. They are delivered only on receipt of the parties to whom they are addressed.

1143. What check have you on the consumption of supplies?—The stationery is kept by the Assistant Postmaster, who sees very particularly what use is made of it. As to light, fuel and miscellaneous, the control on them is through the ordinary surveillance.

1144. Have any of your employes been defaulters, and if so, how much was lost through these defalcations?—We have had only one defaulter, who was convicted and sent to penitentiary; he took about one hundred letters. The total amount lost in that way was about three hundred or four hundred dollars.

1145. Which of your employes give security?—Myself, my assistant, the money order clerk, the registered letter clerks, and all the letter carriers.

1146. Can you suggest, from your experience, any means by which the efficiency and economy of the Service in your office could be improved?—No.

1147. What could be, in your opinion, the best mode of securing good appointments?—An examination, coupled with a sufficient probationary term, the probationary term being the crucial test for competency.

The assistant postmaster, Mr. Bolduc, participated and concurs in the above answers and opinions of the Postmaster.

## MARINE AND FISHERIES, QUEBEC.

QUEBEC, 21st September, 1880.

Mr. J. U. GREGORY, Agent of the Department of Marine and Fisheries, examined:—

1148. How is your staff appointed, and is it efficient?—By the Minister, and it is efficient.

1149. Have you, in the district under your management, any lighthouse-keepers whose services are not efficiently performed?—No.

1150. How often are the lighthouses inspected, and by whom?—Those below Quebec are inspected twice during the season by the inspector; those above Quebec, once during the season, also by the inspector, and require frequent supervision by myself. These require frequent assistance to be kept in order, to meet the wants of navigation.

1151. Have you any other perquisites, commissions or emoluments in addition to your salary, and are any of your employes in receipt of such?—No.

1152. Are any of your employés engaged in any business or occupation outside their office, and are you yourself so engaged?—No.

1153. Have you any person in your office, or in the lighthouse, steamers or police services, who from age, infirmity, bad habits or other cause, is unfit for service?—Not at present; but I wish to remark that some are much more competent than others.

1154. Are the employés in the services above referred to regular in their attendance?—Yes.

1155. By whom are your accounts kept, and how often are they rendered to the Department?—By the accountant under my supervision, and rendered twice a month to the Department.

1156. Could any reduction be made in the number of employés engaged in the various services connected with your agency?—No reduction could be made without detriment to the Service.

1157. How are the supplies used for lighthouse purposes, Dominion steamers and the Water Police service procured, in whose charge are they kept, and what check have you over their disposal?—They are procured by public tender and given to the lowest bidder, accepted at Ottawa. With the exception of paints, oil and coal, all supplies are ordered direct for the Service as required to go into immediate consumption. As to their disposal, they are only granted upon a requisition made out by the officers in charge of the various services. These requisitions are first examined and certified by a chief officer, then brought for my approval. If satisfactory, after obtaining an estimate of their probable cost, an order is then issued on some of the contractors. These orders are returned as vouchers for the accounts, which are also certified to by the parties who receive the supplies. They are then paid for by cheque.

1158. Is a return made to you of the supplies used by the above-mentioned services by which you can ascertain in what manner those supplies have been used, and are you enabled to detect any misappropriation or waste?—Coals and oils are accounted for by the engineer's books and the known consumption, per hour, of each vessel when under steam; and account is kept of all supplies going on board. As to provisions, my past sixteen years' experience in this Department gives me a very fair knowledge of the cost, per man, for board. I get monthly returns from every lighthouse, fog-alarm and provision-depot keeper, showing the quantity of supplies on hand on the first day of the month, the amount consumed daily, with the balance on hand. Then the inspector verifies all this, and twice a year reports the quantity found by him in those places. This enables me to keep track of the supplies and to easily detect any misappropriation or waste.

1159. Do you take stock of the supplies in hand, and how often; and have you ever discovered any deficit therein?—I take stock occasionally for the purpose of checking the officers in charge of supplies. There are sometimes leakages in oil.

1160. Can you suggest any means by which a greater degree of economy and efficiency could be obtained in the various services connected with this agency?—No.

#### DEPARTMENT OF MILITIA AND DEFENCE.

OTTAWA, Wednesday, 29th September, 1880.

The Commission met at 2 p.m.

Lieut.-Col. WILY examined:—

*By the Chairman:*

1161. What is your position in the Service, and how long have you held that position?—Am Director of Stores and keeper of Militia property. Have been 21 years in the Service, and 18 in my present position.

1162. Will you kindly state the nature of the duties you have to perform?—I have charge of all the Government stores, and am responsible for their safe-keeping, delivery and receipt. I have also charge of all Militia lands, and have the duty of

collecting the rents and controlling the property. The fortifications are part of the Militia property and come under my direction also.

1163. How many persons are there employed under you and accountable to you for the performance of their duties?—There are the storekeepers of the twelve military districts, the staff of laborers under the storekeepers, and the clerks of my own office—about thirty persons in all.

1164. Do you consider that the number is larger than is needed, and that the work could be performed by a smaller number?—No; I think not.

1165. Is your staff an efficient one, or have you some men who from age, idleness, incapacity or any other cause are not well fitted for the efficient performance of their duties?—None, that I am aware of.

1166. How are first appointments made, and at what age are clerks usually appointed?—Appointments are usually made by the Minister. The age has never been made a question. Most of the men appointed in my department are men in the prime of life, able to perform their work which is sometimes very heavy.

1167. Do you consider that if appointments were made regardless of political patronage and only on the ground of fitness for the work, it would be a reform on the present system?—Decidedly, it would be an improvement.

1168. Do you think the effect would be that the work of the Service could be carried on with a smaller number and the economy of the service promoted?—Probably it would.

1169. Has the work of your branch increased?—The work has been considerably increased of late years, and goes on increasing from year to year.

1170. How are the salaries which are paid, is the pay proportionate to the duties?—Generally, it is; but in the case of the storekeepers, who have had paymaster's duty added to their work in the past year, the pay is rather less than it should be.

1171. Have you any clerks or employes who are engaged in any outside employment which may interfere with their duties to this Department?—Yes; there is one.

1172. Are the Militia properties, to which you have referred, numerous, or are they confined to a few localities?—They are numerous, and in all parts of the Dominion.

*By Mr. White:*

1173. How many clerks have you under your supervision at headquarters; has each clerk specific duties, and, if so, please define them briefly?—Four. Each clerk has a special duty. One looks after the returns from the stores, checks them off, and sees that they are correct; he is responsible for the correctness of all monthly returns from the different storekeepers. Another has charge of the lands, looks after the rents, makes out leases and does all the business in connection with the lands. A third has charge of all correspondence and keeps the clothing, books of issues to the Militia, and keeps account of all sales of stores, all rents from land, &c., in amount about \$20,000 for the last year. The fourth is the clerk of stores; not having any storekeeper at headquarters, this clerk takes his place.

1174. Could not some of these duties be performed by officers of the Militia Department at the places where these properties are situated?—The storekeepers at the local districts do collect rents and do other work under the direction of the office at headquarters, which checks and directs all that is done. Local officers can do nothing without instructions from headquarters.

1175. Of what articles do the stores under your charge chiefly consist, and where are they kept?—Arms, ammunition, clothing, ordnance stores, and other articles too numerous to mention at once from memory. The approximate value of stores under my control is \$2,000,000.

1176. Have you occasion to travel in the performance of your duties; and, if so, what allowances do you receive when travelling?—I have had occasion to travel a great deal. Formerly my actual expenses used to be paid; but now there is a fixed sum of \$4 per day and transport expenses.

1177. How often is stock taken of stores at the different storehouses?—Once a year stock is taken by a board of officers in each district; in one instance only has there been a defaulter; the storekeepers give security; the stores are not insured except at headquarters, and not to the full amount in even that case.

*By Mr. Mingay :*

1178. In the Outside Service, I believe there are certain military storekeepers, all of whom act as paymasters, and that they do not participate in the benefit to be derived under the Superannuation Act. Will you give the reason why they are excluded?—I do not know why they are so situated; they never were on the superannuation list.

1179. Does not the fact of such officers, as well as others in the same Outside Service, not participating in such benefits, tend to their being retained after they have become incapable of properly doing their work through old age and infirmities?—I could not answer that question accurately; it might have the effect mentioned.

*By Mr. Taché :*

1180. How is the service generally performed in your branch of the Department, in the Inside and the Outside Service, as regards both efficiency and economy?—I have every reason to be satisfied; I have a very efficient staff who do their work very well.

*By the Chairman :*

1181. Could you suggest any improvement in the matter of procuring clothing for the Militia or the issue thereof to the force?—No; I could not.  
This concluded Col. Wily's evidence.

Lieut.-Col. MACPHERSON, Accountant of Militia Department, examined :—

*By the Chairman :*

1182. What is your position in the Service, and how long have you held it?—I am Accountant of the Department of Militia and Defence; have been in the Service since 1862; was appointed Accountant by Order in Council in 1872.

1183. Will you kindly state the duties which you have to perform?—I have to supervise all the expenditure in the Department; to audit the accounts that come in; to prepare the estimates annually for the Minister; and to prepare the accounts for the Finance Minister; and am responsible to see that no expenditure exceeds the sum appropriated for it by the Department.

1184. How many clerks have you under you and who are made accountable to you for the performance of their duties?—There are five clerks under my direction.

1185. Have you more than are required, or could this work be done with fewer?—I think we are short-handed for the work of the office. We could not do with a less staff.

1186. Have you any men, who from age, incapacity or any other cause are unfit for the efficient performance of their work?—There are none in my branch inefficient from these causes.

1187. At what age do the clerks usually receive their first appointments?—There is no limit as to age in appointments to my branch. Men are usually appointed for special qualifications without reference to age; but most of the clerks in my office are young men who were selected for their special aptitude in keeping accounts. The appointments are made by the Minister.

1188. The appropriation for Militia purposes is now, I believe, much less than in former years. Can you state what the amount now is, and what the maximum amount has been, say during the period since Confederation?—The maximum sum reached nearly a million and a-half dollars; but it has since been reduced to about \$750,000. In the maximum sum is included the cost of a good deal of frontier service of a special character.

1189. What reduction, if any, has been made in the cost of administration, consequent upon the reduction of the vote?—I cannot say that any reduction has taken

place at headquarters. The same machinery is required for the lesser work that would be required for an enlargement of it.

*By Mr. Barbeau:*

1190. How many cadets are there in the Military Colloge at Kingston; and how much does that establishment cost the country per annum?—At present there are 92 cadets in the college. The estimated expenditure for the current year for that number, nominally 100, is \$59,000. I estimate, however, that \$9,000 of that sum will be paid as fees by the cadets, which will reduce the expenditure to \$50,000 per annum.

1191. Do not these cadets receive board and instruction free?—Yes.

1192. What have these young men to expect after obtaining their certificates, and, in fact, what does the Government do for them?—The Government, so far as I know, have made no distinct promise to young men who enter the college; but I believe it is the intention to employ these young men on the engineering staff of the Government railways and public works, and also on the Militia staff when there are vacancies. The Government also have secured from the Imperial Government the promise of four commissions per annum in the British army for graduates from the college. In order to give the graduates military status they are given the rank of lieutenant on graduating, and are attached to the Active Militia Force in the locality of their residence, so that their services are at any time available. The remainder will be attached to the Militia corps of their respective localities.

*By the Chairman:*

1193. Then the remainder are at liberty to engage in any employment they may please to select, and may leave Canada; is it not a matter of fact that some have left the country altogether and are settled in the United States?—They are free, so far as I am aware; but I do not know that any have left the country after graduating.

*By Mr. Tilton:*

1194. Are the professors employed in the college selected in Canada, or are they brought from abroad?—Most of the professors have been brought from England, especially those in the higher branches; some have been selected in Canada.

*By Mr. Barbeau:*

1195. District commandants are said to be responsible for the arms and accoutrements given companies under them. Has the Department had to make any claims on these commandants for this object, and have they been satisfied?—The officers commanding companies are responsible, as a rule, for the arms and accoutrements issued to them when the arms are issued by companies. This refers chiefly to the rural districts. In cities generally the officers commanding battalions are held responsible. In some cases claims have been made for losses and recovered; I do not know if this has been done in every case. The amount lost I could not state exactly, but some losses have occurred which are alleged to have arisen out of the Fenian troubles of some years ago. I will make enquiries into the subject and reply at a future date.

1196. Will you please to state briefly, the means adopted for the purpose of making the officers to whom these arms and accoutrements are given out accountable for keeping them in good order and for their safe custody?—In the first place we give an annual allowance of \$40 per company for the care of the arms. The Brigade Major of the division in rural districts is directed to make a semi-annual inspection of the arms, accoutrements and stores issued to each company in his division, and to report any deficiency that may be found. In regard to any individual deficiencies arising from neglect or carelessness, captains of companies have been in some cases directed to take steps to recover damages from delinquents under the Militia Act.

*By Mr. White:*

1197. In cases where the Militia Department appoints a caretaker to an armoury, do you consider the commanding officer relieved of any part of his responsibility for the care and efficiency of the arms in such armoury?—No; I do not consider that he is relieved at all.



*By Mr. Tacht :*

1198. How is the service of the Department, Inside and Outside, performed as regards efficiency and economy?—I think the staff has been reduced to a minimum. Enquiries have been made into the possibility of reducing the number, but it has been found impossible to do so. In my experience the staff has been reduced to a minimum. I consider the staff is efficient, and is as economical as could well be maintained, with a due regard for the efficiency of the Service.

*By the Chairman :*

1199. Do you consider that if appointments were made regardless of political patronage, and on the ground of fitness only, that it would promote the efficiency and economy of the Service?—Yes; I think so.

1200. Is there any examination for admission or promotion in your department?—None whatever.

1201. Do you consider that a system of examination before first entrance, and a period of probation after entrance before being permanently appointed would secure for the Service capable and efficient servants, and be a reform on the prevailing system of political appointments?—Yes; I think that would be an advantage to the Service. This closed Colonel Macpherson's evidence.

MONEY ORDER BRANCH, POST OFFICE DEPARTMENT.

THURSDAY, 30th September, 1880.

The Commission met at 2 p.m.

Mr. W. F. FORSYTH, Superintendent of the Money Order Office, was examined :

*By the Chairman :*

1202. Will you state your position in the Service, and how many you have under you and accountable to you?—I am Superintendent of the Money Order Branch. I have twenty clerks under my direction at Ottawa, and an acting superintendent, who is also P.O. Inspector at Victoria, and one at Charlottetown. These two last officers are only responsible to me *quoad* the Money Order business. I have been in full charge of the office for three years, was Assistant Superintendent for a year previously.

1203. Have you in your department a larger number than is required for the work to be done?—No; I have reduced the staff very considerably since I took charge. I have prepared a memorandum of my staff, which on 1st January, 1876, was twenty-seven, with aggregate salaries of \$23,445; at present, the staff (including myself in both cases) is twenty-one, with aggregate salaries, on 1st January last, of \$19,200. The Civil Service increases in the Money Order Branch, between 1876 and 1880, amounted to \$2,400.

1204. By what means have you been able to reduce the staff in the manner you have stated?—By a better distribution of work, a more effective system of checking, and the abolition of the local superintendents' offices at Halifax and St. John.

1205. Was that done on your own authority; if not, by whom?—It was done on my recommendation by the Governor in Council. I recommended the centralization of the work of the Money Order Branch at Ottawa.

1206. Was the staff in the inside office at Ottawa reduced and re-organized in the same manner?—Yes, as the following comparative table of the staff will show:—

	1876.		1880.
Superintendents .....	4	.....	2
Postmaster's ledger clerks .....	9	.....	7
General ledger clerks.....	5	.....	3
Foreign money orders.....	5	.....	2
Cash deposits.....	1	.....	0
Correspondence.....	1	.....	1
Forms.....	1	.....	1
Messenger .....	1	Registers of paid orders.....	4
		Marking off paid orders.....	1
Totals .....	27	.....	21

1207. Were the clerks whose services were dispensed with placed on the superannuation list; if not, what became of them?—Some of them were superannuated and some were transferred. Three were superannuated; one retired, and three were transferred.

1208. Have you on your staff any men who, from age, incapacity, idleness or any other cause, are unfit for their duties?—Yes; one man on leave who is carried on the pay-roll of the branch, and whom I reported unfit for duty from old age and feebleness. The others are fairly effective clerks.

1209. Are some paid high salaries for duties which might be performed by clerks who are paid a lower scale of salaries?—Yes; and *vice versa*. I consider that is one of the great defects of the Civil Service.

1210. How are first appointments made in your Department?—At the recommendation of the Minister. I have nothing to do with first appointments. I take what is sent to me.

1211. At what age do the clerks appointed to your Department usually enter the Service?—The clerks that have entered since I took charge have been young men of twenty-five years of age. The Money Order Branch has only had three clerks in four years. As a rule, I think the age of the Money Order clerks is above the average.

1212. What would you consider the best age for first entrance into the Service?—For the Money Order Branch, I should say about twenty-one years. It is necessary that a young man coming into our branch should have some little experience.

1213. Would you consider that a system of examination before first entrance into the Service, combined with a period of probation before being permanently appointed, would be an improvement on the present system of political appointments?—No; but I consider that your proposition, added to political nomination, would give us a tolerably effective Service.

1214. Is there anything in the work of the Money Order office requiring knowledge which an examination would fail to elicit?—Not if the examination was perfect, and made by one who understood the duties to be performed.

*By Mr. Tacht:*

1215. Is or is not the training of your office the best school to educate an officer to the efficient performance of the duties allotted to your clerks?—Up to a certain point of efficiency it is.

*By the Chairman:*

1216. Would not a system of examination and probation in making first appointments to the Service, tend to exclude the incompetent, and secure a better class of servants, who would furnish the right material from which to make promotions?—Yes; undoubtedly the examination would weed out the unfit persons, always assuming that the parties to be examined are the nominees of the responsible Head of the Department. In my opinion, a nomination by the responsible Head of a Department is, in the meantime, best fitted to secure appointees for examination in the Civil Service.

1217. When you say the responsible Head—do you mean the political Head?—I do.

1218. You would then substitute a system of nomination for one of open competition?—I would.

*By Mr. Brunel:*

1219. Will you state why?—For two or three reasons. 1st. I think upon the whole the appointees by Ministers responsible to Parliament, will be appointments that Ministers are prepared successfully to defend. 2nd. Such appointees will be fairly average representatives of the class who are fitting and desirous to enter into the Civil Service. 3rd. Mere competitive examination is no test (absolute) of the fitness of a candidate for the Public Service. 4th. The country, by a system of nominated appointees, with subsequent examination and probation, would be provided with a scheme on which the bulk of the people would unite.

1220. Then are we to understand that success in a competitive examination is, in your opinion, no test of comparative fitness for the performance of duties with

reference to which the examinations were held?—I did not say so; I think it would be a comparative, but not an absolute test.

*By Mr. Tilton :*

1221. What, in your opinion, would be the result to the Public Service of limiting by Statute the number of permanent employes in the several Departments, securing so far as possible, in the event of vacancies, promotions within the Service, and employing extra clerks or writers for copying or other ordinary work, either permanently or temporarily?—My opinion is that the permanent clerks might in many cases be reduced, and I quite concur in the opinion that writers might be often used where now we have permanent clerks. Promotions, whenever practicable should be made within the Service.

*By Mr. Brunel :*

1222. Have you in your experience, observed any difficulty in finding officers in the subordinate grades suitable for promotion to the higher positions in the Service?—Yes.

1223. What in your opinion, has been the cause of that difficulty?—The cause, in my opinion, is this: that the higher up you go in the Service the more limited is the number of men with abilities fitted to fill the positions, and the training which makes a man a good subordinate official is not the training that makes him a good commanding official.

1224. Do you think the introduction of inferior material brought in by first appointments has had anything to do with creating the difficulty?—Yes; but not to a very great extent.

1225. Do you not think the elimination of unsuitable persons from first appointments by competitive examinations and probationary appointments would have the effect of greatly improving the rank and file of the Service?—I do.

1226. Would not that, in all probability, give the Service a greater number of subordinates who would subsequently become suited for the higher stations?—Yes.

*By Mr. White :*

1227. Do you think that the unfitness for promotion, to which you have alluded, is due in any degree to the neglect of junior clerks to qualify themselves for the duties of the higher positions?—Yes; to a certain extent.

1228. Do you think that under a system of nomination followed by examination you would be able to reject an incompetent nominee?—Yes; certainly.

*By the Chairman :*

1229. You said that the political Head of a Department is responsible for any nominations made by him; to whom would he be responsible?—To Parliament and the country.

1230. Are first appointments to the Service of sufficient importance to demand an enquiry either from Parliament or the country?—That would depend on the character of the appointee and the nature of the appointment. Very often they do.

*By Mr. Brunel :*

1231. You have said that some clerks are paid high salaries who perform duties that could be as well performed by others at a lower salary, and *vice versa*. Will you explain how this, which you call the greatest defect in the Civil Service, has been brought about?—It has been brought about for this reason, that salaries have hitherto advanced up to the point of 1st class clerkships by virtue of length of service and not from efficiency.

1232. Do you think promotions or increases of salary should be given for mere length of service and without regard to efficiency?—No; but if at all to a very limited extent.

1233. State how you think promotions and increases of salary should be given and under what restrictions and regulations?—I think the Service should be divided into grades of duty, and not grades of length of service, each Department to have its own grades of duty and to carry with it a minimum and maximum rate of pay; the maximum to be given when the officer has been a certain time in the Service. But so long as he continues in that grade no further increase to be given him. His

removal from one grade to another to depend upon the report of the non-political Head of the Department.

1234. Do you think the permanent Head of the Department would in all cases be in a position to resist political or social influences in relations to such promotions. Would he be less likely to be so influenced than the political Head?—That would depend on the non-political Head. I know some who would. Undoubtedly the non-political Head would be less likely to be influenced by such considerations than the political Head. I would like further to add that in the event of misconduct or of total inability to fill the duties of a higher grade, it should be competent for the permanent Head of the Department to recommend that a transfer be made to a lower grade.

*By the Chairman :*

1235. Does it not occur to you that the difficulties of making such changes as you mention are greater under a system of making appointments by political influence than if made independently; and is it not a matter of fact that it is most difficult to accomplish such change?—Yes; no doubt about it.

*By Mr. Brunel :*

1236. What effect do you think a competitive examination for promotion coupled with an official record of the previous conduct and efficiency of the candidates would have on the Service?—I think it would have a good effect, and be useful up to a certain point; but it would depend much upon the character of the duties which a competitor was expected to fill. In my opinion the value of a civil servant is not to be discovered by a competitive examination.

1237. Will you state the nature of the qualification which, in your opinion, cannot be fairly ascertained by an examination and an official record of his previous conduct and efficiency?—There is the indescribable quality of mankind which every body feels but nobody can put into words.

1238. As regards first appointments to the lower grades of the Service, do you think a system which would admit to competitive examination for such appointments any one who can conform to stringent regulations, as to character, age and health, would be an improvement on the system of nominating candidates regardless of those qualifications and for political considerations only?—Yes, certainly; but I consider the system of nomination by responsible Ministers of the Crown, plus examination and probation, would work as well.

1239. What is your opinion as to the effect in the lower grades of the Service of giving the best places to men not previously in the Service?—I think it depends entirely on the character of the man who receives the appointment. If an unsuitable appointment is made it is received with aversion. If a suitable one has been made, there is no such feeling.

1240. Assuming there were suitable men in the lower grades to fill the higher appointments, would you answer the same?—No; in that case I should say the appointment should be given to the person previously in the Service.

1241. You say young men entering your branch should have some experience. Where, in your opinion, should that experience be obtained, and how should the possession of it be tested?—I think the experience should be obtained in a merchant's office. The test of this experience would be in the probationary period after his being nominated to the Service.

1242. Do you not consider that the effect of making appointments to the prizes of the Service from the outside, would have a demoralizing effect on those already in the Service, and have a tendency to neutralize their efficiency?—No; as I said before it all depends on the character of the person who receives the appointment.

*By Mr. Taché :*

1243. What are the foreign countries to which the provisions of the Canadian Post Office Money Order System have been applied?—The United Kingdom, the United States, British India and Newfoundland.

1244. Can you assign a reason why the system is not extended—to France, for instance?—The French Government, I understand, until quite lately, refused to make

a convention that would be expedient in working the money order system, but the obstacles were overcome last year and a convention was made with the United States. There is now no reason, so far as I know, why a convention should not be made with France, and I have urged upon the Deputy Postmaster-General that an exchange of money orders should take place between the Dominion of Canada, France, Germany and Sweden, in view of Swedish immigration. I understand that some time ago proposals were made from Italy, but no action has been taken. The Australian colonies also made a proposition simultaneously to the United States and Canada, for an exchange of money orders, but in consequence of the refusal of the United States to acquiesce to the proposed arrangement the matter is left in abeyance. I may add, that it will cost almost nothing additional to the cost of the money order system to have money order conventions with the countries named.

*By Mr. Tilton :*

1245. Do you consider the system now existing of granting annual increments to permanent employes, preferable to shortening the term of service provided by the Civil Service Act, and in the cases of efficient and deserving employes providing for prompt promotion on reaching the maximum of the class in which they may be serving, such efficiency in all cases to be certified by the Deputy Head before being sanctioned by the political Head?—No. I consider, as I said before, that the practice of giving annual increments, as a matter of course, is detrimental to the Public Service.

#### CUSTOMS DEPARTMENT.

THURSDAY, 50th September, 1880.

Mr. J. JOHNSON, Commissioner of Customs examined:—

*By the Chairman :*

1246. You are Commissioner of Customs. How long have you held that position?—I have been Assistant Commissioner since 1867 and Commissioner since 1875. I have had the Customs under my supervision for above twenty years.

1247. How are first appointments made in your Department?—They are made generally by Order in Council, on the recommendation of the members. In some cases they are made simply by departmental letter on the authority of the members. In these latter cases the appointments are mostly supposed to be temporary.

1248. Is there any examination for admission or promotion in your Department; if so, what is the nature of it?—Not at present in the Outside Service. The usual examination provided for in the Civil Service Act has been had in most cases of appointments to the Inside. Some years ago an examination was tried for the Outside Service, but it was found useless, as appointments were frequently made even when the examination was not satisfactory. We required that candidates should be examined in arithmetic as far as vulgar fractions, in writing and composition, and in general knowledge of business; that was about the extent of the examination; we made it as light as possible. The examination has not been enforced for about five years past. The latest appointees to the Inside Service were of persons having undoubted qualifications. I cannot say whether they were examined or not. In the case of the junior clerks the examination has generally been held, but no such appointments have been made for some years. This examination was such as was prescribed under the Civil Service Act.

1249. What is your opinion as to the effect on the Service generally of the prevailing practice of making first appointments?—My opinion is that we frequently get a class of men appointed such as we should not have.

*By Mr. Barbeau :*

1250. What would be the best means, in your opinion, to secure good appointments?—I think the appointments should be removed from political influences, and

there should be an examination suited to the office which was required to be filled. The same examination would not be suitable to every Department.

1251. Do you consider that a system of examination before first entrance into the Service, with a period of probation before appointment, would be the means of securing a better class of men for the Service?—I think the adoption of a system of that kind would improve the Service, and secure a more competent class of men.

*By Mr. Mingay :*

1252. Do you think that the salaries of clerks and outside officers in the Customs are in proportion to the duties required and responsibilities placed on them, and have they the same standing, salary and chances of promotion and increase of pay, work for work, and responsibility for responsibility, compared with the outside officers of other branches of the Civil Service?—I think they are not in all cases. With regard to the second part of the question I have not sufficient knowledge of the other services to answer.

1253. Is such Outside Service sufficiently attractive to encourage young men of good education to apply for positions therein?—I think not.

1254. Are young men, as a rule, appointed to those positions?—Not as a rule.

1255. At what age do you think clerks, and at what age landing-waiters, lockers and preventive officers, ought to be first appointed to the Service?—I think the minimum for both should be not less than 19, and the maximum not over 40.

1256. Are not the duties of appraisers of Customs of such a nature that it is absolutely necessary, before appointment and to prevent loss to the revenue, that these officers should be appointed only at a proper age, and after a special examination as to the particular duties they have to perform?—I think so. Appraisers are in a different position from other officers and require a special qualification.

1257. Are not the duties of landing-waiters and lockers of such a nature, that the want of a proper knowledge of testing and gauging liquids, mensuration of solids, to distinguish the difference between what goods are free and what dutiable, or what is liable to a higher rate of duty and what a lower, and a proper knowledge of the Customs Acts and regulations as to their outside duties, might be the cause of a constant loss of revenue; and ought not such officers to be subjected to an examination, and a certain term of probation?—With reference to the qualification for gauging, it is desirable that every landing-waiter should possess that qualification. In the larger ports gauging is assigned to an officer appointed for that express purpose, and not having the duties of landing-waiter to perform. With reference to the remainder of the question, I would say that it is highly important that every officer in the Customs, no matter what his station may be, should be familiar with the Customs laws, and especially with the tariff of Customs duties. With reference to examination and probation, I think such a provision very desirable.

1258. Collectors, surveyors, landing-waiters and preventive officers, being commissioned officers, are obliged to give security to the Government, but appraisers who have heavy responsibilities and through whose negligence or connivance large frauds might be perpetrated; and the cashiers who have the handling of all the money received for duties, &c., are not required to give any. Do you think it would be an advantage to the proper regulation of the Service, if the two last description of officers were also required to give security to the Government?—I could scarcely give an opinion as to the merit of these two systems. As to appraisers, they were not originally intended to be Customs officers in the ordinary sense. A bond in their case would hardly be of much value. I never placed much value on the bonds of landing-waiters. Any alleged act on the part of a landing-waiter or an appraiser, would be a criminal act for which he would be liable to prosecution.

1259. Is there any system of classification of ports now in existence, or on what principle are appointments, promotions and salaries now made and fixed?—The classification of ports adopted by the Civil Service Commission in 1868, is still in existence; but it is not practically acted on. As to appointments and promotions I cannot assign any particular principle on which they are made.

*By Mr. White:*

1260. Do you think it would tend to increase the efficiency of the Customs Service if appointments as collectors of Customs were made from the ranks of the Customs Service instead of by selection from outsiders?—Yes, I think so; but I would not exclude outsiders from such appointments. If, however, there are men in the Service well qualified they should have the preference.

FRIDAY, 1st October, 1880.

Mr. JOHNSON'S examination was continued:—

*By Mr. Mingaye:*

1261. Is there any fixed official position for clerks and other officers in a Custom House such as is mentioned in Schedule B. of the Second Report of the Civil Service Commission of 1869?—The classification is observed so far as the official designation of the officials is concerned, but it is not carried out as regards the salaries.

1262. In this classification of ports, has the sum annually collected for revenue been taken on which the classifications and salaries have been based?—Practically, it has been.

1263. Is it not a fact that some ports may have smaller collections than others, and yet have a larger amount of work and responsibility placed on the officers, through forwarding of goods in bond by railway, express, barge or vessel, and which work does not appear in any statistics as to the work of such port?—That is all true, with the exception of the latter part. The work does appear in connection with the statistics of shipping; but there probably is very much work which does not appear in any of the statistics at all.

1264. Can you name any ports in which such a position, as just mentioned, may exist, and not be noticed in the said classifications?—The ports of Kingston and Collingwood are such ports; possibly also Sarnia.

1265. Are applicants, as a rule, first appointed to the junior clerkships in the Custom Houses?—Not as a rule.

1266. Is it your opinion that these officers should be all placed in the lowest positions when first entering the Service?—Yes.

1267. Have the salaries assigned to officers on first appointment been based on the Schedule B mentioned, and according to the position they are appointed to, or have they been assigned larger salaries than they were entitled, through outside influences?—The practice has not been uniform in either sense.

1268. Are there any instances in the Customs Department in which persons are taken from the outside and placed in superior positions over the heads of officers who have been for years in the Service, and therefore entitled to promotion?—I cannot remember at the present time any instance of that kind; there may be such.

1269. Is it not a fact that officers in the Outside branch of your Department, however useless, idle or inefficient they may be, provided they do not grossly misconduct themselves, are certain of their positions for life or until superannuation?—I cannot say they are absolutely certain of their positions. There is a strong probability, however, of their continuing for life.

1270. Do you think such a system in existence saddles the Government with useless officers, drawing pay for services not rendered?—It certainly does.

1271. Do you consider that if first appointments were made on some system independent of political influence, with promotion dependent on good service and efficiency only, it would tend to encourage and foster merit, by inciting public servants to look forward to promotion for merit, and to expect the highest prizes in the Service, if they qualify for them?—Yes; I do think so.

1272. Would you recommend a system of removal from port to port at stated periods for all outside officers connected with the Customs, so as to do away with the interests, which arising from a long residence in any one place, would, through various causes, prevent them from properly carrying out their duties?—Not at stated

periods. I would not make a fixed rule of that kind. I would give power to those in authority to make these removals whenever they might think them required. At present the Government has power to make such removals.

1273. Could not such a system of removals, at stated periods, be used as a means of promotion to all deserving officers, by sending them from a lower to a higher class port?—The understanding that officers might be removed would have that tendency.

1274. Are there not a great many small inland (railway) and frontier ports throughout the Dominion?—Yes; a great many.

1275. Have not some or many of these ports been created through political influences, with officers holding higher rank and receiving larger pay than the place warrants, or with more officers stationed at some of them than are necessary?—I would not care to say they are organized through political influence. Such ports have been created by strong pressure from the community backed by strong pressure from the Members of the district. I do not think any of the officers in question have higher pay than they should have. Their salaries, in some instances, may be out of proportion to similar officers in other ports, but I do not consider any of them too high. I do not think that the officers at these ports are too many, so long as the ports are appointed and maintained.

1276. Do you think so many small ports increase the chances of loss to the revenue?—I do think so; for the reason that it opens the door, especially, for the importation of goods at a serious undervaluation, it not being possible to provide at such salaries officers competent for the appraisalment of goods.

1277. Could not many of these small ports be abolished with advantage and made outports only, attached to the nearest large port, centralizing all the returns and collections there, and so do away with a salary to a collector, when a landing-waiter at a smaller one could be employed?—I think they could be abolished with advantage; but I would not even make outports of them. There is but little difference between the establishment of a port and an outport as it effects the correct entry of goods. I am of opinion that the number of ports in the Dominion might be advantageously reduced more than one-half.

1278. Do you know of any cases at any of the small ports in which goods have been entered below value for the want of a proper valuation by an appraiser?—I could not name any case from memory; but such things do occur certainly.

1279. You stated in your answer to the Chairman on the Civil Service Inquiry before a Committee of the House of Commons in 1877, that an examination of candidates for appointments in the Outside Service was not held, because of the political influences mixed up in the question of such appointments; do the same influences still prevent an examination of candidates still being held?—The same influence renders such an examination unreliable in its effects.

1280. Do you think that a scheme of Civil Service regulations and laws, as adopted in England, with power of appointment vested in Commissioners entirely outside of political influences with power of appointments, dismissals, promotions and everything vested in those Commissioners, would tend to give better material for appointments and promotions, strengthen the hands of the Government and raise the standard of the whole Civil Service?—I think so.

*By Mr. Brunel:*

1281. What is the effect, as regards the cost of collecting the revenue, of establishing the many small inland ports referred to in previous questions?—The effect is very much to increase the expenditure.

1282. Can you state approximately to what extent the cost is enhanced by these small ports?—I should think I would be justified in saying that they increase the expenditure at least 20 per cent.

1283. Would it be possible to make such regulations with reference to the outports as would insure the appraisalment of goods and determination of the duty to which they are liable before they leave the port at which they are imported, thereafter permitting their removal in bond to the smaller ports?—I do not think it pos-



sible owing to the inconvenience to which it would put the importers at the small ports.

1284. With reference to such articles as sugars, teas, wines, &c., could they be charged with duty at the larger ports without the great inconvenience you mentioned?—I think so; and I am of opinion, that the importation of the goods mentioned should be confined to a limited number of ports, in the same manner as obtained in Great Britain, with respect to sugar, while that commodity was subject to duty.

1285. Can you suggest any regulations by which the possible evasion of duty at the small ports could be reduced without entirely depriving the community of the privileges they now enjoy?—I could not say; as long as these small ports exist, I see no means of avoiding the difficulty.

1286. In answering the questions respecting examinations, do you refer to pass examinations or to competitive examinations?—I referred to the examinations in the Outside Service only; and that examination was of persons who had applied for appointment, and to whom it was desirable to give it if they were capable.

1287. May I ask what is your opinion of the value of competitive examinations as compared with the pass examinations you referred to?—I prefer the competitive examination, because it admits of a choice of several candidates; such an examination as is the established rule in the Customs Service of Great Britain.

1288. Do you think competitive examinations, coupled with satisfactory certificates as to the character, health and age, would be likely to result in the selection of the fittest of several candidates?—Yes; I think so.

1289. Is it your opinion that competitive examinations before first entrance into the Service, with a term of probation before being permanently appointed, would be a reform on the present system, and secure a better class of Civil Service employes?—I am decidedly of that opinion.

*By Mr. Taché :*

1290. Is it your opinion that the responsible Ministers of the Crown should have nothing to do in the appointment of the executive employes of the State?—I think they should be relieved from all responsibility for appointments below a certain grade.

*By Mr. White :*

1291. Is there anything in the nature of the duties of an employé in the Inside or Outside Service of the Customs, which would render it difficult or impracticable to test by competitive examination the fitness of candidates for employment in the Customs Service?—Nothing that I am aware of, I think that the examination should be adopted with reference to the peculiar character of each branch of the Service.

*By Mr. Tilton :*

1292. Do you think any change in the classification from that now existing in the Inside Civil Service desirable, and, if so, will you be good enough to state in what particular?—I think the number of classes is too great and could beneficially be reduced.

*By Mr. Brunel :*

1293. How have Collectors of Customs been appointed; have they been taken from the lower ranks of the Service, or have they more frequently been men not previously in the Service?—Most frequently the latter.

1294. How has the fitness of men appointed as Collectors from outside the Service usually been ascertained?—Simply by the recommendation of Members of Parliament and other parties.

1295. Have you in your experience observed any difficulty in finding men in the lower grades suitable to fill the higher positions in either or in both the Inside and Outside Services?—We have found difficulty in consequence of promotions being confined to the port itself. We could always find a proper person to promote in some other locality if we were at liberty to do so.

1296. How has the difficulty originated with reference to the promotions within the port?—Because the officers in the lower grades have been incompetent for the

higher duties. Their incompetence arises from the system of appointment; they were not the best material that could have been had at the outset.

*By Mr. White :*

1297. Are you invariably consulted when a clerk in your Department is promoted to a higher class or position?—I have generally been spoken to, but cannot call it a consultation as I had no voice in the nomination. My opinion has frequently had weight in influencing the appointment.

*By the Chairman :*

1298. Do you not think that the report of the permanent Head of a Department should invariably be obtained before a promotion is made?—If the competitive examination previously spoken of was carried out, this would not be necessary nor consistent.

*By Mr. White :*

1299. Then I may understand that under the present system of appointments you do consider such a course necessary?—I consider it desirable.

*By Mr. Brunel :*

1300. With reference to your having been consulted in relation to appointments and promotions, has such consultation been with reference to the fitness of a named individual, or have you been consulted as to the comparative fitness of several?—Sometimes one and sometimes the other.

*By the Chairman :*

1301. Have you more men in either the Outside or Inside Service than are required for the work of your Department?—In the Inside Service, I think, we have not quite enough. In the Outside Service there is an excess in some ports, and with better arrangements a smaller number of officers might answer the purpose.

1302. Are there, that you are aware, any men who from age, incapacity, idleness, or any other cause, are unfit for the efficient performance of the work?—There is a considerable number in the Outside Service of such men.

1303. You have stated that you believe that by changing the present system of making first appointments to a competitive system with probation, the material of your staff would be improved. Do you believe that fewer men would do the work and thus promote economy?—Yes; fewer men of a more competent class would do the work more efficiently and economically. I think more would be saved in the lessening of numbers than would need to be added to the salaries of better men.

*By Mr. Barbeau :*

1304. What is your opinion of the yearly increment to salaries which now prevails. Do you think that merit is thereby rewarded as it should be?—I think not.

1305. I see, by the return you have just furnished, you are in receipt of \$1,000 over and above your salary. Is this permanent; and will you please inform us whether this sum will appear under the head of salary in the Public Accounts?—I consider it a permanent addition to my salary; and it will appear under the head of the expenditure of the Board of Customs in the Public Accounts.

*By Mr. Mingaye :*

1306. Have you any control over the making out of the Public Accounts?—We furnish our own account of our own expenditure, as it is published in the Public Accounts.

*By the Chairman :*

1307. With reference to the salaries of some of your officers, are they not supplemented by sums paid to them for seizures, and sums paid to them by railways and vessel-owners for work done after office hours; if so, is this taken into consideration when fixing their salaries?—It is not systematically. If a man applies for an increase of salary, the sums received in such manner are taken into consideration in giving a decision as to his request. The extra work is paid by the railways and vessel-owners; the sums paid for such work are first paid to the collector, and by him paid to the officers.

*By Mr. Mingaye :*

1308. Is not overtime attendance pay to outside officers an unknown quantity, and may be payable or cease at any time, according to circumstances?—Yes; certainly.

*By Mr. Brunel :*

1309. Have you an established scale of charges for extra services rendered by landing-waiters and tide-waiters; if so, please state what they are, from whom, and how collected and accounted for?—An Order in Council was passed in 1856 allowing \$15 per month to be paid by the managers of the railway for attendance after or before business hours upon a daily train, and a shilling an hour additional over the first hour. That is a uniform system, except where it is sometimes mitigated by agreement. The latter part of the rule applies to attendance at extra hours on ships. I will put in a copy of the Order in Council.

1310. May the same officer receive payment for such extra services rendered to several railway companies, or to several ships during the same periods of time? - Yes; he may receive it from several; some do. There is no official limit to the amount that may be obtained by any one man.

*By Mr. Mingay :*

1311. In any arrangement specially made between a collector of a port and the public for overtime attendance, is the Department's sanction first obtained before it is done?—It is not invariably so.

*By Mr. Brunel :*

1312. It has been stated that the tide-surveyor at Quebec receives about \$700 per annum for extra services to the Allan Company's steamers. Is the Department cognizant of that arrangement and is it approved of?—Yes; the returns are regularly made to the Department of all sums so collected and paid.

1313. Is not a monthly sheet sent by a collector to the Department, showing the amount received by each outside officer for overtime attendance, signed by each officer and countersigned by the collector?—Yes.

1314. Do you consider that a system of classification of employes which provides for an increase, by annual increments, from a minimum to a maximum salary in each class, has any advantage over a system which provides for the same salary to each individual in the same class so long as he remains in such class?—I do not think it has any advantage.

*By Mr. Taché :*

1315. Are the statistical returns, from the various ports, published in the Trade and Navigation Returns bodily, as they come from the outside offices, and how many officers and clerks are employed at the work in your office?—To the first part of the question, I answer "no." There is a very laborious aggregation performed in the Department. Returns are received monthly and quarterly, and both monthly and quarterly returns are aggregated by the departmental clerks in books specially prepared for the purpose. This involves the opening of about 800 separate accounts according to the classification of imports; and the tables published in the Trade Returns are the annual aggregation of the quarterly returns from the ports. The same is true with reference to the exports; but the classification is not so extensive as in the case of the imports, and consequently the accounts are not so many. The number of statistical clerks employed on the imports is eight, and on the exports, two; ten in all. If any errors are discovered by the statistical clerks in calculations, values, or quantities in any of the returns, the return in which such error is discovered is sent back to the port for correction. The number of clerks is, I consider, sufficient during the ordinary work of the year, but extra help is often very much required in preparing the tables for publication; and in the absence of that extra help, the clerks are required to work extra hours for many weeks.

1316. Would it not be better to centralize the preparation of the whole of these statistics at the head office, and would it not be conducive to greater accuracy and economy?—I have always advocated the change suggested as one calculated to promote accuracy and economy.

MONDAY, 4th October, 1880.

Mr. JOHNSON'S evidence continued :—

*By Mr. White :*

1317. Is there any class of work in the Inside Service of the Customs which could be efficiently performed by men of a lower grade than permanent clerks, such work, for instance, as receipt and distribution of blank forms?—Yes; that work is chiefly performed by two messengers who are not supposed to have the qualifications of clerks. The duty is at present performed under the superintendence of a clerk.

*By Mr. Brunel :*

1318. With reference to the Outside Customs Service, what is your opinion as to its effect on the health of the officers engaged in it, especially landing warders, tide-officers and preventive officers?—I am of opinion that the nature of the duties is favorable to health as it takes the men out of doors very much. The men are not expected, as a rule, to work at night, and unless they have special information of expected smuggling they do not need to go out. If the work took the men out at night constantly, I should say it was not a healthy occupation. If they have information of expected smuggling it is their duty to go out at night. The incentive to do so is the share of the proceeds of the seizures likely to be made.

1319. If it were known that smuggling was carried on within the territory attached to any port, what would be the duty of the collector and other officers attached to that port?—Their duty would be, according to their best judgment, to search for the smuggled goods by night or day; and the Customs officers, on requisition of the collector, would be required to patrol for the purpose.

1320. Will you be good enough to state whether you consider the present superannuation law a sufficient provision for such officers when their health is impaired in the performance of their duties, or for the families of those whose lives may be shortened by such service?—The Superannuation Act makes no provision for the families of such persons, and in reference to officers injured in the Service, it is quite inadequate.

*By Mr. Taché :*

1321. Is the work of your Department efficiently performed, both the Inside and Outside Services?—The work of the Inside Service is, I should say, efficiently performed, as a general rule. There are degrees of efficiency and occasional negligence on the part of clerks, but these are exceptions to the general state of things. As respects the Outside Service, there are large numbers of efficient and faithful officers, while there are many who are not efficient, and whose general character is not such as should exist in so important a service as the Customs.

1322. Have you ever reported such inefficient officers of your Outside Service?—Yes, in many cases; with the result frequently of suspension, and sometimes of dismissal from the service.

*By Mr. Barbeau :*

1323. Do you think that a class of clerks at so much per diem, to be employed under pressure of business, would tend to diminish the number of permanent employes, and lead to economy without interfering with efficiency?—I do not think that the employment of men in that way would diminish the number of permanent employes; such men are sometimes necessary, but from want of acquaintance with the duties devolving upon permanent clerks, they are not, as a rule, very efficient.

*By Mr. White :*

1324. When returns are required from your Department by either the Senate or the House of Commons, are such returns prepared by the permanent staff of your office or by extra clerks?—They are prepared, as far as they can be, by the permanent staff; occasionally we are compelled to get in additional assistance. Many of the returns asked for by Parliament are of such a nature that they could not be made out except by the permanent officers; and the extra hands are usually only employed for the purpose of copying.

1325. Is such work paid for by the day or by piece-work ; and which system of payment do you consider the best?—As a rule, it is paid for by the day, as in our Department it would be difficult to compute the labor, owing to the returns involving generally large masses of figures and many calculations.

1326. What is your opinion of the existing rule which permits clerks in one Department to be employed in another, after office hours, and paid therefor, while the regular staff who are familiar with the work although working extra hours are not permitted to receive any remuneration for extra labor?—I think, with reference to the ordinary work of the Department, that the rule is a good one ; but I think it ought to be so modified as to permit the employment of clerks in the Department for the preparation of parliamentary returns and other unforeseen work which is required of them.

*By the Chairman :*

1327. Do you think that for work or duties of a special character there should be a scale of duty pay in addition to general service scale?—I think so, under proper regulations and restrictions.

1328. What are your powers as Deputy Head over the staff in your Department ; practically, have you any power at all in the matter of promotion?—To the first part of the question, I answer that I have the power during the absence of the Minister to apportion their employment, and in case of dereliction of duty, to suspend, subject to the decision of the Minister on his return. I have found, in my practice, that I have been generally sustained in any action of the kind which I have taken. To the second part of the question, I reply, my power is only that of influence, the Minister generally respecting any opinion or statement which I may have occasion to make.

1329. What are the hours of attendance in your Inside Service, and do you keep an attendance book?—The hours of attendance are from 9.30 a.m. to 4 p.m. We do keep an attendance book.

1330. Are those hours regularly observed?—Very generally so ; I could not say absolutely so.

*By Mr. Barbeau :*

1331. Is there any fine imposed for non-attendance to duties on the part of your employes. If not, how, in your opinion, would this system work?—There are no fines imposed ; there being no authority for the imposition of fines. I think a system of fines might be adopted, which would have a good effect.

*By the Chairman :*

1332. Do you keep a conduct book in which a record is kept as to the good conduct or otherwise of the men on your staff?—No ; we have never kept a book of that kind.

1333. Have you ever considered the question of requiring your outside officers to keep "Diaries." Are any such books kept in the Customs Service?—No such books are kept that I am aware of, except by the inspectors of ports ; from whose reports we can generally obtain a knowledge of the character and conduct of officers.

1334. Do you think that a methodical record of each employe's character and efficiency, which should be considered when his promotion or increase of salary is under consideration, would have a beneficial effect?—I think it would if it could be kept in a reliable manner.

*By Mr. Brunel :*

1335. How many "inspectors of ports" are there for the Dominion, and what extent of territory is assigned to each inspector?—We have only four regular inspectors. One has the whole Province of Ontario as far east as Kingston ; another has the remainder of the Province of Ontario and the Province of Quebec ; another has the Provinces of New Brunswick and Prince Edward Island ; the fourth has the Province of Nova Scotia, including Cape Breton.

1336. Have these inspectors been put in possession of detailed instructions respecting their duties and the manner in which they are to perform them?—They have been furnished with the laws and regulations, and simply instructed to see that these

laws and regulations are enforced. There is no detailed definition of their duties that I am aware of.

1337. Are your collectors and other officers furnished with a code of instructions as to the duties they have to perform?—They are; I will furnish the Commission with a copy of them.

1338. Will you please state your opinion as to the degree of efficiency with which the inspection of ports has been carried out?—I would say that it has been as efficiently performed as could be expected with the limited number of inspectors. To be efficient, I should think there ought to be a sufficient number of such officers to ensure the full examination of the business of each port, at least once in three months.

1339. Then do you think the Public Service and the equitable collection of the revenue requires a larger staff of inspectors?—I think so; while the number of Customs ports continues at its present standard.

1340. What powers has the inspector of ports to direct and control the collectors and other officers at the ports of entry?—He has no theoretical power, further than to report the results of his investigations promptly to the Department. He would have power to suspend a collector on the principle that any superior officer has, in certain circumstances, power to suspend an inferior.

1341. Do you consider the inspector of ports a superior officer to the collector whose port he inspects?—I consider him a superior officer to a collector in so far as he has the supervision of the collector's work. I do not consider however, that he has any right to interfere between the collector and the officers serving under him. If he requires to change the position or in any way to exercise discipline over an officer under a collector, he should do it through the collector himself and not deal personally with the officer.

1342. If his duty is to supervise the collector's work, is it not necessary that he should possess a knowledge of the work, at least, equal to that possessed by the collector or any subordinate officer?—Unquestionably; he should possess a superior knowledge of it. This shows the necessity of having a proper system of promotion in the Service.

1343. Do you consider it reasonable that a person could be fit for the office of inspector of ports who had not previously had a large experience in the Service at some of the principal ports?—I think it is not reasonable.

1344. Do you consider the salary of an inspector of ports adequate when it is less than the salary of the officer whose work he is appointed to inspect?—I think his salary might be adequate, although not up to the maximum of a collector, inasmuch as he has less responsibility.

1345. Does the work of the inspector of ports include the checking of accounts at the several ports in his district?—It does; that is one of his most important duties.

*By the Chairman:*

1346. You have already stated that the expenses of the Department would be greatly reduced if the number of the smaller outside ports were reduced also; if that were done, would the present staff of inspectors be sufficient?—I could not say they would be absolutely sufficient, but they would be measurably so, according to the reduction in the number of ports. If the ports were reduced in proportion suggested in my answer to a former question, I think they would be sufficient.

*By Mr. Barbeau:*

1347. Will you indicate in what manner your accounts act as a check on those kept at the Finance Department?—When the collector deposits his cash in the bank he is furnished with duplicate receipts. He transmits one to the Department of Finance and the other to the Department of Customs. He also sends a corresponding draft from the bank to the Receiver-General. Of course, the record in both Departments must correspond.

1348. Do you find differences between your accounts and those of the Finance Department; and, if so, are they easily detected and made right?—We find frequent differences in the distribution of the amounts received for under the different heads

of revenue, but they are always corrected prior to the publication of the accounts. I am not aware of any difference having occurred in the aggregate of any one year's receipts.

1319. Do you think your check on the moneys received sufficient?—I think the checks which we have are all that we can have; but there is necessarily a possibility of the suppression of entries and other documents, especially at the smaller ports where the accounts of the receipts are all in the hands of a collector, without the checks on the part of other officers, which can be instituted at the larger ports.

1350. Could you, from your experience, suggest any means of meeting the case you mention?—I could suggest no other means than the abrogation of the smaller ports, where necessarily we can only maintain one man.

TUESDAY, 5th October, 1880.

Mr. JOHNSON'S evidence continued:—

*By Mr. Barbeau:*

1351. Will you state in what manner funds are furnished to the outside offices, for contingencies. How these are accounted for and what are the principal items which compose them?—In the larger ports we give the collectors an advance at the commencement of the fiscal year, out of which they pay the contingencies and render an account once a month with vouchers to the Department. We send them a cheque for the month's expenditure, so that the first advance is kept good during the year; and any balance remaining at the close of the fiscal year is re-deposited to the credit of the Receiver-General. In the smaller ports these accounts for contingent expenses are sent to the Department once a quarter with vouchers; when, after examination and if found correct, a cheque is sent to the collector to liquidate the amount. The principal items in the contingent account are rent and fuel. The item of stationery and books does not come into the contingent account of the ports, because all such necessities are furnished from the Stationery Office on requisition approved by the Department.

1352. Are the cheques prepared and signed in your office for the expenditure in your Department?—Yes.

1353. What check have you over that expenditure?—With the exception of the advance for contingent expenditure spoken of, no cheque is sent from our Department until the money is earned and the vouchers presented. And in the case of those advances no contingent account is ever allowed till it has been thoroughly examined. Very often unauthorized items are thrown out and payment refused.

*By Mr. White:*

1354. By whom are the cheques prepared in your Department signed?—They are prepared and signed by the accountant. I have given him the authority to do so for me. There is but one signature.

*By Mr. Mingaye:*

1355. Are not collectors required to certify to all sums paid for extra services, as having been expended for the purpose mentioned, and are not all contingent accounts declared to by the collector, before a justice of the peace, before being sent to the Department?—Collectors are required by law to attest to the accuracy of accounts, but the Department does not allow collectors to supply any extra help or expend any money, except that which is recognized as current expenditure, without previously obtaining the permission of the Department.

*By Mr. White:*

1356. Are there any officers in your Department who require, in the performance of their duties, to travel?—The inspectors are, of course, required to travel. We consider the inspectors in the Inside Service. Leaving these out, we have no officers who are specially required to travel. It is customary to send any officer fitted for the purpose to any of the ports where special service is required.

1357. What allowances are paid to such officers when so employed?—Three of the inspectors are paid at the rate of four dollars per day while travelling; the fourth is paid his current expenses, which have never exceeded the four dollars per day. Any officer sent on special mission is paid his moving expenses and not more than \$3.50 per day, sometimes less. The per diem allowance is fixed by myself, subject to the approval of the Minister, but he never interferes.

*By Mr. Barbeau :*

1358. How often are accounts from the ports received?—Monthly.

1359. Do you exercise any control over the accounts of your outside offices, and do you regulate the manner of keeping them so as to obtain a general uniformity of system?—We do.

1360. Do defalcations occur in your Department, and are they for important sums?—Defalcations are of occasional occurrence, not very frequent.

1361. Do they occur from any want of supervision?—I think not, in general.

1362. How are they explained, then?—They generally result from fraud on the part of the officers, in concealing their receipts; sometimes by the suppression of papers, and sometimes by deferring the record of the entries in their books.

1363. What is done when any are found out?—The officer is dismissed from the Service.

1364. Are they not prosecuted as delinquents?—I have never known of a criminal prosecution in these cases.

1365. Do you not think that if this was done it would have a good effect on the Service?—I think it would.

1366. Do you hold any security from your officers, so as to protect you from loss?—Collectors, sub-collectors landing-waiters and other commissioned officers, are required to give bonds, with two sureties, in sums corresponding with the business they are called on to do.

1367. Do you generally recover on these bonds in cases of default?—We generally recover either on the bonds or by other means.

1368. Are the sums lost in this way considerable?—I should say not.

1369. How soon after the end of the month are collections made at your outside offices reported as having been deposited to credit of Receiver-General?—Within a day.

1370. Whose duty is it to examine the accounts of your outside offices, and how often are they inspected?—It is the duty of the inspectors to examine them in connection with the books. The accountants in the Department examine them regularly on receipt.

1371. Is there any unnecessary duplication in the manner of keeping your accounts?—I think not.

*By Mr. Brunel :*

1372. Do the accounts of the Department promptly check the accounts kept at the ports, and at what intervals?—They check the accounts once a month.

1373. How soon after the receipt of a remittance can your accountant or other clerk state definitely whether the amount of the remittance correctly covers the sums entered on the transactions to which it relates?—Not till the end of the month.

1374. Are these remittances made to cover exact sums accrued on a specified number of entries or other transactions, and is the cash remittance in effect a settlement of an account?—No; it cannot be called a settlement. The settlement properly takes place on the last remittance for the month.

1375. How soon after the close of the month can it be ascertained whether the exact amount to cover the transactions of that month has been remitted?—It will be from one day to a fortnight, probably.

1376. How, then, can you ascertain in the Department whether the remittances have been correctly made? Would it not be possible for the collector to control considerable sums pending the settlement. Have you had any such cases?—The correctness of the remittances is ascertained in the first place by the correspondence of dates on both sides of the account, and with the receipts. The collector might con-



trol considerable sums for a few days in collusion with one or more officers. There have been such cases.

1377. Are the dates of entry papers used for checking the remittances; if so, state how?—Not in the Department. The remittances are checked by the dates of the entries by the inspectors.

1378. Does the Department recognize the system of sight entries and suspense entries, and what is your opinion in relation to such entries?—The Department recognises the sight entries, because they are recognised by the law. We do not recognise suspense entries. I endeavour to put an end to them wherever I find them.

1379. What is your opinion as to the expediency of abolishing the system of sight entries and substituting "prime" and "post entries"?—I think it would be better to do so, though there might be cases in which that would be difficult to do. The utility of sight entries depends on the competency and honesty of the men who have to deal with them, and if properly carried out in all cases they would be found convenient both to the Customs and the inspector. There is a possibility of using the sight entry to all intents and purposes in the same manner as a prime entry, simply by requiring that it be carried through the books the same as a perfect entry, and the adjustment to be made by post entry afterwards. I cannot, from memory, state the exact bearing of the law, but I am under the impression that it is possible for the Department to direct that the sight entries be treated in the accounts in all respects as a prime entry.

1380. It was found at Toronto that receipts from various services, such as receipts for sight and suspense entries, for fines, &c., were entered in a book in common with the advances for contingencies. Is this in accordance with the regulations of the Department?—No.

1381. Two of the books in which such accounts had been kept from 1871 to 1873 could not be produced when called for. Had their disappearance come under the notice of the officer of the Department?—No.

1382. You have said that one part of the Bank voucher for deposits is sent to the Finance Department, another to the Receiver-General, and the third to your own Department. Do you understand that an account is kept of these deposits both in the Finance Department and by the Receiver-General?—That was the case when there was a Receiver-General. I cannot say how it is now.

1383. You stated a case to the Commission in which considerable loss to the public was only avoided by the Collector having failed to destroy or suppress a number of invoices. Do you think it likely that similar cases may have happened in which the defaulting officer more completely effected his purpose?—I think it quite possible there have been such cases.

1384. Have you considered how such cases may be more completely guarded against?—Only as I said before by abolishing the smaller ports, and by allowing no place to be organized as a port of entry, the business of which would not justify the employment of several officers to be a check upon each other.

1385. Is it a part of the regulations under which your outside officers act that the second officer shall have communication of all official correspondence, regulations, instructions and financial transactions?—There is no regulation of that kind. I think such a regulation might be advantageously made.

1386. You have told the Commission that you are Chairman of the Customs Board; will you be good enough to state what other officers constitute that Board?—There are two called Dominion Appraisers and one Secretary.

1387. Does the "Customs Board" under the existing law direct or control the appraisement of goods at all the ports of the Dominion?—It directs the appraisement at all ports of the Dominion; but cannot absolutely control it.

1388. Was it not formerly held that an appraiser should be an independent officer, and that he should appraise all goods submitted to him on his own judgment, and that such an appraisement should be final, is this still the case?—The whole of the question with the exception of the last clause, I answer yes. But the law does not make the port appraiser's decision final, as it gives the importer the right to appeal

against such decision to two merchants for a reappraisalment, and the decision of such merchants when so called is as final.

1389. But is not the appraiser's decision final as against the Treasury?—Yes.

1390. Do the appraisers, at the port of entry, benefit by seizures made as the result of their own appraisalment?—They are entitled to a share of the proceeds as informers.

1391. What is your opinion as to the expediency of allowing appraisers to participate in seizures that are the result of their appraisalment?—I think there are objections to it; but I am not prepared to say it should be abolished.

1392. Would it not be better to pay them salaries sufficiently large to remunerate them for their whole services?—I think probably it would.

*By the Chairman :*

1393. What means do you take to see that there is a uniform system of entering goods so that the same rate of duty is charged at every port of entry in the Dominion?—The principle means is by frequent instructions by circular, and the distribution of samples of various classes of goods marked with the proper rates of duty. We also return entries in which we find improper rates of duty charged, with instructions to correct the errors by post entries, or otherwise, as the case demands.

1394. Will you state your opinions as to the expediency of permitting the collectors of Customs to participate in proceeds of seizures made at their ports or by themselves?—I am not prepared to say that collectors should not be permitted to do so.

*By Mr. Brunel :*

1395. I observe by the Trade and Navigation Returns that the statistics are given for each Province, as well as for the Dominion. Does this arrangement cause any considerable increase in the cost of compilation and publication?—It does cause a very large increase. I stated before that we had to open about 800 separate accounts for the imports; and I should have added that the same accounts are necessarily, seven times duplicated, in order to get the imports of each Province separated from the others.

1396. Will you be good enough to explain what is the object of publishing the returns by Provinces as well as for the Dominion?—The object is to satisfy the demands of the commercial community and of the members of Parliament.

1397. Are the returns, as to the goods entered for consumption in any particular Province, a reasonably correct account of the quantity of dutiable goods actually consumed in that Province, and the duties paid thereon?—No; it is not accurate because of the inter-provincial trade; and as an illustration, I may say that we ascertained on pretty reliable authority, several years since, that 50 per cent. of the goods entered for consumption in Montreal were sold to parties in the Province of Ontario.

1398. If the statistical returns were made only for the Dominion, could you materially reduce your statistical staff?—I think, perhaps, we could do with half the number.

*By Mr. Taché :*

1399. Would you consider that such statistics would be complete or sufficient without such subdivision by provinces?—I do not think they would satisfy the public. I think the statistics, as they are given, are, for various considerations, to be preferred at present. So long as the system of local government exists, so long will these statistics be essential.

*By Mr. Tilton :*

1400. The collectors of Customs, at several ports of the Dominion, are charged with the collection of sick seamen, steambot inspection, and at the ports of Montreal and Quebec in addition to the above, of harbor police dues. In some cases the collectors are also registrars of shipping. Do such collectors receive any remuneration for the services above referred to, other than their salaries as collectors of Customs?—They do not receive any additional remuneration for those services.

*By Mr. Mingay :*

1401. What are the duties of such registrars, and would they entail on them any extra work?—They have to keep a record of all ships registered, and of all subsequent transactions in the way of mortgage or transfer of any kind; and to furnish elaborate statements of all such transactions to the Department of Marine and Fisheries, and to the Board of Trade in London. They receive no remuneration that I am aware of.

1402. Would a port where, say, over 200 vessels are registered, entail any very heavy duties on a registrar, as well as legal responsibilities?—It certainly would.

*By Mr. Barbeau :*

1403. Have you any means of checking the warehousing operations of outside ports of entry?—Yes; we check all the entries for and ex-warehouse, and we get quarterly returns in detail of all the warehouse transactions. We require quarterly certificates from the port to the effect that the warehouse has been examined, stock taken and found correct or otherwise. The certificates mentioned are signed by the chief warehouse locker or the surveyor of the port; and where there is no chief locker or surveyor, by the collector or some competent officer to whom the duty of examination is assigned. All these certificates are countersigned by the collector. If there is only one officer, the duty necessarily devolves upon him. In addition to this, it is one of the most important duties of the inspectors of ports to thoroughly examine each warehouse for themselves at proper intervals.

*By Mr. Tilton :*

1404. Do you approve of the existing regulation which permits all kinds of merchandise in bond being stored in private warehouses; and, if so, do you think the Government exercises a sufficient supervision over such goods while in warehouse?—I do not approve of it at all. I think it a very dangerous and expensive system. I think that while the system exists as it is, it would be difficult to exercise greater supervision except by multiplying inspectors. I consider the whole system of private warehouses so exceedingly dangerous to the interests of the revenue, that I think it of the utmost importance it should be entirely changed or abrogated. In that case a large proportion of the officers required for private warehouses, could be dispensed with.

*By Mr. Taché :*

1405. Have you formed any idea of the primary cost of the abolition of private warehouses?—I consider that if the Government undertook the erection of the warehouses they could be made a source of revenue instead of expense. And if the erection of such warehouses was committed to a company of private individuals they would be glad to furnish the warehouses for the storage which they would receive from the parties warehousing goods therein.

*By Mr. Barbeau :*

1406. What would be, in your opinion, the advantage of storing certain goods, such as whiskey and brandy, in a Government warehouse under its exclusive control, so as to prevent any possibility of their being tampered with?—I think it would be a great improvement on the present system.

1407. The system was presumably adopted for the convenience of the commerce of the country. What system would you recommend in its place?—I should say that all private warehousing should be done away with, and either Government warehouses or large general warehouses substituted.

1408. How long are goods allowed to remain in bond, and how are they dealt with when the time for keeping them has expired?—They are legally entitled to remain two years, which I consider to be too long a period. But frequently, on application to the Department, the time for clearance is greatly extended. They are occasionally, after the lapse of years, taken and sold for duties at auction.

1409. Do you approve of the system of permitting goods to be warehoused for the purpose of manufacturing in bond?—The question applies to the Department of Inland Revenue; but my opinion is adverse to the system.

1410. What security for the payment of duty do you exact from persons who are permitted to place goods in warehouse?—We take their personal bond for double the amount of the duties; in addition to which we place the goods under the custody of a Customs locker, and put a Customs lock on the door of the warehouse, the key of which is kept by the collector of Customs.

1411. In accepting such personal bond, do you have any regard for the solvency of the person making it?—If the importer was known to be insolvent it would be the duty of the collector to refuse his bond.

This concluded Mr. Johnson's evidence for Tuesday.

WEDNESDAY, 6th October, 1880.

Mr. JOHNSON'S evidence continued:—

*By Mr. Tilton:*

1412. What are the conditions imposed by the Customs Department, before a building, or a portion of it, can be constituted a bonded warehouse?—There is a set of regulations prescribing the conditions, a copy of which I will hand in. These regulations divide the warehouses into several classes. Class 1 is a warehouse owned by the Government; Class 2 is a warehouse owned by a private individual or company, in which the importations of merchandize are permitted to be stored in bond; Class 3 is a private warehouse in which an importer is permitted to store his own importations in bond. There is still another class, called sufferance warehouses, which are used at railway stations and steamboat landings for the temporary storage of goods which cannot be entered immediately upon their being landed. There are also special regulations for constructively warehousing such commodities as coal, and grain imported for grinding purposes. In Class 2, the regulations require an entire building. In Class 3, the regulations require the setting apart of a whole flat of a store. In the sufferance warehouses, a single room partitioned off from the freight shed or other convenient place is generally deemed sufficient. There are special regulations for the warehousing of coal in yards and on wharves under bond, with two sureties, conditioned for double the amount of duty on the coal. Similar regulations are also in existence permitting grain to be taken into mills for the purpose of being ground into flour or meal. Before accepting a warehouse of Class 2 or 3, the building has to be certified to as being suitable by the collector of the port at which it is situated; and the proprietor is called upon to pay an annual license fee of forty dollars. In all cases the warehouse is secured by a Customs lock, the key of which is required to be left in the hands of the proper officer of Customs, so that goods cannot be received or delivered without the presence of a locker.

*By Mr. Bar'au:*

1413. The Customs House warehouses are now being separated from those containing goods held for account of the Inland Revenue. What is your opinion of this separation?—I consider the separation to be very desirable.

*By Mr. Brunel:*

1414. If private warehouses were restricted to buildings or parts of buildings entirely separated by substantial party-walls from all other premises in which the owner's business is carried on, and if the entrance door were at all times open to the observation of the officers of the Revenue, do you think such a warehouse could be made sufficiently safe?—They would be very much safer than at present, but I cannot say they would be sufficiently so.

1415. Have any cases come under your cognizance of large amounts of duty having been lost by reason of goods having been abstracted from bonded warehouse, notwithstanding the checks you mentioned in your answer to a previous question?—Yes; quite a number of such cases.

*By the Chairman:*

1416. Have you any knowledge of the operation of the Superannuation Act?—I have some knowledge of it.

1417. Has the present system been productive of efficiency and economy, or the reverse, in your Department?—It has in some instances enabled the Department to dispense with inefficient men.

1418. Are there any officers in either your Inside or Outside Service whom you would recommend to be placed on the superannuation list?—Yes, there are quite a number. I cannot think of more than one in the Inside Service. In the Outside Service there may perhaps be more than twenty.

1419. Are you of opinion that it would be advisable to amend the Superannuation Act so as to provide limited annuities for the widows and children of deceased civil servants?—Should very much desire to see such an arrangement, if it were possible.

*By Mr. White:*

1420. You think, then, that the country will be unwilling to bear the cost of pensioning widows and orphans of deceased civil servants?—Yes.

*By Mr. Taché:*

1421. What would you say of a system of provision for the families of deceased civil servants administered by the State, but purely derived from salaries?—I am of opinion that the Government could establish a system of life assurance for the Service, which would provide double the sum that the same amount invested in an ordinary life assurance company would procure, without loss to the revenue.

*By Mr. Brunel:*

1422. Can you submit a statement to the Commission showing the result of the working of the Superannuation Act as regards the cost of the administration of the Department of Customs both outside and inside?—I will consult the accountant of my branch and reply.

*By Mr. Brunel:*

1423. Do you consider the organization of the Departments and the other arrangements submitted by the Civil Service Commission of 1869, are well suited for the Customs Service of the present time, and that they should be continued?—I never considered the classification suitable at all.

1424. Have you any suggestion to offer for the improvement of the organization submitted in 1869; if so, will you be good enough to state what they are?—I am of opinion that the theoretical organization of the Customs Department, Inside Service, page 29, Report of Civil Service Commission, 1869, should be repealed, and in lieu thereof, the Commissioner, or it might be two Commissioners, instead of one and an assistant, should be invested with greater executive authority, and that the salary or salaries of one or each should be established at a much higher maximum; but as the general proposition is under consideration of relieving the Cabinet and parliamentary representatives of the onerous and burdensome patronage which has been so much complained of, the proper duties of deputies or permanent Heads of Departments would come better under review in that connection. I am also of opinion that the number of classes of clerks in the Customs Department should be reduced to three, viz.: 1st, 2nd and 3rd, and that upon the presumption that a thorough competitive examination is established, the appointing power should be at liberty to assign a candidate, after a year's probation, to either of the classes. That there should be no sliding scale, but that the salaries of each class should be fixed at time of appointment at an adequate sum, promotions to take place only on occurrence of vacancies and to be obtained only by seniority and qualification, to be ascertained by a renewed examination and the clerk's record in the Department. Officers higher than 1st class clerks should be known by their official titles, without reference to class. This is but a crude outline of the plan, which would require much elaboration to put it in a practical shape. As it respects Schedule B., classification of ports, pages 35 and 36, I am of opinion that it is utterly unworkable and impracticable, but it is not easy to provide a substitute therefor. Perhaps the better plan would be to classify the officers, and leave it to the appointing power to assign to each his proper locality and line of duty. There are some small ports which, owing to their location and character of the business

transacted there, although collecting little revenue, would require a first class man whose salary should be ruled by his capabilities rather than by the incidentals of his port. I would suggest the repeal of this classification, and the entire removal of appointments and promotions in the Customs Service from all political and local influences, and the adoption of a sufficient competitive examination of candidates for appointments and promotions, under which the men themselves would be divided into 1st, 2nd and 3rd classes, and with power vested in the appointing body to select therefrom a passed candidate to fill any vacancy in any part of the Dominion.

*By the Chairman :*

1425. If promotion depends mainly on seniority, would it not tend to encourage a state of indolence which is disastrous to the best interests of the Service?—It certainly would.

1426. What is the practice in your Department at present in making promotion and increase of salary; is it mainly by seniority?—In the Customs Department, as respects the Inside Service, promotions have been chiefly confined to the statutory increases of salaries and promotions from one class into another. So far as this is concerned, it has the effect of promotion by seniority. But promotions in the Outside Service have, like first appointments, been generally ruled by outside influences.

1427. Do you think it would be a good plan that increase of salary should only be allowed on the certificate of the immediate superior head, countersigned by the Head of the Department, to the effect that the conduct of the clerk has been satisfactory?—I think that should make part of the new system suggested.

1428. Do you think it would be a good plan to give the utmost possible publicity to appointments and promotions, and that partiality of individual judgment should be guarded against by the Heads calling into council the officers responsible for the work of the clerks from whom promotion is to be made?—I think it would be desirable.

1429. When a clerk, who, in point of ability, shoots ahead of his colleagues, finds his natural aspiration for improvement frustrated by this system of promotion and seniority, is he not apt to get discouraged and to desire to leave the Service for another career?—He would naturally be discouraged, and would, no doubt, leave the Service if a better opening presented itself.

*By Mr. Mingaye :*

1430. Has the present system of promotion, in both branches of your Service, a tendency to equalize salaries of some officers, so that there is no just proportion between the salaries of the higher officers, who have important functions and heavy responsibilities, and of the lower ones, who have merely routine work to perform?—It has that tendency.

*By Mr. White :*

1431. Upon whose recommendation were the promotions from class to class in the Inside Service made?—In the Customs Department, generally on the statement of the Commissioner as to the length of service and the efficiency of the officer. I cannot say that efficiency has had a potent voice in the matter.

1432. Does promotion to a higher class in the Inside Service of your Department necessarily involve a change of duty on the part of the officer promoted?—It seldom involves a change.

*By Mr. Brunel :*

1433. With reference to your answer to a previous question respecting securities given by collectors and other officers, it is not very clearly stated what security there is for the fidelity of the cashier at the larger ports; will you be good enough to give further explanation in that matter?—There is only one case in the Dominion in which security has been given, that I am aware of, by the cashier to either the Government or the collector, and that is the case of the cashier at Montreal, from whom, I understand, the collector has taken bonds for his own personal security. It has been customary, apart from law or regulation, to allow the collector in the larger ports to select from amongst the clerks serving under him the individual to whom he desires to entrust the handling of the cash; and in such cases the clerk is by courtesy called "the Cashier." I have no official knowledge of the arrangement made between

the collector and cashier at Montreal. I am not prepared to say, but it would be better to have a cashier appointed by Government.

1434. The collector being responsible for all the financial affairs of his port, can he not become his own cashier and do his own banking, and so retain control of large sums of money pending the checking of his accounts by the Department or by the District Inspector?—No; he cannot do that, because he is under the direction of the Government as to the disposal of his funds.

1435. You have told us that the collector, in collusion with another officer, could control considerable sums for short periods. Might not that "other officer" be the cashier who you say is selected by the collector?—Yes.

1436. Can you inform the Commission as to the manner in which the inspectors of ports have really checked the books of the several ports? Is it possible that the inspector can check the books of the larger ports?—I can only say that, from the indications in the reports of the inspectors, I judge that they generally make a careful examination of the cash accounts of the collectors; and I know of nothing to hinder them from doing so. At the larger ports it would not be possible to check every entry; but it is the custom to check a certain number out of every hundred selected indiscriminately by the inspector.

The Commission adjourned at 6 p.m.

#### DEPARTMENT OF AGRICULTURE.

THURSDAY, 7th October, 1880.

Mr. JOHN LOWE examined:—

1437. What is your position, and how long have you been in the Service?—I am Secretary of the Department of Agriculture, and have been in the Department since 1870; entered as a census staff officer, and was permanently appointed as secretary in 1873.

1438. There are several branches in the Department. Will you please state what they are?—As stated in the Act of Parliament, the Department includes the branches of Agriculture, Immigration, Public Health and Quarantine, Arts and Manufactures, Patents of Invention, Copyright and Industrial Designs and Trade Marks. For the administration of these subject matters, the Department is divided into five distinct branches. One comprises the general correspondence; another, patents; another, statistics; another, trade marks and copyrights; and a fifth, historical archives. Each of these branches, with the exception of the general correspondence, is confined to its own special subject as indicated by its name. The general correspondence branch includes all the subjects, and exclusively administers immigration and quarantine. There is also an office, not a regular branch of the Service, which deals with the receipt of packages by express and the distribution of immigration literature, both of which are very considerable services. The number of packages received by express, involving also Customs entries, number 1,500 in a year. The immigration publications number millions; and a careful record is kept of all received and distributed, so as to ensure accountability for every pamphlet and map. This branch is a sort of sub-branch of the Patent Office and general correspondence branch combined. The employé in charge is not a clerk in the Service, but the housekeeper or caretaker. It is my opinion that that is a theoretical mistake in the organization, and that employé should be in the Service as a clerk. The express packages spoken of consist chiefly of models for the Patent Office, and the Customs entries are for those which come from the United States and other foreign parts.

The number of officers and clerks employed in the several branches referred to, are as follows:—

Correspondence Branch.....	4
Patents.....	14
Copyrights.....	2
Census and Statistics.....	3
Archives.....	1
Caretaker and Messengers.....	3
	—
Total.....	27

There are also employed as temporary clerks, in the Census and Statistics, eleven persons. There are three extra clerks for service in such branch as may have a sudden pressure of work. All the other eleven also are liable to be called from branch to branch as the work requires. In the Patents Branch, the business consists of receiving applications for patents of inventions; the examination of the claims; the receipt of fees and models, and deciding questions as to whether patents should be issued or not; preparing the specifications for monthly publication in the Patent Record, making the translation in both languages of the title of each patent, and giving certified copies of documents, &c.

The Trade Marks Branch indicates its business by its title. It issues trade marks and copyrights upon application. That also involves the decision of particular questions relating to each subject requiring sometimes special and sometimes technical information. The Census and Statistics, comprise duties generally indicated by the titles; they have also relations to wider questions which may be stated to be International in their character.

The duties pertaining to Archives, comprise the collection and proper classification of all records that can be obtained pertaining to the history of Canada.

The General Correspondence Branch deals with the subject of Immigration. That involves a large correspondence with agents in Canada and abroad.

There are also the questions of Quarantine and Public Health. Also cattle quarantine and transit of American cattle. These questions involve relations with other countries, and the preparation of technical and scientific reports, in answer to Imperial despatches referred to the Department.

The branch of Arts and Agriculture also includes exhibitions of an International or an Intercolonial character.

1439. Is there any examination for admission or promotion in your Department?—There has been no special examination for admission since I entered the Department.

1440. What is your opinion as to the effect in the Service generally, of the prevailing method of making first appointments to it?—In regard to my own Department, the result has been decided efficiency. I speak with special reference to our present staff.

1441. How are first appointments made in your Department?—They have been generally made on the recommendation of the Minister to the Privy Council.

*By Mr. Barbeau:*

1442. Are clerks taken on probation, and if so, for how long?—We have had clerks taken on probation and others have been simply appointed.

1443. Does it happen that clerks are not kept when their probationary term has proved them to be unfit for their duty; or are they kept notwithstanding their unfitness?—They are not kept.

1444. Is your opinion ever taken when appointments are made; and is your advice followed?—The Ministers have always made their own recommendation to Council, so far as I know. This does not apply to promotions to the same extent. Ministers have indeed made promotions without consulting the deputy or other official of the Department. In other cases they have taken their opinions. The practice has not been uniform in regard to promotions.



1445. Are promotions made by order of seniority or of merit?—There has not been any absolute rule. Some have and some have not.

*By the Chairman :*

1446. Appointments being made in the manner you have stated, do you know whether any regard is had to their fitness, or are the appointments made by reason of political influence?—I can only answer that, by the fact, and on the whole the appointments have been satisfactory.

1447. Do you not think a good system of examination prior to entrance in the Service would give you material from which you might expect good subjects for promotion?—This is a question with respect to which I feel a little difficulty. I have not bestowed any special study on the subject, beyond reading the reports of Committees and magazine and newspaper articles. I have no doubt that education is highly desirable and necessary for a Civil Service clerk. I have doubts whether such examination would afford any test, at least as a rule, of fitness or aptitude for particular duties the clerk would have to undertake. I think that fitness and aptitude can only be ascertained by the test of probationary service.

1448. You think, then, that such an examination coupled with a period of probation would give you the best material?—I think that the fact of sufficient education, coupled with probationary service, will be the best test.

*By Mr. Tilton :*

1449. What means would you suggest to establish the fact that a man's education fitted him to enter the Service?—I have no suggestion to make on that point. My reason for saying that I think the competitive test would not, in all cases, prove equal to the requirements expected of it, arises from the fact that I have known young men who would answer with facility the greater part, if not all, the questions of the examination, but who would not have the other qualifications necessary for a good clerk. I have also seen it stated in speeches and newspapers that the competitive examination in England, has not, in all cases, answered expectations; but I have no personal knowledge of the fact. I think the Minister appointing should be satisfied as to the educational capabilities of the proposed clerk.

*By Mr. Brunel :*

1450. Have you, in your reading, met with any proposition made by any public men of note, in England, to go back to the system which prevailed prior to the adoption of the present system?—Oh, no; but practically, it has not been uniformly followed in England.

1451. Will you be good enough to state to what extent it has not been uniform in England?—I cannot give a precise answer to that question.

1452. Am I to understand from your answer to a previous question that you consider examinations only applicable to ascertaining the existence of educational acquirements?—I think that the examinations have reference to educational acquirements; so far as I have seen the questions they have.

1453. Do you think the possession of a good education, obtained in early life by a person who has had no special advantages, is any indication of intelligence or of any aptitude to acquire a knowledge of special duties?—It is. I do not think that anybody deprecates education.

1454. Do you consider it impossible to frame questions that will test the possession of special qualifications for any specific duties?—That is a very wide question; I should say yes for many specific duties.

1455. Will you state the qualifications necessary for the performance of any particular duties which you consider could not be ascertained or tested by examination?—They are the kind of qualifications only discovered by experience. I have already stated that they could not be discovered by examination; therefore, I cannot describe them.

1456. If there are several persons eligible, as regards health, age and character, for an appointment, do you think the fittest could generally be ascertained by a competitive examination of the whole?—Possibly yes; and possibly not. If I had to select, I should desire some other test.

1457. Then, if the one gaining the first place in the competition were appointed on probation, do you think the two things would constitute a satisfactory test?—Yes.

1458. Have you, in your experience, observed any difficulty in finding officers in the subordinate ranks of the service fit to fill the higher positions?—Generally, I think the subordinate officials could fill the higher positions. I think, however, that the service in the Departments would not, in all cases, afford the best ground-work for the kind of information required in some of the higher branches.

1459. Have any appointments been made to the higher positions in your Department of men not previously in the Service?—Yes.

1460. Were such appointments made for special qualifications possessed by the appointee?—I think so.

1461. How were such special qualifications ascertained and vouched for?—I cannot tell the process, nor how the Minister came by his knowledge.

1462. Where there no officers in the lower grades suited to fill the place?—I think not quite so advantageously.

1463. How, in your opinion, did that difficulty originate?—I cannot tell you.

1464. Is it possible that it may have originated in the admission of inferior material to first appointments?—No; I do not think that.

1465. Do you not think that if only well educated young men had been admitted to the lower grade of the Service, the business of the Department would have constituted a school in which those who were industriously inclined would have acquired the knowledge necessary for filling the higher positions?—Generally it would, but not in all cases.

*By the Chairman :*

1466. What would you consider the best age at which clerks should first enter the service?—As a rule, I think we should do better with young men at the age of leaving school or college; but there might be exceptions as to special appointments.

1467. Can you tell the Commission at what age first appointments in your Department are made?—At various ages from 18 to 50. The major part entered as young men.

*By Mr. White :*

1468. Have you any female clerks in your Department? If so, how does their work compare with that of male clerks?—We have two extra clerks who are females, and they are both doing very good service.

1469. Are there any positions in your Department requiring technical knowledge; if so, how are appointments to such positions made?—The questions coming under the correspondence branch, the patent branch, the statistical and trade-mark branch, require technical knowledge. The appointments are made in the manner I have already stated. The archives also require special literary information for their collection and classification.

1470. Do you know by what means the Minister acquires information as to the special qualification of the person appointed?—I have already stated that I do not know the process by which the Ministers who make the recommendation obtain their information.

1471. Does promotion from class to class in your Department necessarily involve a change of duty?—No.

1472. Have you given any attention to the mode of remunerating members of the Civil Service; if so, do you think a scale of salaries, in which each class rises by annual increment from a minimum to a maximum, has any advantage over a scale giving to each class a fixed salary? I have not specially considered that question. I think the annual increases, in many cases, are advantageous, but there may be exceptions. And I do not think, in our own Department, that the annual increases have always given substantial justice. I speak with special reference to the non-granting as well as the granting of the increases.

*By the Chairman :*

1473. Do you believe in promotion by merit?—Yes, if properly established.

*By Mr. White :*

1474. Could you give the Commission any information as to the character of the work done and the number of persons employed in the branch of your Department having charge of the archives?—There is one clerk in the archives branch, and there have been considerable collections of purely historical records concerning Canada. These collections have been made in England and France as well as in Canada.

*By the Chairman :*

1475. Do you think that the staff of the Department of Agriculture could be reduced in numbers without injury to its efficiency?—I do not think so; on the contrary, the present staff, inside, requires extra assistance continually. I wish to furnish a statement in support of this answer, founded upon a comparison with another and a foreign service, which happens to admit of an exact comparison; it is the Patent Branch as compared with that of the United States.

### PATENT OFFICE.

#### COMPARATIVE STATEMENT FOR THE YEAR 1879.

	Canada.	United States.
Number of clerks (including four extras presently employed).....	22	354
Total amount of salaries.....	\$18,180.00	\$415,820.00
Average salary per clerk.....	\$826.36	\$1,175.00
Number of patents, trade marks, &c., applied for.....	1,953	19,300
Average number of applications per clerk.....	88	54
Number of patents, trade marks, &c., granted.....	1,832	14,018
Average number of cases granted per clerk.....	83	39
Total amount of fees received.....	\$33,303.00	\$703,146.00
Average of fees per clerk.....	\$1,513.77	\$1,986.00
Average cost of salary per case granted.....	\$9.92	\$29.66
Average cost of salary per application filed.....	\$9.81	\$21.54

(Collated from the United States Register of the Department of the Interior, 1879, Report of the United States Patent Office, 1879, and the Report of the Hon. Minister of Agriculture for 1879.)

I therefore find that the Service in Canada is performed at a cost of from one-half to two-thirds cheaper than precisely the same service in the United States; and I am able to state that the clerks in the Patent Office do not work any harder and are not generally more efficient than the other clerks of the Department.

1476. Have you in the Department any men who, from age, indolence, incapacity or any other cause, are not well fitted for their duties?—There is probably one of the clerks who is now attaining the age at which he will have to be superannuated. The merits of the clerks are not all equal; but I know of none unfitted for their duties.

1477. In the Outside Service you have specified as well as permanent clerks; does the number vary from time in accordance with the exigencies of the Service?—Yes; we have special as well as permanent agents. The special are appointed to meet particular exigencies of the Service on immigration, health and quarantine.

1478. Are there any of them, from any cause, not well fitted for the performance of their duty?—I think not. I think the Service is efficient.

*By Mr. Barbeau :*

1479. I see by a return of the employes in your Outside Service that you have several agents named abroad, for immigration; does the country derive any benefit from the settlement here, of immigrants, proportionate to the cost?—I think the advantage of immigrant settlers in Canada exceeds the cost of the service.

*By Mr. Tilton :*

1480. Do you favor the continuous employment of clerks, as extras, in preference to their being placed upon the permanent staff of your Department?—Not as a rule.

1481. Have you ever inflicted fines as a punishment for minor offences in the Inside or Outside Service of your Department, and if so, by what authority?—No.

*By Mr. Barbeau :*

1482. Are any of your employes engaged in any occupation outside the Service?—I think not, in any regular occupation.

*By Mr. Brunel :*

1483. Can you have prepared a statement for the Commission, showing the effect of the superannuation law as heretofore carried out on the cost of administering the Inside and Outside Service of your Department?—Yes; and I will do so.

The Commission adjourned at 6 p.m.

FRIDAY, 8th October.

Mr. H. B. SMALL, of the Department of Agriculture, was examined :

*By the Chairman :*

1484. Will you state your present position, and how long you have been in the Service?—I am a First-class Clerk and Accountant of the Department for the sums voted by Parliament. Have been 13 years in the Service altogether; was confirmed in my present position by an Order in Council since 1st January, 1879, having previously discharged the duties for two years.

1485. Will you please state what the duties are?—General correspondence, receiving and checking all accounts, issuing cheques for the same, receiving and filing vouchers, checking the transport account, certifying the correctness of the pay-list of the outside staff, issuing the same and keeping all the accounts of the sums voted for the Department by Parliament. The patent fees do not come under my control. I also have the compilation of the annual report of the Department.

*By Mr. Barbeau :*

1486. Is there an attendance book kept in your office, and is the attendance of the employes punctual?—There is such a book, and the attendance is punctual.

*By the Chairman :*

1487. Is there any penalty attached to breaches of discipline?—Not being aware of any breaches of discipline, I can scarcely say if there are any penalties.

*By Mr. Barbeau :*

1488. Are any clerks in your Department engaged in business outside of their official duty?—Not to my personal knowledge.

1489. Is the method of keeping your accounts left to yourself, and does the Finance or Audit Department ever suggest any change in the manner of keeping them?—The system employed in our Department is the same as it always has been; the only change suggested by the Finance Department being the abolition of credits on the various provinces, against which cheques were formerly drawn for provincial payments, in addition to the credit existing for ordinary expenditure in the Bank of Montreal at headquarters. All payments by cheque are now made from one credit here.

*By Mr. Tilton :*

1490. What officer of your Department signs official cheques?—The Deputy Head; in his absence the Secretary or Chief Clerk are authorized by Order in Council to sign for him in his name. All cheques except those for patents and the Department pay-list are countersigned by me.

1491. Please state the mode by which your Department is placed in funds to pay accounts?—At the commencement of each fiscal year a credit for current expenditure, on the Bank of Montreal, is applied for to the Finance Department against

which cheques are drawn ; the same process being repeated on the exhaustion of each credit.

*By Mr. Barbeau :*

1492. In what manner is the expenditure controlled as regards Parliamentary votes to the Department?—A monthly statement on a printed form of the expenditure under each vote, is laid before the Minister, Deputy and Secretary, prepared by myself. The balance available for each vote being shown thereon.

1493. How are monies supplied to the various outside branches of your Department, and what check have you over them?—Advances are only made during a current quarter to outside agents on a requisition from them. The amount so advanced is charged to their ledger account, and when their quarterly accounts are rendered, the amount so advanced is deducted and the balance if found correct, remitted by cheque. All accounts sent by outside agents have to be certified by them. All accounts are examined by myself and submitted to either the Deputy or Secretary before payment. Any claim which I consider at all doubtful, I invariably call attention to ; and cases have occurred where charges have been disallowed.

*By Mr. Tilton :*

1494. Does your experience enable you to suggest any improvement with reference to the payment of accounts under what is called the "credit system"?—I think not ; the credit system as it now exists in our Department is working well.

*By Mr. Barbeau :*

1495. I see by the return sent by your Department, that several of your agents are paid certain sums for travelling expenses. Will you state on what basis these are allowed, and what means you have of controlling them?—Departmental travelling is under Ministerial orders. The accounts for the same are rendered in detail, and submitted either to the Minister, Deputy or Secretary, before payment is made. Advances are occasionally made and deducted from the face of the account when rendered. The sums paid are for actual expenditure, and not a *per diem* allowance. The outside agents receive their travelling instructions from the Department, except in any case of emergency, notification of which has to be given to the Department with the reasons therefor. The foreign special agents are by Order in Council allowed actual travelling and living expenses whilst travelling, not to exceed \$4 per diem, all told. They are also allowed special expenditure to cover printing or advertising (or the use of hulls, &c.) in special cases. Each agent also sends in a diary containing particulars of his proceedings, while engaged in travelling or on special service, in addition to his account for the same.

*By Mr. Tilton :*

1496. In rendering your monthly account of expenditure to the Auditor-General, do you send therewith any statement which enables that officer to reconcile the difference between the balance at credit, your Departmental letter of credit account with the Bank, and that shown by your books?—I never have done so. I should require another clerk to do that work, which, I think, should be done in the office of the Auditor-General.

*By Mr. Barbeau :*

1497. Please state if your outside offices are visited, and, if so, how often their accounts are checked?—There is no stated inspection, but each agency, from time to time, without notification, is visited by the Deputy or the Secretary and the workings of them examined.

*By the Chairman :*

1498. In addition to the normal work and expenditure of your Department, have you had some of an exceptional or special character. Will you please state what they have been?—Correspondence in connection with and accounting for the expenditure incurred during the last few years by International and Interprovincial Exhibitions. The expenditure for Philadelphia being upwards of \$93,000 ; Paris, \$114,000 ; Australia, \$26,000 ; and our own Interprovincial Exhibitions averaging each \$5,000. This has entailed a very heavy amount of abnormal work on my branch.

1499. The work of preparing various statistics, as well as that of the census, is performed in your Department. Have you anything to do with their preparation or have you any knowledge concerning it?—It is. I have nothing to do with their preparation except the issuing of cheques in payment for statistical accounts rendered and certified to by the official of that branch.

## DEPARTMENT OF THE INTERIOR.

WEDNESDAY, 13th October, 1880.

LIEUT.-COL. DENNIS, Deputy Minister of the Interior, examined:—

*By the Chairman :*

1500. You are the Deputy Minister for the Department of the Interior; how long have you been in the Service and held your present position?—I have been more or less connected with the Public Service for many years, having been actively employed in the Department of Public Lands or in the Active Militia Force from 1841 up to 1871, when I was appointed Surveyor-General of Dominion Lands. I was Surveyor-General till November, 1873, at which time I was appointed Deputy Minister of the Interior.

1501. Will you please to state into how many branches your Department is divided?—The Department of the Interior is divided into the following branches:—1st. Dominion Lands, embracing all the territories and lands of the Dominion outside of the provinces as originally confederated, including, however, Manitoba. The Ordnance and Admiralty lands transferred by the Imperial Government to Canada, and which formed till recently an independent branch of the Department, now forms a sub-branch of the Dominion Lands Office, all of which are under the immediate administration of the Surveyor-General. 2nd. The Mounted Police Force of the North-West Territory. 3rd. The Geological Survey of the Dominion, under the direction of Professor Selwyn. 4th. The administration of the Government of the North-West Territories, through the Governor thereof. 5th. The administration of the Government of Keowatin, through the Governor of Manitoba. Another branch has within the last year been added, called the School Lands Branch, which is charged with the administration of the school lands, some 15,000,000 of acres embraced in Manitoba and the North-West Territories.

*By Mr. Barbeau :*

1502. How are appointments made in your Department?—By order of the Governor in Council on the report of the Minister of the Interior.

1503. Does not the present system of making appointments expose you to employ incompetent men for the work?—It does.

1504. Is there any examination as to fitness prior to making appointments, and is it customary to enquire about the ages, health and moral character of candidates?—It has not been the custom to submit any appointees to any examination preliminary to appointment; and, so far as I am aware, no particular enquiry as to age, health or moral qualifications is customary. This refers more especially to persons employed as temporary clerks. As a rule, I have reason to believe that before Ministers will recommend to Council persons for permanent appointment, they satisfy themselves on these respective heads. The great difficulty of the present system is caused through persons, by political pressure, obtaining foothold in the Service as temporary employes who are not fitted to be permanently appointed, but who are kept on from time to time, temporarily employed, occupying the places of young men who, if judiciously chosen for their qualifications, would be in the course of being rapidly educated as valuable civil servants.

*By the Chairman :*

1505. Are you obliged to retain clerks when once appointed whether fit for their duties or not?—Not necessarily; I have little doubt that on representation to the

Minister of the conduct of any employé being of a character to destroy his usefulness and to bring discredit on the Civil Service, such clerk would be dismissed.

1506. What, in your opinion, would be the best means of securing good appointments?—I would not appoint any person in the ordinary course to the Civil Service without he passed a certain fixed examination, which examination, I think, ought to include some specialty, either a knowledge of shorthand, or of French or German, in addition to English. He should be healthy and moral, and serve a certain period on probation, and after permanent appointment his promotion should be according to merit as a public servant, on the report of the officers over him in the Department in which he serves. I would entirely eliminate, as far as it could possibly be done, political influence from the administration of the Civil Service.

1507. Have you any knowledge of the Civil Service of Great Britain, and the manner of making appointments and promotions therein?—None.

1508. Would you consider the appointment of Civil Service Commissioners by the Government of the day, in the same manner as the Judges are now appointed, before whom candidates for the Civil Service, as to fitness, would be examined, a reform on the present system?—I think the examination of all candidates should be by a tribunal entirely independent of all political influence.

1509. What would you consider the best age for first entrance into the Service?—It is not so much a matter of age as of qualifications. From 18 to 21 years I would think the most desirable age. But there must, in the ordinary course of things, be exceptions to the rule I have suggested for the organization of the Civil Service; for instance, in cases where appointees require to possess special professional qualifications, such as could not be attained in the ordinary training in the Service, such appointments must necessarily rest with the Government.

*By Mr. Barbeau:*

1510. Has the Civil Service Act of 1868 been observed in your Department?—As far as political exigencies would admit.

*By the Chairman:*

1511. Have not such exceptions as you have alluded to practically made the Act a dead letter?—I would say that, practically, the objects sought in the Act of 1868 have been defeated by the exercise of political influence.

1512. If first appointments were made of the ages from eighteen to twenty-one, after examination, suited to the duties which they may be called upon to perform, coupled with a period of probation before being permanently appointed, do you believe that in that way the best material would be secured for the Service and from which to make promotions therein?—Yes.

*By Mr. Barbeau:*

1513. Does the present system of making first appointments furnish the right material from which to make promotions to vacancies in the Service?—I do not think so.

1514. Would you be in position to fill vacancies in your Department, by promoting some one already in the office?—In the ordinary course, yes; not, however, in appointments requiring professional knowledge. I would here say that, as Deputy Minister, I consider myself fortunate in that the most of the gentlemen occupying positions in the different branches of my Department who entered some years back, are well qualified and are valuable civil servants.

1515. If promotions were so made, as a rule, do you not think it would give great encouragement to the staff under you?—Yes.

*By Mr. Brunel:*

1516. You have expressed yourself strongly in favor of examinations for admission to the Civil Service, do you mean pass examinations or competitive examinations?—I would not insist on competitive examinations, without the Commission is of opinion that such examinations would be necessary in carrying out the principal I have suggested.

1517. Under what regulations would you admit candidates to examination for first appointments?—I have not given that matter serious consideration.

1518. What is your opinion as to the value of educational acquirements as an indication of general intelligence and of a capacity for acquiring a knowledge of the duties assigned to a civil servant?—As a rule, I should judge that such acquirements were reliable; exceptions, doubtless, occur to this as to every other rule. One young man may pass a more excellent examination than another, but after all not make as valuable a public servant.

1519. In a previous answer you have referred to probationary service. Do you think that such service, coupled with the results of examination, would be a reliable test of fitness?—I think so.

1520. Under what conditions do you think probationary appointments should be made, especially as to their termination either by the confirmation or rejection of the probationer?—I think a probationer should come in for a fixed period, say of six months; his permanent appointment, or his being relieved from further duty, to be contingent on the report in such behalf, of the officer at the head of the branch in which he is employed, and approved by the Minister.

1521. You have said that promotion of clerks should depend on the recommendation of the officers over them. Do you feel confident that those officers would always be so free from political pressure that they would be able to act independently in such cases?—I have no reason to think otherwise; where, as I have suggested, politics should, to the utmost possible extent, be eliminated from the Civil Service.

1522. Have you considered the expediency of basing promotions on the officially recorded previous conduct of those in the inferior grades, coupled with examination, by such a board or commission such as you have here suggested?—No; I have not.

1523. You have mentioned the age of 18 to 21 as a suitable age for admission to the Service. Have you formed any opinion as to the expediency of appointing lads or boy clerks, say at the age of 15, with a view to their education in the speciality of the Civil Service?—No.

1524. With reference to the exceptional cases which you say must occur in which appointments for special or scientific qualifications must be made; are you of the opinion that the possession of the necessary qualifications might be tested by any process which would be free from political influences?—No course, with such view, suggests itself to me at present; and I have not considered the matter. I think, in such exceptional cases, the Government should take the responsibility.

*By Mr. White:*

1525. When a clerk in your Department is promoted to a higher class, does such promotion necessarily involve a change to a higher class of work?—No.

1526. Then promotion from class to class simply means an increase of salary without increase of responsibility?—Decidedly, under the present system.

1527. Do you think that first-class clerks should have specific duties?—I certainly think so; they all have in my Department.

1528. Has a competent knowledge of the English and French languages been considered as entitling the possessor to any special consideration in your Department?—No.

1529. Do you not consider that a competent knowledge of both languages should entitle the possessor to some special consideration?—Yes.

1530. Is not a knowledge of both languages absolutely necessary to the holders of the higher positions in your Department?—I would not say it was absolutely necessary, but it would render them much more valuable servants.

*By the Chairman:*

1531. Are not appointments under the present system, to what may be considered as the prizes of the Service, made over the heads of those already in the Service?—Such a case has occurred, and the present system leads to that abuse.

1532. Does not that tend to impair efficiency and discourage those who are on the permanent staff?—Yes, decidedly.

*By Mr. Taché:*

1533. Are we to understand that you consider appointments to the higher grades from the outside an abuse in every case?—It is only an abuse when there are persons in the Department just as capable of filling the situations.



*By Mr. Brunel:*

1534. Will you be good enough to state your opinion as to the present system of giving annual increments of salary to the civil servants?—I do not approve of it. I think that ordinary clerks should be paid reasonable salaries as such, according to the character and value of the work they perform, and that an increase of salary should only attend upon increase of value of services rendered to the public.

1535. Have the annual increments been granted as a rule, in your Department, without reference to the previous conduct of the clerks?—Yes; as a rule. At the same time, the Minister requires the recommendation of the officer immediately over the clerk.

1536. Have you had any cases in your Department in which the annual increment has been permanently withheld?—Not that I remember.

*By the Chairman:*

1537. Then the tendency of the present system is to the gradual culmination of officers by mere force of survivorship into the more highly paid classes?—Yes.

*By Mr. White:*

1538. Do you think such a system of increasing salaries as that you have just described could be carried into practice without leading to favoritism?—It is quite open to argument.

*By Mr. Tilton:*

1539. Do you think it in the interest of the Public Service that all persons holding appointments under the Government should be disfranchised?—I do. I think the Civil Service should have nothing whatever to do with politics.

1540. As you have expressed an opinion adverse to the granting of annual increments, will you be good enough to state your views as to the desirability of shortening the term of service prescribed by the present Civil Service Act, and, in cases of efficient and deserving employes, providing for prompt promotion on reaching the maximum of the class in which they may be serving; efficiency in all cases to be certified to by the Deputy Head before being sanctioned by the Political Head?—I certainly would shorten the period of service in a case of remarkable efficiency.

*By the Chairman:*

1541. Have you a larger number of officers, either in the Inside or Outside Service, than are required to carry on the work of your Department?—No, not in either the Inside or Outside Service. Our service expands in certain of the branches so rapidly that we can hardly keep up with the requirements of the Department.

1542. Are there in your Department any cases in which changes in departmental work have left some officers with too little, others with too much work?—None.

*By Mr. Barbeau:*

1543. Have you any clerks in your Department who are not capable of performing their duties efficiently from any cause, such as old age, intemperance, idleness or general incapacity?—No.

1544. Are there any officers in either branch that you would recommend to be placed on the superannuation list, or who might with benefit to the Service be dispensed with?—There are none who could be dispensed with, with benefit to the Service. There are, however, one or two who might be placed on the superannuation list.

1545. Would it be possible by any re-arrangement of your Department, or of the business therein, to carry on the public business in a satisfactory manner with a reduced staff?—No.

*By Mr. Mingaye:*

1546. Are any of your officers doing a class of work for which they receive a lower salary than the work warrants, or are there, on the other hand, any officers who receive high pay for inferior services?—I do not think the salaries are fairly apportioned.

*By Mr. Taché:*

1547. Is the work of the Department of the Interior efficiently performed in the Inside and Outside Service by the present staff of the Department?—I think in the

Inside Service, yes. In the Outside Service there has been one complaint involving the neglect of an officer which the Department is now endeavoring to remedy. It is not a case of inefficiency of an officer, but a charge of wilful neglect.

*By the Chairman :*

1548. Has this officer been dismissed; if not, what has been done in the matter?—The papers have been sent to him, and the Minister awaits his reply.

*By Mr. Mingaye :*

1549. If any of your staff were inefficient, idle, or useless, would they still hold their positions, provided they did not grossly misconduct themselves, and so remain in the Service until decease or superannuation?—I do not think they would.

*By the Chairman :*

1550. Do you believe that if appointments were made of duly qualified persons after examination, with probation and the prizes of the Service awarded by merit, it would secure a more efficient staff and secure greater economy in your Department?—Yes.

*By Mr. Barbeau :*

1551. Have you any special knowledge as to the details of the working of each branch and sub-branch in your Department, and have you such knowledge as would enable you to judge of the capabilities and qualifications of the clerks in each branch?—I have a thorough knowledge of the duties and ability of each of the clerks in the several branches at headquarters; but cannot be expected to have such knowledge with regard to those in the Geological Survey, or the clerks in the land offices of Manitoba and the Territories.

THURSDAY, 14th October, 1880.

Colonel DENNIS' examination continued:—

*By Mr. Brunel :*

1552. Do you consider the organization of the Departments and the other arrangements submitted by the Civil Service Commission of 1869 are well suited to meet the requirements of your Department at the present time?—I have not seen those regulations, and would require to study them before replying.

*By Mr. Mingaye :*

1553. I understand that your more important surveys are conducted by surveyors who are Dominion Land Surveyors, having received a commission to act as such. When a survey is completed by a surveyor, is he still retained under pay of the Government awaiting other work, or what is your mode of dealing with such surveyors?—He is not retained. He is paid off and may go to work in any other service.

1554. These surveyors, when on an important survey, have attached to their staff one or two officers who are appointed by the Department, they having in view the following of surveying as a profession; is such an appointment permanent, or determined on the completion of the particular survey?—The one or two officers alluded to consist usually of young men, on whose behalf influence has been brought to bear on the Minister to get them sent out with a surveying party, employed as assistants, commonly as chainmen, with a view of their ultimately, probably, becoming surveyors. They are not in the pay of the Government after the service is completed, and while employed only receive the ordinary daily pay allotted to such assistants.

1555. I believe there is an enactment by which you are in a position to provide a superior class of surveyors, capable of conducting highly scientific surveys, explorations, and operations of that kind; are such surveyors employed permanently, or for how long?—Such surveyors are employed for special services from time to time, as occasion requires, and are only under pay during the time of such service.

1556. Are you of opinion that a system by which surveyors and superior surveyors could be permanently appointed, with salaries according to the position they hold, would be the means of forming a more perfect and reliable staff, and

enabling the work to be done more economically?—As regards the higher class of surveyors, I am of that opinion.

1557. I understood you to have stated, yesterday, that you were not in favor of competitive examination as applicable to the whole Civil Service; would not such an examination, under proper regulations, tend to give you a more efficient and reliable body of such surveyors, and as I have just mentioned?—The examination required from the Dominion Land Surveyors is prescribed by law and (especially as regards the higher class surveyors) is a very stringent one. No additional examination is, in my opinion, necessary.

1558. But could not a Civil Service Act provide for such examinations being conducted so as to promote persons from the staff to surveyors and from surveyors to the higher class surveyors mentioned by you?—I see no advantage in such a system over the present Act appointing Dominion surveyors, which regulates all matters relating to Dominion lands over the surveys thereof. Such a system would imply that all Dominion land surveyors would be members of the Civil Service, which, in my opinion, would be inexpedient, if not impracticable.

1559. Some of your surveying is done by contract; will you please to explain the practice in this respect?—The mode in which the surveys are performed is as follows: Preliminary to the subdividing into farms of any special district of country, the same is laid out in squares of twelve miles or four townships each. On the dividing lines of these blocks, the sections and quarter sections are all marked by boundaries on the ground, and at each corner of the twelve mile square, an iron bar is driven into the ground, having stamped thereon with dies the numbers and ranges of the adjacent townships. These block or outline surveys are performed by a class of surveyors paid by the day. As the requirements of settlement call for additional sub-division of lands, contracts by the mile of section lines are let to any Dominion land surveyors who will do the work for the least money. These contract surveyors run all the interior lines and mark out the boundaries of the sections and quarter-sections of the townships.

*By Mr. Tacht:*

1560. What is the method adopted for testing the accuracy of these surveys?—The first principal meridian is located astronomically and by interchange of telegraphic signals with the United States observatories. The second principal meridian, being the 102nd west of Greenwich, was settled by a system of triangulation across the country, south of Lake Manitoba, and passing north of Fort Ellice. The 3rd, 4th and 5th principal meridians have been severally located by a system of double and independent chaining with frequently tested steel chains. The definition of the system of base and exterior meridians of blocks, also the fixing of the principal meridians, have been checked, as regards latitudes, by very frequent and precise observations by an officer (Mr. King, D.T.S.) with the highest class of astronomical instruments. The differences in longitude are in the mean time entirely dependent upon the check chainages. It was intended to check the location on the ground of the three most westerly principal meridians, by interchange of telegraphic signals with a station on the first meridian, but the condition of the telegraph line west of Manitoba has been such that at no period since its construction has it been sufficiently reliable to permit of this service being performed satisfactorily. I may mention, as furnishing an idea of the fairly reliable manner in which these extensive surveys have been effected, that the 5th principal meridian by the circuitous route (some thirteen hundred miles) of bases and meridians laid down upon the ground, extending from Pembina to Winnipeg, to Battleford, to Edmonton, and thence by the 5th principal meridian 300 miles southerly to the International boundary below Fort McLeod under the Rocky Mountains, shows a difference between the actual measurements and the theoretical distances, as determined astronomically, of only some thirteen chains.

*By Mr. Brunel:*

1561. Do you consider the testing of the chains used for determining the meridian as described by you, was entirely satisfactory, and will you explain the nature of tests for accuracy?—The testing of the chains is only of approximate value, as it is

entirely impossible to make two measurements of any consequence over the same line in the ordinary way of chaining which shall agree. The test for accuracy in the length of chain used in the Department is the measure of length furnished by the Inland Revenue Department.

1562. With reference to the selection of surveyors of Dominion lands and their assistants, will you explain how the selection is made?—The selection of the superior class of surveyors is made from a list of men recommended for such special work by the Surveyor-General. As regards contract surveyors, other things being equal, the contract is given, under the present system, to the lowest tenderer.

1563. Could not these surveyors be selected by some process which would more completely eliminate the element of patronage than the method you have described?—I think not. So long as the most important surveying work is done by men personally known to and recommended by the Surveyor-General, I think no improvement on the system could be made. Where, as I have already stated, the contracts are given to the lowest tenderer, other things being equal, irrespective of politics, I do not see any object of consequence to be gained by relegating the patronage as regards employment of Dominion land surveyors to any tribunal outside of the Department.

*By Mr. Barbeau :*

1564. Will you please indicate the various sources of revenue received through your Department?—1st. From sales of Dominion lands, and fees for homesteads and pre-emptions. 2nd. From dues for timber cut on Dominion lands. 3rd. Proceeds of sales and leases of Ordnance and Admiralty lands; in addition to which may be mentioned, office fees collected for the furnishing of copies of plans, field notes and other records of the Department.

1565. In what manner are these revenues controlled?—The revenues from land sales and office fees in the Outside Service are returned each month, and each return of entries must be accompanied by a bank manager's certificate corresponding with the return, showing the amount deposited with the bank to the credit of the Receiver-General. In the case of Ordnance and Admiralty lands, collections of sale moneys or rents specially made by officers sent from headquarters, or by local agents where such exist, are required to be promptly returned and the moneys deposited as above. Collections of timber dues from Dominion lands are returned monthly, as above.

1566. How do you deal with those who are in arrears of their payments?—The only arrears are in connection with sales or leases of Ordnance or Admiralty lands. Many of these lands consist of small lots in cities, purchased or leased by mechanics or working people who, in consequence of the hard times which have prevailed till quite lately for years back, have been unable to keep up their payments. So far they have not been pressed. The intention, however, now is to collect all arrears possible; and I may add that many cases have been already placed in the hands of a solicitor.

1567. Do you not think many of these arrears, now lost, could have been collected if more stringent means had been adopted for their collection?—I do not know, as a matter of fact, that many of these arrears have been lost. There have been, probably, some few cases in which the Government may prove to be the loser for want of enforcing prompt collections.

*By Mr. White :*

1568. Have you any work in your Department which could be done by a class of men of a lower grade than permanent clerks?—We have not sufficient work of that kind to make it desirable to introduce such a class.

1569. Have you formed any opinion as to the advisability of employing women as clerks in the Civil Service?—I have not.

*By the Chairman :*

1570. Do you think the employment of extra clerks desirable?—I do not.

*By Mr. Barbeau :*

1571. Do you think a class of clerks at so much per diem, to be employed under pressure of business, would tend to diminish the number of permanent employes, and to lead to economy without interfering with efficiency?—No; I do not think so.

1572. Have you any extra work or night work in your Department; and are clerks paid for this service?—We have had extra work of different kinds, some of which, being a specialty such as draughting, was done after hours, for which draughtsmen clerks were paid extra by the piece. Other extra work is obtained and paid for outside of the Department. No extra work after hours is at present being done in the Department.

*By Mr. Tilton:*

1573. How are these clerks paid for this extra work, and to what appropriation is it charged?—These cases have been very rare, and they have been paid on accounts furnished from contingencies of the particular branch in which the work has been performed.

*By Mr. Brunel:*

1574. Do you think the employment of the permanent clerks, who are well acquainted with it, on such extra work during a pressure, is more economical than the employment of strangers who are unacquainted with it?—I think it would be not only more economical but more just.

*By Mr. White:*

1575. Have you any temporary clerks in your Department. At what rate are they paid and how?—I have some temporary clerks. They are paid by the day from contingencies. The rate is from \$1.50 to \$2.00 per day; the latter pay being for draughtsmen or clerks doing special work.

*By Mr. Tilton:*

1576. Are such extra clerks paid for Sundays and legal holidays?—Yes.

*By Mr. Brunel:*

1577. Have you sometimes had extra clerks in excess of the number necessary for the service of your Department?—None.

*By Mr. Barbeau:*

1578. What is the longest term of service of your temporary clerks?—We have never had any appointed for a longer period than six months; but the same appointment has occasionally been renewed from time to time, especially in the case of draughtsmen, resulting in the person remaining in the Department for some three or four of such terms.

1579. Does it not occur, frequently, that extra clerks are kept longer than is necessary, and that they gradually become placed on the permanent staff, and thus unnecessarily overcrowd the Department?—I will not say they are kept longer than is necessary; but such employes, by this means, get a foothold in the Department which enables them to get permanently appointed, to the exclusion of persons who, perhaps, would make more valuable servants.

1580. Have you any duties in your Department requiring knowledge of a technical or special character?—Each of the officers in the Dominion Lands Branch, from the Surveyor-General, through the officer whose duty it is to examine and verify the maps and returns of surveyors, to the several draughtsmen and the clerks whose special duty it is to prepare descriptions for letters patent, must necessarily possess the amount of technical knowledge that will enable them to discharge their several duties properly.

*By Mr. Brunel:*

1581. Would it be possible to apply the test of examination, with advantage, in the selection of such officers or any of them?—It would, I think, to some of them; but perhaps not to the officer occupying the position of Surveyor-General.

*By the Chairman:*

1582. Do you think that for work or duties of a special or superior character, there should be a scale of duty pay in addition to general service scale, to be awarded to the most competent, without regard to seniority?—I think it would be a great encouragement to the Service generally, and would tend to increase efficiency if some additional pay could be given for special work performed in addition to ordinary duties.

*By Mr. Barbeau:*

1583. Is the general discipline in your Department satisfactory?—Yes.

1584. Are the hours of attendance regularly observed by your officers?—Fairly so; but not as they ought to be.

1585. Do you keep an attendance book, and do all your officers sign it?—Yes, all but the Surveyor-General and the Comptroller of the Mounted Police.

1586. Do any of your clerks show a tendency to be absent from duty oftener than others, and without sufficient cause?—There are some who are not as regular in their attendance as others; but it is quite the exception for a clerk to be absent without sufficient cause.

1587. How are you informed of the manner in which your officers accomplish their duty?—By personal knowledge.

1588. What means have you of enforcing discipline, and is there any penalty attached for any breach of it?—We keep a departmental order-book, the orders in which are mainly with a view to discipline; which orders are shown to all officers and clerks, and are then entered in branch order-books. There have been, so far as I know, no breaches of discipline involving any penalty. In case of a breach of discipline a man would be remonstrated with; and if he persisted in the offence he would be recommended for dismissal.

1589. Are any your officers engaged in business outside their departmental duties, and for which they receive payment?—Not that I know of.

*By the Chairman:*

1590. Do you keep a conduct book in which a record is kept of the good conduct or otherwise of the men on your staff?—No.

1591. Do you think that a methodical account of each employé's character and efficiency, which should be considered when his promotion or increase of salary is under consideration, would have a beneficial effect?—I think the opinion expressed by the officer in charge of the particular branch in which that man is employed, and of the Deputy Minister, who is supposed to know the value of the relative services of the clerks in his Department, respecting the character and efficiency of a clerk, ought to be sufficient.

*By Mr. Brunel:*

1592. Would not such an expression of opinion be more weighty if supported by a reference of recorded facts?—It may be so; but I would rather not keep such a book myself in my Department.

*By Mr. Barbeau:*

1593. Is the system of keeping the accounts in your Department left to yourself; and are they ever inspected by the Auditor?—The system of keeping the Ordnance and Admiralty Lands accounts was adopted by the late Col. Coffin, and the same is continued. That for Dominion Lands was inaugurated by myself on advising with Mr. Langton, then Dominion Auditor. That of the Mounted Police was, I believe, inaugurated also under Mr. Langton's advice, by Mr. White, the Comptroller. The accounts of the Geological Survey are kept, as directed, by Professor Selwyn. I am not aware that any particular inspection of the books in any one of the branches is ever made by the Auditor. I have reason, however, to know that the Auditor has expressed satisfaction at the manner in which the above several accounts are kept.

1594. Are the accounts of your outside agents ever inspected; and if so, how often?—The only inspection is made by the Surveyor-General at irregular periods when visiting the different agencies. The only accounts, however, at these offices are cash accounts, and a constant check is had weekly or monthly, as the case may be, of the returns of the transactions of the office.

1595. Do these officers give security, and has the Department ever lost anything through them?—All officers in charge of money—collecting agencies, have to give security; and no money has ever been lost through defaulting agents in the Department.

*By Mr. Tilton:*

1596. How is your Department furnished with funds for its expenditure?—A requisition is made on the Auditor-General for a credit, by the Deputy Head on the

report of the Head of the branch in which the money is to be spent, to meet specific expenditure. The credit is accordingly placed and is drawn against by cheque of that particular branch, signed by the Deputy Minister, countersigned by the Head of the branch. An exception is made to the above in the case of the Geological Survey, the cheque of the Director against the credit obtained in manner above being sufficient to draw the money.

*By Mr. Barbeau :*

1597. You have three prices for surveys of lands in the North-West. What means have you of checking the accounts of surveyors, so that they are paid the exact number of miles, and the price only to which they are entitled?—We have the sworn classification of the surveyor, whose evidence must be borne out by the field notes and topography, as shown on his map. Added to the above, is the report of the inspector appointed to examine such man's work on the ground.

1598. Has the Department ever been deceived by those sworn statements?—Not as to classification of work. It has, however, as regards the character of work.

1599. What check do you exercise over the expenditure of your Department?—All money expenditure must be approved by the Minister.

1600. How are travelling expenses generally dealt with and regulated in your Department, especially as applicable to surveyors?—From headquarters the travelling expenses are regulated and paid according to Order in Council. With regard to surveyors, those employed by the day receive, in addition to their daily pay, their travelling expenses, where the same shall have been authorized, such travelling expenses being the actual sums expended for travelling, on accounts sent in in detail and sworn to.

The Commission adjourned at 6 p.m.

FRIDAY, 15th October, 1880.

Colonel DENNIS' examination continued:—

*By Mr. Barbeau :*

1601. Referring to question 1505, has it ever happened that a clerk has been appointed and kept notwithstanding his unfitness?—No.

*By the Chairman :*

1602. What permanent outside agents have you and what is the nature of their duties?—We have at Winnipeg an Inspector of Surveys, who also acts as Agent of Dominion lands. We have also there an agent whose duty it is to collect dues on all timber or lumber cut on Dominion lands. We have further, at different points in the territories, local land agents, as follows:—One at Nelsonville, Pembina Mountain; one at Turtle Mountain; one at the confluence of the Souris and the Assiniboine; one at Gladstone; one at Little Saskatchewan, and one at Birtle, on the Bird Tail Creek. These men are severally appointed by Order in Council, and are paid from the annual appropriation made by Parliament. They are permanent officers, and I take it for granted they belong to the Civil Service; but they do not pay superannuation fees.

*By Mr. Brunel :*

1603. As your Department has been established since the organization of 1869 for the then existing Departments was adopted, will you be good enough to state how your Department is organized, and whether you can offer any suggestion for its improvement?—I have given, in detail, the different branches composing the Department of the Interior, in reply to a previous question. I will add that the work in the principal branch, that of the Dominion lands, has assumed such a character and importance that it would be in the public interest to erect it into an independent Department. Such a step would be merely anticipating by a very short period what will have to be done.

1604. It is a specified duty of this Commission to consider the theoretical organization of the Departments; it is desirable, therefore, that we should have information in relation thereto in some detail. Will you be good enough to elaborate your answer to my previous question?—I may say that the departmental office proper is entirely separate from any of the branches. In it the registrar, a first-class clerk, with his assistant, a junior second, receives and opens all letters. These are consecutively numbered and stamped, and the date, subject and name entered on the general register. The communications are then divided and sent to the different branches. Those relating to Government of the North-West Territories or to that of Keewatin or to the Geological Survey, are transferred to the Deputy Minister. Each communication to the several branches is, on receipt in the branch, stamped, backed and carried into a branch register. If simply routine matter it is dealt with by the head of the branch; but if the subject is one involving public policy, the head of the branch is required to endorse his remarks thereon, and the matter is then disposed of by the Deputy Minister, or, if a case of importance, by the Minister. The head of each branch has shorthand writers to enable him to keep up the correspondence of his office. The correspondence clerks, including those of the departmental office, number six first-class clerks, and five junior second class. There are altogether eight shorthand writers in the Department, one the head of a branch; four of the first-class, one senior second, and two of the junior seconds.

1605. So far your answer relates entirely to correspondence. Can you extend it in relation to the other duties of your Department as regards the organization?—I will send a reply in writing. (*The following is the reply:*)

The sub-branches following embrace the organization of the several branches of the Department at head-quarters:—

1. *Dominion Lands Branch.*

(a) Correspondence Office, in which is conducted directly by the Surveyor-General all correspondence relating to his branch.

(b) Registration Office, in which letters and papers covering all subjects dealt with in the branch are received, recorded, and brought to the notice of the Surveyor-General, who then distributes to the several sub-branches for action.

(c) Surveys Office, from which instructions are sent to all Surveyors employed by the Department, and in which are received, examined, verified and finally placed on record, all maps, plans and field notes of surveys of the public lands.

(d) Office of the Chief Draughtsman, whose time is occupied in the compilation of the maps of the Dominion, and especially of the Province of Manitoba and the North-West Territories, for general information and distribution.

(e) Ordinary Draughting Office, devoted to the copying of township and other maps and plans, which business has assumed very large proportions. On the officer in charge devolves also the duty of distributing for general information all maps, pamphlets and other matter respecting Dominion lands.

(f) Accountant's Office, in which the accounts in detail of all moneys appropriated by Parliament to carry on the business of the branch, as also the accounts relating to Ordnance and Admiralty Lands, are kept.

(g) Office for the reception and dealing with all returns of homesteads, pre-emptions and sales of Dominion lands, from the different agencies in the Province of Manitoba and the North-West Territories.

(h) Office for the investigation and disposal of claims under the Manitoba Act arising out of possession on the 15th July, 1870, the period of the transfer of the Province of Manitoba and the North-West Territories to Canada.

(i) Office for the management of the Crown Timber on Dominion lands, and the collection of dues on account thereof.

(j) Office for the investigation of claims to, and allotments of, the 1,400,000 acres of land appropriated by law for the children of half-breeds in Manitoba.



(K) Ordnance and Admiralty Lands Office. The sub-branch is divided as follows:—

- (1) Correspondence.
- (2) Accounts.
- (3) Records of surveys and preparation of descriptions of lands for patent or lease.

2. *Mounted Police Branch.*

This branch is divided as follows:—

(a) Correspondence Office, in which the routine is similar to that of the Dominion Lands Branch.

(b) Stores Office, in which all business is transacted relating to the purchase and distribution of clothing, stores and supplies of all kinds for the Force, and the transport thereof to the different posts in the Territories.

(c) Accountant's Office, covering all details connected with the pay of the Force and the spending of moneys appropriated by Parliament for clothing and supplies.

3. *School Lands Branch.*—By the provisions of the Dominion Lands Act, one-twentieth of all the lands in Manitoba and the North-West Territories is dedicated to public education. The law directs that these lands are to be sold by public auction from time to time; the proceeds invested in Government bonds; and the interest, over and above the cost of management, handed over to the respective Provincial Governments entitled thereto for the benefit of public schools. The business of this endowment is managed in the School Lands Branch.

1606. You have heard from the Chairman the scope of the enquiry for which this Commission has been appointed. Can you offer any suggestions in relation thereto which have not as yet been elicited during your examination?—I think not.

*By the Chairman:*

1607. Have you any knowledge of the Superannuation Act?—I know there is such an Act, under which deductions are made from the monthly pay of civil servants, to create a fund for the purpose of providing an income for officials who have, from age or other reasons, become unable to discharge their duties, and are placed upon a superannuation list by the Government. I have had no practical experience of the working of the Act, but am led to believe that as it stands it is calculated to operate unjustly, because in the case of a man dying in the Service, although he may have been contributing for many years to the Superannuation Fund, his wife and children get no benefit from it.

1607 (a). Are you of opinion that it would be advisable to amend the Superannuation Act so as to provide limited annuities for the widows and children of deceased civil servants?—Yes.

*By Mr. Tilton:*

1607 (b). You have stated that you think it would be expedient to extend the system of annuities to the wives and children of deceased civil servants—do you entertain similar views as to the propriety of a system of life insurance being instituted in the Service in connection with the Superannuation Act, under which each civil servant's life should be covered by a limited insurance?—I think that some system, either of annuity to the widow and children, or of life insurance, as might be thought best, in the case of a civil servant dying actually in harness, should be available for the benefit of his family; for, as I have already stated, under the present system the family of a man dying in the Service gets no benefit whatever from the moneys which he may have been contributing to the Superannuation Fund even for a long term of years.

*By the Chairman:*

1607 (c). Would you be prepared on consideration to furnish the Commission with suggestions for a theoretical organization for the working of your Department?—I do not know that at present I can suggest any better organization of my Department than that which now exists.

Mr. L. VANKOUGHNET, Deputy of the Superintendent-General of Indian Affairs, examined:—

*By the Chairman :*

1608. What is your position, and how long have you been in the Service as Deputy Minister of Indian Affairs?—The Department has been established since May, 1880. I shall have been in the Department twenty years in February next.

1609. Please state the different branches of your Department?—We have no regularly constituted branches, but there are several officers whose duties are distinct from each other.

1610. Will you please state what they are?—The accountant, the land-sales branch, the correspondence branch, the record branch, the statistical, school and supply branch.

1611. Is there any examined for admission or promotion in your Department?—None.

1612. What is your opinion of the prevailing method of making first appointments to the Service?—There is no method that one could call a prevailing method; sometimes men are examined and sometimes they are admitted without examination. I think if an examination were made of all candidates for admission and made a *sine qua non*, it would be a great benefit to the Service.

1613. Are not appointments to the Service usually made through political influence?—In the majority of cases, I think so.

*By Mr. Barbeau :*

1614. Is it to your knowledge that employes have been appointed and kept in the Public Service, notwithstanding their proving unfit, from educational acquirements, to fulfil the duties of their office?—No; I cannot say that it is.

*By the Chairman :*

1615. Is there any probation exacted in your department?—At the head office there has been no probation; but in the Outside Service probation has occasionally been insisted on in cases where any doubt exists as to the fitness of an appointee.

1616. What is your opinion of exacting probation from clerks?—I think it would probably be attended with satisfactory results.

1617. Has it ever happened that when found unfit they were discharged or not confirmed in their appointment?—Yes; there have been such instances.

1618. You have said, in answer to a previous question, that appointments are made through political influence. What is your opinion of the effect on the Service?—I think in many cases it has proved detrimental to the Service, as the results have shown.

1619. Do you believe that competitive examination before entrance and a period of probation before appointment, would secure the best men for the Service?—Yes, I do.

1620. Have any of what may be called the prize appointments, in your Department, been given to outsiders or to men who were comparatively new to the Service?—In the Outside Service there have been such cases, but not in the Inside.

1621. How do such appointments effect the efficiency of the Service?—In many instances the efficiency of the Service has not been affected, but in some cases it has. Such appointments could not but prove injurious to those in the Service subordinate to the person so appointed, especially if the example was morally bad, or if the business of the office was loosely conducted.

1622. Are you aware of any office in which the business is loosely conducted?—Yes; there are two of the offices in connection with Indian agencies in which the business has been rather loosely conducted; but measures are at present in progress for removing the causes of complaint.

*By Mr. Taché :*

1623. Was this deficiency on the part of officers concerned due to a want of education, or to other causes?—I am not aware that it is owing to any defect in educational attainments. I should judge from the correspondence, and from what I have heard, that the men were not educationally incapacitated.

*By Mr. Brunel :*

1624. You are of the opinion that a system of examination of candidates for first appointments to the Service would be beneficial. As to what subjects would you desire the examination to be held for admission to your Department?—I do not know that anything beyond an ordinary business education would be required. It is desirable, also, when a man is appointed to some special duty, that he should possess educational qualifications for the duty he is appointed to perform.

1625. Do you consider a knowledge of the French language a desirable qualification in clerks in your Department?—Yes, in some instances; but it is not necessary that every clerk in the Inside Service should have a knowledge of French.

1626. As a rule, all others things being equal, would you not consider a clerk who possessed a knowledge of both French and English a more valuable public servant than one acquainted with only one language?—It would depend so far as I can say at present, on the duties he is called upon to fulfil.

1627. Could the possession of qualifications for the special duties you have referred to, be fairly tested by properly conducted examinations?—I should judge so.

1628. If a clerk, at any time after his appointment, turned out to be idle, and failed to perform the duties assigned to him in a satisfactory manner, would you have any difficulty in obtaining his removal from the Service?—I should consider it my duty to recommend the removal of such a man. If I showed good cause I should say he would be removed.

*By the Chairman :*

1629. If promotion in the Service was made to depend on merit, and the prizes or higher offices awarded to those already in the Service, what, in your opinion, would be the effect in the Service?—The effect would doubtless be highly beneficial.

*Mr. Mr. Barbeau :*

1630. Are your superintendents and agents visited at times, and the manner of accomplishing their duties enquired into?—In the Province of Manitoba, in Keewatin and the North-West Territories, we have a regular system of inspection of agencies. In British Columbia such a system is about being inaugurated. In the older Provinces there is no such system; but, in my opinion, it is highly desirable there should be such inspection.

1631. What means do you take to see that the Indians really get the moneys intended for them periodically?—Pay-lists are required from each superintendent, containing the names of the recipients of the moneys and the accounts paid to each. These pay-lists are certified by the superintendent or agent, and by some responsible local witness who is called upon to be present at the payments. When the chiefs can write their own names, they are also required to certify to the correctness of the pay-sheet.

1632. The Indians sometimes speak another language besides their own. Do you see that your agents having dealings with them speak that with which the Indians are acquainted?—In the Province of Quebec the agents are French-speaking men; in Ontario they are English-speaking; in the other Provinces they are not appointed with reference to the language that the Indians speak. Where the Indians do not speak any other language than their own, the agent employs an interpreter.

*By Mr. White :*

1633. What is the total number of Indians under your charge?—The number in the whole Dominion is 103,367.

*By the Chairman :*

1634. What is your opinion as to the employment of extra clerks?—Where the work is such as to require, continually, assistance above the ordinary staff, the employment of extra clerks should, I think, be dispensed with; but where only temporary aid is required I think it is necessary to employ extra hands.

1635. Are the salaries paid to the employés in your Department fairly proportioned to their duties?—No; I do not think they are. I am not aware of any man in my Department being paid more than his services are worth, and I know that some are not paid sufficiently.

1636. What is the practice in respect to increases of salary?—Such increases are governed by the Civil Service Act; but a certificate from a superior officer and the approval of the Minister are required. I have no cases in my Department in which the increment has been withheld.

*By Mr. Brunel:*

1637. Is the business of your Department likely to increase or diminish in cost or importance?—The business of the Department must increase both as to cost and importance, for some years to come.

1638. Then, are you of the opinion that the Indians will become more difficult to manage, and that, therefore, a greater expenditure of money will become necessary?—I am not of opinion that they will become more difficult to manage; but owing to the failure of the means of subsistence of the Indians, the expense must be increased by the Government continually coming to their assistance.

1639. Will you be good enough to state whether the organization of your Department is such as to meet the present requirements of the Service?—In some respects it might be improved.

1640. Will you be good enough to inform the Commission in what respect you consider improvements might be made?—I think the system of inspection should be established in the older Provinces, the inspector being stationed at head-quarters. Also, it would be desirable to constitute three branches in the Department: the Accountant's; the Land Sales and Reserves; and the Statistical, Supply and School Branch.

The Commission adjourned at 6 p.m.

SATURDAY, 16th Oct., 1880.

Colonel DENNIS' examination continued:—

*By the Chairman:*

1641. Have you any knowledge of the present superannuation system?—I have not given it any special consideration. I think, however, that it is most objectionable in one particular that forces itself on the attention of every officer whose pay is taxed, and which consists in this: that a man may die in the Service after very many years superannuation deductions, and his widow and children get no benefit whatever from his contributions to the fund.

1642. You think this calls for some remedy. Would it, in your opinion, be advisable to amend this Act so as to provide limited annuities for widows and children of persons dying in the Service?—I do.

1643. Has the present system been productive of efficiency and economy, or the reverse, in your Department?—I think generally the present Superannuation Act is better than none, but it is susceptible of great improvement.

1644. Could you kindly furnish this Commission with some suggestions for its improvement?—This subject has never been studied by me, but I will gather some data respecting the operation of benevolent societies, and inclose them to the Secretary of the Commission.

*By Mr. Brunel:*

1645. Can you have prepared for the information of the Commission a statement showing the effect of the superannuation law as heretofore administered, or the cost of carrying on your Department?—It would be difficult, if not impossible, to prepare such a statement, for the reason that the relations of salaries and superannuations paid are constantly becoming more disproportionate in consequence of the extension of business and the additional clerks from time to time appointed in the several branches.

*By Mr. Tilton:*

1646. The Commission having ascertained that the salaries of the Deputy Heads of several of the Departments are augmented by special allowances, will you be good enough to state whether, in your opinion, the pay of all such officers should be

uniform, or that the Departments should be graded according to the importance of their respective duties, and the whole salaries of the Deputy Heads fixed by Statute, keeping in view such grading?—I think, as a principle, the pay of Deputy Heads should be regulated according to the character and extent of their duties and the importance of the Department in the public interest. I doubt whether such grading could be justly arrived at by legislation, as some Departments expand more rapidly than others. I would here beg to be allowed to observe that in no case of the pay of a Deputy Head, even with allowances, do I think justice is done in regard to salary. It will be admitted that in every Department of the Government the services of the Deputy-Head must be exceptionally valuable to the public, and, as a matter of fact, these gentlemen are giving their lives to the public at salaries which, I think I am correct in saying, are less than half of what such services ought to command in practical business life outside.

*By Mr. Taché :*

1647. According to this idea of grading the Departments, would you establish grades on the number of under-employés attached to each Department, or on the character of the labour therein to be performed?—I should take both these as factors in arriving at the grading.

1648. Then, to the conventional equality of functions and to the assumed equality of persons in trust of such functions, you would recommend a stated inequality of office and a proscribed difference of station and of salary between the persons appointed as administrative assistants to the Ministers of the Crown?—My idea of grading related to money payment for services performed according to their value to the public, and was, and is, not intended in the slightest degree to disturb the equality as to rank of Deputy Heads, no more than the fact of certain present Deputy Heads receiving special allowances for services rendered connected with their respective Departments disturbs the equality at present existing among the Deputy Heads generally.

1649. Do you approve of the practice of supplementing the salaries of Deputy Heads by allowances?—Considering the present fixed rate of pay of Deputy Ministers, which, as I have already stated, I consider altogether inadequate, I am of opinion that when the Minister can supplement the pay of the Deputy by giving him an increase of duty which, although appurtenant to his Department, yet may fairly be considered outside of his regular duties as deputy, it would be only a matter of justice that such allowance should be given.

*By the Chairman :*

1650. Referring to what you stated in respect of the value of similar services in the outside world to those performed by Deputy Heads, have you considered the fact that in the Public Service they have a sure position for their lives, whereas in the outside world there is no such certainty?—I have. I take my own case in illustration. Out of my limited pay I endeavor to provide by life insurance for my family at my death. I claim that my services, if fairly paid in a business house or in a bank, would bring me very much more than I now receive, so much more that I could treble my life insurance and still have a net income much higher than I have now.

*By Mr. Taché :*

1651. If the supplementing of the salary, being permanent of its nature, was for such subjects or matters appertaining to such Departments, then would you consider it as desirable?—I think the ordinary fixed pay of the Deputy Head should only be supplemented by additional allowance in consideration of his performing additional services of an exceptional character to those ordinarily appertaining to his office as Deputy Head.

1652. Taking for granted that you admit as a fact permanent of its nature, that there are and will always be between Deputy Heads differences in learning, aptitudes and capacities, would you carry the grading of Deputy Heads to harmonize with the grading of Departments; in other words, would you advocate a system of promotion amongst Deputy Heads?—No; I am of opinion that no man's services as Deputy Head can be of the same value to the public in any other Department than the one in

which he has been trained, and of all the details of which he has become thoroughly master.

1653. Then, how do you reconcile all this with the tenor of your evidence which asserts that the labor should be apportioned, and the prizes of the Service given in accord with the personal value and individual merits of officers?—I do not see that it conflicts.

1654. If a Department were subdivided, would you then alter its grading and the amount of salary paid to the Deputy?—Certainly.

1655. What would you consider the highest, in a Deputy Head, of the qualifications of the administrative kind, and general learning and aptitude, or of the particularized kind of a specialist?—It might be that the public would be better served in one Department by a man possessing special scientific qualifications in addition to good administrative ability, than if he possessed only the ability to administer his Department well.

Mr. VANKOUGHNET's examination continued:—

*By Mr. Barbeau:*

1656. I see by a return furnished by your Department, that seven of your Outside Service employes are men aged from 54 to 69 years. Are you personally acquainted with them, and are they still capable of rendering good service?—I am acquainted with most of them, and believe they are all competent officers.

1657. Some of those are in the receipt of commissions on collections for account of timber licenses. Do you approve of this system?—No; I think it would be better to give them an amount equal to the average of their receipts hitherto, as a fixed salary.

1658. What is the practice in your Department as regards travelling expenses?—In the case of some officers there is an annual allowance; in other cases the actual expenses incurred are paid.

*By Mr. White:*

1659. Do you not think the system should be uniform?—Yes; I think the best system is to pay actual expenses.

1660. Have you any duties in your Department requiring knowledge of a technical character?—No.

1661. Do you keep an attendance book, and are the hours of attendance regularly observed by your employes?—Yes; there is such a book, and the hours are regularly kept. The book is signed by every officer, except the Deputy. The hours are from 9.30 a.m. to 4 p.m.

1662. Have you any rules as regards leave of absence, what period is granted to each employe?—The provisions of the Civil Service Act are the guide as to leave of absence; the leave is limited to three weeks.

*By Mr. Tilton:*

1663. Please state the mode by which the Indian Department obtains the funds for its current expenditure, and how such funds are disbursed?—The credit necessary for the purposes of the Department is opened at the bank, and is checked out as required. The cheques are signed by myself and countersigned by the accountant.

*By Mr. Barbeau:*

1664. In what manner is expenditure controlled in your Department of the moneys voted by Parliament?—We require vouchers containing full details, comprising the amount asked for, and the voucher has to be certified by the officer by whom it is transmitted to the Department.

1665. How are moneys supplied to the various outside branches of your Department, and what check have you over them?—In the Provinces of Ontario and Quebec the accounts incurred by the superintendents or agents have to be forwarded to the Department for payment. In the Provinces of Nova Scotia, New Brunswick and Prince Edward Island there are amounts sent in spring and fall to superintendents

and agents for the relief of the Indians in their districts. They disburse the money sent them in the spring in the purchase of seed to enable the Indians to plant their crops and in otherwise assisting them in agricultural pursuits. The money sent in the fall is used in furnishing necessaries for the most aged and infirm Indians. The expenditure for both seasons has to be accounted for minutely by the superintendents or agents to whom it has been entrusted. In the more remote Provinces and districts the system of establishing credits in favor of the officers has till lately been followed. Recently a change has been inaugurated in that respect, and these officers have been instructed to forward all accounts incurred by them on behalf of the Indians to the Department for payment by cheque.

1666. Are your books ever inspected by the Audit Department, and are changes in the manner of keeping them sometimes suggested?—No.

1667. Will you please indicate the sources of revenues received in your Department?—The revenues are derived from the sale of lands, timber, and stone on the surrendered portion of the Indian lands. All moneys collected are held as funds in trust for the Indians.

*By the Chairman:*

1668. Have you any man either in the Inside or Outside Service of your Department that you would recommend to be placed on the superannuation list, or whose services, with benefit to the Department might be dispensed with?—There is no officer connected with the Department whose duties are not discharged with sufficient ability to justify the Department in placing him on the superannuation list. The two agents previously referred to might be dispensed with, with advantage to the Service.

1669. Is the arrangement of the offices in your Department a convenient one?—No; it is exceedingly inconvenient. The rooms are too small. And another objection is the place they are situated. They are in an upper story, and there is a great deal of woodwork used in the construction of these rooms, in which the records of the Department are stored, and it is a great risk to have them so placed. They are also inconveniently situated for myself. I am in another portion of the building and time is lost in communicating with the officers of the Department.

This concluded Mr. Vankoughnet's evidence.

## INLAND REVENUE DEPARTMENT.

MONDAY, 13th October, 1880.

Mr. PAUL M. ROBINS, Chief Clerk and Accountant of the Inland Revenue Department, examined:—

*By Mr. Barbeau, Acting Chairman:*

1670. How long have you been in the Service?—I was twelve years in the Service last January. I was four years in the Excise office at Toronto, and since that have been Accountant at Ottawa.

1671. How are first appointments made in your Department?—In the Inside Service the appointments are made by Order in Council, on the recommendation of the Minister. In the Outside Service, so far as the Excise is concerned, for the past few years, the appointments have been made solely by the Minister, probationarily, conditioned on the appointees passing an examination when called on to do so. In the Weights and Measures Service, the appointments are made by Order in Council, also conditioned in like manner as to examination. On the appointees passing their examinations in the Excise Service, they are confirmed in their appointments by Order in Council. In the minor services, such as lands, slides and booms, culling timber, &c., the appointments are made by Order in Council. The cullers have to be examined by a Board, but I am not certain what body prepares the examinations. These are not directed by the officers of our Department.

1672. What sort of an examination do you allude to, and is it always insisted upon?—I have not known of any examinations in the Inside Service since I have been resident at Ottawa. In the Outside Service of Excise, the subjects consist of book-keeping (double entry), arithmetic, mensuration, measurement of commodities in bulk, distilling, malting, the manufacture of tobacco, testing of petroleum and vinegar, and the Excise laws and the departmental regulations founded upon the laws. The examinations have been held periodically. A good many were appointed by Order in Council before the plan of appointing probationarily, on the order of the Minister, was ordered. These men still remain on the staff, whether they have passed or not. Three men were paid off with a gratuity who had failed to pass. None are confirmed who have not passed their examination. When men were appointed by Order in Council formerly, the appointment was also conditioned on the passing of the examination. My own appointment was so conditioned, and I passed the examination when I was first appointed in the Outside Service, some fifteen months after my appointment.

1673. Was the condition mentioned in the Order in Council always carried out?—No.

1674. Do you find that this examination has for effect the securing of a better class of employés?—Yes.

*By Mr. Taché :*

1675. Is the knowledge of the subjects, mentioned in your answer as constituting the examination, acquired in the employment of the Department, while undergoing their time of probation?—Of course, some of these things may be known before, but appointees are allowed several months in which to prepare themselves. And some of the subjects mentioned they would have no opportunity of knowing before they came into the Service. If at any time a man wishes to improve his standing he is allowed to enter himself at any examination for that purpose. These examinations are, as a rule, held yearly, if there are enough appointed on probation, or who wish to improve their status, to warrant the holding of the examination. If a man has been less than six months in the Service he is considered at liberty to decline an examination held within that period.

*By Mr. Barbeau :*

1676. Will you be good enough to furnish the Commission with copies of the regulations for examinations and schedule of subjects?—I will do so.

1677. Is it to your knowledge that the Civil Service Act of 1868 has been applied when Inside appointments were made in your Department?—Not so far as the examinations are concerned.

1678. Does it happen that clerks once appointed, prove to be unfit for their duties?—Yes; I think it happens so in the Inside Service sometimes. In the Outside Service it would not occur if the condition of appointment were strictly adhered to.

1679. Are they kept on, or dismissed?—I have not known of any dismissal in the Inside Service because of unfitness. In regard to the Outside Service I have already replied in my answer to a previous question.

1680. Is it difficult to remove an officer, however idle or inefficient he may be, provided he do not misconduct himself?—I have never been in a position to know how difficult that might be. Of course, if appointments are made through political pressure, the same influence would prevail to keep the appointees in their positions.

1681. Are there any such, to your knowledge, in your Department whose services should be dispensed with?—I do not think we have any men who cannot be made useful. I think the men are efficient.

1682. What, in your opinion, would be the best means of making first appointments that would ensure the fitness of clerks, and form an element from which promotions could be made?—I should think that competitive examinations with probationary appointments would form the best means.

*By Mr. Tilton :*

1683. Do you not think a pass examination, the standard of such being fixed sufficiently high, would answer the same purpose as the competitive examination?—



I do not think you would be so likely to get the best men. In any examination a standard should be fixed, but over that standard I would give the position to the man who passed the highest examination.

*By Mr. Barbeau :*

1684. What sort of a tribunal before which examinations should be held would you prefer; one composed of persons connected with the Civil Service, or one entirely independent and free from political influence?—I prefer the latter.

1685. Has it happened in your Department that persons taken from the outside world have been placed in positions over the heads of officers who could very well have filled the place?—Yes; I think it has.

1686. What effect does this create in the Service?—It creates a general dissatisfaction in the Department.

1687. Do you consider that if first appointments were made on some system independent of political influence, with promotion dependent on good service and efficiency only, it would tend to encourage and foster merit, by inciting public servants to look forward to promotion for merit and to expect the highest prizes in the Service, if they qualify for them?—Decidedly I do.

1688. Are you aware of any difficulty having been experienced in finding men in the lower grades to fill the higher positions either in the Inside or Outside Services?—I have not known of any difficulty yet.

1689. Is the Deputy Head of your Department ever consulted when appointments or promotions are made, and is it to your knowledge that his advice has been followed?—In regard to the first part, I think he is often consulted. I cannot say anything with regard to his advice being taken.

1690. Do you not think that promotions should, in a great measure, be made on the recommendation of the Deputy Head of a Department?—Yes; I do.

1691. Do you think that with a better class of men, the work could be done with a lesser number?—Yes; I think it could.

*By Mr. White :*

1692. Do you not think that a man who has been appointed to the Service by political influence will be apt to look rather to that influence than to his own merits for promotion?—Yes; I do.

*By Mr. Barbeau :*

1693. Have you any suggestions to offer on the subject of appointments or promotions?—I think it is just as important that there should be examinations for promotions as well as for original appointment to office, because it would be an incentive to improvement. A man would find that he could not attain to a high position unless he qualified himself; and I think that it would prove to a man that he did not get the office he desired because he had not the necessary qualifications. This would throw the responsibility of failure on himself and not on the Service or the Department, and tend to remove the soreness which is often felt regarding promotions in the Service.

*By Mr. Tilton :*

1694. In holding examinations with a view to promotions, would you limit the competition to the particular Department in which a vacancy happened to exist, or would you open to the whole Civil Service?—I think I would open it to the whole Service.

*By Mr. Barbeau :*

1695. Would you have promotions based on seniority or on merit?—On both. If the next officer in seniority was competent, he should certainly get the place.

*By Mr. White :*

1696. If a system of requiring examination on promotion were established, do you not think such examination should be limited to the duties required in the vacant position?—Yes; I think so. That is the way we proceed in our Excise examination. We have a special examination in the Excise, and the subjects are such as the men could only become acquainted with in the actual performance of their duties.

*By Mr. Barbeau :*

1697. Are you aware of any men, now in the Department in the Inside or Outside Service, who from age, incapacity, idleness or other cause, are unfit for the efficient performance of their duty?—I am not in a position to answer that question as regards the Outside Service. I think there is, in the Inside Service, only one man whose age would be likely to render him incompetent.

1698. Are your outside officers furnished with a code of instructions as to the duties they have to perform?—They are furnished with copies of the law and regulations. The departmental instructions are conveyed by circular, and are not yet codified.

1699. Do you find the staff of your Department efficient, and have you a larger number than is required for the performance of the work?—I have already replied as to efficiency. As to the number I do not think we could reduce it by more than one.

*By Mr. Taehé :*

1700. Is the work of the Department of Inland Revenue generally well performed, both in the Inside and Outside Service?—I have not so full an opportunity, as I could wish, to judge of the Outside Service, but I think the work is well performed. As to the Inside Service I am not always satisfied as to the way in which the work is performed. A lack of diligence on the part of some of the staff is what I complain of.

*By Mr. Barbeau :*

1701. Have any means been taken to correct this, and with what effect?—The only means, I am aware of, is an occasional complaint to the deputy, and his admonition to the officer complained of.

*By Mr. White :*

1702. Have you any established method of ascertaining the manner in which the officers and clerks of your Department do their work?—We have no such established method.

1703. Do you not think such a record would be of advantage in considering questions of increase of salary and promotion?—I do.

*By Mr. Barbeau :*

1704. Have you any of the employés of your Department who are in the receipt of perquisites, commissions or fees, in addition to their salary?—There is nothing of the kind in the Inside Service, with the exception of one man, who has been receiving an amount other than his regular salary, because he has been performing work of a higher class than would properly belong to his position. In the Outside Excise Service, officers, exclusive of the inspectors, are entitled to a share of the proceeds of seizures made by them.

1705. Is this pay of a permanent character and does it appear in the Public Accounts as salary?—It has been paid for some years because it was ordered by the Minister. Steps have been taken to make the extra payment a permanent salary. The extra amount has appeared in the Public Accounts, but not under the head of salaries.

1706. As Accountant you are acquainted with the salaries paid to the several grades of officers in the Outside Service of your Department, and having had experience of the duties of such officers, have you formed any opinion as to whether these salaries are fairly proportioned to the duties and responsibilities assigned to them; if so, please state it?—I have long been of the opinion that many of our higher class excisemen have been under-paid. The highest salary that an exciseman can get under present arrangements is \$1,000 per annum. This is the salary paid to special class excisemen, and the number of that class is limited to twenty by Order in Council. These men, as well as many who are in receipt of lesser salaries, are in charge of establishments paying a large amount of revenue annually.

1707. As the system now exists in your Department, are salaries given by reason of seniority or of merit?—I think sometimes both and sometimes neither. The feeling in the Service at present is that a man is entitled to the annual incre-

ment whether his work deserves it or not; in fact, it is always given, and the general feeling seems to be that a man has a perfect right to class promotion when his legal term of service in any one class has ended.

*By Mr. Tilton:*

1708. Are you of the opinion that the annual increment now granted to members of the Inside Service is more likely to contribute to the efficiency of the Service, than to shorten the term now existing in the different classes, with a view to the prompt promotion of efficient and deserving employes in reaching the maximum of their class?—I would confine the increment (if it were to be allowed at all) to the lower classes of clerks and give it only for good conduct. For the higher classes, the salary should be graded according to the importance of the duties performed. The reason that I would confine the increments to the lower classes of clerks is that when a man has been in the Service a few years his character and efficiency are sufficiently established. The good conduct referred to as entitling a man to the annual increment might be ascertained from a record, which, I think, should be kept by the Head of a branch. He should not give opinions but state facts, and any clerk whose conduct was censured by his chief's remarks should have an immediate opportunity of explanation. These records should go before a Board outside of the Service, and the recommendation of such Board should determine the granting or refusal of the increment.

*By Mr. Barbeau:*

1709. Is there any class of your employes whose pay, in your opinion, is in excess or inadequate for the services they perform?—Not as a class, but I think one or two individuals ought to be better paid. There are none who are overpaid.

1710. Have you, in your Department, any extra clerks, and are you in favor of this class of employes when by their aid you can diminish the number of permanent ones?—We have some extra clerks. I should be in favor of the employment of temporary clerks for special occasions, to be dismissed when the work was done. This might tend to diminish the cost. As it is now an extra clerk is, to all intents and purposes, a permanent clerk, because the appointment is renewed from time to time.

Commission adjourned at 6 p.m.

TUESDAY, 19th October, 1880.

Mr. ROBINSON'S examination continued:—

*By Mr. Barbeau, Acting Chairman:*

1711. Have you in your Department any officers or employes whose duties are of a technical character. If so, explain what they are and their extent?—Yes; a large number in the Outside Service. The excisemen's duties all partake more or less of that character, and in many instances very much so. The gas inspectors, the weights and measures inspectors, the supervision of distilleries, breweries, malthouses, tobacco factories and bonded manufactories—these duties all require technical knowledge. In the Inside Service we require a man who is capable of testing beer for its alcoholic value, vinegar, petroleum, etc. The clerk who has chief charge of the weights and measures branch in the Department, should possess in a great measure the same technical knowledge as is required for the efficient inspection of weights and measures outside. It seems to me very necessary that the Deputy Head should have a very extensive knowledge of all these things.

*By Mr. White:*

1712. How are appointments to positions requiring technical knowledge made?—They have been made hitherto in the same way as others.

1713. Cannot technical knowledge be ascertained by suitable examination carried on with that end in view by competent persons?—I should think so.

*By Mr. Brunel:*

1714. Do the officers who are charged with the performance of technical duties, also perform duties such as are required of ordinary clerks, and must they also possess the qualifications for such clerical duties?—Yes.

*By Mr. White :*

1715. Do you not think that persons appointed to positions requiring technical knowledge should in all cases be subject to special examination?—I think it better that they should.

*By Mr. Barbeau :*

1716. Do you keep an attendance book in your Department; and is it signed by all your employes?—Yes; we keep such a book, and it is signed by all, except one clerk.

1717. Are your employes regular in their attendance, and what means have you of enforcing discipline?—The majority are regular in their attendance. I have not known any case of suspension or reduction of pay in consequence of breach of discipline. The book is laid before the Deputy daily; what he does with it I do not know.

1718. Do you think a pecuniary penalty for absences would be advantageous to the Service?—Yes; I think it would.

1719. What is the average annual absence of each member of your staff on leave, and on what evidence of illness do you permit an employe to absent himself?—The average is three weeks, as allowed by law. In case of illness, a doctor's certificate is required to account for absence; but, if a clerk sends word he is ill, his word is taken.

1720. Are any of the officers in your Department engaged in business outside, for which they receive payment?—I only know of one, and that is myself. My departmental duties are not interfered with.

*By Mr. White :*

1721. Have fines ever been imposed upon clerks in your Inside Service for breaches of discipline?—In the Outside Service there have been numerous cases of suspension, and at least one case of loss of pay. Other cases may have happened without coming to my knowledge.

1722. By whose authority has such suspension taken place?—A collector or district inspector may suspend an officer and immediately report the case. If his action is not disallowed, that is equal to confirmation of the suspension by the Department. That is all I know about the subject.

*By Mr. Barbeau :*

1723. Is the present system of keeping the books, returns, cash accounts and vouchers, in your Department, of a nature to prevent peculations and defaults?—Yes.

1724. Please state in what manner the collections for revenue, fines and penalties, by your Outside officers, are accounted for; and what check you have over the returns sent in?—They are accounted for daily by entry papers showing on what account the amount stated in the entry has been collected. The deposits are made daily to the credit of the Receiver-General by the collecting officer if the amount reaches \$100; or as often as it reaches \$100. The collector sends forward with each deposit receipt an advice note showing in detail how much of the amount is on account of each sub-head of the Service. The entry papers are checked in the Department, and if they do not agree with the amount shown by draft remitted the collector is immediately called on for an explanation. At the end of each month the collector is required to make a separate deposit to close the transactions of that month. The collector sends to the Department at the beginning of the month a summary of all the cash and statistical transactions of the preceding month, which must agree with the entry-papers which have been forwarded daily.

1725. Is your system of accounts such as to readily detect any gross mis-statement?—As to the Excise, which is by far the largest item of our revenue, we have first the sworn semi-monthly statements of the manufacturers, which are checked in the Department. These statements show the portion of the quantity of goods manufactured during the half month, which has been placed in bonded warehouses; and the collector is at once charged with the duty on the remaining portion of goods manufactured. The goods placed in warehouse must be paid for when they are taken out or removed under bonds to another warehouse or exported under bonds. A

periodical inspection of each office and each warehouse and each manufactory under the supervision of each office is made by the district inspector; and the instructions to the district inspector for the making of these inspections are very rigid. The inspector must report to the Department the result of such inspection. For each amount collected the collector is required to give a receipt out of a book of triplicate receipts, consecutively numbered, and so issued; the triplicate being given to payee. The duplicate attached to the bank draft is forwarded to the Department, and the original or stub remains in the book to enable the inspector to check in detail the cash transactions of the office. The draft furnished the collector by the bank, has attached to it three receipts named respectively, original, duplicate and triplicate. The original is the voucher of the collector, which has to be shown to the inspecting officer; the duplicate is filed in the Department; and the triplicate and draft are sent to the Receiver-General's Department. If a triplicate is spoiled or a mistake made the spoiled paper had to be forwarded to the Department.

*By Mr. Brunel:*

1726. How soon after the deposits are made can you ascertain whether the amount deposited correctly represents the collections it purports to represent?—As soon as the mail brings the draft and accompanying entry papers to the Department.

*By Mr. Barbeau:*

1727. From what sources does the revenue of your Department arise?—From Excise, canal tolls, hydraulic and other rents, elides and booms dues, culling of timber, inspection of weights and measures, inspection of gas, minor public works, bill stamps, law stamps of the Supreme Court. The Excise revenue arises on spirits, malt liquor, malt, tobacco, manufactures in bond, inspection of petroleum and vinegar.

1728. What means have you of knowing the nature and quantity of goods stored in the bonding warehouses connected with your Outside Service?—For each amount bonded duplicate entry papers are made; one copy of which is filed in the office of the division, and the other in the Department after being entered on the departmental statistical books. For each transaction ex-warehoused the entries are also passed in duplicate in case of consumption, or in case of removal in bond or exportation, in triplicate, one copy in each case being booked and filed in the Department.

1729. What check have you over the manufacture of goods subject to Inland Revenue duties?—Each manufacturer works under departmental regulations and the supervision of the officers of the Department; and he is required to keep books of account showing all the raw material taken into his factory, the quantities taken from time to time for manufacturing, and the quantity of dutiable goods produced therefrom. He also keeps in a form prescribed by the Department, a record of the process of the manufacture, so that it can be checked at the different stages. These books are accessible at all times to the officers of the Department.

1730. How long are goods allowed to remain in warehouse without paying duty?—Two years under one bond, but they may be re-bonded.

1731. In some of the outside offices you cause your books to close every day at one o'clock, while the office remains open for business until four. Do you see any particular advantage in this system?—This is merely done to enable the collector to get his draft from the bank and forward it by the same mail which takes the entries comprised in the draft. I find that the system works well.

1732. Are your books ever inspected by the auditor, and have suggestions been made as to the manner of keeping them?—No.

1733. What control do you exercise over the moneys voted by Parliament for expenditure?—We pay no moneys without a voucher, except that we furnish each collector who requires it with an accountable cheque at the beginning of the year, to enable him to pay necessary expenditures. He forwards to the Department periodically a statement of his expenditure, together with the vouchers relating thereto. This statement first passes the scrutiny of the district inspector and then of the Department; and if approved, is paid in full, thus restoring the advance to its original amount. When the last account for the year is forwarded, the collector must also deposit to the credit of the Receiver-General the balance, if any, remaining

unexpended. The Preventive Service vote is sometimes paid without vouchers, and necessarily so, as it is of the nature of Secret Service.

1734. Please state if your outside offices are visited, and if so, how often their accounts are checked?—They are visited by the district inspectors, who are directed to inspect the accounts once in three months. It is done in the majority of instances, but in some cases it is not done.

*By Mr. Mingaye :*

1735. Are the district inspectors answerable to the Department for all moneys received in their respective districts, or are the collectors alone answerable?—The collectors are answerable alone.

*By Mr. Barbeau :*

1736. Have defalcations occurred, and if so, please state to what extent?—Yes; defalcations have occurred, amounting, I think, to close on \$25,000; but a considerable portion of this amount has been recovered. The sum mentioned covers eight years; one claim was of the amount of \$13,000.

1737. How much of this was recovered, and from whom?—I think about \$7,000 out of the \$25,000 has been recovered, from the sureties. In one case the amount recovered was the full amount of the bond of the surety. In the other nothing was recovered.

1738. With reference to the defalcations you have mentioned, was any officer beside the actual defaulters answerable for neglect of duty?—Yes; the inspectors in the most important cases were answerable, for want of proper surveillance.

1739. Please state which class of employes give security, and the nature of such security?—All the employes of the Excise Service, and all others engaged in the collection of money, give security. In many cases the security is by bonds of private persons; but in all cases of new appointments the officer is informed that the bond of a guarantee company is preferred. It is always an approved company that is mentioned. The personal bond of the appointee is also required.

1740. Are there any seizures made in your Department. If so, please state the average amount in one year and how this sum is distributed?—Yes, there are many. The average might be \$4,000 or \$5,000 per annum. The distribution is made by Order in Council.

1741. Can you inform the Commission as to the cost of collecting each of the several branches of Inland Revenue, during the past four years?—The cost of the different services is as follows:—

Excise .....	4.62 per cent.
Bonds, &c.....	9.64 “
Slides and booms.....	10.57 “
Culling timber.....	126 “
Bill stamps.....	1.09 “
Weights and measures.....	282 “
Inspection of gas.....	498½ “

This includes all expenditure except the Minister's salary and his private secretary's.

1742. What system have you for the distribution of stamps; and how are they accounted for?—Each office is supplied with a stock of tobacco stamps, and the collector sends in a monthly statement of the number he has issued. Each tobacco manufacturer shows, upon his semi-monthly return, the number of each denomination used by him; and the aggregate of these semi-monthly returns must equal the total number shown in the collector's statement. In the case of bill stamps, no one except licensed by the Minister of Inland Revenue, is permitted to sell them. The licensees are furnished with stamps in quantities representing not less than \$100 in value, and are allowed 5 per cent. on the gross value; but no bill stamps are issued on credit. The law stamps of the Supreme Court are furnished to the Registrar of the Court, who, being a public officer, does not pay for them in advance.

1743. How do you procure these stamps?—From the Bank Note Company of Montreal.

1744. Are not large amounts of stamps always held by the engraver for delivery, and what precautions are taken for their safe-keeping?—I do not know.

1745. What are the means of check and safeguard possessed by Government in the printing or engraving of stamps, and what could you suggest to arrive at this object?—I do not know what safeguards exist, and have not given the question any consideration.

1746. Have you been able to discover that some of your stamps had been counterfeited?—I am not aware of any such thing.

1747. Have you observed that stamps are cleaned after having been used, and made to do a second service?—I have no personal knowledge of any such thing.

*By Mr. Tilton :*

1748. Please state the mode by which the Department of Inland Revenue is placed in funds for its current expenditures, how such funds are disbursed, and how accounted for to the Auditor-General?—The Department is placed in funds by letter of credit; expenditure is made by cheque with one or two exceptions, these being the payment of the Queen's Printer and the Government Stationery Office, which is done by entry warrant on the Finance Department, after the accounts have been certified by the Department. The sums are accounted for to the Auditor-General by monthly statements in detail supported by vouchers.

1749. By what officers are the official checks of the Inland Revenue Department signed?—By the commissioner or assistant-commissioner, or the chief clerk in their absence.

1750. Do you not think that an additional protection would be afforded by having such cheques signed by two officers, as is the practice in banks, when issuing drafts or bills of exchange?—I do not think so.

1751. Would you favor the adoption of a form of Government cheque on prepared paper to be used by all the Departments?—I have not considered that question.

*By Mr. Brunel :*

1752. Do you think a uniformity in the form of cheques for all the Departments would be preferable to a distinction for each Department?—I think it might lead to some confusion. Some things that now are printed in the departmental forms would then have to be written.

*By Mr. Tilton :*

1753. Do you think that it would be advantageous if a uniform system of book-keeping and payments was adopted in all the Departments?—I would approve of uniformity so far as practicable.

1754. Does your experience enable you to suggest any improvement upon the present mode, known as the credit system, of placing the Departments in funds, or of disbursing the same?—No; the system at present is as the Inland Revenue Department has been wanting to have it for several years.

*By Mr. Barbeau :*

1755. How are the statistics of the business of your Department prepared; and does their preparation and the keeping of books necessary for that object occupy many clerks?—The statistics are prepared in the Department by the entry of each entry paper in tabulated books. The work occupies fully half the staff, about ten or eleven clerks.

1756. Could you suggest a mode of keeping these statistics by which you could combine the same efficiency with economy?—I have not thought of any shorter plan than the one at present adopted.

1757. Is the work of the statistical branch of the Department essential to a prompt and satisfactory check of the financial accounts and transactions?—Yes; it is essential to a proper check on the collecting officers, and this object and the preparation of the statistics for publication are accomplished by the one staff and system.

1758. What is your opinion as to the difference of having statistics prepared outside or at the Head office?—I think the advantage as regards economy and correctness lies on the side of preparing them at the head office. One important

advantage in this course, I think, is that the information can be most readily furnished to those most likely to read it—the Government and Members of Parliament.

1759. If the business of the Department was greatly increased—say quadrupled—do you think there would be any difficulty in carrying on the same system of accounts and checking, and of preparing statistics, providing there were a suitable increase in the staff?—No; none at all.

1760. How are travelling expenses incurred and regulated in your Department?—The largest portion is incurred in the travelling of excise officers in the supervision of factories. The actual expenses of the men are paid, and a rigid supervision of the items is exercised.

1761. Have you sometimes to ask your clerks to work after hours, and are they paid for this extra service?—We have sometimes to do so. They receive no extra pay.

The Commission adjourned at six o'clock, p.m.

WEDNESDAY, 20th October.

Mr. ROBINS' examination continued:—

*By Mr. Brunel:*

1762. Are you aware of any instances in which clerks in your Department have been required to perform the duties of superior officers who have been absent from the Department during considerable periods on public duties, for which the officers so absent have received remuneration in addition to their regular salaries?—Yes; more than one instance. I have had to do that myself several times and during long periods.

1763. Can you inform the Commission as to the amount or approximate amount, of remuneration paid in any such cases to the absent officers in addition to their regular salaries?—I think in one case the absent officer received some \$1,400 or \$1,500, for a period of about six months service, in addition to his salary.

1764. Do clerks who perform additional office work, under the circumstances mentioned in the preceding question, receive any extra pay?—No.

1765. What is the usual practice under circumstances similar to those mentioned in the previous question in the Outside Service?—It is to pay the officer performing the duties, the difference between his salary and that of the officer whose place he supplies, in addition to his regular salary.

1766. Has there been any uniformity of practice in relation to these matters either in the Inside or Outside Service of your Department?—The uniform practice in the Outside Service has been to deal with such matters in the way stated in the previous answer; and in the Inside Service to pay the officer performing the duties nothing for such service.

1767. What is your opinion as to the economy or otherwise obtained by enforcing the regulation which prevents the employment at extra work and extra pay of clerks in your own Department, while it permits the employment and payment for such extra work of clerks from another Department?—I am altogether in favor of giving the extra work and extra pay to the clerks of the Department in which the extra duty was performed, both from considerations of economy and justice. I think a man should have certain duties assigned him, and be required to perform those duties, even if at times he had to work extra hours to do them; but if required to perform other duties requiring his attendance longer than office hours he should receive pay for such extra work.

*By Mr. Mingay:*

1768. Are not all officers on appointment notified that although the general hours of attendance may be say eight hours per diem, if anything may arise to require their assistance they must, on requisition of the head of the office, work such extra hours as may be necessary without extra pay?—I do not know that they are notified, but the Order in Council deals with that subject.



*By Mr. Brunel :*

1769. How long after the close of the fiscal year is usually required for preparing your statements for Parliament. Can those returns always, and without the necessity of extra work, be ready before the meeting of Parliament?—For three or four years I had my returns ready for the printer one month after the close of the fiscal year by working extra hours, frequently till late at night. All the clerks whose duty it is to help to prepare these returns have to do some extra work as well as myself. There is no difficulty in getting them ready long before the meeting of Parliament.

1770. Are you aware that the preparation of returns called for by Parliament during the Session frequently requires the employment of extra clerks, and will you state your opinion as to the best method of having such work done?—I am aware of it, and think that in many instances this work could be more speedily and economically done by the clerks in the Department, who are accustomed to deal with the matters enquired after, and from whose books the facts must often be taken.

*By Mr. White :*

1771. Are you acquainted with the system of superannuation now in operation in Canada?—I am.

1772. Are you aware of any instances in which the present system appears to have acted unfairly or unjustly?—No; I am not.

1773. Then, in your opinion, the present Act is fairly administered?—So far as know the Act is fairly administered.

1774. Do you think the present Act might be amended; if so, in what particulars?—I should like to see it include in some way the question of life insurance.

1775. Has the present system tended to produce economy and efficiency in your Department?—I think it has.

1776. Would you think it advisable so to amend the present system as to provide for annuities to widows and children of deceased civil servants?—I am in favor of the system of life insurance in preference to the system of annuities.

1777. Do you not think that such an extension of the present system would impose either upon the Government or the employé a tax so heavy that neither would be willing to pay it?—That requires the knowledge of an actuary which I have had no opportunity of possessing.

1778. Have you given any attention to the working of the system of giving pensions to widows and children of civil servants, which prevails in other countries?—No.

*By Mr. Brunel :*

1779. Can you have prepared for the Commission a statement showing the effect of the Superannuation Law as heretofore administered and the cost of carrying on the Department of Inland Revenue?—Yes; I have prepared such a statement.

(See Appendix L.)

*By Mr. Barbeau :*

1780. Can you suggest any means by which a greater degree of economy and efficiency could be obtained in the various services of your Department?—I do not think of anything more than I have already supplied in my previous answers.

MR. HENRY GODSON, Chief Inspector of Inland Revenue, examined :

*By Mr. Barbeau, Acting Chairman :*

1781. What is your position, and for how long have you been in the Service?—I have been in the Service since February, 1862, nearly 19 years. At first I was Collector at Toronto; then promoted to District Inspectorship; finally became Chief Inspector; and have been about seven years in my present position.

*By Mr. Mingaye :*

1782. What was the mode of appointment to your branch of the Service when you first entered it?—At that time an appointment was permanent and not probatory, as now.

1783. Are you one of the Board of Examiners of applicants for admission into the Inland Revenue Department?—I am.

1784. When was the present system of examination on appointments adopted in your branch of the Service, and by what authority was it made?—I cannot give the exact date; it was about 12 years ago, before Confederation; I do not know by what authority.

1785. Who has the controlling power over such examinations?—The Minister.

1786. Are the appointees to your Department first chosen for special qualifications, or are vacancies filled by persons attaining the highest number of marks out of a given number competing?—The vacancies, as a general rule, are given to those who attain the highest number of marks out of the number of candidates competing.

1787. After an appointee is taken into your Service, has he to undergo a probation, and for how long?—The appointee is not bound to undergo any examination within six months.

1788. Do you think such probation necessary, and the time given sufficiently long, to enable the Department to judge the capabilities of the appointee?—We have always found it so.

1789. Do you think such examination and probation have been the means of your Department obtaining a better class of officers than under the old system?—I do.

1790. If, after appointment and probation, one of the officers proved to be unfit for his position from any cause, with the exception of neglect or bad conduct, is he still kept in the Service or are his services dispensed with?—He would be kept on till he had an opportunity of passing an examination. In one case, the officer, although appointed longer than six months, has not come forward for examination. In one case a man has failed at three examinations and is still in the Service. That is the only total failure I know of.

1791. I understand that under your examinations there are three classes or grades obtainable by your officers of the Outside Service. Does it occur, or is it possible for a person on first appointment to obtain a first-class on his first examination?—It is.

1792. Are the salaries of your Outside Service officers, on appointment and after the determination of the class obtained, regulated by the class; or is such officer obliged to enter at the lowest salary?—As a rule, he is obliged to enter at the lowest salary.

1793. If one of your officers, having obtained a higher class, enters at the lowest salary, how long has he to remain without an increase, and what is your system in that respect?—He has to wait the pleasure of the Government or the Department. There is no regular system.

1794. I find that many of your officers holding lower positions have obtained first-class certificates, and that in the same office there is one officer holding a third-class, one a second-class and four first-class certificates, and all receiving the same salary. Will you please explain the system in this respect, and what are the benefits to be arising or likely to arise to the higher class officers over the lower class ones, in having obtained the higher grade?—The higher class are eligible for the special class examination, after passing which their salaries are increased. For the last few years all increases in salary have been given in accordance with the standing or rating of the officers.

1795. I believe a higher class, called "special class" examination, is opened to officers already in the outside branch of your Service. Will you please state the nature of first examinations and of all subsequent examinations, including that for "special class"?—I will put in a copy of the papers on the last special examination; also, copies of the papers on the other examination.

1796. What benefits are to be derived by officers obtaining "special class" certificates?—We require 20 special class excisemen, and those who pass the highest examination pass into that class. It is from this class that promotions are made.

1797. What has been the result, of such examinations, both as to the improvement of the standing of all the officers, their knowledge of the laws and regulations

of the Service, and also as to the technical and scientific part of their duties?—We have had a better class of men making application; a better class of officials are in the Service; and the work is better done.

1798. Have you considered the question of competitive examination now in force in England, combined with probation for a certain term for all officers entering the Civil Service, such examinations being regulated according to the official position to be held, and also as to the system of promotion therein?—I have not studied the system.

1799. Do you find that the fact of the lower grade of officers in your Outside Service, becoming more efficient by reason of the examination they have to undergo, has resulted in compelling all your officers to study their work and duties more closely, and so the efficiency of the whole Service has been increased?—I do.

1800. Do these examinations tend to make the inefficient officers who are unwilling to raise their standard of intelligence by study and application, resign their positions, and so gradually weed them out of the Service?—There have been no resignations that I know of for that cause.

1801. Have these examinations had the effect of restraining persons from entering the Service who would otherwise have entered through political patronage only?—Yes; I think they have.

1802. Do you consider that competitive examinations would tend to encourage industry and foster merit, by teaching all public servants to look forward to promotion according to their deserts, and to expect the highest prizes in the Service, if they can qualify themselves for them?—I have found it so in our Service as a rule.

1803. What is the highest position any officer can obtain in the outside branch of your Service, and at what salary?—The chief inspectorship is the highest; the salary is \$2,400 per annum.

1804. Would it tend to increase the efficiency of your Outside Service if all vacant inspectorships and collectorships were filled, as a matter of course, by the officers standing first on the list of the "special class," entitled to promotion?—Yes; it would.

1805. I understand that a delivery clerk in the post office branch of that Service must, within a certain period, and through no extra knowledge or experience gained during that time, as his is purely mechanical work, receive a salary increasing from time to time up to \$1,200 per annum; are you sufficiently acquainted with this branch of the Service to give a comparative idea of the value of the duties of one of your "special class" officers having obtained the highest attainable salary after the same years of service, over that of a post office delivery clerk?—There is no comparison in the work they have to perform. The work of the post office is work of a manual kind, while the work of a special class exciseman requires technical knowledge and considerable intelligence.

*By Mr. Brunel:*

1806. What is your opinion as to the value of the present system of examination for promotions in the Outside Excise Service, as compared with promotion by political influence as an incentive to the officers in the lower grades not only to make themselves acquainted with their duties, but also to acquire a knowledge of the higher duties of the Service, and so fit themselves for promotion?—The system of examination is far superior to the system of political appointments, because political influence tends to prevent the officials from qualifying themselves by merit in their positions; they rely on political influence.

1807. Will you state whether you consider the system of examinations heretofore followed has had the effect of fairly showing the relative qualifications and fitness for particular duties of the persons examined?—Yes; they have.

1808. The Board of Examiners, of which you are Chairman, have recently held a series of examinations. Will you state whether the results of these examinations have been such as to show that the system has tended to the improvement of the Outside Service?—The results of the recent examinations have fully proved that each officer vied with the others in obtaining a full knowledge of the duties of the position,

and, in many cases, officers who held a second class status have come forward to obtain a first class for the improvement of their standing. We have had also a larger percentage of 1st and 2nd class officers than on any previous series of examinations.

1809. With reference to the retention in the Service of persons who have failed to pass examination and of the payment of salaries in excess of the classification attained by the officers receiving them; has that been due to regulations of the Service, or to the disregard of such regulations in consequence of political pressure?—It has been in disregard of the regulations.

1810. So far you have answered the questions with reference to the examinations of persons who have been previously appointed on probation. What is your opinion as to the desirability of requiring a preliminary examination before appointment on probation, made not only as regards the Excise, but also as regards the Civil Service generally?—I would be in favor of a preliminary examination before appointment for the Service generally.

1811. In speaking of examinations, do you mean pass examinations or competitive examinations?—I would prefer the competitive system, so that officers would be selected from amongst those passing the highest examination.

1812. Have the recent examinations for special class excisemen been of a competitive character? How many candidates had you, and did as many pass the established standard as there were vacancies to be filled?—The examinations have been competitive. There were 17 vacancies and 21 candidates; out of the 21 only 10 passed.

1813. Have any competitors who have been appointed to the Service within the past two years already succeeded in passing through the several grades to the special class? If so, state how many?—About three have passed into the special class. Each of these will make a good officer.

1814. Will you explain how the Excise examination papers are prepared and the answers valued?—The examination papers are prepared partly by the commissioner, some by the assistant commissioner, some by the inspector of distilleries, some by the chief inspector. The valuation is made before the papers are printed by the Board of Excise Examiners, composed of from three to five (not less than three) members, after careful consideration of the value of each question.

1815. For appointments and promotions in the Civil Service generally, do you think examinations conducted by a Civil Service Board, appointed in the same manner and on the same tenure of office as the judges, so as to get rid of the element of patronage, would be an improvement on the present system?—I think it would be; because such Board would be above suspicion of favoritism.

*By Mr. Taché :*

1816. Are your officers trained in their various duties in the Department during their time of probation?—Yes; they are.

1817. You have stated that there was only one total failure in your employes who passed their examinations. Would you be kind enough to state how many have been examined altogether?—Between two and three hundred, as the following memorandum shows:—

MEMORANDUM of the number of candidates who presented themselves for examination, "Inland Revenue Service," from October, 1866, to October, 1880.

Total number 272, previous to examination of 1880.

Of the above, seven failed to obtain a standing; but as they were appointed permanently, no action was taken by the Department.

At examination in 1880 only two persons appointed probationary omitted to come forward, and one of these was prevented by causes over which he had no control, by indisposition.

At above named examination only one officer failed to obtain any standing whatever, and this after two previous attempts.

Several of the above-named "total" came forward at different times with a view to improve their standing, so that it must not be inferred they were all new appointments.

From October, 1866, to October, 1880.

Ottawa.....	25
Montreal.....	40
Quebec.....	9
Halifax.....	12
St. John, N.B.....	13
Prince Edward Island.....	3
Prescott.....	5
Kingston.....	17
Toronto.....	74
Hamilton.....	10
London.....	48
Windsor.....	9
Stratford.....	7

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1818. Do you consider that the duties of Excise officers and inspectors of weights and measures are of such a character that they require more than ordinary intelligence and common school education to learn them?—In Ontario the common schools teach them all they require to learn for our Service. They have to be above the average of intelligence.

1819. Could a common school scholar compete with success for your "special class" certificates without further information?—No; he could not.

*By Mr. White:*

1820. Do you think that you would have any difficulty in filling all the higher positions of your Outside Service with competent officers if your selection were limited to the ranks of your own Service?—None at all.

*By Mr. Brunel:*

1821. What is your opinion as to the value of competitive examinations, coupled with probationary service, as a means of selecting persons for the Civil Service?—I have very little acquaintance with the Civil Service in general.

*By Mr. Mingaye:*

1822. As chief inspector, do you find that since the examinations of your officers have increased in value, the character of the whole Service has been heightened, and complaints against them by their superior officers lessened?—I think that is the case.

The Commission adjourned at 6 p.m.

THURSDAY, 21st October, 1880.

Mr. Godson's examination continued:—

*By the Chairman:*

1023. As chief inspector for the Dominion, how often do you visit the various districts?—I cannot visit all very often on account of the distance. Some districts I visit weekly, some monthly. These visits are not periodical; I go when it seems necessary, or when I am sent on special business into the district.

1823. How many district inspectors are there, and do they report to you or to the Department?—To the Department direct. In some minor cases they report to me, but in special cases they report to the Department, and I receive my instructions from that quarter.

1825. Do you find that your District Inspectors are competent and faithful in the discharge of their duties?—I do not think they are all competent. Some are too

far advanced in years to be very efficient. There are three at least who are so inefficient.

1826. Have you any power for the removal of officers who are incompetent, or what course do you take in such cases?—I have no power whatever except to suspend in certain cases and report to the Department.

1827. Have you made any report in respect of the officers you have stated who are incompetent?—I have made no official report. It has been talked of with the Minister and the Commissioner; but nothing has been done that I am aware of.

1828. On the occasions of your making the visits, in the manner you have stated, have you found irregularities; if any, what means do you take to prevent their recurrence?—Latterly, there have not been as many irregularities as there were years ago. I could not say how many. There have not been any large irregularities for a year and a half, and such as have occurred have been partly connected with warehousing goods in Customs warehouses. There have been but two serious irregularities in the past two years, and one of these occurred in connection with the warehousing of goods in a Customs warehouse. There was no loss sustained in this case; in the other the loss was heavy.

1829. Have not the several Customs collectors throughout the Dominion, at a considerable extra labor, done most of the warehousing of goods for the Inland Revenue up to within a short period; and, if this is the only case of irregularity you can mention, has not the work done for your Department by them been otherwise properly carried out?—In the principal cities and towns of Ontario, Excise goods are not now warehoused in Customs warehouses. I know of no irregularities except that which occurred in the case mentioned. In Montreal and Quebec, St. John and Halifax, the Customs warehouses are still used to warehouse excise goods; and, at some small places, the customs officers are paid by the Excise Department for doing the duty.

1830. You have stated that irregularities have been less frequent of late than in former years. To what do you attribute this improvement. Can you account for it?—There has been more diligence shown by the officers; and there have been better regulations and stricter supervision. We have had a better class of officers, also, than we had under the old régime.

*By Mr. Taché:*

1831. How many of the officers longer in the service of the Department than say three years, are still employed?—I should think fully three-fourths of them.

*By the Chairman:*

1832. Since what period have the examinations in your Department been established, and have not these examinations tended to bring about the improvement to which you have alluded?—The first examinations were in the fall of 1866. They have done much to bring about the improvement spoken of.

*By Mr. Brunel:*

1833. Have not the examinations that have been held within the last few years been of a much more severe and thorough character than they were formerly?—They have, very much so.

*By the Chairman:*

1834. Would you consider that it would be to the interest of the Service that officers should not remain in the same place for a long period, and that they should be changed from one post to another, from time to time?—Yes; that system is adopted by the Department now.

1835. Would the interchange of Excise officers from Province to Province, as well as from division to division, have a tendency to produce uniformity in the collection of Excise taxes, and so make the collections more equitable?—It would; and I have so recommended to the Department.

1836. Is the staff of your Department an efficient one, or have you more men are required for the duties to be performed?—Under the increase of business

and the new regulations concerning the manufacture and sale of tobacco, I do not think our staff will be sufficient.

1837. Have you any men on your staff besides those you have already alluded to who are unfit, from any cause, for the efficient performance of their duties, and whose services in the interest of the public should be dispensed with?—I am not aware of any.

*By Mr. Barbeau :*

1838. How much time, for instance, would you devote to the inspection of the larger offices, say Montreal and Toronto, and what does that inspection cover?—Montreal takes nearly two weeks. The examination includes checking all the goods in the warehouses and in the factories in process of manufacture, examining manufacturers' and office books, entry papers, monthly returns, and all the business of the office, from the time the raw material goes in till goods are manufactured, or otherwise disposed of.

1839. You said your district inspectors were not all competent. Did not those officers pass the usual examination, or how otherwise can you explain their incompetency?—They have not all passed the examination, and they were not taken from the Service, but appointed from the outside.

1840. Have you observed that some of the stamps used for duties in your Department are counterfeited?—I have not.

1841. Will not the multiplicity of the stamps through their being attached to very small parcels, lead to their being thrown away undefaced, contrary to law and made to do second service, much to the detriment of the Public Revenue?—They may be.

*By Mr. Brunel :*

1842. Is it not the rule of the Department that Excise stamps shall be so attached to the goods that the packages cannot be opened without destroying the stamps?—It is.

*By Mr. Tilton :*

1843. If a person were so disposed could not the contents of a parcel be extracted without defacing the stamp?—I have seen isolated cases in which such a thing has occurred, but it cannot occur if the stamps are properly affixed.

*By the Chairman :*

1844. How are the salaries which are paid; are they proportionate to the work, and to the duties and responsibilities of the offices?—I do not think they are. Officers having charge of large manufactories only receive \$700 or \$800 per annum. I do not think this is sufficient. They have so much under their control, and are in a position, particularly in a distillery, to give an advantage to a manufacturer, and to defeat the revenue laws, that their salary is insufficient. In the measuring of spirits by the means of the dip rod, as much as \$150 per day might easily be lost to the revenue.

1845. Have you, on the other hand, officers who are overpaid or whose work might be performed by a lower class than that to which they may happen to belong?—No; I think not.

*By Mr. Brunel :*

1846. How are the inspection districts arranged; do any of them require a greater amount of labor and time for completing their inspection than others?—They are arranged so that even in the larger districts the work is not too much for one man to do, so long as he is energetic. There are districts which, I think, might be merged in others, so as to do away with some of the officials; and in that case the inspector of the new district would not have more to do than the inspectors in other large districts.

1847. Then, are there more district inspectors than are necessary for the performance of the duties of inspection?—Yes; I think it might be so arranged that we could do with less.

1848. Could the superannuations to which you have previously referred be effected without increasing the cost of the Service, assuming that the payments to

the supernumerary officers were reckoned a part of that cost?—Yes; I think they could, by adopting the changes I have stated.

1849. With reference to irregularities, will you explain how they generally come to your knowledge; whether discovered by yourself, communicated to you by district inspectors or by subordinate officers?—Sometimes I find them out myself; sometimes they are discovered by the district inspectors; but seldom by subordinate officers.

1850. When inspecting a larger division, do you attempt to examine the work in detail, or do you necessarily rely to a large extent on the information obtained from the district inspectors?—I examine it in detail myself.

*By the Chairman :*

1851. Are the duties of the men in your Department mostly of a technical character?—Yes; mostly so.

1852. Do your officers keep diaries in the manner proscribed by departmental regulations, and what is your opinion as to the utility of their doing so?—They do keep diaries; and we find them very useful in forming a record of what business the officers transact from day to day, and as to measurements and weights of grain, &c.

1853. How are travelling expenses regulated in your Department, and what is the practice in relation thereto?—The travelling expenses paid are simply the actual expenses incurred; they are all audited and certified by the district inspector. After that they are sent to the Department for further audit and payment.

1854. Do you keep a contact book in which a record is made as to the manner in which the officers perform their duties?—Yes; we keep such a record. It is found useful in showing the status as to conduct of each officer.

1855. Do you consider the present system of keeping the books, returns, cash, accounts and other vouchers and forms in the Inland Revenue outside offices tends to prevent peculations and defaults on the part of the officers, and ensures the proper collection of revenue?—I do. One officer, for instance, takes the return from the manufacturer each half month. That is handed to the accountant, and by him recorded in the books. The amounts are collected by the collector, or his deputy, and entered in the cash-book. The entries for duty ex-warehouse or removal are received by the entry clerk and entered in his book. Then they are entered by the accountant in the ledger, and the amounts are received by the collector or his deputy. At the end of each half month, each book is checked one with the other to see that they correspond. The duplicates of all entries are sent to the Department at Ottawa. Each day's collection is also sent. The accounts have to pass through so many hands that defalcations are difficult unless there is collusion.

1856. As to the preparation of the statistics in your Department, which do you consider the most convenient and efficient plan—their preparation at the side offices or their centralization in the Department at Ottawa?—I think the statistics would be prepared at Ottawa with greater efficiency and economy.

1857. From your experience, could you suggest any means by which the efficiency and economy of the services of your Department might be improved?—I think I could. I have already suggested the means in previous answers.

The Commission adjourned at 6 p. m.

FRIDAY, 22nd October, 1880.

Mr. JOHN DAVIS, Inspector, was examined:—

*By the Chairman :*

1858. What is your position and how long have you been in the Service?—My present position is that of District Inspector of the Windsor District and General Inspector of distilleries for the Dominion. I have been in the Service since 1862, and have occupied my present position since 1872.

*By Mr. Brunel :*

1859. Will you be good enough to explain the course you pursue when inspecting your district. State also how long it usually occupies you, and the number of



divisions and establishments you have to inspect?—The district is divided into four divisions in which there are 168 licensed establishments, including 35 licensed warehouses, and about as many more used in connection with bonded manufacturers which do not require a license. The time occupied in inspecting the district is, ordinarily, between three and four weeks. Upon visiting a division the first thing I do is to examine the warehouse ledgers, put my check mark opposite the last transaction on each account; then take the balances shown on each account and check the warehouses, to ascertain if the balances on the books are in accord with the goods in warehouses. I add to these balances the quantities placed in warehouse since the first of the current month, and deduct therefrom all quantities taken ex-warehouse. By this means I reproduce the balance as shown on the monthly return, a copy of which is filed in the office, which I forward to Ottawa for verification. If found in accord with departmental balances it is passed as correct. I then check the triplicate receipts and office copy of semi monthly returns, and generally all transactions from which cash arises. I then check the credit side of the cash-book with the deposit receipts as far as they cover it, and insist on any balance being deposited before I initial the cash book. I then count the bill stamps, if these are sold in the office, and check the bill stamp accounts; and count the tobacco labels on hand, and check the tobacco label account. I forward office copies of both bill stamp and tobacco label accounts to Ottawa. At the inspection of a distillery I first check the quantity in process of fermentation, and frequently ascertain from the fermentation register and lock labels the quantity distilled since the previous test for duty, and take a special test of the broken quantity, to ascertain if it favorably compares with the average of preceding tests. This also affords an opportunity of checking the broken quantity that would be included in the next test for duty. Sometimes I distill a quantity of beer myself to ascertain the alcoholic value of it. I also examine all the apparatus to see that they are properly sealed and secured. I also examine all the books of the manufacturer, the quantity of spirits in bond, in stock duty paid, and in process of manufacture. I have also two weights and measures' districts within my revenue district, and check the work of the officials in the offices, as far as the cash is concerned.

*By the Chairman:*

1860. For the Windsor District, besides distilleries, you inspect breweries, malt-houses, tobacco manufactories, and everything else subject to Excise?—Yes.

*By Mr. Brunel:*

1861. When the larger distilleries are in full operation, about how much duty accrues on their daily products, and how long does each inspection of these establishments occupy you?—The largest, from \$6,000 to \$10,000 per day, during 208 to 220 days of the year. At the inspection in the fall, which is the annual inspection, when the vessels containing quantity of spirits for duty are checked, the apparatus re-sealed, the plans and specifications examined, dimensions and capacity of vessels also checked, the work occupies from six to ten days. Inspections during the year will not occupy more than three or four days, or sufficient time to see the fermenting capacity of the establishment worked over once.

1862. Do you find that these inspections can be performed each quarter without overtaxing your time?—Yes.

*By the Chairman:*

1863. How often are those inspections made, and are they made more frequently within your own district than outside of it?—They are made at least once a quarter, and as to the distillery in my own district, I visit that more frequently.

1864. Have you an officer in charge of each manufactory, brewery or tobacco manufactory, or more than one in the larger establishments?—We have at least two at each of the distilleries, one in each of the larger malt-houses, and in some cases one or more at the large tobacco manufactories. In the majority of cases one officer will have supervision of more than one malt-house of the lesser class, and the same with regard to tobacco manufactories.